

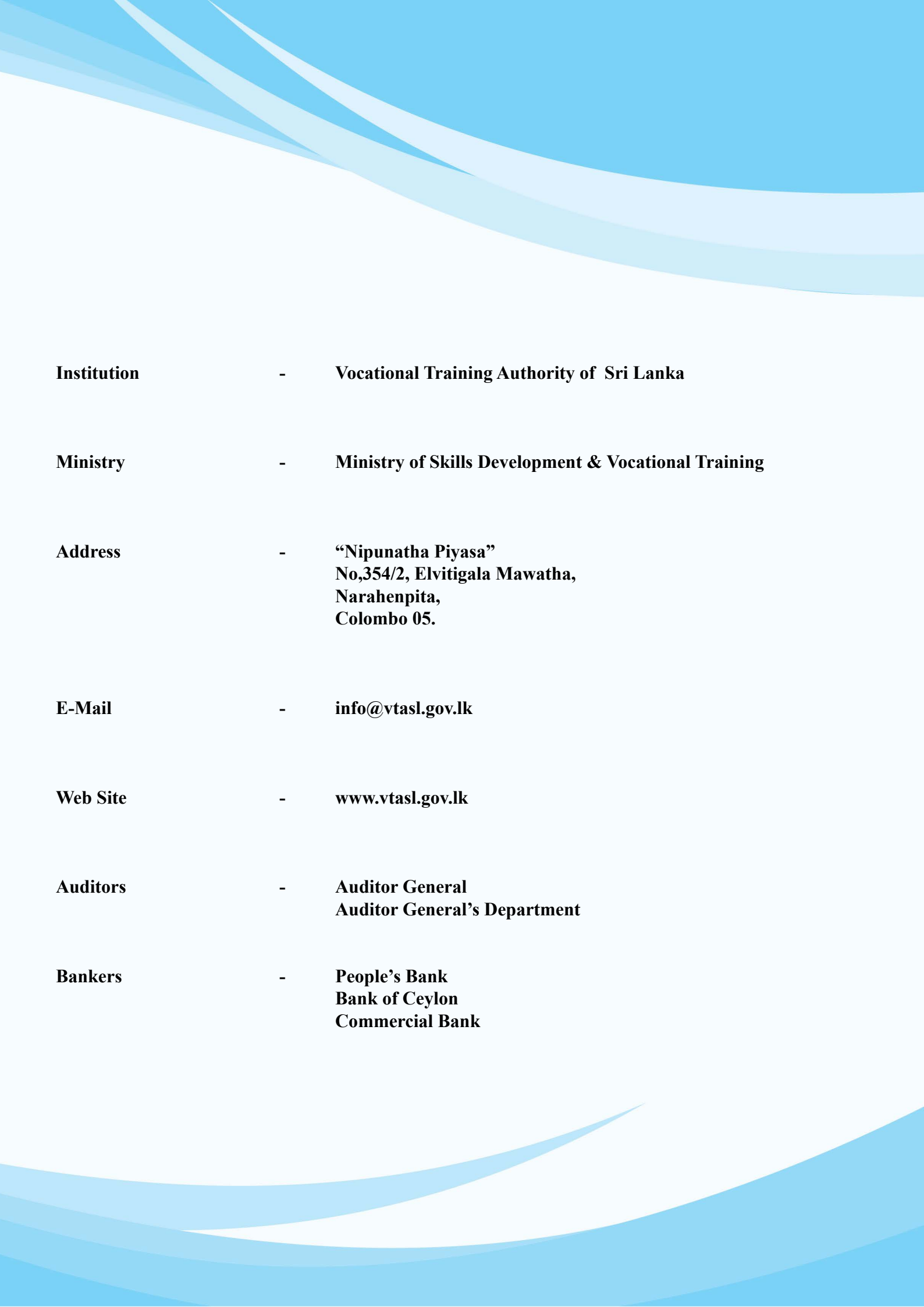
වාර්ෂික වාර්තාව வருடாந்த அறிக்கை **Annual Report** **2016**



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இலங்கை தொழிற்பயிற்சி அதிகாரசபை
Vocational Training Authority of Sri Lanka



නිපුණතා සංවර්ධන හා වෘත්තීය පුහුණු අමාත්‍යාංශය
திறன்கள் அபிவிருத்தி மற்றும் தொழிற்பயிற்சி அமைச்சு -
Ministry of Skills Development and Vocational Training



Institution	-	Vocational Training Authority of Sri Lanka
Ministry	-	Ministry of Skills Development & Vocational Training
Address	-	“Nipunatha Piyasa” No,354/2, Elvitigala Mawatha, Narahenpita, Colombo 05.
E-Mail	-	info@vtasl.gov.lk
Web Site	-	www.vtasl.gov.lk
Auditors	-	Auditor General Auditor General’s Department
Bankers	-	People’s Bank Bank of Ceylon Commercial Bank

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OUR VISION

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

OUR MISSION

To facilities the fulfillment of the international skilled employment demand by developing competencies in individuals through methods and technologies in vocational training and education. We relize this mission by setting the highest standards in our services and facilities and focusing on global employability trends.

FUNCTIONS

- ❖ Offering Vocational training and skills to youth by way of arranging Vocational training programs and making arrangements for them to obtain the vocational training and skills collaboration with other Institutions.
- ❖ Conducting competency based final evaluation issue of National Vocational Qualification certificates, holding trade tests and issue reports.
- ❖ Holding the National Vocational Tests & final examinations & issue of National Vocational Qualification certificates.
- ❖ Conducting Research & Development Programs with regard to vocational training.
- ❖ Implementation of Career Guidance Programs and Counseling.
- ❖ Giving further training to youths who have undergone vocational training, finding them employment and affording necessary facilities for self - employments.

PRESENTATION

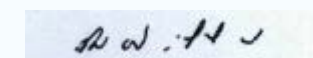
Hon. Minister, Dr. Sarath Amunugama
Ministry of Science, Technology, Research, Skills Development and Vocational Training and
Kandyan Heritage.
“Nipunatha Piyasa”
No, 354/2, Elvitigala Mawatha,
Narahenpita,
Colombo 05,

Hon. Minister,

Annual Report - 2016
Vocational Training Authority of Sri Lanka

I submit the Annual Report of the Vocational Training Authority of Sri Lanka for the year 2016 in terms of
Sec. 25 of the Sri Lanka Vocational Training Authority Act No 12 of 1995 and Sec.14 (2)C of the Finance Act
No. 38 of 1971.

Yours faithfully,



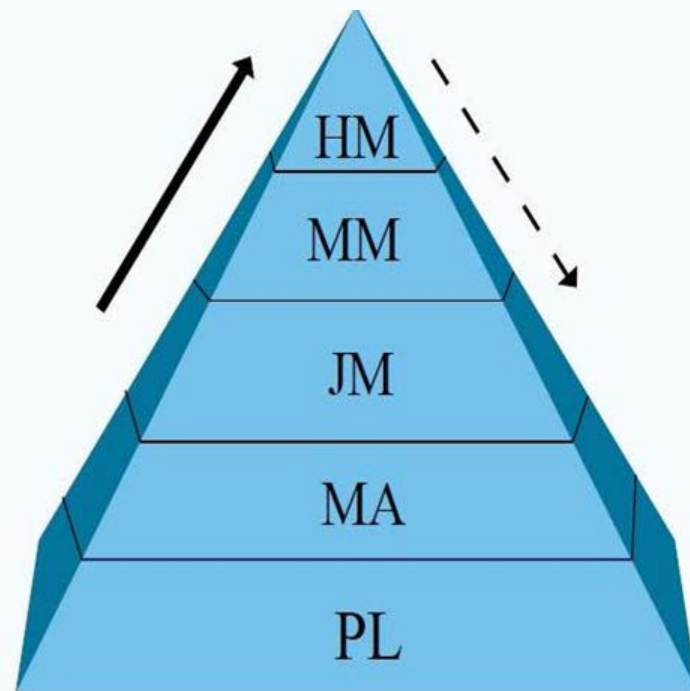
Ravi Jayawardana
Attorney - At - Law
Chairman / CEO,
Vocational Training Authority of Sri Lanka

INTRODUCTION

Establishment of the Vocational Training Authority of Sri Lanka Under The Vocational Training Authority Act No.12 of 1995

Structure of the Vocational Training Authority of Sri Lanka

Vocational Training Authority of Sri Lanka consists Of 11 Members Including a Chairman, Vice Chairman appointed as per section 5 of the Vocational Training Authority of Sri Lanka Act No.12 of 1995.



The Board of Directors of 2016



Major General ,Gamini Hettiarachchi
Chairman
Vocational Training Authority of Sri Lanka



Mr.Sugath Hadunge
Attorney – At – Low
Vice - Chairman
Vocational Training Authority of Sri Lanka



Mr.R.M.D.K.P.N.B.Ranathunga
Department of Treasury
Member



Mrs.Chandani Amarathunga
Department of Labor
Member



Mr.Anton Perera
Ministry of Industries and
Commerce
Member



Dr.A.U.G.Athukorala
National Apprentice and Industrial
Training Authority
Member



Dr.Jayantha Balasooriya
Ministry of Education
Member



Mr.A.D.Ranjith
Minister of Education
Member



Mr.A.Palitha de Silva
Member



Mr.H.M.Sirivimal Herath
Member



Mr. Nilan Wickramasinghe
Member

01	Major General Gamini Hettiarachchi Vocational Training Authority of Sri Lanka	Chairman
02	Mr.Sugath Handunge-Attorney –At–Law Vocational Training Authority of Sri Lanka	Vice Chairman
03	Mr.R.M.D.K.P.N.B.Ranathunga Department of Treasury	Member
04	Mrs. Chandani Amarathunga Department of Labor	Member
05	Mr.Anton Perera Ministry of Industries and Commerce	Member
06	Dr.A.U.C.Atukorala,Chairman National Apprentice and Industrial Training Authority	Member
07	Dr.Jayantha Balasooriya Ministry Of Education	Member
08	Mr.A.D.Ranjith	Member
09	Mr.A.Palitha De Silva	Member
10	Mr.H.M.Sirivimal Herath	Member
11	Mr.Nilan Wickramasinghe	Member
12	Dr.M.M.Wehehla (Ministry of Education –Up to 28-06-2016)	Member
13	Mr.J.Y.Peris (Up to 28-06-2016)	Member

REPORT OF THE BOARD OF DIRECTORS

This establishment functioning under the Ministry of skills Development and Vocational training was established under the Vocational Training Authority of Sri Lanka Act No 12 of 1995. It had provided skill Training to youths through a network of centers comprising 7 National Vocational Training Institutions, 22 District Vocational Training Centers and 203 Rural Vocational Training Centers that were in operation in the year 2016 and in addition 15 Prisons and Rehabilitation Centers functioning as a Social service venture. The achievements made in the year 2016 in accordance with the said objectives are set out below.

Achievements

By way of the huge step taken by Hon. Mahinda Samarasinghe, Minister of Skills Development and Vocational Training to bring Vocational Qualification Level 3 (NVQ3) to G.C.E(O/L) and Vocational Qualification level 4 (NVQ4) to G.C.E(A/L) the number of youths joined the vocational training increased by 10% compared to previous years.

Admission of 29772 youths who complete school education for full time Vocational Training.

The number admitted for part time training was 1856.

Providing 5091 local Jobs, 204 overseas jobs and 757 self-employments aggregating to 6052 jobs to apprentices who successfully completed the training.

Holding 33 Entrepreneurship Development Training programmes to 686 persons and offering credit facilities through State Banks in a sum of Rupees 67.69 million who have started businesses under SEPI project and offering Rupees million 5.35 to 16 Trainees from other credit schemes.

Issue of certificates to 17073 NVQ qualified persons and 2456 trainees who have completed qualifications by way of non- NVQ courses. Offering local training to 637 persons in the academic and non academic staff and providing overseas training to 28 persons.

By way of conduction 2464 Career Guidance programs more than 115247 persons were made aware in Vocational Training.

Obtained the accreditation of the Tertiary and Vocational Education Commission for 83 courses conducted under the National Vocational Qualification framework. Number of total courses in operation after accreditation is 1086.

09 out of the 10 Training centers to be renovated under Skills Development Programme have been started development spending & sum of Rupees 38.48 million.

By way of making recruitments for the 136 vacancies in the approved cadre regulating the functions of the establishment.

Holding Efficiency Bar examinations for 262 members in the staff.

Research for the identification of courses the industrial level on district level which have a high demand and to hold 05 feasible studies regarding the commencement of new training centers and to conduct them successfully on a long term basis.

Preparation and presentation of hybrid technology for motor vehicle technical courses and LCD/LED and Blue Ray technology for radio television technology course.

Introduction of (Fashion designing) NVQ V and (Cosmetology) NVQ Level V as a new course.

Enrolment of instructors to teach English Language for all Trainees who follow Vocational Training courses in the Vocational Training centers and Make arrangement to teach English Language.

Preparation of 20 PLC panels for the improvement of 20 Electrician courses from NVQ III Level to NVQ IV Level and taking action to train the relevant Instructors.

Preparation and introduction of a new syllabus for short term and part time courses.

Functions started in collaboration with outside institutions for the improvement of Vocational Training courses.

Development of the courses in motor vehicle field to suit the motor vehicle field by way of the establishment of a specialist Board of Technical instructors comprising Stafford Motor Company, DIMO, Browns Group, TOYOTA Lanka, DAVID Peris & COMPANY, ASSOCIATED Motorways (PVT) LTD, TVS LANKA (PVT) LTD, and United Motors Lanka PLC.

By Way of the establishment of Board of a specialist Technological Instructors from establishments such as Flintec Transducers(Pvt) LTD, Colombo Dockyard (Pvt) LTD, Thudawe Brothers (pvt) Ltd, Aluminex PLC, VVK Alucon Industries (pvt)LTD, Electro Ref.Engineers (pvt)LTD, Koola (pvt) LTD, development of the course in the field of the small Engineering field to suit the industry.

Entering into a Memorandum of Understanding with Dharmavahini institute to broadcast lessons of Vocational Training Courses via Rupavahini Media and to do relevant recordings.

Development of the Vocational Training Centre in Kilinochchi district and the Training centers at Kaithadi Verugal and Karainagar as feeding centers of the Sri Lanka German Technical Training.

Development of Training courses and offering scholarships in 11 industries under World University Services of Canada (WUSC)

Providing the Production technology of Samsung Est. for the courses in electrical electro and telecommunication fields and construction of a Laboratory with modern technology and an Auditorium in the vocational Training Centre in the Gampaha District under the sponsorship of that establishment.

Taking action to establish a new motor vehicle Technological Training Centre in Boossa in association with the Associate Motorways (AMW) establishment, improvement of Kalutara Panaapitiya Centre for motorcycles and three-wheeler courses and making available overseas training opportunities to apprentices.

Improvement of motor cycle and three-wheeler courses implemented in Colombo Gotatuwa Centre in association with TVS Lanka Establishment and referring the apprentices who have completed training in that establishment for further training after employment in that establishment and finding them employment.

Established of new Vocational training Centres in Batticalo, Ampara, Vavuniya, Mannar Districts in association with ILO.



Programs and Targets for the year 2017

- Provide full time vocational training for 31590 youth' islandwide.
- Offer part-time vocational training to employed persons and 3615 for Job seekers.
- Accreditation of 81 courses to be accredited.
- Make aware 145400 persons on Career Guidance by way of 4085 awareness programs to make aware school children through out the country, school leavers, parents of vocational trainees, teachers and other members of social organizations.
- With the view to encourage the trainees who have satisfactorily completed training to start businesses holding 49 Entrepreneurship Training Programs offering monetary facilities to start businesses under SEPI loan scheme and to organise to existing businesses.
- Finding employment to 8300 persons comprising local jobs to 7000, overseas jobs to 800 and 8300 self employment opportunities.
- Finding employment to the apprentices who have completed training and conducting 10 job markets with the view of giving an opportunity for further training.
- With the view of improving the knowledge and skill of apprentices under training holding 87 factory observation visits, and holding 40 skill development programs joining with privat institutions.
- With the view of identifying the new opportunities in the vocational training field and industrial field conducting 08 workshops to make aware the industrialists.
- Issue 19000 certificates comprising 15500 NVQ certificates, 1000 Non NVQ certificates, 1000 RPL and 15000 Certificates for Part time courses.
- New construction of 10 training centers under SSDP Programme spending a sum of Rupees 678.9 million and construction of 04 new centers in Panadura, Pahalayagoda, Anamaduwa and Rathnapura.
- Conducting of 52 training programs for Academic staff and 33 training programs for non-academic staff under staff development training program.

- With a view of developing the software skills of apprentices making and operating a relevant Module.
- Providing computers for all pattern making courses and taking action to give a training of Leuctra system (Lectra) to the instructors of that field.
- Development of 05 centers to improve to Hotel /School/level the courses in Hotel and Tourism field to obtain NVQ 05 qualifications.
- Making necessary facilities for the instructresses who have not so far obtained the Level NVQ 05 in Beauticulture and Hair dressing field.
- Commencing a internationally recognised course relating to fitting field with modern technology at the National Vocational Training Centre at Narahenpita.



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

Human Resource Composition And Development



Higher Management and Senior Management Staff

Chairman	:	Mr. Major General Gamini Hettiarachchi (Retired)
Vice chairman	:	Mr. Sugath Handunge Attorney at - Law
Director General	:	Mrs. H.Chulangani Perera
Directors	:	1. Mr. K.J.Koralage 2. Mr. Saman Kulasooriya 3. Dr. Mrs. Siddika G. Senarathne 4. Mr. P.B.R.Madawala(Resigned on 13-06-2016) 5. Mr. W.A.Ranaweera 6. Mr. H.U.Kariyawasam
Chief Internal Auditor	:	Mr. P.M.Wijesinghe
Deputy Directors	:	1. Mr. N.D.P.Dhammika 2. Mr. N.S.D. Nawaratne 3. Mr. U.K.Nanda 4. Mr. A.K.Arachchige 5. Mr. E.A.D.S. Senaratne 6. Mr. G.V.P.N. Perera 7. Mr. R.N.K.M.J. Seneviratne 8. Mr. N.K. Ilesinghe 9. Mr. H.T.S. Wickramaratne 10. Mr. H.W. Rohan Priyantha 11. Mrs. S.M. Edirisinghe 12. Mr. M.M.N.B. Madurasinghe 13. Mr. D.R.S.L. Dassanayake 14. Mr. T.D.S.L.Sangadasa(Retired on 18-01-2016) 15. Mr. Mr. W.G. Wijeratne 16. Mr. H.P. Manamperi 17. Mr. A.M.T.S. Attygalle

Assistant Directors

- | | |
|--|---|
| 1. Mr. T.Vinodaraja | 32. Mrs. H. Edirisinghe |
| 2. Mr. A.A. Jabir | 33. Mr. A.A.D.T. Shantha |
| 3. Mr. A.M.A. Jayatissa | 34. Mr. T.V.W. Devapriya |
| 4. Mr. G.D. Jayasinghe | 35. Mr. U.G.J. Priyadharshana |
| 5. Mrs. G.R.M.C. Kulathunga | 36. Mr. G.M.S Perera(Resigned on 21-10-2016) |
| 6. Mr. P.B.G.I.B. Weganthale | 37. Mrs. R.D. Pradeepika |
| 7. Mr. Radakrishnan Madurathan | 38. Miss. J.I.U.P. Gunewardhena |
| 8. Mr. K.Niranjana | 39. Mr. E. J.Wijetunga |
| 9. Mr. A.A.W.G.R.R.Bandara | 40. Mrs. W.M.A.S.L.Wijenayake |
| 10. Mr. V.G.Nimalsiri | 41. Mr.H.L. Sisira |
| 11. Mr.P.N.Abeshinghe | 42. Mr. W.K. Sumith Wasantha |
| 12. Mr. G.L.A.Peiris | 43. Mr.R. Ahilan |
| 13. Mr. D.A.S.Athukorala | 44. Mr. H.T.D.R.S. Wijesinghe |
| 14. Mr. R.M.R.Rathnayake | 45. Mr. Thilina Ranasinghe |
| 15. Mr. B.H.A.Nelson | 46. Mrs. G.D.Shyamali |
| 16. Mr. S.Meddegoda | 47. Mr. C.D. Smaranayake |
| 17. Mr. C.J.Widanapathirana | 48. Mrs. C.U.M. Kodithuwakku |
| 18. Mr. H.A.P.Gunawardhana | 49. Mr. Sunil Abesinghe |
| 19. Mr. M.G.G.Saman | 50. Mr. G.K.D.C. Kumara |
| 20. Mr. K.D.N.De silva | 51. Mr. S.M.J. Suwendra |
| 21. Mr. D.A.Jayarathna | 52. Mrs. S.M.M.K. Siyamudali |
| 22. Mr. V.Knagasundaram | 53. Mrs. N.K.Ambagahawatte |
| 23. Mr. R.Sunil | 54. Mrs. D.C.O. Vithana |
| 24. Mrs.G.H.P.Damayanthi | 55. Mr.A.D.S. Samarasinghe |
| 25. Mrs. N.M.W.K.Herath | 56. Mr. A.P.Jagath Nishantha |
| 26. Mrs. P.J.Jayawardana | 57. Mr.L.P.K.W.Weliwatta |
| 27. Mr. M.K.B.Jayathilaka | 58. Miss. W.G.E.M. Jinadasa |
| 28. Mr.H.M.Jayantha(Retired on 05-05-2016) | (Legal Officer/Secretary to the Board of Directors) |
| 29. Mr.M.B.Naleem | 59.Mr.R.G.Hettiarachchi(Internal Auditor) |
| 30. Mrs. R.Pathirage | |
| 31. Mr. P.G. Prasanna | |

COMPOSITION OF THE STAFF

Approved cadre for the Vocational Training Authority for the year 2016 is 2,510. According to the provisions of the Department of Management Services the number in service as at 31.12.2016 was 1916.

	Designation	Staff Approved	Staff as at the end of the year	No. of Vacancies/ Surplus at the end of the year	Service Segment
01	Director General	1	1	0	HM 2-1
02	Director	6	4	2	HM1-1
03	Chief Internal Auditor	1	1	0	
04	Deputy / Assistant Director	86	71	15	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 & Evaluation Officer	12	11	1	
10	Investigation Officer	1	1	0	
11	Transport Officer	1	0	1	
12	Supplies Officer	1	1	0	
13	Printing Officer	1	1	0	
14	Internal Auditing Officer	3	3	0	
15	System Analyst	1	0	1	
16	Welfare Officer	1	1	0	
17	Finance Officer	33	33	0	
18	Senior Program Officer	10	10	0	
19	Training Officer	81	52	29	
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	161	14	147	MA 4
27	Programming officer	69	63	6	
28	Audit Assistant *	3	1	0	MA 3
29	Project Assistant *	34	9	0	
30	Technical Assistant	3	1	2	MA 2-2
31	Instructor	1464	1195	269	
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	MA 1-2
36	Management Assistant	191	184	7	
37	Assistant Instructor (LRUC)*	38	33	0	
38	Compositor (Printing)	3	1	2	
39	Hostel Keeper	2	1	1	
40	Supervisor (Printing)	1	0	1	PL 3
41	Supervisor (Building)	1	0	1	
42	Driver	64	59	5	PL 2
43	Store Keeper *	2	2	0	
44	Printing Assistant	3	2	1	
45	Book Binder (Printing)	2	1	1	PL 1
46	Machine Operator (Printing)	2	1	1	
47	Office Assistant	8	5	3	
48	Watchers *	65	52	0	PL 1
49	Laborers	95	89	6	
	Total	2510	1916	547	

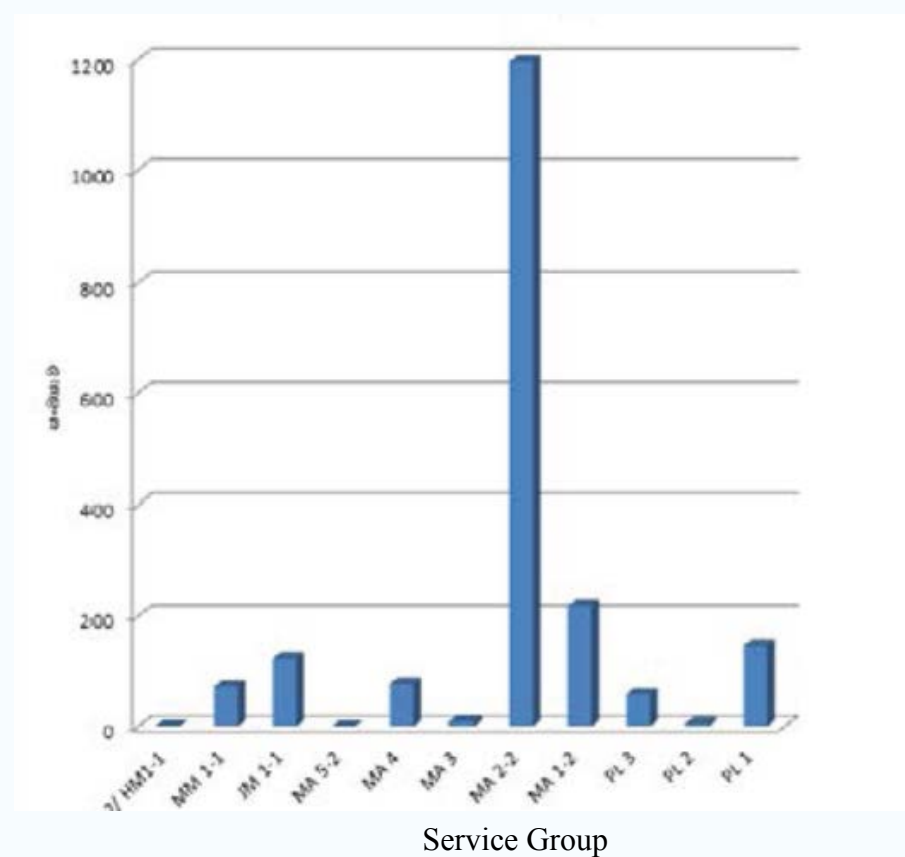
*These posts have been approved personal to the present persons and they will expire thereafter.

COMPOSITION OF THE STAFF(Acording To Service Category)

	Designation	Approved Staff	No. of Staff at the end of the year	Vacancies/surplus at the end of the year
01	HM 2-1 Senior Manager HM 1-1 Senior Manager	08	06	02
02	MM 1-1 Manager	89	73	16
03	JM 1-1 Junior Manager	159	124	33
04	MA 5-2 Enforcing/Implementing Extension Officers	04	0	04
05	MA 4 Operational / Counseling Service	233	78	153
06	MA 3 Associated Officers	34	09	0
07	MA 2-2 Management Assistant – Technical	1506	1196	310
08	MA 1-2 Management Assistant Non-Technical	236	219	12
09	PL 3 Primary Skilled	64	59	5
10	PL 2 Semi Primary Skilled	09	06	03
11	PL 1 Non - Primary Skilled	168	146	09
	Total	2510	1916	547

*These posts have been approved personal to the present persons and they will expire thereafter.

COMPOSITION OF THE STAFF



Service Group

Training of the Staff

The updating of the knowledge, concept and skills of the Academic staff of the Sri Lanka Vocational Training Authority is done annually. In the year 2016, the following overseas Training and Local Training Programs could be conducted by way of government allocations and funds under the Skill Development Programme.

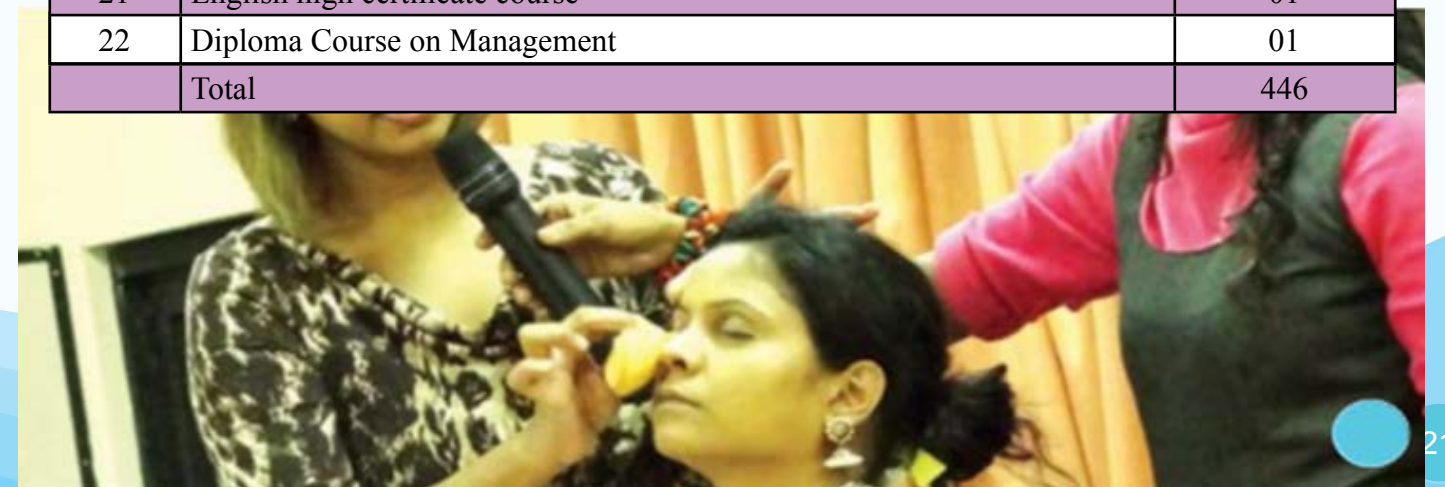


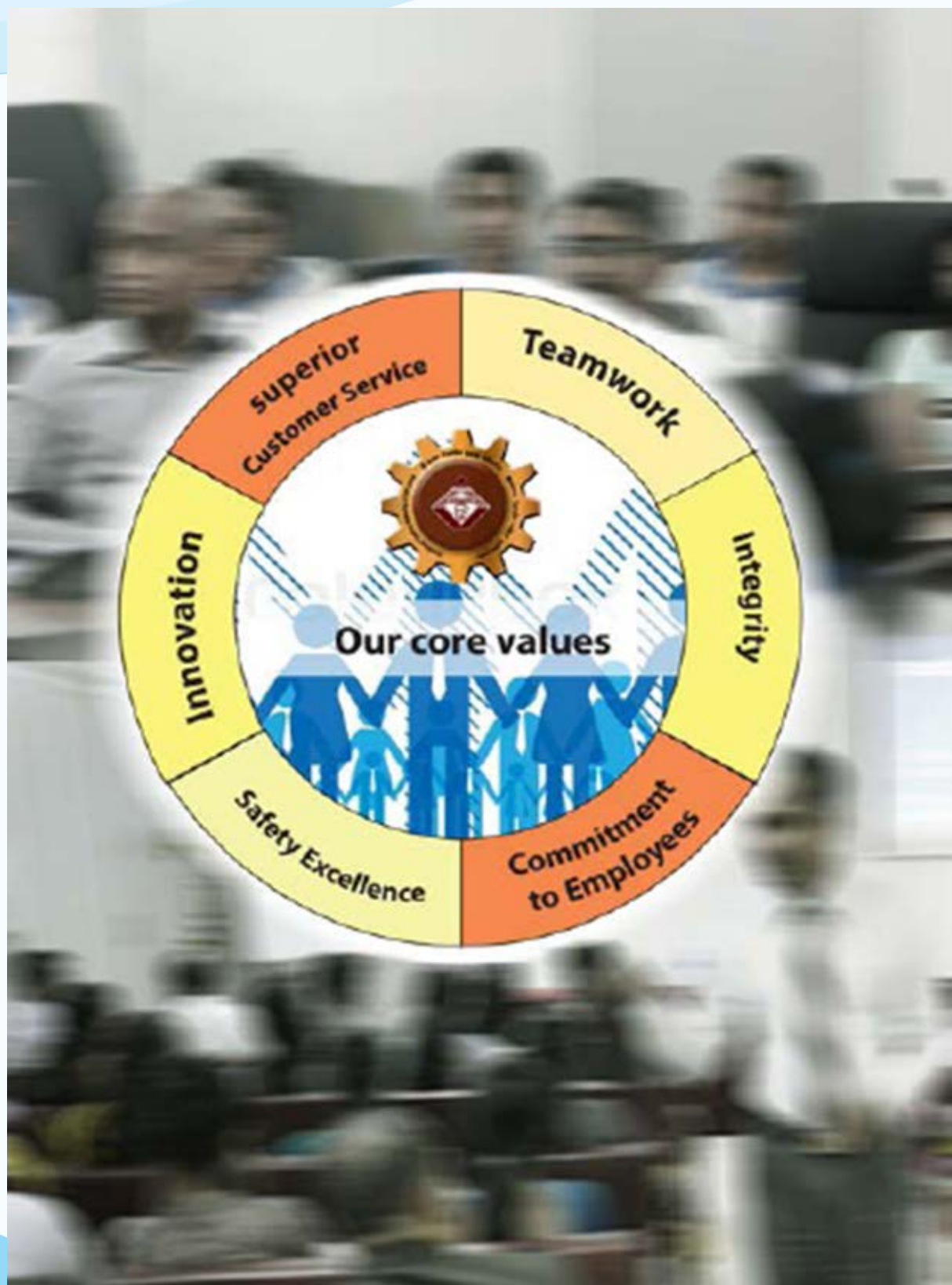
OVERSEAS TRAINING - 2016

	Scholarship	Country	No. participated
01	Special international Training Program on Cosmetology	Singapore	13
02	Conference of Skill Development	China	01
03	Second international congress on Profession and Professional Education	Switzerland	02
04	Study tour on Hospitality field	Germany	02
05	Training of trainers on construction technology	Malaysia	01
06	Leadership Training program for managers	Singapore	16
07	Conference on Tertiary and professional Education field polices	China	01
08	Training program of hybrid and Electric motor vehicle Technology	Malaysia	10
09	Leadership conference on Microsoft Belt Asia	Malaysia	01
	Total		47

Local Training (Non-Academic Staff) - 2016

	Training Program	No. participated
01	Conference on construction claim and settlement of issues	01
02	Workshop on office systems in relation to the performance of useful tasks.	60
03	National conference conducted by the Lanka Institute with regard to training or development.	03
04	Post-graduate of Diploma on Management	01
05	Post-graduate diploma on Human resource connections	01
06	Master of Art degree on Sociology	02
07	Higher National Diploma on Human resource management	01
08	Master of Art Diploma on Management Services	01
09	Film and Rupavahini Programs producing Technology	01
10	Post-graduate degree in Management	01
11	Awareness Program on fruitfulness	60
12	Merit development program of Management Assistance	65
13	Training program for the development of purchasing capacities	05
14	Training program for Assistant Management officers	152
15	Post-graduate Degree on public Administration	01
16	Training program for programming officer	22
17	Training program of Business Planning	60
18	National management conference -2016	05
19	Post-graduate course on Service Management	01
20	Diploma course on Media and Personal Connections	01
21	English high certificate course	01
22	Diploma Course on Management	01
	Total	446





Local Training (Academic Staff) - 2016

	Training Program	No. Participated
01	Program of logic control	50
02	Training program	81
03	Training program on Training Methodology	224
04	Training Program on Finance and Assets	51



Tutor's Home To Training World

Offering professional training to young boys and girls by way of implementing Vocational Training Programs

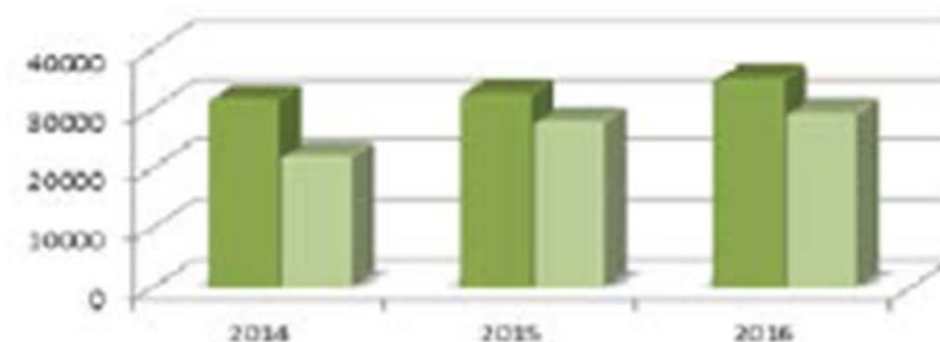
31678 apprentices were admitted for institutional training through 1961 training programs implemented under 120 training courses which belonged to 18 different sectors. In addition it has trained 2699 through skill development programs and 686 through entrepreneurship development program. According the total number of apprentices admitted for training in the year 2016 was 35013.

Admission for Vocational Training/completion of service

Year	2014	2015	2016
No. Admitted for Training	31591	32556	35013
No. Completed Training	21976	27952	29364

** 3521 Apprentices admitted for training are due to complete training in the year 2017

Admission For Vocational Training / Completion



■ Admission Training

■ Completion Training

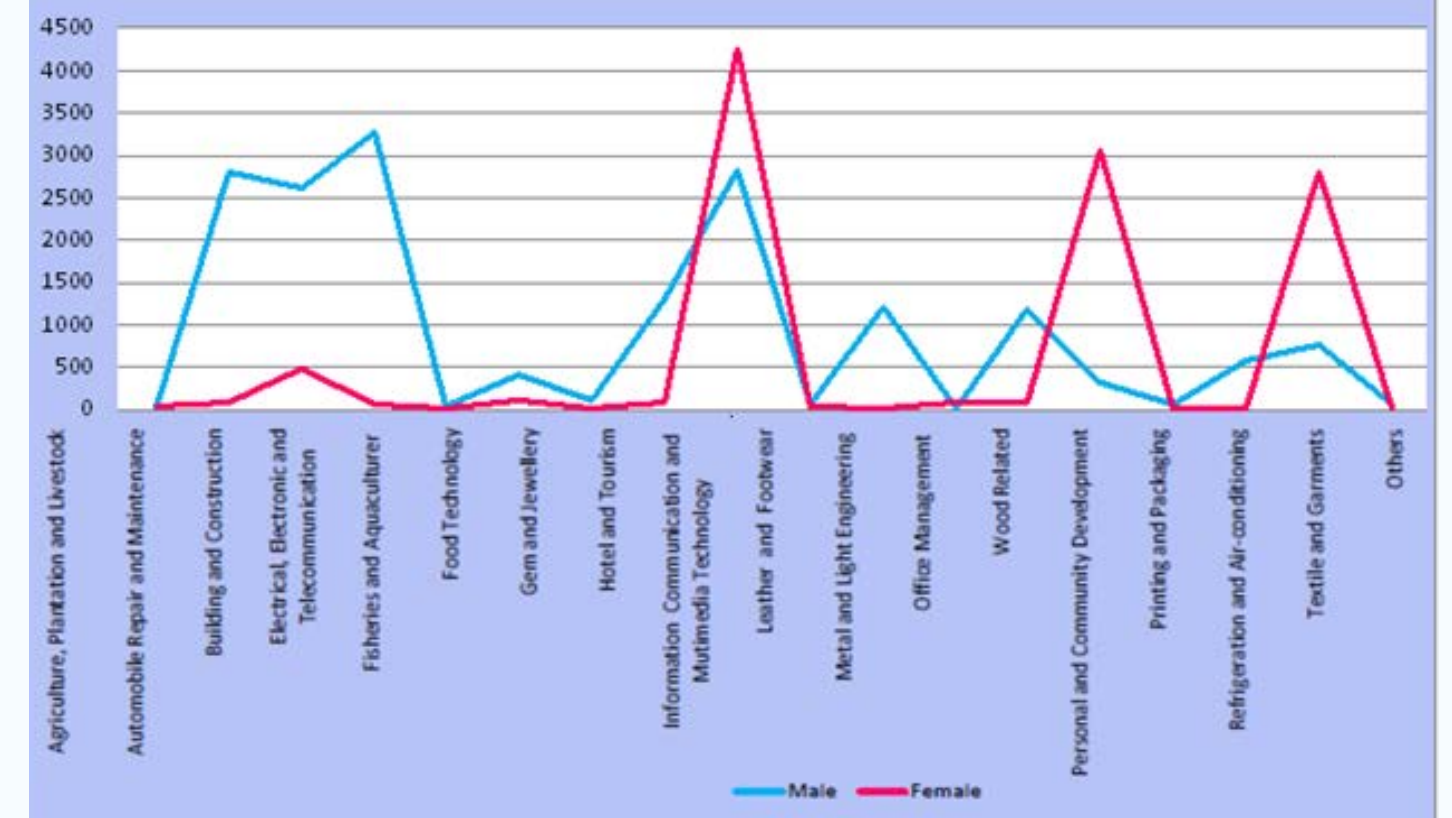
Application of Apprentices for Training Fields - 2016

	Field	No. of Apprentices Admitted (Institution of Training)
1	Agriculture, Plantations and Livestock	58
2	Automobile Repair and maintenance	3492
3	Building and Constructions	3097
4	Electrical, Electronic and Telecommunication	3338
5	Fisheries and Aquacultururer	31
6	Food Technology	577
7	Gem and Jewellery	145
8	Hotel and Tourism	1700
9	Information Communication and Multimedia Technology	7401
10	Leather Associated Footwear	82
11	Metal and Light Engineering	1309
12	Office Management	105
13	Wood Related	1164
14	Personal and Community Development	4491
15	Printing and Packaging	123
16	Refrigeration and Air Conditioning	605
17	Textile and Garments	3858
18	Others	52
	Total	31628

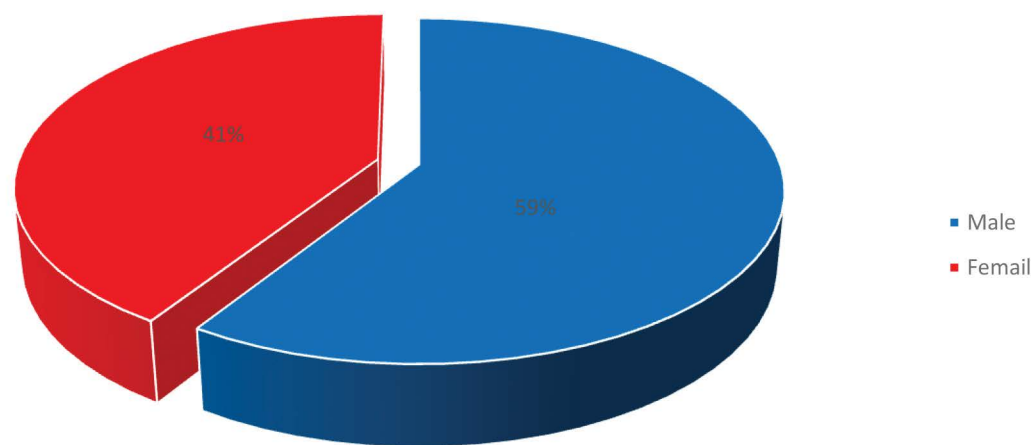


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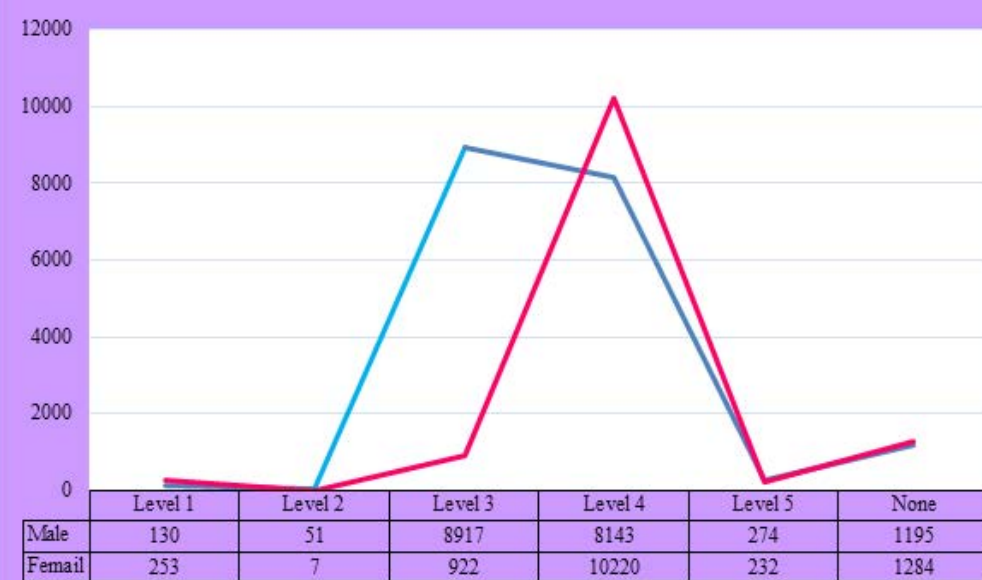
Recruitment for Training -2016



Recruitment for Training - 2016



Recruitment for Training - 2016

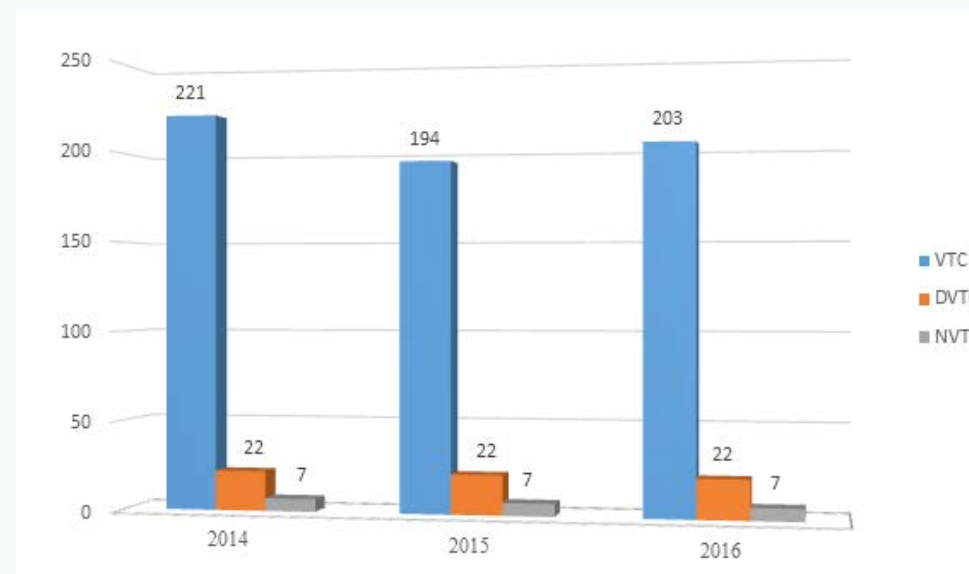


Extension of Training Centers

The Training Centers that were in operation in the year 2016 are as follows. In addition Vocational Training Centers were conducted in 14 Prisons, 01 Rehabilitation Center and 16 Centers affiliated to 203 Vocational Training Centers.

Year	2014	2015	2016
National Vocational Training Institutes	07	07	07
District Vocational Training Centers	22	22	22
Vocational Training Centers	221	194	203
Total	250	223	232

Details Relating to Training Centers



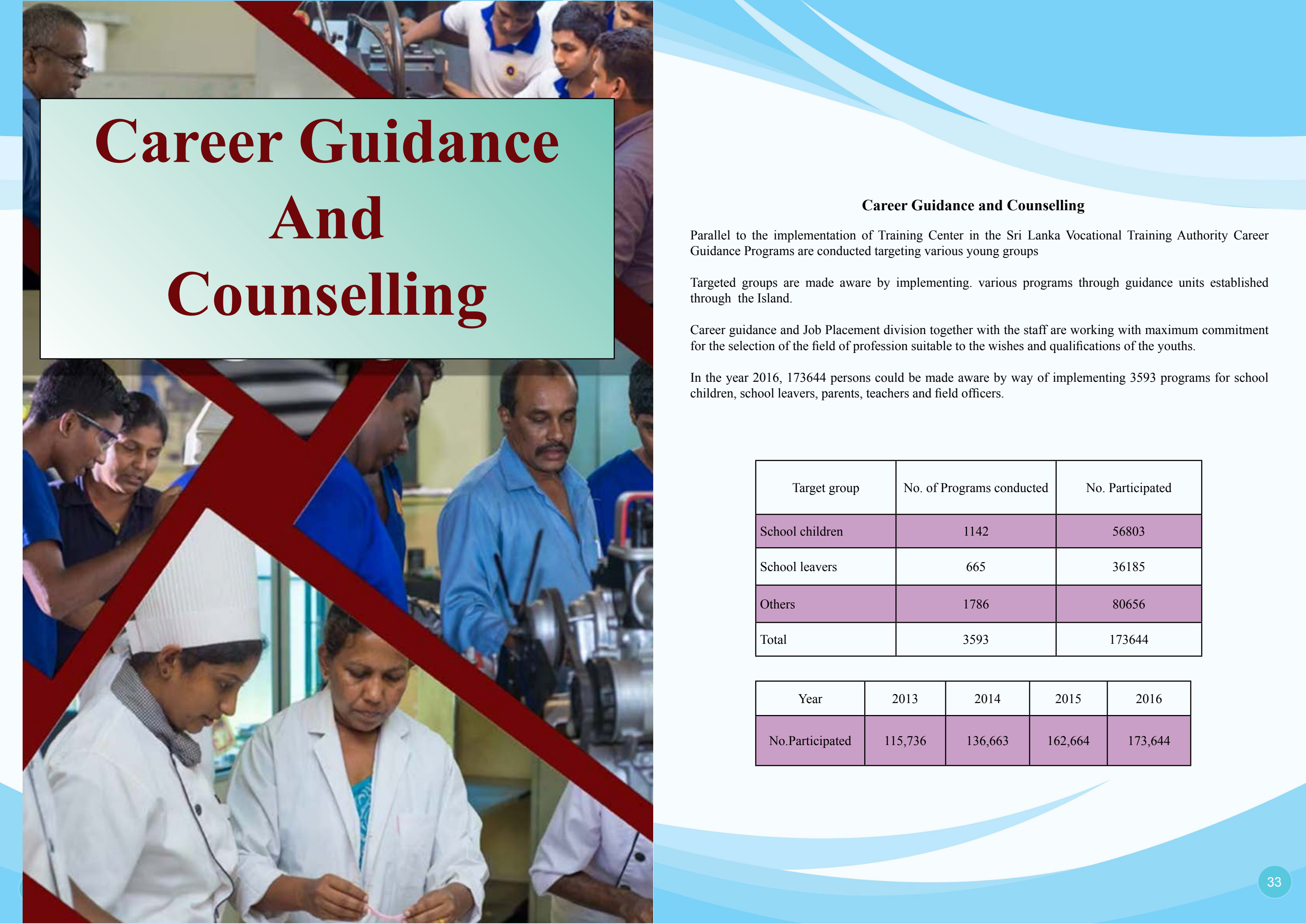
Expansion of Vocational Training Centers-2016

Province	District	No.of Institutions						
		NVTI	DVTC	VTC	AT	PC	Reh.	Total
Western	Gampaha	-	1	15	3	1	-	20
	Colombo	2	1	12	4	1	-	20
	Kalutara	-	1	8	-	1	-	10
North Western	Puttalam	-	1	6	-	-	-	7
	Kurunegala	-	1	7	-	-	-	8
Northern	Jaffna	-	1	5	1	-	-	7
	Kilinochchi	-	1	5	-	-	-	6
	Mannar	-	1	-	-	-	-	1
	Mullaitivu	-	1	3	-	-	-	4
	Vavuniya	-	1	6	2	-	-	9
Eastern	Trincomalee	-	1	8	-	-	-	9
	Batticaloa	1	-	13	-	1	-	15
	Ampara	-	1	12	2	-	-	15
Southern	Hambantota	1	1	10	-	1	-	12
	Matara	1	-	12	-	-	-	13
	Galle	2	1	10	2	5	-	20
Sabaragamuwa	Kegalle	-	1	8	-	1	-	10
	Ratnapura	-	1	11	1	2	-	15
Uva	Badulla	-	1	8	-	1	-	10
	Monaragala	-	1	7	-	1	-	9
Central	Matale	-	1	5	1	-	-	7
	Kandy	-	1	10	-	2	-	13
	Nuwara Eliya	-	1	5	-	-	-	6
North Central	Anuradhapura	-	1	10	-	1	-	12
	Polonnaruwa	-	1	6	-	1	1	9
	Total	7	22	203	16	19	1	267

NVTI - National Vocational Training Institution
 DVTC - District Vocational Training Center
 VTC - Vocational Training Center
 AT - Affiliated
 PC - Prisons
 Reh - Rehabilitation Centers



DVTC -District Vocational Training Center
 VTC -Vocational Training Center
 AT -Affiliated
 PC -Prisons
 Reh -Rehabilitation Centers

The background of the slide features a collage of images related to vocational training. At the top, a group of young men in blue and white uniforms are working with machinery. Below them, a man in a blue shirt is operating a machine. In the foreground, two women in white lab coats and chef hats are working with a small object. A large, stylized red 'X' is overlaid on the collage.

Career Guidance And Counselling

Career Guidance and Counselling

Parallel to the implementation of Training Center in the Sri Lanka Vocational Training Authority Career Guidance Programs are conducted targeting various young groups

Targeted groups are made aware by implementing various programs through guidance units established through the Island.

Career guidance and Job Placement division together with the staff are working with maximum commitment for the selection of the field of profession suitable to the wishes and qualifications of the youths.

In the year 2016, 173644 persons could be made aware by way of implementing 3593 programs for school children, school leavers, parents, teachers and field officers.

Target group	No. of Programs conducted	No. Participated
School children	1142	56803
School leavers	665	36185
Others	1786	80656
Total	3593	173644

Year	2013	2014	2015	2016
No.Participated	115,736	136,663	162,664	173,644



To the World of Work From The world of Training

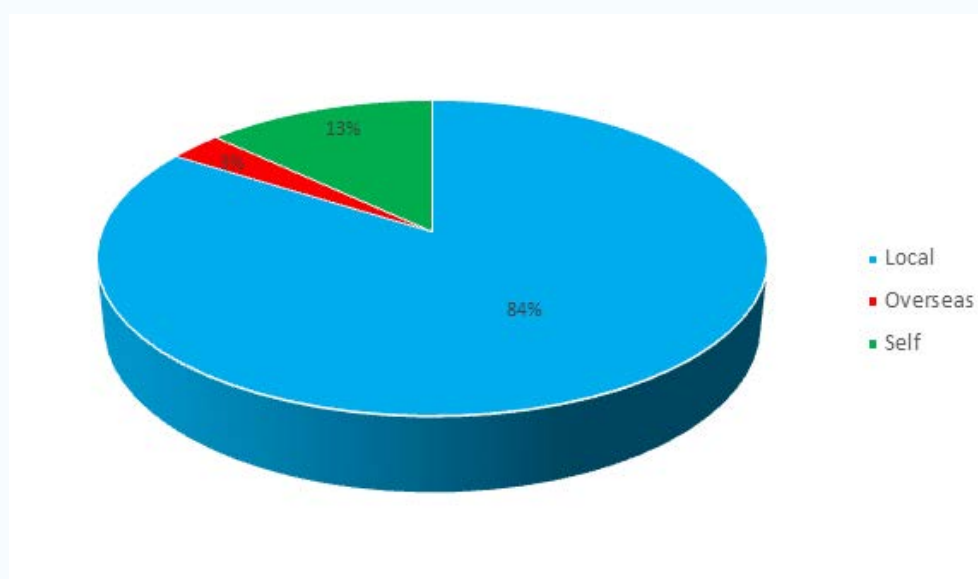
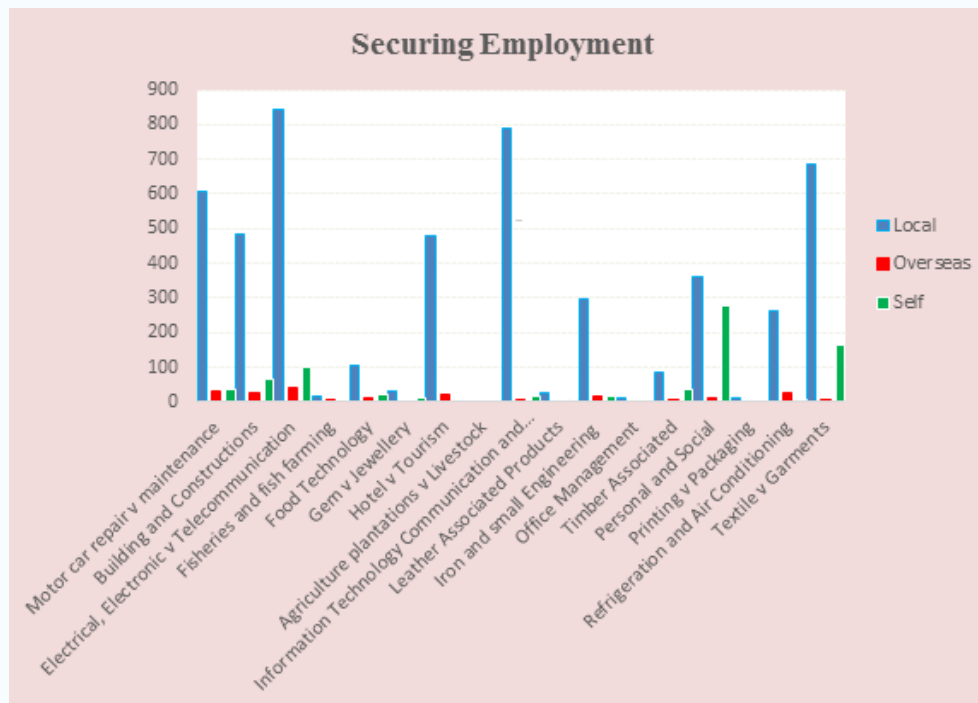


Job Placement

Vocational Training Authority of Sri Lanka is implementing a wide range program for the employment to youths who have successfully completed various courses.

By way Local and overseas employment agencies registered hereunder employments were given to 6052 Trainees in the year 2016, out of which 5091 have been found local employment and 204 found overseas employments and 757 self employment. In order to implement this program 97 Local and overseas Employment Agencies were registered. By such finding uses for employments Vocational Training Authority in Sri Lanka was able to make a contribution approximately in a sum Rs.2153 million to the national economy.

No.	Training Field	No.Found Employment			
		Local	Over-seas	Self	Total
1	Automobile Repair and Maintenance	606	33	36	675
2	Building and Constructions	485	26	64	575
3	Electrical, Electronic and Telecommunication	842	40	100	982
4	Fisheries and Aquaculture	16	1	0	17
5	Food Technology	104	13	19	136
6	Gem and Jewellery	30	0	10	40
7	Hotel and Tourism	478	20	8	506
8	Agriculture Plantations and Livestock	0	0	0	0
9	Information Communication and Multimedia Technology	790	8	17	815
10	Leather and Footwear	27	0	7	34
11	Metal and Light Engineering	297	15	14	326
12	Office Management	12	0	0	12
13	Wood Realated	84	2	34	120
14	Personal and Community Development	362	11	276	649
15	Printing and Packaging	11	0	0	4
16	Refrigeration and Air Conditioning	261	28	8	297
17	Textile and Garments	686	7	164	857
	Total	5091	204	757	6052



Contribution made to National economy through Job Placement

Category	No. engaged	Contribution to the National economy (Rs. Million)
Local Jobs	5091	1745.38
Foreign jobs	204	149.69
Self-employment	757	258.23
Total	6052	2153.30

Prepared on the basis of the Labor Market magazine of the Tertiary and vocational Education Commission and approximately estimating the annual income of trained by the trainees who were found employment in the year 2016.

	Local	Foreign	Self	Total
2014	2918	100	410	3428
2015	4696	169	776	5641
2016	5091	204	757	6052



Holding of workshop on academic skill in coordination with government and private Institution.

These Programs are implemented with the objective of developing knowledge and skills to those who are engaged in the vocational training field and to offer new technical knowledge in the changing world.

Accordingly 39 such programs for 09 field could be conducted with the assistance of 11 private sector institutions in the year 2016 and thereby 2699 persons could improve their skills.

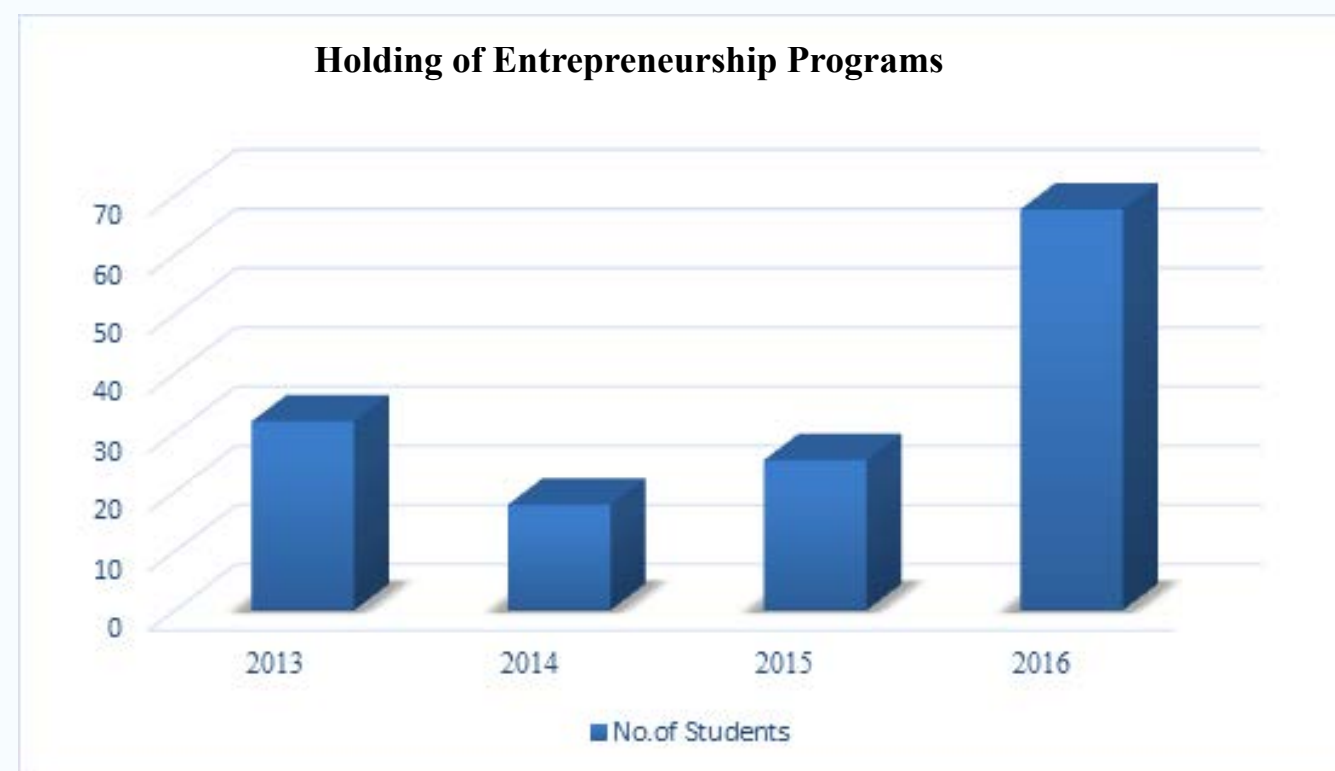
Program	No. of Programs	No. Participated	Sponsoring Institute
Laying of tiles	12	508	Lanka Tile/Lanka Wall tile
Beauty Culture	08	1295	Natures Beauty creation private company/Singer Sri Lanka
Electrical Technician	02	122	ACL Cable Co.
Bakery Associated Products	02	90	John Keells Co.
Repair of motorcycles/three wheelers and traffic laws	08	414	David Pieris co.Ltd/Alumex Ltd
Aluminum Fabricator	07	270	Swisstech Aluminium Ltd/ Alumex Ltd.
Total	39	2699	-



Holding of Entrepreneurship Programs

The main objective of the Sri Lanka Vocational Training Authority is to encourage young entrepreneurs and improve their entrepreneurship skill and to give them a helping hand. Accordingly, during the year 2016, by holding 33 such programs through out the country in the year 2016, 686 persons could be trained.

Accordingly by way of the knowledge so acquired, businesses could be planned and 154 apprentices who received the entrepreneurship training could obtain nearly a sum of Rupees 68 Million from State banks such as People's Bank and Bank of Ceylon, as loans.



Signing of the Memorandum of Understanding

With the objective of creating various local and foreign employment opportunities by way of improvement of vocational training opportunities and improving its quality Memorandums of Understanding were signed with 08 state and private institutions in the year 2016.

Memorandum of understanding		Institution
01	Provision of monetary aid to motor cycle technician (NVQ Level 3) and quantity survey (NVQ Level 5) courses for Trainees in the Batticaloa District.	Muslim aid foundation
02	Provision of institutional training and finding job opportunities for trainers who successfully completed motor cycle and motor mechanism course in kaluthara and Galle districts.	Associated Motorways Private Company.
03	Implementation of motor cycle and three wheeler training course in Gothatuwa Vocational Training Centre	T.V.S.Lanka Private
04	Implementation of Beauty culture and hair dressing courses.	Nature Beauty Creations Institute
05	Implementation Vocational Education programme through leovn T.V. chanel.	Dharmavahini Foundation
06	Commencement of 05 courses on general children care (NVQ 4) with a view of improving the knowledge, concept and skills of those who are providing child protection services.	National Children Protection Authority
07	Supply of building equipment and other facilities for the establishment of a vocational training center in Agarapathana, Nuwara Eliya	Premier Exports Lanka Co.
08	Implementation of training programs for trainers in the Construction fields in rural centers and finding job opportunities to those who successfully complete the training.	Maga Engineering (pvt) Company.

Vocational Training Authority of Sri Lanka Performance of the Audit and Management Committee Meeting – 2016

CHALLENGES

- Shortage of sufficient monetary and physical resources to meet the demand created by the commencement of free Vocational Education.
- Youth not showing much tendency to academic level courses which have a high demand in the industrial field
- Great effort has to be made to attract youths for vocational training.
- Due to the increase of facilities afforded by non governmental institutions that provide vocational training a high competition has to be faced.
- Has to work competitively with private sector Establishments that provide vocational training.
- Has to make aware the society about the importance of the vocational training and to implement advertising programs for the concept development.
- Lack of sufficient monetary facilities to supply infrastructure facilities to vocational training centers.
- Inability to provide similar level of facilities to every vocational training center that operates through out the Island.
- Inadequacy of the capital and re-current provisions offered by the government as a service providing establishment.
- To minimize the differences between the training fields and demand for employment.
- Shortage of instructors with knowledge, skill and experience to engage in training work using modern technology and difficulty to pay them a higher salary.

Six Audit and Management Committee Meetings have been conducted in the year 2016 and the composition of the members of the said meeting is as follows.

Members of the Committee

Mr. R.M.D.K.G.N.B. Ranathunga – Chairman of the Committee and the member of the Board of Directors

Mr. Palitha De Silva – Member of the Committee and the member of the Board of Directors

Mr. Nilan Wickckramasingha - Member of the Committee and the member of the Board of Directors

The important decisions taken in the Audit and Management Committee Meeting in the year 2016, are as follows.

- ❖ Strengthen the procedures and systems through avoiding the shortages and weaknesses in existing procedures and systems as pointed out by the Audit reports.
- ❖ Followed formal procedure to prepare the answers through reviewing the audit inquiries and drafts of the government.
- ❖ Review the audit plans and audit programme and provide required guidance to implement it.
- ❖ Provide required instructions to conduct the account policy and the other affairs of the Authority in optimum level.

FORWARD
FINANCAIAL STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2016

Vocational Training Authority of Sri Lanka

During the year under review a total grant of Rs1,885,781,457.40 was released to the Authority by the Treasury, Ministry and Skill Sector Development Programme. The details are given below.

1.1 Government Grant	Allocation (Rs.)	Amount released(Rs.)
Treasury Grant - recurrent	1,272,450,000.00	1,286,473,000.00
Treasury Grant - Capital	150,000,000.00	111,500,000.00
Skill Sector Development Project	1,219,800,000.00	418,593,567.37
Ministry of Skill Development & Vocational training	55,000,000.00	29,381,024.82
Other	39,833,865.21	39,833,865.21
Total	2,737,083,865.21	1,885,781,457.40

1.2 Income	Budgeted (Rs)	Income Earned Net (Rs)
Income	150,000,000.00	159,707,527.83

The Financial Statements for the year ended 31st December 2016 are presented herewith for the approval of the Board of Directors.

The following documents are included:

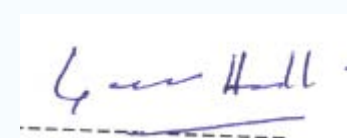
01. Statement of Financial Position as at 31st December 2016
02. Statement of Financial Performance for the year ended 31st Dec.2016
03. Cash flow statement for the year ended 31st December 2016
04. Statement of changes in Net Assets for the year ended 31st December 2016
05. Notes to the Financial Statement

STATEMENT OF THE CHAIRMAN ON BEHALF OF THE BOARD

THE FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2016
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2016 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.

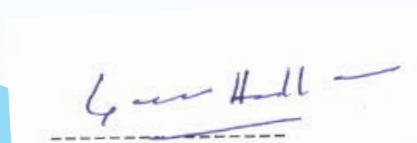
Financial rules and procedures prescribed by the Vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of knowledge, the Financial Statements for the year ended 31st December 2016 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka



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



Director of the Board



Major General Gamini Hettiarachchi (Retd.)
Chairman/CEO



H.U.Kariyawasam
Director (Finance)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2016

	Note	2016 (Rs.)		2015 (Rs.)	
ASSETS					
Non - Current Assets					
Property Plant and Equipment	2	5,329,810,772.40		5,258,307,033.48	
Capital Work in progress	3	90,229,551.49		128,920,347.07	
Other Financial Assets					
Fixed Deposit		25,000.00	5,420,065,323.89	25,000.00	5,387,252,380.55
Current Assets					
Inventories	4	28,570,273.97		30,326,332.31	
Receivables	5	32,781,572.35		27,858,398.23	
Staff Loans	6	44,838,181.41		45,363,743.66	
Cash and Cash equivalent	7	158,485,123.25	264,675,150.98	90,736,999.03	194,285,473.23
TOTAL ASSETS			5,684,740,474.87		5,581,537,853.78
EQUITY & LIABILITIES					
Accumulated Surplus (Deficit)		(662,725,978.73)		(752,188,530.98)	
Revaluation Surplus		2,319,991,544.97		2,319,991,544.97	
Gov. Grant - Capital	8	41,073,032.86		36,138,943.05	
Differed Income Grant	9	3,524,825,295.31	5,223,163,894.41	3,492,008,442.35	5,095,950,399.39
Non - Current Liabilities					
Provision for Gratuity	10	306,151,954.50	306,151,954.50	373,823,908.00	373,823,908.00
Current Liabilities					
Payables	11	130,078,518.69		90,775,778.71	
Accrued expenses	12	25,346,107.27	155,424,625.96	20,987,767.68	111,763,546.39
TOTAL EQUITY & LIABILITIES			5,684,740,474.87		5,581,537,853.78

Major General Gamini Hettiarachchi (Retd.)
Chairman/CEO

H.U.Kariyawasam
Director (Finance)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31ST DECEMBER 2016

(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

Description	Note	2016 (Rs.)	2015 (Rs.)
			(restated)
Operating Revenue			
Recurrent Grant - Treasury		1,286,473,000.00	1,162,000,000.00
Differed Income Grant		397,269,169.33	396,423,846.71
Other Income			
Other Income	13	162,511,058.88	145,612,986.16
Production Unit Income (Net)	14	16,654,668.05	15,573,490.62
Fund Received For Special projects	15	183,442,634.76	118,269,864.01
Total Revenue		2,046,350,531.02	1,837,880,187.50
Operating Expenses			
Staff Cost	16	1,029,757,756.74	1,017,313,302.11
Travelling	17	12,635,948.30	12,097,644.82
Supplies and consumable used	18	31,200,501.73	23,867,354.50
Maintenance	19	34,147,205.06	32,453,285.99
Contractual services	20	146,287,710.67	140,531,915.07
Training material		92,250,834.64	82,089,003.86
Staff Training		4,276,341.81	5,862,719.00
Promotional & Carrier Guidance		15,111,270.23	20,874,593.50
Job placement, Research & Entrepreneurship	21	12,556,755.36	16,617,111.70
Loss on disposal of fixed assets			
Depreciation		397,269,169.33	396,423,846.71
Other operating expenses	22	53,927,245.60	46,626,598.14
Expenditure on Special projects	23	183,442,634.76	118,269,864.01
Finance Cost	24	207,089.01	185,196.91
Total Operating expenses		2,013,070,463.24	1,913,212,436.32
Net Surplus /(Deficit) for the period		33,280,067.78	(75,332,248.82)
Statements of Accumulated Surplus/Deficit			
As at 1st January as reported previously		(752,188,530.98)	(686,636,233.28)
Prior Year Adjustment	25	56,182,484.47	9,779,951.12
As at 1st January as Restated		(696,006,046.51)	(676,856,282.16)
Net surplus/(deficit) for the period		33,280,067.78	(75,332,248.82)
Balance as at 31st December		(662,725,978.73)	(752,188,530.98)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA				
CASH FLOW STATEMENT				
FOR THE YEAR ENDED 31st DECEMBER 2016				
	2016 (Rs.)		2015 (Rs.)	
Operating Activities				
Surplus /(deficit)for the period		33,280,067.78		(75,332,248.82)
Prior year adjustment				
Adjustment for:				
Depreciation	397,269,169.33		396,423,846.71	
Amortization of deferred income grant	(397,269,169.33)		(396,423,846.71)	
Gratuity provision	(56,687,929.47)		99,630,393.20	
Gratuity paid	(10,984,024.03)		(8,724,868.30)	
Prior year adjustment	56,182,484.47		9,779,951.12	
(Increase) / Decrease in receivables	(4,923,174.12)		(3,627,961.12)	
(Increase) / Decrease in Staff Loans	525,562.25		1,724,199.14	
Increase/(Decrease) in payable	39,302,739.98		(25,003,653.58)	
Increase/(Decrease) in accrued expenditure	4,358,339.59		4,404,926.81	
(Increase)/Decrease in inventories	1,756,058.34	29,530,057.01	(2,237,723.09)	75,945,264.18
Net cash flow from operating activities		62,810,124.79		613,015.36
Investing Activities				
Purchases of property plant & Equipment	(468,772,908.25)		(384,765,040.12)	
Work in Progress	38,690,795.58		(16,581,729.85)	
Cash received for Assets Disposal				
Net cash flows from investing activities		(430,082,112.67)		(401,346,769.97)
Financing Activities				
Government Grant Capital	111,500,000.00		121,500,000.00	
Other Income Grant	323,520,112.10		297,156,735.88	
Net cash flow from Financing Activities		435,020,112.10		
Net increase/decrease in cash & cash Equivalents		67,748,124.22		17,922,981.27
Cash & cash equivalents at beginning of period		90,736,999.03		72,814,017.76
Cash & cash equivalents at end of period		158,485,123.25		90,736,999.03

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA					
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED					
31st DECEMBER 2016					
Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Total
Balance as at 1st January 2015	(686,636,233.28)	19,253,677.14	3,486,332,412.03	2,319,991,544.97	5,138,941,400.86
Opening balance Adjustments	9,779,951.12	(756,116.50)	1,084,523.56		10,108,358.18
Opening balance restated	(676,856,282.16)	18,497,560.64	3,487,416,935.59	2,319,991,544.97	5,149,049,759.04
Grant received during the year		121,500,000.00			121,500,000.00
Amount transferred to differed income Grants		(103,858,617.59)	401,015,353.47		297,156,735.88
Amortization for the year			(396,423,846.71)		(396,423,846.71)
Surplus / (Deficit) for the year	(75,332,248.82)				(75,332,248.82)
Balance as at 31st December 2015	(752,188,530.98)	36,138,943.05	3,492,008,442.35	2,319,991,544.97	5,095,950,399.39
Balance as at 1st 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		0.00		56,182,484.47
Opening balance restated	(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 / (Defi- cit) for the year	33,280,067.78				33,280,067.78
Balance as at 31st 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

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 (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 year’s presentation.

1.4.4 The notes to the financial statements on pages 04 to 24 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 provision 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 assets.
- (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 conditions are accounted on FIFO basic as follows:

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

1.6.2 Property, Plant and Equipment

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

b) 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 equipment	10%
Motor vehicles	25%
Furniture & Fittings	10%
Training equipment	20%
Plant & Machinery	20%
Computer equipment	20%
Electrical equipment	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 exceeds 365 days and collection of the full amount is doubtful.

1.6.5. Cash and Cash equivalents

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

1.7 Liabilities and provisions

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

1.7.2 Staff 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,

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

Student's 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.

Financial statements unless the outflow of resources is remote.

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											in Rs.	
2 Property, Plant & Equipment		Land	Building & Improvement	Motor Vehicles	Furniture & Fittings	Training Equipment	Office Equipment	Electrical Equipment	Computer Equipment	Plant & Machinery	Total	
Cost or Valuation												
At the beginning of the year		1,753,908,921.24	3,142,245,626.52	292,781,740.58	257,794,321.28	1,779,723,992.39	90,871,020.64	8,644,825.81	405,795,527.38	85,464,051.81	7,817,230,027.65	
Additions during the year		4,849,805.20	189,499,694.18	5,798,657.85	14,942,236.90	162,731,997.90	24,021,720.30		60,486,652.46	6,442,143.46	468,772,908.25	
At the end of the year		1,758,758,726.44	3,331,745,320.70	298,580,398.43	272,736,558.18	1,942,455,990.29	114,892,740.94	8,644,825.81	466,282,179.84	91,906,195.27	8,286,002,935.90	
Accumulated Depreciation												
At the beginning of the year		0	824,598,506.20	211,752,455.92	102,234,957.95	1,052,338,817.21	37,646,450.32	4,624,200.59	266,565,686.69	59,161,919.29	2,558,922,994.17	
Charge for the year		0	125,357,340.73	21,706,985.63	17,050,160.02	178,023,434.62	7,724,629.06	914,465.44	39,943,298.63	6,548,855.20	397,269,169.33	
At the end of the year		0	949,955,846.93	233,459,441.55	119,285,117.97	1,230,362,251.83	45,371,079.38	5,538,666.03	306,508,985.32	65,710,774.49	2,956,192,163.50	
Written Down Value												
As at 31st December 2016		1,758,758,726.44	2,381,789,473.77	65,120,956.88	153,451,440.21	712,093,738.46	69,521,661.56	3,106,159.78	159,773,194.52	26,195,420.78	5,329,810,772.40	
As at 31st December 2015		1,753,908,921.24	2,317,647,120.32	81,029,284.66	155,559,363.33	727,385,175.18	53,224,570.32	4,020,625.22	139,229,840.69	26,302,132.52	5,258,307,033.48	

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 Centre Matale - Matale
- Vocational training Centre Ginimellagaha - Galle
- Vocational training Centre Yakkalamulla - Galle
- Vocational training Centre Akmimana - Galle
- Vocational training Centre Wathurawila - Galle
- Vocational training Centre Katana - Gampaha
- Vocational training Centre Kirinda - Hambantota
- Vocational training Centre Siribopura - Hambantota

The Valuation of the above land & building is ongoing, after getting the values, those value will be accounted in the year 2017.

2. The followings 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 2017.

- Vocational training Centre Bingiriya - Kurunegala
- Vocational training Centre Veyangoda - Gampaha
- Vocational training Centre Yakkalamulla - Galle
- Vocational training Centre Niyagama - Galle
- Vocational training Centre Ruwenwella - Kegalla
- Vocational training Centre Kanthale - Trincomale
- Vocational training Centre Hambantota - Hambantota
- Vocational training Centre Waskaduwa - Kaluthara
- Vocational training Centre Haldumulla - Badulla
- Vocational training Centre Welimada - Badulla
- Vocational training Centre Wellawaya - Monaragala
- Vocational training Centre Bibila - Monaragala
- Vocational training Centre Mihinthale - Anuradhapura
- Vocational training Centre Galmewa - Anuradhapura
- Vocational training Centre Thabuttegama - Anuradhapura
- Vocational training Centre Rajanganaya - Anuradhapura
- Vocational training Centre Minneriya - Polonnaruwa
- Vocational training Centre Yatiyantota - Kegalla
- Vocational training Centre Kilinochchiya - Jaffna
- Vocational training Centre Rathmalana - Colombo

Notes to the Financial Statements				
	Note	2016		2015
		Rs.		Rs.
3	Capital Work in Progress-Buildings			
	Ampara	99,442.00		13,317,157.42
	Anuradapura	3,216,293.70		390,637.50
	Badulla	475,778.37		19,064,397.56
	Batticaloa	158,850.00		158,850.00
	Colombo	4,108,793.41		1,714,442.53
	Gampaha	5,113,792.27		339,733.50
	Galle	17,511,596.07		3,405,037.56
	Hambantota	18,893,980.70		18,258,018.77
	Jaffna	4,881,477.70		37,148,386.74
	Kandy	651,415.23		
	Kalutara	4,556,090.07		3,964,497.60
	Kegalle	4,451,260.57		
	Kurunegala	5,892,496.36		221,247.00
	Matara	273,395.00		17,729,439.62
	Monaragala	5,970,380.77		
	Nuwara Eliya	7,965,454.41		13,049,580.77
	Rathnapura	6,009,054.86		158,920.50
		90,229,551.49		128,920,347.07
4	Inventories			
	Training Materials	21,916,262.21		22,353,518.82
	Stationary	5,904,978.19		7,149,429.29
	Other Consumables	749,033.57		823,384.20
		28,570,273.97		30,326,332.31
5	Receivables			
	Advances for programs	344,105.00		82,000.00
	Deposits	559,750.00		409,750.00
	Ministry of Vocational Training & Rural Industrial	3,930,931.24		3,930,931.24
	Prepayments			
	Receivable course fees	19,458,199.10		14,683,894.10
	Receivable salary	679,882.55		1,173,934.93
	Shortage of income	11,732.00		11,732.00
	State Organizations	3,035,710.16		3,035,710.16
	Trade & Other receivables	11,266,498.70		10,977,338.20
	Vehicle Service Income Receivables	461,405.00		519,749.00
		39,748,213.75		34,825,039.63
	Less:- Provision for Bad Debts	-6,966,641.40		-6,966,641.40
		32,781,572.35		27,858,398.23

	Notes to the Financial Statements			
		Note	2016	2015
			Rs.	Rs.
6	Staff Loans			
	Balance at the beginning of the year		45,363,743.66	47,087,942.80
	Less:-Opening balance adjustment balance as restated		45,363,743.66	47,087,942.80
	Add: Loans granted during the year		45,279,105.65	43,771,473.41
			90,642,849.31	90,859,416.21
	Less: Repayments during the year		(45,804,667.90)	(45,495,672.55)
	Balance at the end of the year		44,838,181.41	45,363,743.66
7	Cash & Cash Equivalents			
	Cash in transit			
	Gold coins		104,000.00	104,000.00
	Cash at Banks			
	Bank of Ceylon			67,165.71
	Cash in hand		35,545.00	27,313.00
	Cheque in hand		487,160.00	-
	Commercial Bank			731,357.25
	Peoples Bank		157,858,418.25	89,807,163.07
			158,485,123.25	90,736,999.03
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	Government Grant - Capital			
	Balance at the beginning of the year		36,138,943.05	19,253,677.14
	Less:-Opening balance Adjustment balance as restated		36,138,943.05	(756,116.50)
	Add: Grants received during the year		111,500,000.00	121,500,000.00
			147,638,943.05	139,997,560.64
	Less: Transfers to Differed Income Grant		(106,565,910.19)	(103,858,617.59)
	Balance at the end of the year		41,073,032.86	36,138,943.05

	Notes to the Financial Statements			
		Note	2016	2015
			Rs.	Rs.
9	Differed Income Grant			
	Balance at the beginning of the year		3,492,008,442.35	3,486,332,412.03
	Add:- Opening balance adjustment balance as reststed		3,492,008,442.35	1,084,523.56
	Add: Transfers during the year	9.1	430,086,022.29	401,015,353.47
			3,922,094,464.64	3,888,432,289.06
	Less: Amortized for the year		(397,269,169.33)	(396,423,846.71)
	Balance at the end of the year		3,524,825,295.31	3,492,008,442.35
9.1	Transfers to Differed Income			
	Government Grant - Capital		106,565,910.19	103,858,617.59
	SSDP Grants		261,642,279.75	297,156,735.88
	Other Grants		61,877,832.35	
			430,086,022.29	401,015,353.47
10	Provision for Gratuity			
	Balance at the beginning of the year		373,823,908.00	282,918,383.10
	Add:Opening balance adjustment balance as reststed		(56,687,929.47)	352,844.00
			317,135,978.53	283,271,227.10
	Add: Provision Made During the year			99,277,549.20
			317,135,978.53	382,548,776.30
	Less: Payments during the year		(10,984,024.03)	(8,724,868.30)
	Balance at the end of the year		306,151,954.50	373,823,908.00

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
11	Payables				
	Audit Fees		993,435.00		1,924,000.00
	Cashier Deposit		25,000.00		25,000.00
	Course fee payable		4,047,151.40		451,740.00
	Deposit		128,500.00		67,000.00
	Employee Provident Fund		15,515,306.90		14,175,314.95
	Employee Trust Fund		2,327,296.34		2,126,296.84
	Lecture fees		3,091,600.00		1,794,325.00
	Other Payables		11,849,030.05		7,170,060.80
	Project funds Payable		21,028,772.00		10,427,341.81
	Received in Advance		798,200.00		646,095.00
	Refundable Tender Deposit		2,049,356.51		1,888,531.29
	Retention Money		23,928,862.47		15,473,297.26
	Salary payable		287,607.05		449,003.43
	Staff Incentive payable		38,200.00		251,903.65
	Student insurance scheme	11.1	38,354,000.00		24,905,500.00
	Trade Creditors		3,691,563.32		7,639,520.77
	Mobile phone reserve		1,818,537.09		1,264,640.15
	W & O.P		106,100.56		96,207.76
			130,078,518.69		90,775,778.71
11.1	Student insurance scheme				
	At the beginning of the year		24,905,500.00		12,309,000.00
	Add :-Contribution during the year		13,948,500.00		12,604,000.00
			38,854,000.00		24,913,000.00
	Less :- Payments during the year		(550,000.00)		(7,500.00)
	Balance at end of the year		39,404,000.00		24,905,500.00

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
12	Accrued expenses				
	Carrier Guidance		171,190.00		183,020.00
	Electricity		2,188,615.30		2,317,337.56
	Examination & Evaluation		677,400.00		207,482.00
	Fuel & Lubricant		8,903.00		48,948.00
	Janitorial Services		602,937.40		717,379.00
	Maintenance		2,017,703.72		1,414,185.50
	Newspapers & periodicals		30,760.00		35,825.00
	On The Job Training Payable		42,500.00		536,250.00
	Overtime & Holiday pay		1,052,956.89		863,678.49
	Part Time Expenses Payable		4,931,902.90		4,852,415.00
	Promotional Activities		3,236,096.57		495,554.56
	Rent, Rates & Taxes		334,468.17		213,900.00
	Season tickets		781,266.90		545,083.75
	Security Charges		3,794,772.20		4,046,400.00
	Stipend		1,869,300.00		1,535,500.00
	Telephone		2,750,772.62		1,887,616.47
	Transport		65,900.00		77,800.00
	Travelling		524,881.95		550,308.80
	Water		263,779.65		459,083.55
			25,346,107.27		20,987,767.68

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
13	Other Income				
	Auction Income		2,147,364.50		415,250.00
	Course fees		131,818,200.00		119,485,750.00
	Canteen income		235,900.00		220,000.00
	Company registration		54,000.00		108,500.00
	Daily Diary		3,225,000.00		2,951,000.00
	Entrepreneur Development programs		66,000.00		82,000.00
	Fines		61,956.00		69,956.00
	Hall Income		2,005,430.00		1,590,800.00
	Hostel Fees		223,500.00		414,500.00
	Katharagama circuit Bangalow		446,585.00		446,275.00
	Loan Interest		1,765,256.36		1,857,567.05
	Miscellaneous		2,219,406.44		3,373,791.10
	Non Refundable Tender deposit		791,500.00		283,377.40
	Record Book		5,629,600.00		5,137,100.00
	Registration fees		8,952,300.00		8,158,800.00
	Sale Finish goods		287,098.75		202,650.00
	Savings A/C Interest		1,455,361.83		808,669.61
	Supplier Registration		519,400.00		7,000.00
	English Book Income		607,200.00		
			162,511,058.88		145,612,986.16

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
14	Production Unit Income				
	Ahugammana staff development centre		-		1,931,075.50
	Earning 10%		594,733.25		664,095.70
	Income from Part time courses		8,098,127.27		9,688,681.47
	Printing School -Narahenpita		1,655,574.82		-
	Recognition of prior learning (RPL)		5,257,709.43		1,541,601.10
	Sipsala bojun narahenpita		16,446.50		74,157.37
	Sundry income		-		159,957.80
	Trade test		16,500.00		54,688.67
	Thalalla restaurant		107,906.75		234,365.21
	T - Shirt income		181,450.00		1,169,540.80
	Vehicle Service		108,360.05		55,327.00
	Other Production Income		617,859.98		-
			16,654,668.05		15,573,490.62

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
15	Funds on Special Projects				
	Ministry of Youth Affaires & Skills Development - A/L student programme		130,725.00		2,170,119.25
	Skill sector development project		153,114,359.42		114,270,351.26
	Funds on GIZ		609,531.99		-
	Funds on ILO		5,114,231.17		-
	Funds on Budget Proposal		23,608,531.18		-
	Funds on WUSC Project		865,256.00		-
	Ministry of Youth Affaires & Skills Development - World skill day		-		53,025.00
	Ceylon Electricity Board		-		1,776,368.50
			183,442,634.76		118,269,864.01
16	Staff Cost				
	E.P.F. & E.T.F.		166,084,956.43		102,487,074.83
	Gratuity surcharge		-		76,818.75
	Other Allowance		404,872,812.05		433,998,896.67
	Salaries & overtime		458,799,988.26		381,472,962.66
	Staff Gratuity		0.00		99,277,549.20
			1,029,757,756.74		1,017,313,302.11

Notes to the Financial Statements					
			2016		2015
			Rs.		Rs.
17	Travelling				
	Accomodation Expenses		653,293.00		463,426.00
	Domestic		7,370,473.58		6,877,069.56
	Foreign		3,040,313.57		4,473,001.30
	Varification Expenses		1,571,868.15		284,147.96
			12,635,948.30		12,097,644.82
18	Supplies and Other Consumables				
	Fuel & Lubricant		13,553,344.51		13,258,538.90
	Others		2,017,800.99		1,673,172.20
	Stationary & Office Requisites		10,249,669.23		8,935,643.40
	printed Materials		5,379,687.00		
			31,200,501.73		23,867,354.50
19	Maintenance				
	Building		10,426,012.39		12,013,289.13
	Plant & Machinery		9,515,292.54		8,555,592.18
	Vehicle		14,205,900.13		11,884,404.68
			34,147,205.06		32,453,285.99
20	Contractual Services				
	Advertisement		4,429,622.25		2,322,323.70
	Audit Fees		500,000.00		500,000.00
	Compansation		-		313,794.00
	Electricity		47,614,556.80		44,753,916.95
	Hire Charges		400,000.00		240,000.00
	Insurance		2,779,876.62		4,579,745.90
	Janitorial service		8,755,895.04		9,554,281.82
	News Papers & Periodicals		485,743.00		397,978.00
	Postal Charges		1,328,322.97		891,524.76
	Rent , Rates & Taxes		7,316,886.85		6,701,835.26
	Security Charges		36,180,587.36		40,347,468.00
	Staff Welfare & Other		1,042,578.70		368,240.00
	Telephone Charges		21,883,045.90		17,466,794.56
	Transport		2,616,785.00		2,692,086.52
	Water		9,993,810.18		9,401,925.60
	Consultation & Professional Fee		960,000.00		
			146,287,710.67		140,531,915.07

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
21	Job placement, Research & Entrepreneurship				
	Curriculum Development		311,585.00		362,440.00
	On the Job Training & Monitoring		9,526,318.00		13,988,608.40
	Entrepreneurship Programs		1,000,748.25		936,144.80
	Job Placement		931,487.61		976,460.50
	Research & Tracer study		376,228.00		122,600.00
	Private public partnership		410,388.50		230,858.00
			12,556,755.36		16,617,111.70
22	Other Operating Expenses				
	Discount 10 %		64,000.00		119,490.00
	Discount Cost For Training Courses 50 %		2,844,650.00		2,077,110.00
	Examination & Evaluation		6,190,224.46		4,560,505.13
	Free Courses Cost		1,942,300.00		1,901,370.00
	Honorarium		1,040,200.00		68,400.00
	Approved Dropouts		3,074,889.00		349,000.00
	Legal Fees		185,250.00		713,508.23
	Miscellaneous		5,826,632.65		4,153,020.47
	Quality Management Accreditation		1,950,254.30		1,598,186.47
	Season Tickets		5,245,260.94		4,513,405.00
	Special Training Program		757,565.50		1,109,740.00
	Stipend Allowance		22,022,263.45		19,207,436.00
	Tools & Consumables		2,431,255.30		2,986,791.84
	Unrecovered insurance from students		298,500.00		305,700.00
	unsettled course fees		54,000.00		2,962,935.00
			53,927,245.60		46,626,598.14

Notes to the Financial Statements					
		Note	2016		2015
			Rs.		Rs.
23	Expenditure on Special Projects				
	Ministry of Youth Affaires & Skills Development - A/L student programme		130,725.00		2,170,119.25
	Skill Sector Development Project		153,114,359.42		114,270,351.26
	Expenditure for GIZ		609,531.99		
	Expenditure for ILO		5,114,231.17		
	Expenditure for Budget Proposal		23,608,531.18		
	Expenditure for WUSC Project		865,256.00		
	Ministry of Youth Affaires & Skills Development - World skill day				53,025.00
	Ceylon Electricity Board				1,776,368.50
			183,442,634.76		118,269,864.01
24	Finance Cost				
	Bank Charges		207,089.01		185,196.91
			207,089.01		185,196.91

Notes to the Financial Statements

25. Prior Year Adjustment

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

Description	Dr	Cr	Net Effect
Provision for gratuity		56,687,929.47	56,687,929.47
Drop Out	505,445.00		
TOTAL	505,445.00	56,687,929.47	

As a result of the above adjustments, the deficit of Rs75,332,248.82 related to the year 2015 will be decreased as Rs. 19,149,764.35 in 2016.

26. Commitments and Contingencies

a) Litigation Against the Authority

The court cases pending were as follows

Court		
	31.12.2016	31.12.2015
Supreme Court	02	02
District Court	01	01
Labor Tribunal	01	01
Labor Department inquiries	-	03
Total	04	07

b) Capital Commitments

There were no material capital commitments as at 31.12.2015

27. Adjustment of unusable items cost of property, plant & Equipment

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

28. Bad debts Provision

Out of the bad debts provision amounting Rs. 6,966,641.40, a sum of Rs. 6,775,037.37 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 equipment value will be adjusted in year 2017.

Vocational Training Authority of Sri Lanka
Trial Balance as at 31 st December 2016

Description	Dr.	Cr.
Acquisition of Capital Assets		
Acquisition of Land & Land improvement	1,758,758,726.44	
Acquisition of Buildings and Improvement	3,331,745,320.70	
Acquisition of Computer Equipments	466,282,179.84	
Acquisition of Electrical Equipments	8,644,825.81	
Acquisition of Furniture & Fittings	272,736,558.18	
Acquisition of Motor Vehicles	298,580,398.43	
Acquisition of Office Equipments	114,892,740.94	
Acquisition of Plant & Machinery	91,906,195.27	
Acquisition of Training Equipments	1,942,455,990.29	
Provision For Depreciation		
Provision For Dep. Buildings and Improvement		949,955,846.93
Provision For Dep. Computer Equipments		306,508,985.32
Provision For Dep. Electrical Equipments		5,538,666.03
Provision For Dep. Furniture & Fittings		119,285,117.97
Provision For Dep. Motor Vehicles		233,459,441.55
Provision For Dep. Office Equipments		45,371,079.38
Provision For Dep. Plant & Machinery		65,710,774.49
Provision For Dep. Training Equipments		1,230,362,251.83
Capital Work in Progress		
Work in Progress - Building structures	90,229,551.49	
Investment		
Fixed Deposit	25,000.00	
Inventories		
Training Material	21,916,262.21	
Stationary	5,904,978.19	
Other Consumables	749,033.57	
Other Receivables		
Advances For Programms	344,105.00	
Deposits	559,750.00	
Ministry of Yourth Affairs & Skills Deve	3,930,931.24	
Vehicle Service Income Receivable	461,405.00	
Receivable Course Fee	19,458,199.10	

Salary Receivables	679,882.55	
Shortage Of Income	11,732.00	
State Organization	3,035,710.16	
Trade & Other receivables	11,266,498.70	
Provision for Bad Debts		6,966,641.40
Staff Loan		
Distress Loan	44,411,431.41	
Festival Advance	426,750.00	
Cash & Cash Equivalents		
Gold coin	104,000.00	
Bank Accounts		
Ampara	417,606.55	
Anuradhapura	605,859.64	
Badulla	101,445.48	
Batticaloa	2,375,161.71	
Colombo	982,446.72	
Galle	379,997.01	
Gampaha	69,033.71	
Hambantota	257,856.99	
Head Office.	136,699,802.35	
Jaffna	151,000.22	
Kalutara	829,841.81	
Kandy	219,413.26	
Kegalle	471,227.94	
Killinochchi	862,136.98	
Kurunegala	103,743.84	
Matale	364,781.68	
Matara	314,755.64	
Monaragala	1,163,209.60	
Nuwaraeliya	595,897.27	
NVTI - Baddegama	2,468,996.29	
NVTI - Mirijawila	696,704.88	

NVTI - Narahenpita	704,149.90	
NVTI - Niyagama	397,098.80	
NVTI - Orugodawaththa	99,992.52	
NVTI - Rathmalana	682,007.25	
NVTI - Thalalla	657,032.06	
Polonnaruwa	1,932,979.22	
Puttalam	411,247.95	
Rathnapura	161,538.71	
Trincomalee	466,001.44	
Vavuniya	2,215,450.83	
Cash-in-hand	35,545.00	
Cheque in hand	487,160.00	
Government Grant Capital		41,073,032.86
Government Grant - Recurrent		1,286,473,000.00
Differed Income Grant - Recurrent		397,269,169.33
Reserves & Surplus		
Differed Income Grant		3,524,825,295.31
Provision for Grauity		306,151,954.50
Revaluation Surplus		2,319,991,544.97
Payables		
Audit Fee Payable		993,435.00
Cashier Deposit		25,000.00
Course Fee Payable		4,047,151.40
Deposit		128,500.00
E.P.F Payable		15,515,306.90
E.T.F. Payable		2,327,296.34
Lecture Fees Payable		3,091,600.00
Other Payables		11,849,030.05
Project Funds Payable		21,028,772.00
Received in Advance		798,200.00
Refundable Tender Deposit		2,049,356.51
Retention Money		23,928,862.47
Salary Payable		287,607.05
Staff Incentive Payable		38,200.00
Student insurance payable		38,354,000.00
Trade Creditors		3,691,563.32
Mobile phone reserve		1,818,537.09
W & O P Payable		106,100.56

Accrued Expenses		
Carrier Guidance Accrued		171,190.00
Electricity Accrued		2,188,615.30
Examination & Evaluation Accrued		677,400.00
Fuel & Lubricant Accrued		8,903.00
Janitorial Service Accrued		602,937.40
Maintenance Accrued		2,017,703.72
News Papers & Periodicals Accrued		30,760.00
On The Job Training Accrued		42,500.00
Overtime & holidaypay Accrued		1,052,956.89
Part Time Expenses Accrued		4,931,902.90
Promotional Expenses Accrued		3,236,096.57
Rent,Rates & Taxes Accrued		334,468.17
Season Tickets Accrued		781,266.90
Security Charges Accrued		3,794,772.20
Stipend Allowance Accrued		1,869,300.00
Telephone Charges Accrued		2,750,772.62
Transport Accrued		65,900.00
Traveling Accrued		524,881.95
Water Accrued		263,779.65
Other Income		
Auction Income		2,147,364.50
Course fee		131,818,200.00
Canteen Income		235,900.00
Company registration		54,000.00
Daily Diary		3,225,000.00
Enterpriniourship Programme		66,000.00
Fines		61,956.00
Hall Income		2,005,430.00

Hostel Fee		223,500.00
Katharagama Circuit Banglow		446,585.00
Loan Interest		1,765,256.36
Miscellaneous Income		2,219,406.44
Non Refundable Tender Deposit		791,500.00
Record Book		5,629,600.00
Registration Free		8,952,300.00
Finished Good Sales		287,098.75
Savings A/C Intetrest		1,455,361.83
Supply Registration		519,400.00
English Book Income		607,200.00
Production Unit Income		
Ahugammana Academic Staff Development		
10% Earnings		594,733.25
Part Time Courses		8,098,127.27
Printing School Narahenpita		1,655,574.82
RPL		5,257,709.43
Sipsala Bojun Narahenpita		16,446.50
Sundry Income		
Trade Test		16,500.00
Thalalla Restuarent		107,906.75
T - Shirt income		181,450.00
Vehicle Service		108,360.05
Other Production Unit		617,859.98
Funds On Special Projects		
Funds on A/L Students		130,725.00
Funds on SSDP		153,114,359.42
Funds on GIZ		609,531.99
Funds on ILO		5,114,231.17
Funds on Budget Proposal		23,608,531.18
Funds on WUSC Project		865,256.00
Staff Cost		
E.P.F. Expenses	132,994,370.57	
E.T.F. Expenses	33,090,585.86	
Other Allowance(Staff Cost)	404,872,812.05	

Salaries & Overtime	458,799,988.26	
Staff Gratuity		
Surcharge for gratuity		
Travelling		
Accomodation Expenses	653,293.00	
Travelling - Domestic	7,370,473.58	
Travelling - Foreign	3,040,313.57	
Varification Expenses	1,571,868.15	
Supplies and Other Consumables		
Fuel & Lubricant Charges	13,553,344.51	
Other Supllies	2,017,800.99	
Stationary & Office Requisites	10,249,669.23	
Printed Materials	5,379,687.00	
Maintenance		
Maintenance of Building	10,426,012.39	
Maintenance of Plant & Machinery	9,515,292.54	
Maintenance of vehicle	14,205,900.13	
Contractual Service		
Advertisement	4,429,622.25	
Audit Fees	500,000.00	
Compensation		
Electricity Charges	47,614,556.80	
Hire Charges	400,000.00	
Insurance	2,779,876.62	
Janitorial Service	8,755,895.04	
News Papers & Periodicals	485,743.00	
Postal Charges	1,328,322.97	
Rent,rates & taxes	7,316,886.85	
Security Charges	36,180,587.36	
Staff Welfare & Other	1,042,578.70	
Telephone Charges	21,883,045.90	
Transport	2,616,785.00	
Water Bill	9,993,810.18	

Consultation & Professional Fee	960,000.00	
Job Placement, Research & Entrepreneurship		
Curriculum Development	311,585.00	
On the Job Training & Monitoring	9,526,318.00	
Entrepreneurship Programs	1,000,748.25	
Job Placement	931,487.61	
Research & Tracer Study	376,228.00	
Private Public Partnership	410,388.50	
Other Operating Expenses		
10% Discount	64,000.00	
50 % Discount Cost for Training	2,844,650.00	
Examination & Evaluation	6,190,224.46	
Free Course Charges	1,942,300.00	
Honorarium	1,040,200.00	
Approved Dropouts 2016- Full time	3,074,889.00	
Legal Fees	185,250.00	
Miscellaneous expenses	5,826,632.65	
Quality Management & Accrediation	1,950,254.30	
Season Tickets	5,245,260.94	
Special Training Programme	757,565.50	
Stipend Allowance	22,022,263.45	
Tools & Consumables	2,431,255.30	
Unrecovered insuarance	298,500.00	
Insurance for free courses	54,000.00	
Expenditure On Special Projects		
Expenditure for A/L Students	130,725.00	
Expenditure for SSDP	153,114,359.42	
Expenditure for GIZ	609,531.99	
Expenditure for ILO	5,114,231.17	
Expenditure for Budget Proposal	23,608,531.18	

Expenditure for WUSC Project	865,256.00	
Finance Cost		
Bank Charges	207,089.01	
Training Materials	92,250,834.64	
Staff Training - Capacity Deve.	4,276,341.81	
Promotional Expenses	12,763,267.05	
Carrier Guidance	2,348,003.18	
Depreciation	397,269,169.33	
Profit & Loss A/C	752,188,530.98	
Prior Year Adjustment		56,182,484.47
	11,413,158,273.99	11,413,158,273.99



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} VTY/E/VTa/1/16/22

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

} 28 February 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 2016 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 2016 comprising the statement of financial position as at 31 December 2016 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



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
Auditor General's Department

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 the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk 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 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 effects 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 2016 and its



financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Sri Lanka Accounting Standard 16

The following observations are made.

- (a) In terms of paragraph 34 of the Standard, it is indicated that, if items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation, instead it may be necessary to revalue the items with only such insignificant changes every three or five years. However, action had not been taken to carry out revaluations after the year 2008 for accounting the fair value of assets valued at Rs.5,763,014,972 owned by the Authority as at 31 December 2016.
- (b) According to financial statements, it is the Accounting Policy to eliminate the cost of assets disposed, from the relevant assets accounts. Nevertheless, the values of the assets disposed after the year 2009, had not been eliminated from the relevant assets accounts and the Register of Fixed Assets. Accordingly, action had not been taken to eliminate the cost and accumulated depreciation of the assets so disposed, in the years 2015 and 2016 from the accounts.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) The expenditure payable totalling Rs.1,097,195 relating to the year 2016 under the contract of constructing the security wall of the National Vocational Training Institute at Narahenpita, had not been brought to account.



- (b) The expenditure of Rs.929,427 spent in the year under review for repairs of capital nature carried out for two motor vehicles had not been capitalized.
- (c) Modernization expenditure amounting to Rs.2,085,873 relating to the Skills Enhancement Project had not been brought to account.
- (d) The value of 75 cancelled cheques amounting to Rs.173,635 relating to 05 expenditures of the preceding year had been deducted from the expenditure relating to the year under review instead of adjusting to the Accumulated Fund.
- (e) In the payment of telephone charges to a private telephone company, discounts of Rs.1,818,537 granted for the years 2014, 2015 and 2016 had been shown as a balance payable under current liabilities in the balance sheet without accounting as income.
- (f) Mobilization advances amounting to Rs.29,581,369 paid for 06 contracts of rehabilitation and improvement of training centres by the Authority in the year under review had been included in the Work-in-progress Account without accounting as advances.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) The balances receivable amounting to Rs.39,748,214 shown in the financial statements of the year under review included course fees of Rs.19,458,199 recoverable as at 31 December 2016 and out of that, a sum of Rs.2,204,788 had been recoverable for over a period of two years. Out of the remaining sum of Rs.17,253,411, a sum of Rs.10,277,809 had remained unrecovered even by 10 December 2017.
- (b) No action had been taken even in the year under review to recover loan balances of Rs.3,930,931 and Rs.131,043 recoverable from 16 years and 11 years respectively from the Ministry of Skills Development and Vocational Training or to take any other appropriate measures in that connection.



- (c) A balance of Rs.1,437,200 recoverable from Laksala which is closed down at present, was observed in the balance of Rs.2,844,106 recoverable from 11 other Government institutions for over a period of 11 years. However, the Authority had not taken any action whatsoever in respect of these balances recoverable since a long period and they were being brought forward year after year.
- (d) The balances payable as at the end of the year under review totalled Rs.130,578,519 and out of that, sums of Rs.10,080,342, Rs.4,854,746 and Rs.35,963,225 were being brought forward from periods over 05 years, 03 years to 05 years and from 01 year to 03 years respectively and no action had been taken to settle those balances or to take any other appropriate measure.

2.4 Non-compliances with Laws, Rules, Regulations and Management Decisions

The following instances of non-compliance with laws, rules and regulations were observed.

Reference to Laws, Rules, Regulations etc.	Non-compliances
(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka	
(i) Paragraph 4.1 of Chapter VIII	Overtime of Rs.885,361 had been paid by the Authority to 21 Staff Officers of Tertiary Level.
(ii) Paragraph 2.2 of Chapter IX	Part time Training Instructor fees of Rs.10,930,695 had been paid in the year under review and the royalty of 10 per cent recoverable therefor amounted to Rs.1,093,069. However, the Authority had recovered only a sum of Rs.594,733 during



the year. Accordingly, the royalty of Rs.498,336 had not been recovered and it had not been confirmed that royalty is charged on Instructor fees of all part time courses.

(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

(i) Financial Regulation 104	Two computers pertaining to the Computer Hardware Course conducted at the National Vocational Training Center in Ratmalana, had been misplaced on 15 January 2015 and action had not been taken in terms of Financial Regulations in respect of losses and damages occurred.
(ii) Financial Regulation 110	A Register on losses or damages had not been maintained in terms of Financial Regulations in the Head Office and District Offices.
(iii) Financial Regulation 188 (2)	Two cheques valued at Rs.49,644 deposited in the bank in the year 2009 had not been realized even by 31 December 2016. However, follow up action had not been taken thereon.
(iv) Financial Regulation 571	Action had not been taken to settle or take to the income, the retention money amounting to Rs.4,980,200 and lapsed deposits amounting to Rs.584,996 payable to 30 contractors and suppliers older than 2 years.
(c) Treasury Circular No.842 of 19 December 1978	A Register of Fixed Assets had not been maintained in terms of the Circular.



(d) Public Enterprises Circular
No. PED/12 of 02 June 2003
Paragraph 9.3.1 (vii)

Even though acting appointments were made for a certain reason, they should not exceed 03 months. However, contrary to that, 03 instances of covering of duties were observed on acting appointments up to 03 years.

(e) Public Finance Circular
No.446 of 01 September 2010

According to the approval of the Board of Control, on the basis of reimbursing personal telephone bills from the salaries of the employees engaged in the service of the Authority contrary to the Circular, the Authority had spent an average sum of Rs.353,853 monthly for telephones and had reimbursed from the salary after 12 days.

2.5 Transactions not supported by Adequate Authority

A sum of approximately Rs.500,000 had been paid as compensation during the year by depositing a sum of Rs.38,354,000 in a bank account of the Authority, by collecting Rs.500 each from apprentices from the year 2014 up to 31 December 2016 to raise an insurance fund. Nevertheless, the approval of the Treasury had not been obtained for the establishment of a fund in terms of paragraph 3.1 of Public Finance Circular No.PF/423 of 22 December 2006.



3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result for the year under review had been a surplus of Rs.33,280,068 as against the deficit of Rs.75,332,249 for the preceding year, thus indicating an improvement of Rs.108,612,317 in the financial result for the year under review as compared with the preceding year. The increase in Treasury grants for recurrent expenditure by Rs.124,473,000 and other income by Rs.16,898,073 and the decrease in expenditure on promotions and career guidance by Rs.5,763,323 and expenditure on job placement, research and entrepreneurship by Rs.4,060,356 had mainly attributed to the above improvement.

An analysis of the financial results of the current year and 04 preceding years revealed that there had been financial surpluses in the years 2012 and 2016, whereas deficits had resulted in the other years. However, in considering the employees' remuneration and the depreciation on non-current assets, the contribution of the Authority from the year 2012 up to the year 2016 were Rs.1,144,087,661, Rs.1,023,595,450, Rs.1,059,237,421, Rs.1,338,404,900 and Rs.1,460,306,994 respectively. As such, a continuous increase in the contribution of the Authority is indicated from the year 2013.

3.2 Analytical Financial Review

Even though the income from course fees relating to the year under review had been shown as Rs.131,818,200 in the financial statements, a sum totalling Rs.7,861,839 relating to exemption from course fees and approved apprenticeship drop outs which could have been specifically identified in the computation of income, had been identified as income and written off as other operating expenditure.



4. Operating Review

4.1 Performance

The following observations are made.

- a) According to the Vocational Training Authority of Sri Lanka Act, No. 12 of 1995, the objectives such as conducting vocational training programmes and providing training for employment, conducting National Trade Tests and examinations and issuing certificates, carrying out research and development in vocational training, co-ordinating, facilitating and assisting vocational training in the public and private sector, offering career guidance and counselling services, offering job placement services, engaging in research activities on supply and demand for needs of the labour market, establishing links with international vocational training organizations and institutions and co-ordinating and the training of trainers required for vocational training were the key objectives of the Authority. However, no researches on the demand and supply of the labour market had been conducted whilst attention had not been paid on establishing international relationships as well.
- b) The following observations are made in the examination of the Action Plan in the year under review.
 - (i) It had been planned to enroll 35,460 apprentices for 2,584 training programmes of 133 training courses belonging to 18 different sectors during the year under review and 31,537 apprentices representing 88 per cent of the targeted number had been enrolled for 1,952 programmes implemented thereunder. Even though 4,700 apprentices had been planned to be enrolled for part time courses out of them, only 1,833 apprentices had been enrolled. Accordingly, only 39 per cent of the target of enrollment for part time courses had been achieved.



- (ii) The Authority had paid more attention in the year under review to enroll apprentices for the sector of Information Communication Technology and Multimedia Technology which is not a sector of basic vocational training and according to sectors of basic vocational training, less attention had been paid on enrollment of apprentices.
- (iii) Out of the enrollments for the year 2016 for the Information Communication Technology and Multimedia Technology (IT Sector), the highest number of enrollments of 23 per cent representing 7,439 had been made. However, the highest number of job placements which stood at 978 had been placed in the electronic and Telecommunication Sector. Accordingly, it was observed that training activities had not been planned, targeting the job market.
- (iv) The number of targeted job placements in the Job Placement Sector in the year 2016 had been 8,300 and the actual job placements had been 6,052 or 73 per cent.
- (v) Even though the target of foreign job placements was 41 per cent, the actual job placement was only 03 per cent. As such, it was observed that there was less inclination towards the foreign job market.
- (vi) The Authority had not carried out follow up action on the job placement of trainees leaving annually after obtaining training from the Authority and a data base had not been maintained thereon.

4.2 Management Activities

The sum of Rs.106,100 recovered from 8 officers from the year 2014 up to the year 2016 had been retained in the Widows' and Orphans' Fund Account payable instead of remitting to the Widows' and Orphans' Fund.



4.3 Operating Activities

The following observations are made.

- (a) Nineteen motor vehicles purchased by the Authority for training purposes and indicated as training equipment in the Register of Fixed Assets, had been used for running purposes of the Authority. Moreover, 22 motor vehicles used by the Authority, which were out of running condition had been provided for training activities and the registration numbers of those motor vehicles had not been cancelled through the Department of Motor Traffic before providing them for training purposes.
- (b) Deficiencies identified at the inspection of the Vocational Training Centre in Trincomalee are given below.
 - (i) According to Guidelines of the Tertiary and Vocational Education Commission, course accreditation of all courses which award National Vocational Qualification (NVQ) certificates should be carried out once in every 03 years. Even though the period of accreditation of 03 courses conducted in Vocational Training Centres located in the Trincomalee District had exceeded 06 months, the required accreditation had not been carried out even by 12 December 2017.
 - (ii) Even though the Technician Course (1 year) of the Pulmoddai Rural Vocational Training Centre had been commenced on 08 August 2016, training materials required therefor had not been provided even by 01 February 2017, the date of audit.
 - (iii) In the inspection of facilities of the training courses at the rural vocational training centre of the Vocational Training Centre of the Trincomalee District, instances were observed in which electricity facilities, adequate number of chairs and adequate computers had not been provided.



- (iv) As revealed at a sample test, Tamil medium apprentices following courses in 03 training centres of the Trincomalee District had not been provided with daily training report books for the first half year of 2017 even by 01 February 2017. Moreover, Sinhala daily books and photocopied Tamil medium books had been provided to the Tamil apprentices following the Electrician course in 02 centres.
- (v) Twelve UPS units belonging to the Information Technology Course of the Agbopura Rural Vocational Training Centre had been inoperative and as such, the safety of computers had been at a risk.
- (c) Even though contractors should be selected for running the canteens by calling for public quotations annually, the running of the canteen at the Narahenpita National Vocational Training Centre had been awarded to the same person from the year 2011 up to the 30 September 2017 contrary to procurement guidelines.

4.4 Transactions of Contentious Nature

Out of the sum of Rs.20,271,540 provided in the year 2016 for uplifting vocational training centres in the Districts of Vavuniya, Mannar, Batticaloa and Ampara by the World Labour Organization, a sum of Rs.1,355,755 had been distributed among 31 officers as allowances as at 31 December 2016. However, the Chairman had decided to recover it due to the irregularity in payment. Out of that, a sum of Rs.272,489 should have been further recovered by 31 October 2017.

4.5 Idle and Underutilized Assets

The following observations are made.

- (a) Two buses to the cost of Rs.1,500,000 and Rs.1,100,000 and to the write off value of Rs.150,169 and Rs.110,124 as at 31 December 2016 had been parked in the Anuradhapura District Office premises and the Nindavur Vocational Training Centre premises in Ampara without being made use of for over a period of 2 years and one year respectively.



- (b) As revealed at a sample test, it was observed that 1,849 items of training equipment belonging to 12 courses in the centres in the Districts of Ampara and Galle of which the value could not be identified, had remained idle due to failure in conducting those courses.
- (c) It was observed during a sample test carried out on 02 February 2017 that agricultural equipment, industrial water pipes, training equipment belonging to technical courses of the Seruwawila Rural Training Centre and equipment relating to the welding course of the Verugal Training Centre had remained idle due to failure in conducting courses as a result of dearth of Instructors. Moreover, no plans whatsoever had been prepared in commencing those courses even by 31 July 2017.
- (d) Training equipment valued at Rs.10,481,619 purchased for the hotel schools of Kuchchaveli and Karainagar during the years 2015 and 2016 under the Skills Sector Enhancement Project had remained idle without being made use of even by 31 July 2017 due to incompleteness of constructions of those centres. The guarantee period of certain training equipment had expired without using the equipment and certain equipment had been subjected to rust and discolour.
- (e) (i) The modernization of the hotel school located in Ahangama in the District of Galle in which 04 courses relating to the hotel training sector had been conducted without evaluating the requirement of maintaining as a model hotel, into a three star hotel with a swimming pool had been awarded to a private contractor at a value of Rs.110,355,000 on 06 October 2014 to be completed within a period of 240 days on the approval of the Board of Control.
- (ii) Moreover, the approval of the Board of Directors had been granted for an additional estimate of Rs.12,362,223 on 29 April 2016 to make further changes as a luxury hotel in that three star hotel. Even though a sum of Rs.1,011,801,679 had been spent by 30 June 2017 for this construction, they had not been completed up to 30 June 2017 due to the change in plans from time to time and deficiencies of the contractor. However, the resources required to maintain a three star hotel are not available with the Authority and



as such, bids had been invited by a newspaper announcement on 22 March 2017 for selecting an investor of the private sector to run as a state-private partnership.

- (iii) The hotel school in Ahangama had been modernized as a model hotel without accurately identifying the constructions which should be given priority. As such, the constructions of the relevant hotel on another land had been commenced in the year 2017. The four courses which were discontinued in the year 2014 due to the delay in constructing the hotel school could not be recommenced even by the year 2017. As such, the training equipment valued at Rs.8,605,519 purchased in the years 2015 and 2016 for the use of the hotel school had remained idle for over a period of two years. The objectives of the project for which funds had been provided and the objectives of the Authority had not been achieved.

4.6 Underutilization of Funds

The following observations are made.

- (a) A sum totalling Rs.331,133 had been retained in 05 bank current accounts without utilizing for achievement of objectives.
- (b) A sum of Rs.9,815,342 provided for purchasing training equipment in the year 2011 from the Tertiary and Vocational Education Commission had been retained in the Project Fund Account Payable without taking action to utilize it for relevant purposes or to settle same.

4.7 Uneconomic Transactions

The reasons given for non-acceptance of procurements submitted with minimum bids in 10 instances by Technical Evaluation Committees during the course of audit test checks carried out on the purchase of training equipment in the year 2016 could not be accepted. Moreover, an overpayment of Rs.3,220,900 had to be made by the Authority for those purchases due to accepting higher bids therefor.



4.8 Resources of the Authority released to other Public Institutions

Three officers and two motor vehicles belonging to the Authority had been released to the Ministry of Skills Development and Vocational Training and in addition to that, one officer had been released to the Skills Sector Project. The Authority had incurred an expenditure of Rs.1,477,596 during the year as salaries and allowances therefor.

4.9 Staff Administration

The following observations are made.

- (a) The post of Director (Finance) of the Authority had been vacant from 30 April 2015 and the Chief Internal Auditor had been appointed to act full time in this post from 05 May 2015 and as such, the independence of internal audit had become questionable in audit.
- (b) The approved permanent cadre of the Authority had been 2,361 as at 31 December 2016 while the actual cadre had been 1,814, thus observing 547 vacancies. Out of the vacant posts, 269 had been Instructors and as a result, training programmes could not be conducted as targeted.
- (c) According to the approved Scheme of Recruitment, despite not having provisions made for the recruitment of Instructors on contract basis, Instructors who had not fulfilled qualifications had been continuously recruited on contract basis and had been made permanent in the post without qualifications, considering the period of contract as the period of probation. Eighty Instructing Officers with a service period of over 03 years, who had been so recruited on contract basis, had been made permanent as Instructors in January 2017.
- (d) In making recruitment for the post of Instructor in terms of Section 5.1.1 of the approved Scheme of Recruitment of the Authority, a certificate of competence should be obtained by following a technical course on or above par with NVQ Level 5. However, it was observed in the audit test check carried out in respect of



the Instructors recruited in the year 2014 on contract basis that out of the 91 Instructors recruited, 23 of them had not fulfilled that requirement.

- (e) In terms of the Scheme of Recruitment of the Authority, recruitment for the post of Director (Human Resources and Administration) should have been made after calling for applications from the external and internal applicants and adhering to the system of granting marks by an Interview Board comprising of the officers specified in Section 5.2.6 of Chapter II of the Establishments Code. Nevertheless, contrary to that, an officer had improperly been recruited to the said post with effect from 22 April 2015 in accordance with a letter signed by 08 members of the Board of Directors along with the recommendation of the Chairman of the Authority dated 05 June 2015.
- (f) Even though the Authority had not conducted a training course on media, an Instructress who had not completed the basic qualifications in that field, had been recruited in the year 2011 on contract basis. Despite her failure in carrying out the duties relating to the post of Instructor, extension of service had continuously been granted to her and her scope had been changed in the year 2014 as an Information Technology Instructress on the training obtained from the Authority itself. It was observed in audit that the duties in that field had not been performed properly as well.
- (g) According to cadre information approved by the Department of Management Services on 17 December 2013, the Management Assistant-Non-Technical service category had been further maintained by making the Instructors recruited on contract basis without basic qualifications permanent, under the salary scale (MA 1-2) created as personal to holder basis to each officer.

4.10 Procurement and Contract Process

The following observations are made.

- (a) A contract agreement to the value of Rs.1,781,424 had been entered into on 29 July 2016 for constructing the boundary wall of the National Vocational Training Centre at Narahenpita and according to the agreement and the Bill of Quantities on constructions, in preparing the land, instead of filling with 14 cubes of soil, the



Technical Evaluation Committee had recommended filling with 16.16 cubes of ABC on 26 December 2016. The Technical Officer who supervised the constructions had certified the final bill of Rs.1,280,146 submitted by the contractor. However, that payment had been withheld and according to the report obtained by the Authority on the preparation of the land from the National Building Research Organization, it had been confirmed that bricks and pebbles had been used in the preparation of the land instead of using ABC. No steps whatsoever had been taken against the officers responsible thereon.

- (b) (i) An agreement to the contract value of Rs.169,164,622 had been entered into on 23 December 2014 for completing the contract of the hotel school at Kuchchaveli, Trincomalee in 365 days. Even though 772 days had lapsed therefor as at 03 February 2017, the constructions had not been completed.
- (ii) The legal ownership of the said land had not been vested with the Authority even by 29 September 2017, the date of audit. Moreover, in constructing the aforesaid building, it was observed at the physical verification that constructions are being carried out so that a part of a land belonging to the Sri Lanka Tourist Board, located outside the land marked by the District Surveyor is included as well.
- (iii) A former Professor of the University of Moratuwa had carried out a basic soil and underground water test and based on the instructions given to carry out constructions by filling with soil to a height of one metre on the naturally located land, an estimate of Rs.12,650,000 had been prepared for filling the land using 11,500 cubic metres of soil at the rate of Rs.1,100 per cubic metre. Nevertheless, it was observed at the physical verification on 17 February 2017 that breaking of rocks of 636.34 cubic metres had been carried out by removing the basement rock instead of filling the land of construction with soil without the recommendations of the Technical Evaluation Committees and the



approval of the Procurement Committee. A sum of Rs.7,884,253 had been paid to the contractor therefor.

- (iv) It was observed in audit that, as constructions are carried out on a low land, it could be easily subjected to floods.
- (c) (i) A contract agreement had been entered into with a private company on 07 October 2013 to a value of Rs.42,613,557 to complete the constructions of the workshop building at the National Vocational Training Centre at Mirijjawila in 150 days and the works should have been completed as at 31 December 2014 with 02 extensions. However, the purpose of constructions had been suspended by the Authority from 05 January 2015 on the failure of completion of works as at that date. The contractor who had failed to agree to this, had referred this case to a mediation board. This dispute had not been settled even up to 30 June 2017.
- (ii) According to the report prepared on 25 October 2015 by the Authority the instructions of a consultancy firm appointed by the Authority after suspending constructions, a sum of Rs.3,819,000 had to be recovered from the contractor after deducting a sum totalling Rs.25,584,110 including a sum of Rs.16,957,562 as payment of bills (inclusive of VAT) and mobilization advances out of the value of work done amounting to Rs.21,765,110 and a surcharge of 25 per cent amounting to Rs.6,022,991, liquidating damages and other charges amounting to Rs.2,603,557 according to the agreement.
- (iii) Even though bids had been recalled on 08 April 2016 for completing the purpose of constructions, a final decision had not been made on the original contractor who had carried out constructions. As such, the procurement committee held on 27 October 2016 had decided to suspend the evaluations on the second bidding. However, the constructions of the contract had delayed for over a period of two years as at 31 December 2016.



5. Accountability and Good Governance

5.1 Presentation of Financial Statements

A Draft Annual Report for the year 2016 had not been presented to the Auditor General along with the financial statements in terms of section 6.5.1 of Public Enterprises Circular No. PED/12 of 02 June 2003.

5.2 Corporate Plan

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

5.3 Action Plan

The following observations are made.

- (a) According to the Action Plan, the Authority had targeted to enroll 1,285 apprentices for 99 programmes in the year. However, those programmes had not been implemented.
- (b) Twelve programmes unplanned by the Authority had been implemented in the year and 294 apprentices had been enrolled therefor.

5.4 Internal Audit

An Internal Audit Unit had been established as mentioned in the Department of Management Services Circular No. DMA/2009 (i) of 09 June 2009 and Financial Regulation 133 and 12 officers, attached to it. However, audit had not been carried out by paying attention to planning and implementing audit programmes and follow up action and the progress in achieving objectives and targets mentioned in the Corporate Plan for the period from 2012-2016.



5.5 Unresolved Audit Paragraphs

No measures whatsoever had been taken by the Authority in respect of the following deficiencies pointed out by my previous report.

- (a) According to a recommendation of the Board of Inquiry appointed in February 2009, six years after meeting with an accident in respect of a cab vehicle in the year 2003, action had not been taken to recover the loss of Rs.421,000 occurred from the accident.
- (b) Even though the Secretary had been directed at the COPE meeting held on 12 September 2014 for the Vocational Training Authority of Sri Lanka that instructions be obtained from the Secretary to the President in respect of obtaining a sum of Rs.5,444,015 from the Central Cultural Fund for performing as a member of the Board of Control of the Central Cultural Fund and in performing duties in the post of Working Director from 17 January 2006 up to the year 2014 by a Deputy Director of the Authority in addition to his permanent post, the measures taken in that connection had not been made available to audit.
- (c) Recruitments had been made for 06 posts of Executive Level including the post of Director General whose qualifications or experience had been contrary to the Scheme of Recruitment of the Authority. Moreover, an officer had been recruited to the post of Assistant Director (Finance) not included in the approved cadre. The recommendations made by the report issued after carrying out an investigation relating to those appointments in the year 2015 by a former judge, had not been implemented even by 12 December 2017.
- (d) A sum of Rs.7,500,000 had been received from the Sri Lanka Tourism Promotion Bureau in February 2012 for making payments to the Selacine Television Institute for celebrating the World Tourism Day in the year 2011. The sum of Rs.1,000,000 remaining after making the relevant payments had been taken into the income of the Authority in the year 2015 without the approval of the Board of Control.

- (e) A sum of Rs.1,711,961 had been paid as salaries in the year 2008 without approval to an officer interdicted on financial misappropriation and against whom a case had been filed. Moreover, the required measures had not been taken even up to the year under review by carrying out an inquiry on making payments inconsiderately.
- (f) The sum of Rs.1,875,747 payable to a private firm for fixed assets purchased in the year 2012 had not been settled even during the year on the controversial position that had arisen due to the deficiencies in the Procurement Process.

5.6 Budgetary Control

Variances ranging between 78 per cent and 1,363 per cent were revealed in the comparison of the budgeted income and expenditure and the actual income and expenditure for the year under review, thus observing that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit 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 control.

Areas of Systems and Controls	Observations
(a) Staff Administration	- Recruiting officers who had not fulfilled the minimum qualifications. - Failure of the Boards of Interview and Practical Test to function properly. - Non implementation of a proper transfer scheme.

(b) Assets Management

- Failure to maintain a Register of Fixed Assets properly.
- Failure to use codes for identifying the assets.
- Existence of idle assets.
- Failure to ensure all assets being inventorized. Non confirmation of the safeguard of assets.

(c) Operating Control

- Non-elimination of disposed assets from Registers of assets.
- Failure in obtaining confirmation from the apprentice that the apprentice allowance has been obtained.
- Differences in the methodology in computing the allowance.
- Granting permission to Instructors to obtain course fees by cash without banking.
- Failure in confirming the recovery of royalty for all part time courses.
- Failure in accounting the royalty as a separate income.

(d) Financial Control

- Failure to assign the functions among officers so as to create internal control.
- Failure to carry out supervisions properly.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General

Sri Lanka Vocational Training Authority - Current situation in respect of the financial statements of the year ended 31st December 2016 of the report of the Auditor General as per the clauses No 14 (2) C of the Financial Act No 1971

- 2.2.1 (a) Actions have been taken to include all the details of the fixed assets belong to the Authority to the Fixed Assets Register as at 31.03.2018 and 90% has already been entered to it.
- 2.2.1 (b) Actions will be taken to rectify in preparing Final Accounts of year 2018.
- 2.2.2 (a) Relevant inquiry is being examined and after conclusion of the inquiry the required rectifications will be carried on by identifying the definite values.
- 2.2.2 (b) Adjustments have been carried on to the Accounts 2017.
- 2.2.2 (c) Since the Skills Sector Development Division (SSDP) carries on the accounts on Cash basis the expenditure reimbursed from the SSDP has not been separated as accumulated expenditure by the Authority.
- 2.2.2 (d) All the adjustments have already been carried out.
- 2.2.2 (e) Due to relevant adjustments have been carried out, a balance will be not indicated in the future.
- 2.2.2 (f) Rectified in the year 2017. Actions will be taken to act as such, in such occasions on coming years.
- 2.3 Rectified.
- 2.3 (a) The Treasury approval has not been received so far to remove the values more than Rs. 5 lakhs, and the values less than 5 lakhs has been removed from the books.
- 2.3 (b) The Treasury approval has not been received so far to remove the values more than Rs. 5 lakhs, and the values less than 5 lakhs has been removed from the books.

- 2.3 (c) Further actions are being taken to rectify the Rs. 9.8 Mn. relevant to the Tertiary and Vocational Education Commission (TVEC) which are in various project funds.
- 2.4 (a) (i) The overtime payments have been paid to the tertiary level officers in Authority under the approval of the Department of Management Services. (Annexure 01)
- Subsequently overtime has not been paid to the officers in tertiary level in per to the Management Services circular N0 2016 / 02 dated 25.04.2016.
- 2.4 (a) (ii) Relevant instructions are being implemented.
- 2.4 (b) (i) An examination had been carried out in per to the Financial Regulations 104 and the actions have been taken to charge the value of the computers from the relevant officers.
- 2.4 (b) (ii) Relevant instructions are being implemented.
- 2.4 (b) (iii) Actions are being taken to obtain the information.
- 2.4 (b) (iv) Actions will be taken to pay according to the requests.
- 2.4 (c) A Fixed Assets Register is being prepared.
- 2.4 (d) Mr. P. Ramadas (Financial Officer) – The officer was appointed to the District of Mulativu as the Financial Officer due to not assign the duty by the officer who was appointed newly as the Financial Officer. Since the officers are not willing to do the duty in a remote area such as Mulativu, this appointment has been carried out in Acting basis.
- Mr. H.M.L.A. Samaranayaka – The Department of Management Services has given the permission to fill this vacancy as an internal filling of vacancy. The basic qualification required for this, is NVQ level 05 in qualification the Motor Mechanic trade. But since there are no qualified internal appli cants this vacant could not be filled. However, actions have been taken to recall the internal applications in the year 2018.

- Mr. H.U. Kariyawasam (Director (Finance)) – Actions have been taken to fill this post in year 2018.
- 2.4 (e) The bills for mobiles in Mobitel Institute receives generally in 25th day of any month and calculate to 24th day of the next month. Therefore the bills of the officers have to be charged from their next month salary. Hence the bill of each month charge properly from the next month salary.
- 2.5 Agreed.
Even though the approval has been requested for this from the Treasury, the approval has not been received. The Treasury informed to send the detailed documents in respect of this and the documents has been resent. Accordingly, it is expected the relevant approval will be received in future.
- 3.1 Agreed.
- 3.2 The charge for the courses has not been carried on now, it is not relevant to future.
- 4.1 (a) A research for demand and supply of labor market has been carried on in 11 districts in the year 2016 and the remained 14 districts in the year 2017. Similarly the Authority continues the connection with the following international institutions in view of upgrading the vocational training with developing the courses to suit to the international level.
- GIZ, WUSC, JAICA, KOIKA, ILO, MICROSOFT, HMTI (HINDUSTAN MOTOR TECHNOLOGY INSTITUTE)**
- 4.1 (a) (i) These courses are already been conducted and in addition to that a pilot training project of 120 days targeting the Western province has already been commenced in order to provide the training to the apprentices who are in the field of construction, which has a the less attraction.
- 4.1 (b) (ii) The apprentices in the following districts are being trained at present under the 120 day Pilot Project in the field of construction in Western Province.

01. Kaluthara district
 1. Ingiriya – (Masonry)
 2. Bulathsinhala – (Masonry)
02. Colombo district
 1. Homagama – (Carpentry)
03. Gampaha district
 1. Samanabeddha – (Carpentry)
 2. Nedumgolla – (Masonry)
 3. Nadumgolla – (Plumber)

After conclude the apprentices training affairs in Western Province Pilot Project, it is proposed to launch this special training programme in the field of construction in other districts too.

- 4.1 (b) (iii) Answer is as No (ii)
- 4.1 (b) (iv) **The job placement of year 2016 is 6052 and jobs are increased up to 6661 in the year 2017.**
- 4.1 (b) (v) Even though the actions had been taken to do the programmes jointly with the Foreign Employment Bureau, the most of the jobs available in the Middle East countries. But the salaries for the jobs in these counties are less and the apprentices do not willing to go those countries. However the actions will be taken to improve the foreign employments by taking those actions in future.
- 4.1 (b) (vi) All the details on job placements of year 2016 and 2017 are under Job Placement Division. In addition to that those details have included in the Management Information System (MIS). This is functions in formal manner since 2018.
- 4.2 Information have not been received so far.

- 4.3 (a) Due to the shortage of vehicles, 19 vehicles reserved for training equipment (motor cycles and trishaws) have been utilized for transport activities in relevant district with out disturb to the training affairs considering service requirements. Instead of that, 22 vehicles utilized for transport in the Authority have been released for the training activities. Commissioner of Motor Traffic has been informed to cancel the registration of 22 vehicles provided as such. Similarly the said 19 vehicles obtained for training activities has been transferred under the Head of Vehicles in Fixed Assets Register.
- 4.3 (b) (i) Tertiary and Vocational Education Commission (TVEC) has carried out the audit for courses accreditation and has given the recommendations.
- 4.3 (b) (ii) 20 apprentices for the first academics term in year 2018 in the electrician course in Pul mudei have been recruited and the training activities are being carried out.
- 4.3 (b) (iii) 20 apprentices for the first academics term in year 2018 in the electrician course in Pul mudei have been recruited and the training activities are being carried out.
- 4.3 (b) (iv) This situation has been occurred due to delay to provide CBT Tamil medium books and those books have been provided now.
- 4.3 (b) (v) The number of apprentices in the Information Technology course 2018 in Agbopura is 21 for the first Academic year.
- The number of apprentices in the Carpentry course (Furniture) 2018 in Agbopura is 10 for the first Academic year.
- 4.3 (b) Actions have been taken to rectify this issue. The quotation has been called by publishing the newspaper advertisements and under competitive prices and the prices have already been evaluated and referred to the Procurement Board with the recommendations of the Technical Evaluation Committee (TEC) to select a contractor. Even though it has been referred to the Procurement Committee the present owner of the canteen has sent a letter to the Vice Chairman informing that he was under in justification. Therefore the Vice Chairman has referred to take future actions with requesting approval from the Chairman to send back it to the Technical Evaluation Committee.
- 4.4 Recovering all the amount is being rectified.

- 4.5 (a) Generally, a heavy vehicle diving license is required to appoint the instructor of heavy vehicle driving. But since there is a dearth in those instructors, great inconvenience has occurred to commence those courses. Actions are being taken to utilize these two buses effectively in future.
- 4.5 (b) Prior to the amendment of Motor Vehicle Act, these two buses were utilized for the driving training affairs of the apprentices' id est., in the time of applying the heavy vehicle driving license directly. After the amendment of the said Act, due to inability to apply to obtain the heavy vehicle driving licenses for the first time, the apprentices were not registered to the said course and therefore the instructors to the same field also not be able to recruit.
- Under these circumstances, in view of maintaining the relevant two buses with good mechanical and running conditions the then Management has decided to provide the transport facilities to the apprentices by paying the S.L.T.B. bus fees for the tickets from the distances between training center to the closest town.
- 4.5 (c) Vocational Training Center - Serunuwara – Agriculture Machines Course
Plumber course
- Even though the advertisements were published through the printed media to recruit the Sinhala and Tamil medium instructors for these sectors, the applications were not received and this situation has been arisen. After the attachment of instructors, the courses training activities could be commenced.
- 4.5 (d) The constructions and renovation activities in Kuchchaweli and Kareinagar two vocational training centers have been concluded and the courses are already been commenced and implemented.
- 4.5 (e) (i) The renovation activities of the Hotel School in Ahangama has already been concluded. The project for renovate the kitchen in this center is in the final stage.
- 4.5 (e) (ii) Even though the newspaper advertisement has already been published to join the private sector to this project, the process has been suspended due to no presentation of competitive biddings.
- 4.5 (e) (iii) This project will be concluded in the year 2018 and schedule to be commenced the training.

- 4.6 (a) Except the 4 bank accounts required for the future actions have been taken to close the other bank accounts.
- 4.6 (b) This fund was received to purchase the required equipment for accreditation of the courses and large number of courses have already been accredited. Accordingly, actions have been taken to transfer this funds to the Treasury Provision Fund.
- 4.7 The Technical Evaluation Committee recommends to buy items for the trainings of apprentices which are durable with considering minimum prices as per the basic qualifications invited in the bid document, the period of warranty, duration and the experience obtaining through utilization. In certain occasions the recommendations are given to buy durable training equipment without considering minimum prices.
- 4.8 Letter has been issued to the Secretary to the Ministry on provision of these pool vehicles temporally.
- 4.9 (a) Future actions are already being implemented.
- 4.9 (b) After completion of the constructions of these relevant buildings under Skills Sector Development Division these instructors will be recruited in the commencement of the courses.
- 4.9 (c) The Scheme of Recruitment of this Authority has been approved on 18.03.2014. As per the said Scheme of Recruitment the instructor post was approved under Management Assistant Technology Service (MAI -2) category and the NVQ level 05 has given as the recruitment qualification. The day before the approval has given to the SOR, the officers who were in the post of instructor recruited to the the qualifications has been approved to the post under the category of Management Assistant non Technology service (MA1-2) on permanent basis so as to personal to them. Therefore the instructors who recruited on contract basis has been permanent based on then recruited qualifications after completion of 03 year service period.

4.9 (d) The National Vocational Qualification (NVQ) framework was commenced for the first time in Sri Lanka in the year 2007. Under the said system the NVQ level 05 has been implemented on for limited courses in the year 2012. In subsequent years the instructors were recruited to the Authority through publishing the newspaper advertisements and calling applications. But due to no sufficient number of applicants who completed the NVQ level 05, were presented through the job market it was not able to fill those vacancies. Therefore, in order to fulfill the service requirement, actions had been taken to recruit the instructors who acquired NVQ level 04 or equal qualifications and one year service experience, on contract basis.

4.9 (e) The post of Director (Human Resources and Administration) was vacant since 22.02.2015 and Mr. W. A. Ranaweera, who had 10 year service experience as a Deputy Director and qualified to the said post was appointed to the aforesaid post on acting basis. Thereafter the Board of Directors has given approval to Mr. W.A. Ranaweera to permanent in the post of Director (Human Resources and Administration) with considering his previous performance and the following posts held in the Authority. The posts held by Mr. W.A. Ranaweera

Designation	Service period
Director (Career Guidance and Job Placement) Acting	02.10.2006 – 25.02.2008
Director General (Duty Cover –up_	25.02.2008 – 15.04.2008
Director General (Acting)	15.04.2008 – 10.12.2010
Director (Career Guidance and Job Placement) Acting	05.11.2012 – 17.06.2014
Director (Human Resources and Administration)	Since 24.04.2015 up to now.

This appointment has been carried out under the powers assigned the Board of Directors in Section 16(1) of the Vocational Training Act.

- 4.9 (f) This officer was recruited as a media instructor in 09.07.2011. Her duty was only to provide publicity to the Authority through coordinating media activities and not the teaching activities. The duty has successfully carried out by this officer. She has changed her subject to the computer in the occasion the VTA has allowed to transfer the subject areas. For this the officer has obtained a NVQ level 03 certificate under RPL. After changed the subject this officer has taught IT subject to courses which are not IT in National Vocational Training Center in Narahenpita.
- 4.9 (H) Approved number of cadre has not been exceeded. The Department of Management Services has been approved 1177 instructor posts in non-Management Assistant Technology Service so as to be personal to them. Actions have been taken to permanent the instructors who recruited on contract basis within the said amount of posts after completing their 03 year service period as per the recruitment qualification by the then officials. Therefore the carder has not been exceeded.
- 4.10 (a) The payments have been suspended for the above said item in this Contractinstitute. It is scheduled to be conducted a basic investigation and implement its recommendations.
- 4.10 (a) (i) The constructions of this project have been concluded and the training activities are already commenced.
- 4.10 (b) (ii) A considerable contribution is provided for the tourism from this project and the Tourism Development Authority has given the consent to it. The Tourism Development Authority has submitted the Cabinet Memorandum to transfer this land.
- 4.10(b) (iii) This project is implemented successfully up to now and it has not reported a flood situation.
- 4.10(b) (v) Flood situation has not been reported in respect of this land so far.
- 4.10 (b) (i) Due to delay to give the instructions by the CIDA, the bid invited on 08.04.2016 has been cancelled from the Procurement Decision Committee held on 27.10.2016.
- 4.10 (c) (ii) The final decision of the Procurement Board is scheduled to be given for this.
- 4.10 (c) (iii) It has planned to complete the renovations in this Project in the year 2018 and to utilize.

- 5.1 The complete responsibility of completing the Annual Report is under Administration division and the administration part has submitted to the Government Audit division.
- 5.2 The Annual Action Plan has been prepared and the approval has taken as per the Public Financial Circular No 01 / 2014 issued by the Ministry of Finance and Planning.
- 5.3(a) The changes in the progress of the activities in Action Plan should be obtained through each Division.
- 5.3 (b) The changes in the progress of the activities in Action Plan should be obtained through each Division.
- 5.4 The audit activities planned to do the expected targets in the year 2018 are being carried out in update manner.
- 5.5(a) In respect of the accident mentioned in the Audit inquiry, the Committee consisted of three members appointed in year 2015 reveals that institution could not be able to reimburse the amount due to the accident has occurred in 12 1/2 years ago and the previous examinations reports are contradictory to the principles in the law and also no formal examinations had been conducted.
- The Committee further revealed an officer who was responsible to this incident has been appointed to the Inquiry Committee as the Chairman and out of 08 officers of Inquiry Committee and the officers to be charged he damage, 06 officers have been resigned from the posts of the Authority.
- As per the recommendation of this new Committee appointed in the year 2015 actions will be taken to refer this matter to the Board of Directors based on the recommendations of new committee appointed in 2015 and the reveals done by the Government Audit Division.
- 5.5.(b) This officer has appointed by the Secretary to the President as per the order of the President.
- He has been released 03 half days for a week as per the approval of the Chairman. According to the Vocational Training Authority Act, the Chairman is the Chief Executive Officer and the relevant officer has taken an allowance approved by the Governing Board of the Central Cultural Fund.

In respect of this, the COPE informed the Secretary of the Ministry of the Cultural Affairs to approve the allowance paid for this officer from Treasury. Similarly, this officer is engaged in the service in Central Cultural Fund only for 03 half days.

The letters have been referred to the Secretary to the HE. President in respect of this matter and no answer has been received so far.

5.5 (c)

Director

The internal investigation report to appoint Director General, Director (Planning, Researches and Development), Director (Career Guidance, Job Placement and Promotion), Director (Training) and the Director Board Paper relevant to obtain the service of an independent investigation officer has submitted to the 180 and 181 Director Boards and due to no required number in the Board, it was submitted back to Director Board No 184.

There, since it was no ability to agree the decisions taken by the No 180 and 181 Director Boards and the further the Board Directors would not be responsible to the decisions taken thereby. Therefore the future actions have not been taken due to the approval has not been given in respect of Committee Report submitted through Paper No 180/2 and the examination commenced on 03.08.2015 and conducted by an independent investigation officer.

(v) Posts of Deputy Director

Authority has not appointed two deputy directors without qualifications. All the Deputy Directors have been appointed after completing 10 year service in the MM-1-1 service category and after passed the Efficiency Bar examination.

(v) Posts of Assistant Director

As stated orally in the Audit, former Management has appointed Mrs. Inoka Gunawardhana, one of the Assistant Director to the post of Coordinator to the Assistant Director. At present she is in the service of Training Division and actions have been taken to change the name of the post too. As stated orally in the Audit, Mrs. H. Edirisinghe has completed the required qualifications to the post of Assistant Director (Finance).

(vi) Post of Legal Officer

This officer has reported to the duty of the Authority on 16.09.2013. She has obtained the degree in Law (Hon) in University of Colombo and has given the oath as an attorney-at-law in the Supreme Court on 13.12.2011. After giving the oath she has been served as a junior Attorney-at-law under a senior Lawyer since 13.12.2011 to 21.05.2012. and has served in a Private firm as a legal officer since 22.05.2012 to 03.09.2013. The qualification required for the post of legal officer as per the Scheme of Recruitment (SOR) was a degree in Law and served as a Lawyer with 1 year experience after giving the oath in the Supreme Court.

Accordingly, the aforesaid legal officer has completed 1 year and 9 months after giving the oath as a lawyer in the Supreme Court, in the occasion that she joined the service of the Authority. Therefore She has fulfilled the requirements of the Scheme of Recruitment.

(vii) Assistant Director (Finance)

No recruitment has made out of the approved cadre for the post of Assistant Director (Finance). 05 Assistant Director posts has been approved to the Finance Division.

5.5 (a)

Actions are being taken to obtain the approval to balance to the income.

5.5 (e)

The Money Recovery Matter case No DMR 1029 /2014 is being already heard in The District Court – Colombo to charge the salary paid for the officer who interdicted for the financial frauds.

Further the Commission for Bribery and Corruption Investigations are also being carried on inquiries in respect of this.

This officer was paid the amount of Rs.1,711,961 as the salary. A case is being heard in the District Court – Colombo against this officer to charge the amount paid.

5.5 (f)

Actions are being taken to obtain the approval of the Secretary as this a previous year payment.

- 5.6 Amendment had been carried out for the estimated budget provisions as per the institutional requirements. The formal approval of the Board of Governors has been given for this. Accordingly, the differences are not been observed as mentioned in the Audit inquiry.
- 6 (a) The recruitments are being carried out according to formal procedures. Accordingly, actions will be taken to do the interviews and practical tests in formal ways and to do the annual transfers as per the formal policies.
- 6 (b) Data is being included to the software.
- 6 (c) The allowances of the apprentices are being paid through a crossed cheque. The courses are free of charge. Separate accounts are been kept.
- 6 (e) Planned to implement since April 2018.