

**NATIONAL HUMAN RESOURCES DEVELOPMENT COUNCIL
OF SRI LANKA**

**ANNUAL REPORT
2021**

**Ministry of Public Services, Provincial Councils and Local
Government**

354/2, NIPUNATHA PIYASA, 7TH FLOOR, ELVITIGALA MAWATHA, COLOMBO 05.

Institutional Background

Institution	:	National Human Resources Development Council of Sri Lanka
Ministry	:	Ministry Public Services, Provincial Councils and Local Government
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Bankers	:	Bank of Ceylon Peoples' Bank

Vision

Our Workforce Future Ready

Mission

Develop, implement, promote and facilitate effective policies, and innovative strategies in relation to human resources development of our country.

Values

- ❖ Team culture
- ❖ Customer orientation
- ❖ Creativity
- ❖ Equality

Message of the Chairman

The National Human Resources Development Council of Sri Lanka is an institution established under the provisions of the National Human Resources Development Council Act No. 18 of 1997 to perform a significant role in Human Resources Development. The main objective of the Council is to provide policy guidelines and advice in respect of the Human Resources Development to the Minister concerned and to the government.

NHRDC has prepared a Blueprint document in order to update and prepare National Human Resources Development Policy in line with the “Vistas of Prosperity and Splendor.” Council approval was granted for appointing the advisory committee and working committee to carry out the project.

Study on Effective Utilization of Development Officers recruited under the graduate schemes

Council noted the importance of this initiative as the main objective of the study is to examine the effective utilization and suggest recommendations to enhance the performance of newly appointed Development Officers.

Study on identifying Issues and Solutions/Recommendations to minimize the Scarcity of Technical Officer Positions in the Public Sector

The main objective of this study is to identify the existing scarcity of Technical Officer (TO) Positions and the main influential factors which have been affected by the increased scarcity of Technical Officer Positions in the Public Sector. Approval of the Council was granted for the report and submitted to the Secretary, Ministry of Public Services, Provincial Councils and Local Government for further proceedings.

Also, Steps have been taken by the NHRDC to form an Expert Pool, Committees & Advisers on HR development. The main objective is this task is to get their service as and when required as provided by the NHRDC Act.

In addition to the above, NHRDC publishes a Statistical Bulletin and Human Capital Insights annually to fulfill the information gap of relevant stakeholders. The latest bulletin 2021 and the Human Capital Insights -2021 were published in the NHRDC website.


Chinthaka S. Lokuhetti
Chairman

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1. INSTITUTIONAL BACKGROUND AND THE SCOPE

The National Human Resources Development Council of Sri Lanka is an institution established under the provisions of the National Human Resources Development Council Act No. 18 of 1997 to perform a significant role in Human Resources Development. It takes responsibilities for the important role of work in assisting to initiate, promote and implement the policies pertaining to human resources development and by giving priority to all the activities of human resources development under the powers vested upon the said council. Its main objective is to provide policy guidelines and advice in respect of the Human Resources Development to the Minister concerned and to the government.

1.1 Introduction to the Institution

The National Human Resources Development Council of Sri Lanka, as a national level consultative body began as a unit of the Ministry of Youth Affairs on the 05th of June 1987. Subsequently it was established as an independent statutory body under the purview of the Ministry of Science & Technology, subject to the provisions of the National Human Resources Development Council Act No. 18 of 1997. Since then, this institution was assigned to the Ministry of Technical Education and Vocational Training within a short period i.e., in the year 2000, and again in the year 2001 it was assigned to the Ministry of Education & Cultural Affairs. Then, subsequent to the change of government, the institution was assigned to the Ministry of Skills Development, Vocational & Technical Training and under the Ministry of National Policies, Economic Affairs, Resettlement & Rehabilitation, Northern Province Development and Youth Affairs in 2019. This institution functioned under several ministries within a short period is currently carrying out its functions under the purview of the Ministry Public Services, of Provincial Councils and Local Government.

1.2 Vision

Our Workforce Future Ready

1.3 Mission

Develop, implement, promote and facilitate effective policies, and innovative strategies in relation to human resources development.

1.4 Objectives

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

The duties and functions of the Council are as follows;

- (i) To advise the Minister on national human resources policy in all its aspects, including the rationalization and co-ordination of sectoral human resources development concerning, or related to -
 - a. Employment, training and education;
 - b. The application of science and technology;
 - c. The enhancement of quality of life;
 - d. The designing of social protection for disadvantaged groups of persons; and
 - e. Maintaining entitlements with economic reforms;
- (ii) To make recommendations to the Minister, on plans and programmes on human resources development, in accordance with the national policy, for submission to the Government;
- (iii) To review and examine, periodically, the national human resources development policy, plans and programmes in operation and where necessary, to recommend to the Minister, changes in such policy, plans and programmes;
- (iv) To monitor the implementation of human resources development plans and programmes approved by the Government; and
- (v) To implement any project related to any subject referred to in the Schedule to this Act, provided that, where such project relates to a subject which has been assigned to any other Minister, implementation shall be with the concurrence of that other Minister; and
- (vi) To do all such other acts which in the opinion of the Council are necessary for, or conducive or incidental to, human resources development in accordance with the national objectives.

1.5 Authority of the Council

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

- (a) to carry out such surveys, investigation studies and research as may be necessary for the discharge of the functions of the Council;
- (b) to conduct public or private hearings with a view to ascertaining the opinion of experts, professionals or the general public, on matters relating to human resources development;
- (c) to establish and maintain liaison with international agencies and other organizations outside Sri Lanka discharging functions similar to those discharged by the Council;
- (d) To enter into and perform, all such contracts and agreements as may be necessary for the discharge of its functions under this Act;
- (e) To arrange for the conduct of human resources development research by Institutions or individuals either in Sri Lanka or abroad;
- (f) To establish and maintain an information data bank on human resources development and related fields in Sri Lanka and in other countries;
- (g) To open and maintain, current, savings or deposit accounts, in any bank or banks;
- (h) To accept and receive grants and donations, both movable and immovable;
- (i) To take such steps as may be necessary to advance the skills of its officers, with view to developing a pool of expertise in all aspects of human resources development;
- (j) To appoint such committees, expert groups and advisory bodies as may be necessary for the effective discharge of its functions;
- (k) To call for, and obtain such information as the Council may deem necessary including statistics and data from Ministries, Government Departments, Public Corporations, Statutory Boards, Provincial Councils, Local Authorities and Private Sector Establishments; and
- (l) To adopt all measures, which in the opinion of the Council are considered necessary for, conducive or incidental to, the discharge, exercise and performance, of the functions, powers and duties of the Council.

2. ORGANISATION STRUCTURE OF THE HUMAN RESOURCES DEVELOPMENT COUNCIL

This Council operating under the purview of the Ministry Public Services, Provincial Councils and Local Government is composed of a Chairman and twenty members appointed under the provisions made in National Human Resources Development Council of Sri Lanka Act No. 18 of 1997. Out of them, fifteen (15) persons are appointed ex-officio, while the remaining five (5) members are appointed by the minister. Those five members are appointed considering experience and skills in the relevant fields and out of them two (2) persons are from the private sector. However, the number of ex-officio members is subject to articles 44, 45, and 47 of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Minister has the power under the Act to appoint a member among them as the Executive Chairman. The Chairman is the Chief Executive Officer of NHRDC as provided by the Act. The composition of the Board of Governors as at 31.12.2021 is as follows as per the subject divided by the Extraordinary Gazette Notification of the Democratic Socialist Republic of Sri Lanka No. 2153/12 dated 10th December 2019.

Appointments made under sections 3(1) (a) to (P) of the Act

1. Prof. Kapila Perera, Secretary, Ministry in charge of the subject of Higher Education and Technology
2. Mr. M.P.D.U.K. Mapa Pathirana, Secretary, Ministry in charge of the subject of Labour
3. Mr. J.J. Ratnasiri, Secretary, Ministry in charge of the subject of Public Administration
4. Dr. (Maj. Gen.) S.H. Munasinghe, Secretary, Ministry in charge of the subject of Health
5. Gen. Daya Ratnayake, Secretary, Ministry in charge of the subject of Industrial Development
6. Prof. Udith Jayasinghe, Secretary, Ministry in charge of the subject of Agriculture
7. Mr. Anuradha Wijekoon, Secretary, Ministry in charge of the subject of Youth Affairs
8. Mr. B.K.U.A Wickramasinghe, Chairman, Tertiary and Vocational Education Commission
9. Dr. K.A.Lalithadheera, Director-General, Tertiary and Vocational Education Commission
10. Prof. Harishchandra Abeygunawardena, Chairman, National Education Commission
11. Prof. Sampath Amaratunge, Chairman, University Grants Commission
12. Mr. T. Naleen Gamlath, Chairman, National Apprentice, and Industrial Training Authority
13. Mrs. J.G.D. Senanayake, Director (Acting), Department of Public Enterprises, Ministry of Finance, Representative of the Secretary, Ministry in charge of the subject Finance

Appointment made under Section 3(2) (O) of the Act

14. Mr. K.R. Uduwawala, Chairman(Actg.), National Human Resources Development Council of S.L.
15. Mr. P. Ranepura, Retired Secretary (Appointed Member)
16. Mr. Mahesh Kotuwella, Attorney-at-Law (Appointed Member)
17. Dr. Chathuranga Keppetiyagama, Gastroenterological Surgeon (Appointed Member)
18. Dr. (Mrs) Ranali Perera, Petroleum Specialist (Appointed Member)

Details of the council members of the governing council - 2021

Details of the Council Member		13.07.2021	16.12.2021
01.	Mr. K.R. Uduwawala, Chairman(Actg.), National Human Resources Development Council of Sri Lanka	√	√
02.	Prof. Kapila Perera, Secretary, Ministry in charge of the subject of Higher Education and Technology	*	-
03.	Mr. M.P.D.U.K. Mapa Pathirana, Secretary, Ministry in charge of the subject of Labour	√	-
04.	Mr. J.J. Ratnasiri, Secretary, Ministry in charge of the subject of Public Administration	-	-
05.	Dr. (Major General - Retired) S.H. Munasinghe, Secretary, Ministry in charge of the subject of Health	√	-
06.	General Daya Ratnayake, Secretary, Ministry in charge of the subject of Industrial Development	√	√
07.	Prof. Udith Jayasinghe, Secretary, Ministry in charge of the subject of Agriculture	-	-
08.	Mr. Anuradha Wijekoon, Secretary, Ministry in charge of the subject of Youth Affairs	-	-
09.	Mr. B.K.U.A Wickramasinghe, Chairman, Tertiary and Vocational Education Commission	-	√
10.	Dr. K.A.Lalithadheera, Director-General, Tertiary and Vocational Education Commission	√	√
11.	Prof. Harishchandra Abeygunawardena, Chairman, National Education Commission	-	-
12.	Prof. Sampath Amaraturunge, Chairman, University Grants Commission	√	√
13.	Mr. Tharanga Naleen Gamlath, Chairman, National Apprentice, and Industrial Training Authority	√	-
14.	Mrs. J.G.D. Senanayake, Director (Acting), Department of Public Enterprises, Ministry of Finance, Representative of the Secretary, Ministry in charge of the subject Finance	√	√
15.	Mr. P. Ranepura, Retired Secretary (Appointed Member)	√	√
16.	Mr. Mahesh Kotuwella, Attorney-at-Law (Appointed Member)	√	√
17.	Dr. Chathuranga Keppetiyagama, Gastroenterologist Surgeon (Appointed Member)	√	√
18.	Dr. (Mrs) Ranali Perera, Petroleum Specialist (Appointed Member)	√	√

√ Participated.

* A Representative participated.

_ Absent

NHRDC Council Meetings:

At the outset of 2021, the Chairman post of NHRDC was vacant due to the sudden demise of former Chairman Mr. Padmasiri Jayamanna. In terms of section 3(2) (O) of the NHRDC Act, Hon. Minister Janaka Bandara Thennakoon, Minister of Public Services, Provincial Councils and Local Government has appointed Mr K.R. Uduwawala as the Acting Chairman to the council with effect from 01st of June 2021.

Two council meetings of the NHRDC were conducted in 2021. The followings are the highlights with regard to the performances noted by the Council in 2021.

1. Updating NHRD Policy in line with the “Vistas of Prosperity and Splendor”

NHRDC team has prepared a Blueprint document in order to update and prepare a new NHRD policy. Council approval was granted for appointing the advisory committee and working committee to carry out the project.

2. Study on Effective Utilization of Development Officers recruited under the graduate schemes

Council noted the importance of this initiative as the main objective of the study is to examine the effective utilization and suggest recommendations to enhance the performance of newly appointed Development Officers.

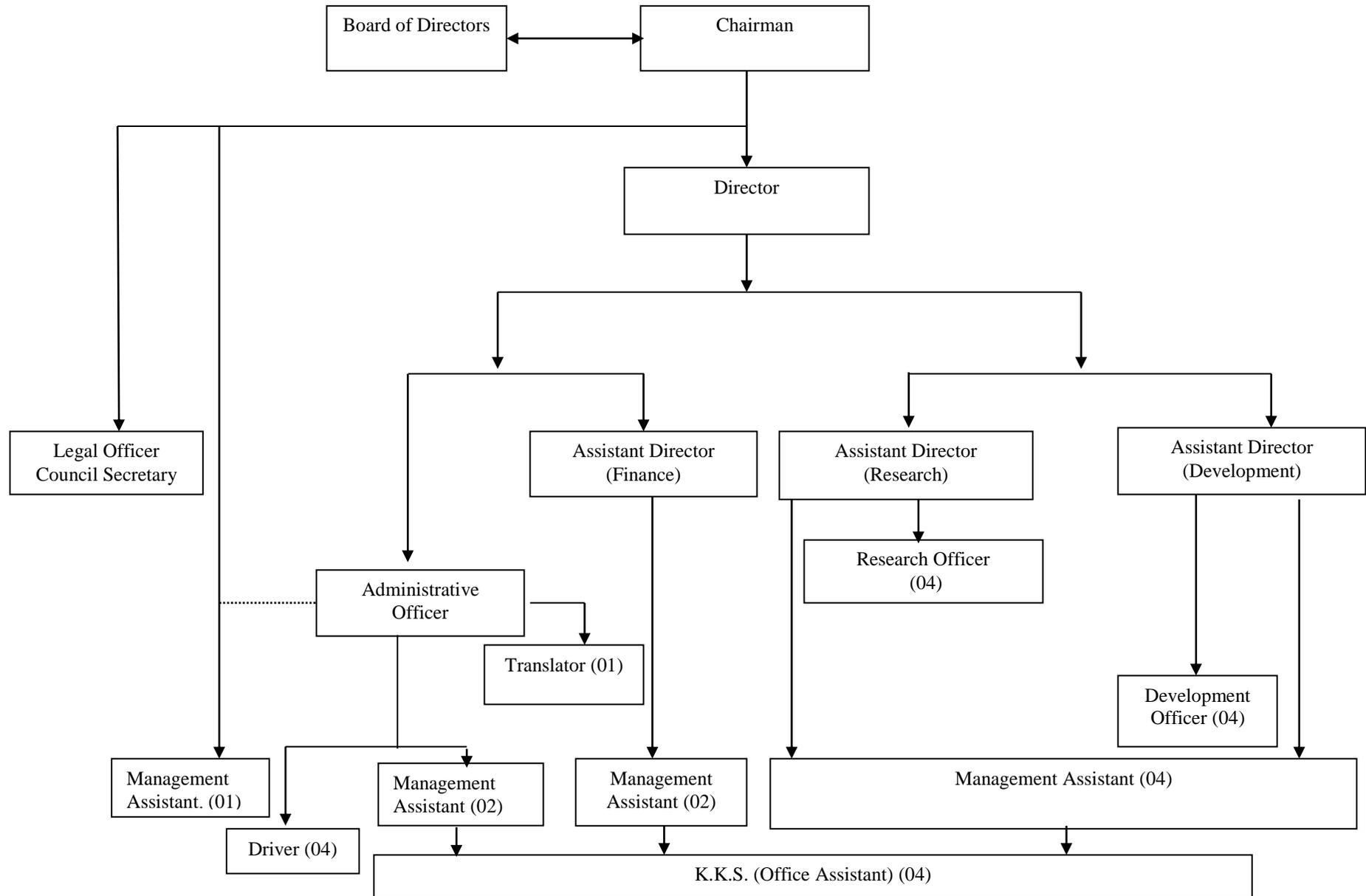
3. Study on identifying Issues and Solutions/Recommendations to minimize the Scarcity of Technical Officer Positions in the Public Sector

The main objective of this study is to identify the existing scarcity of Technical Officer (TO) Positions and the main influential factors which have been affected by the increased scarcity of Technical Officer Positions in the Public Sector in Sri Lanka. Approval of the Council was granted for the report and submitted to the Secretary, Ministry of Public Services, Provincial Councils and Local Government for further proceedings.

4. Forming an expert pool, committees & advisers on HR development

Steps have been taken by the NHRDC to form an expert pool, committees & advisers on HR development. The main objective is this program is to establish an expert pool, committees, and advisers on HRD to get their service as and when required as provided by the NHRDC Act.

3. NATIONAL HUMAN RESOURCES DEVELOPMENT COUNCIL OF SRI LANKA – ORGANIZATIONAL CHART



4. The cadre of National Human Resources Development Council of Sri Lanka and their designations

Designation	Approved cadre	Existing Cadre as at 31.12.2021	Vacancies as at 31.12.2021	Name
Chairman	01	-	01	-
Director	01	-	01	-
Assistant Director	03	02	01	Mrs. J.A.C.P.Jayasinghe Mrs. S.S. Kaluarachchi
Council Secretary/ Legal officer	01	01	-	Mrs. G.G. Kasuni Uthpala
Research Officer	04	04	-	Mr. D. Senthilnadan Miss N.D. Edirisingha Mr. R.D.C.S. Rajapaksha Miss U.M. Weerasena
Administrative Officer	01	01	-	Mrs. K.V.S. Eranga
Translator	01	-	01	-
Development Officer	04	01	03	Mr. K.P.P. Perera
PA to the Chairman	01	-	01	-
Management Assistant	08	05	03	Mr. C.R.Maddage Mrs. M.G.N. Dilhari Mrs. K.C.Muthumala Mrs. Asha Edirisingha Mrs. G.M.Saddhamangala
Driver	04	04	-	Mr. G.M.Pinnaduwa Mr. Terrance Piyal Mr. R.C.R. Jayawardena Mr. Gayan Jeewantha
Office Assistant	04	03	01	Mr. N. G.Nadun Maduranga Mr. W.R.A. Prince Granvil Miss. A.Nayana Priyadarshani
Total	33	21	12	

4.1 Recruitments

As per the provision of the Department of Management Services, a staff of 33 has been approved for the Council but the staff was 21 as at 31.12.2021.

During this year no recruitments have been done due to the suspension of recruitments by the government. Mr. Sisira Kodikara was appointed as Chairman/CEO on 08.04.2021 and he resigned from NHRDC on 31.05.2021. At the same time Mr. K. R. Uduwawala, was appointed as the Acting CEO/Chairman with effect from 21.06.2021.

4.2 Resignations

Name	Designation	Date of Resigned
1. Miss Hiruni Chamodi	Management Assistant	20.03.2021
2. Mr. K.A. Lalithadheera	Director	26.04.2021

4.3 Officers who have been elected by the Council for the post of acting/covering up duties during the year 2021.

Name	Designation	Date of Appointed
1.Mrs. J.A.C.P. Jayasinghe	Director(Cover-up)	03.05.2021

4.4 Local Training

With the view to enhance subject knowledge of staff of the NHRDC, local training was provided to them during the year under review. The details of officers who attended training during the year 2021 are as follows.

Details of Training Program :

Date	Name of the Training Program	Resource Person	Institute and Designation
04/08/2021	AR & FR	Mr. K. V. A. D. Wijenayake	Former Director - (Finance) (NIFNI)
12/08/2021	Positive Thinking	Mr. Manoj Nadeeshan	Director (Administartion) Ministry of Public Services, PCs and LG
18/08/2021	Right to Information Act	Mr. Piyathissa Ranasinghe	Former DG-Ministry of Mass Media
23/08/2021	Aplication of Zoom App	Ms. Vanuja Chandrakumar	IT Officer-Ministry of Public Services Services, PCs and LG
27/08/2021	5S Concept	Ms. K.N.S. Perera	National Productivity Secretariat
30/08/2021	Law for Day Today Life	Mr. Mahesh Kotuwella	Board Member of NHRDC/ Senior Lawyer
23/09/2021	Opportunities on Foreign Education	Ms.M.M.Krishanthi Meegahapola	Director - (Overseas Education) Ministry of Higher Education
30/09/2021	Fundamental Rights and Law	Mr. Mahesh Kotuwella	Board Member of NHRDC/ Senior Lawyer
26/102021	Awareness session on email etiquette	Mr. Lalith Waduge and Ms. Iresha Bandaranayake	Director-(IT) Ministry of Education , IT Officer-Ministry of Education
24/11/2021	Psychological Career Guidance for successful professional Life	Mr. L.L.H. Thilakarathne	Additional Secretary, Ministry of Transport
01/12/2021	Awareness session on Private Universities	Prof. Nalaka Jayakody	Vice Chancellor of Saegis Campus
30/12/2021	Implementing Productivity Concept	Ms. Shalika Perera and Ms. Kumuduni Dangalla	Productivity Officers, National Productivity Secretariat

4.5. Audit and Management Committee 2021

In 2021, the Audit & Management Committee met on two occasions recommended management decisions to the council on the following matters.

- Progress of Action Plan - 2020
- Actual Financial Position of - 2020
- Auditor General's Report - 2020
- Draft Annual report - 2020
- Revised Action Plan - 2021
- Revised Procurement Plan - 2021
- Budget Allocation - 2022
- Action Plan - 2022
- Procurement Plan - 2022
- Various management decisions related to the administration of the Council

From 1st January to 31st December, 2021 the Audit & Management Committee consisted with the following members of the Council.

❖ 09 March 2021- 1st Meeting

1. Mrs. J.D.G. Senanayake, Director(Acting) - Department of Public Enterprises- Chairperson of the Committee
2. Mr. R.H. Piyasena - (Council Member) – Member of the Committee
3. Mr. Janaka Jayalath, Director General (Acting)/ TVEC – Member of the Committee
4. Mrs. O.P.R. Damayanthi, Chief Internal Auditor – Ministry Public Services, Provincial Councils and Local Government – Observer
5. Mrs. L.A.G.S. Gunasekara, Audit Superintendent, Govt. Audit Division – Observer

❖ 02 December 2021 – 2nd Meeting

1. Mrs. J.D.G. Senanayake, Director(Acting) - Department of Public Enterprises- Chairperson of the Committee
2. Mr. R.H. Piyasena - (Council Member) – Member of the Committee
3. Dr. K.A. Lalithadheera, Director General / TVEC – Member of the Committee
4. Mrs. O.P.R. Damayanthi, Chief Internal Auditor – Ministry Public Services, Provincial Councils and Local Government – Observer
5. Mrs. L.A.G.S. Gunasekara, Audit Superintendent - Government Audit Division – Observer

5. PROJECTS DONE THE YEAR 2021

5.1 Study on Effective Utilization of Development Officers Appointed under the Graduate Scheme 2020/21

Efficient and Effective Public sector is a key ingredient in the foundation for economic development. Therefore, every government should make sure that its public sector comprise with highly competent and fully utilized employees. The basic qualification to enter the public sector Development Officer positions in Sri Lanka is the Basic University Degree or Higher National Diploma. As a result, the public sector in Sri Lanka is attracting considerable amount of graduates and HND holders. Despite many initiatives taken by the government and universities, the graduates and HND holders' unemployment is a common topic in political, economic and social discussions.

The Programme Officers' Service which has been approved by the Public Service Commission on 21.12.2011 was established by the extraordinary gazette No. 1745/11 dated 14.02.2012. Unemployed graduates were attached to government organizations effect from 01st August 2011 as program officers.

By the Extraordinary Gazette No 1774/31 dated 2012/09/05 the Public Service Commission revised the name of the Minute of the Programme Officers' Service which was published in the Extraordinary Gazette No. 1745/11 dated 14.02.2012 as the "Minute of the Development Officers' Service", and the service as the "Development Officer Service" and further to apply the designation "Development Officer" for wherever the designation programme officer is mentioned.

The main objective of the study is to examine the effective utilization and suggest recommendations to enhance the performance of newly appointed Development Officers(DO) of 2020/2021 graduate scheme.

Specific objectives of the study:

- ❖ To study the association between field of experience with new appointment.
- ❖ To identify the association between the education qualification and new appointment.
- ❖ To identify the barriers and challenges face by DOs in delivering their services.
- ❖ To identify the effectiveness of trainings deliver the job role.
- ❖ To review the effectiveness of performance evaluation.
- ❖ To propose recommendations to enhance the performance of DOs.

In this study Simple Random Sampling method was used to select sampling units. According to the data of Ministry of Public Services, Provincial Councils and Local government, the total number of DOs of Colombo district recruited under the graduate scheme of 2020/2021 are 3470 and they are attached to various institutions. Using the Morgan's table minimum size of sample has been determined by considering 5% of Margin of Error and 95% Confidence level. Therefore the sample size of the survey is four hundred.

Initially the study was planned to cover all the 25 districts covering the total number of recruited graduates of the graduate scheme 2020/2021. But, for the prevailing COVID-19 situation of the country, the study had to be limited to Colombo district.

In order to collect data from the sample, coordinating officers from the 13 Divisional Secretariats were nominated and through them, the questionnaires were disseminated and collected. As of the 31st December 2021, the data were fed to the database and this study to be completed by the year 2022.

5.2 Study on Identifying Issues to Minimize the Shortage of Technical Officers(TO) in the Public Sector-2020

The Technical Grade Officers are the Public Sector service staff responsible for performing the activities in the nature of multi-tasks which are supportive to the role of the executives of the institutions. According to the Secretary, Ministry of Public Service, Provincial Councils and Local Government, there is a significant number of vacancies in the Technical Grade positions (with special reference to Technical Officers) in the Public Sector in Sri Lanka which has become a major issue for the effective service delivery of the Public Sector institutes. The NHRDC conducted this study by appointing an expert committee to identify the existing shortage, the main influencing factors which have caused the increased shortage of TO positions and the recommendations to minimize the shortage of TOs in Public Sector in Sri Lanka.

Initially, Sri Lanka Technological Service was established as Intermediate Level Integrated Technical Service in 1977 and was restructured as the Sri Lanka Technical Service in 01.07.1994. Then, in 2006 the Technical Services Board was established to resolve issues in the Sri Lanka Technological Service. Later on, the Technical Services Board was abolished and the Sri Lanka Technical Services Division was created. At the same time, an Advisory Committee was appointed and the Public Service Commission has given its approval to the Appointing Authority of each institution to take the necessary decisions on TOs (such as recruitment) after consulting the Advisory Committee.

There are about 159 job categories identified under Sri Lanka Technological Service but the current study has only focused on “Technical Officer” with salary code MN-03, MN-07 and specialization area of Civil, Mechanical and Electrical for this assessment.

In order to achieve the study objectives, both primary and secondary data were collected for the analytical purpose. Due to the unavailability of existing cadre details of TOs in State Own Enterprises (SOEs), the weighted average method was used to calculate this. Under the primary data collection, NHRDC research team has conducted a structured telephone survey from a randomly selected sample of passed out students from the year 2014 batch of National Diploma in Engineering Science of Institute of Engineering Technology – Katunayake and collected 89 responses.

In the analysis the study found that Provincial Councils System, Central Government System and SOEs were having 941, 646 and 1,024 TO vacancies respectively during the study period and all together there were 2,611 TO vacancies in the Public Sector up to the end of the year 2019. But

when considering the supply of TOs, around 2,500 students passed out in 2019 as qualified persons for the Technical Grade positions and according to the sample survey out of the passed out students only around 13 percent were engaged in the Public Sector.

According to the telephone survey, the study has identified that the supply of TOs is dominated by males where 71 percent of respondents were males and the highest number of respondents were in the Civil Engineering field. Out of the total respondents the majority (89%) were employed during the study period.

The most powerful factor influencing joining the Technical Grade Positions in the Private Sector was “more opportunities and ease to engage in Private Sector than Public Sector”. The majority of the TOs who are currently employed in the Private Sector are not willing to join the Public Sector in the future, but at the same time, there is a considerable percentage (39%) of TOs willing to join. Here, the most interesting fact is “job security” which is the most influencing factor in people joining the Public Sector in the future which was same for the currently employed TOs in the Public Sector. By analyzing all the information, the study has identified several issues and possible recommendations.

Key issues and recommendations are as follow:

Issues	Recommendations
An insufficient number of qualified persons to be absorbed into technical positions in the Public Sector and the difficulty of retention of trainees in the service.	Expand the training capacity by using existing facilities as per the demand and establish Professional Diploma awarding (Electrical, Mechanical and Civil Engineering) Public and Private technical training institutes covering all nine Provinces.
There is no centralized information system/or database developed to identify existing cadre details of Technical Officers in the Public Sector	Establish a centralized database to connect all the relevant details of TOs in the Central, Provincial Governments and SOEs’ and update it at least annually.
Lack of women participation in technical field jobs in the Public Sector	Emphasize gender equality and women’s inclusiveness in Technical Officers’ positions.
Difficulty in finding Public Sector TO positions for newly passed out students	Relevant heads of the institutes in the Public Sector should maintain a connection with relevant technical training institutes and plan the period of recruitments to absorb the passed out students of each technical training institute as OJTs immediately.

5.3 Formulation of National Human Resources Development Policy (NHRDP)

In terms of the Section 14(i) of the National Human Resources Development Council Act, No. 18 of 1997, the duties and functions of the Council are to advise the Minister on national human resources policy in all its aspects, including the rationalization and co-ordination of sectoral human resources development concerning, or related to - Employment, training and education; the application of science and technology; the enhancement of quality of life; The designing of social protection for disadvantaged groups of persons; and Maintaining entitlements with economic reforms.

As per the subject area to be covered under the new vision of the government it is urgently needed to formulate a National Human Resources Development Policy aligning with the “Vistas of Prosperity and Splendour.” Accordingly, NHRDC is in the process of formulating the said policy with the consent of each and every organization who is responsible for the ten key policies coming under the “Vistas of Prosperity and Splendour”

Goals/Objectives of NHRDP

Employment

1. To promote the attainment of full, productive and freely chosen employment for all women and men in Sri Lanka.
2. To improve the quality of life through increasing per capita income and reducing the population below the poverty line.
3. To provide the fullest possible employment opportunities to each and every employee without discrimination.

Education and Training

1. To develop a highly competent, globally competitive, multi-skilled and productive workforce.
2. To inculcate a spiritually developed, eco-friendly and ethical society free from corruption.
3. To ensure a proper surveillance and inspection mechanism to protect children and youth from harmful drugs.

People- Centric Economy

1. To create a holistic approach of economic development for the benefit of the present and future generations.
2. To enhance the quality of life through speedy implementation of economic policies.

Social Protection and Entitlements

1. To safeguard the basic rights and interests of women, child, elders, differently abled and disadvantaged groups.
2. To ensure the protection of the citizens from cyber bullying.

Science Technology and Innovation

1. To develop human capital of Sri Lanka towards a technology-based society.
2. To ensure providing digital services for marginalized communities and vulnerable users (such as persons with disabilities)
3. To create a culture of innovation and utilization of intellectual property rights for higher productivity.

The Suggested Five Pillars of the NHRDP

1. Employment
2. Education and Training
3. People-Centric Economy
4. Social Protection and Entitlements
5. Science, Technology and Innovation

NHRDC has already nominated an Advisory Committee and a Working Committee consist of expertise in the relevant areas and it is hoped to formulate the NHRD policy through this committee. Also it is expected to implement the HRD policy nationally and sub-nationallly after getting the cabinet approval for said policy. The NHRDC has been prepared a Blue Print covering all relevant sectors.

Blueprint of the National Human Resources Development Policy(NHRDP)

When preparing this Blueprint it was considered the trust areas coming under the NHRDC Act, Sustainable Development Goals, five pillars from NHR & E policy and the nine pillars coming under the National Policy Framework of “Vistas of Prosperity and Splendour.”

Due to the COVID-19 pandemic and the prevailing health restrictions, there is a barrier to gather the expert team physically.

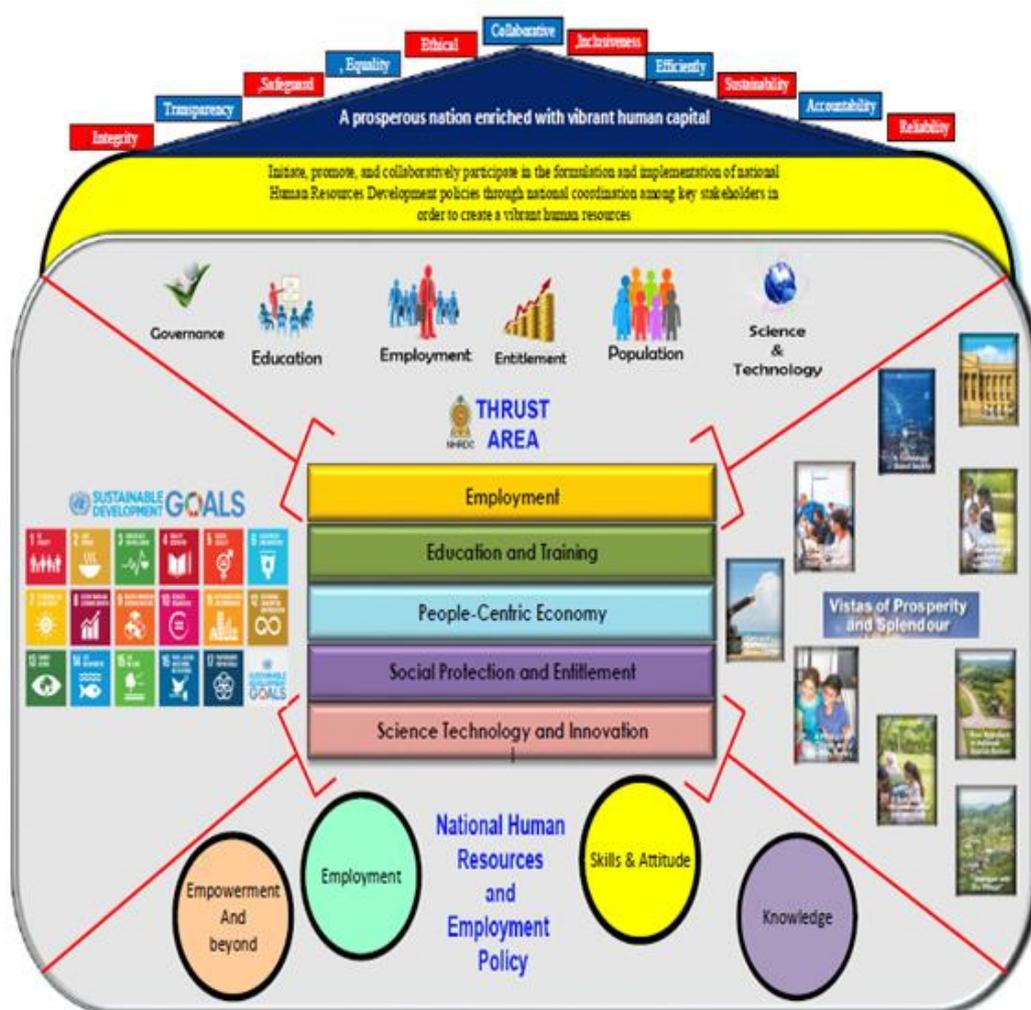


Figure 1: Blue Print of NHRDP

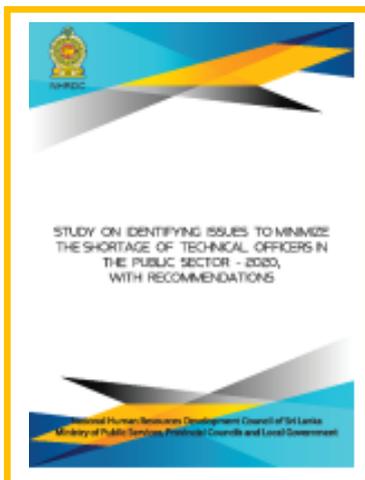
5.4 Statistical Bulletin of NHRDC - 2021

As per the vision of NHRDC, the management of NHRDC has been decided to publish a Statistical Bulletin annually to fulfill the information gap of relevant stakeholders regarding the Education sector in Sri Lanka. In this regard, six bulletins were published since the year 2015 and the latest bulletin has been published in the Year 2021.

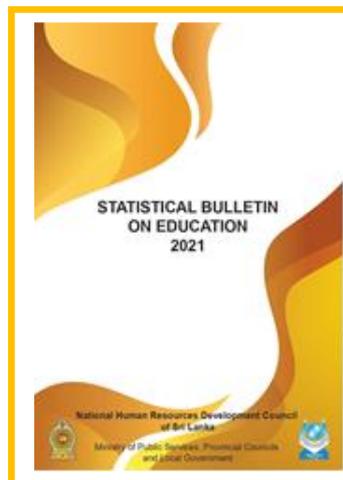
This bulletin includes important statistics related to General Education, TVET and Higher education sectors. All the data were collected based on the secondary data sources available on websites, Central Bank Annual reports of Sri Lanka, University Statistics of University Grant Commission, etc. Data of this bulletin will be important to researchers, policy makers who have an interest in the Education sector in Sri Lanka.

6. PUBLICATIONS OF NHRDC DURING THE YEAR 2021

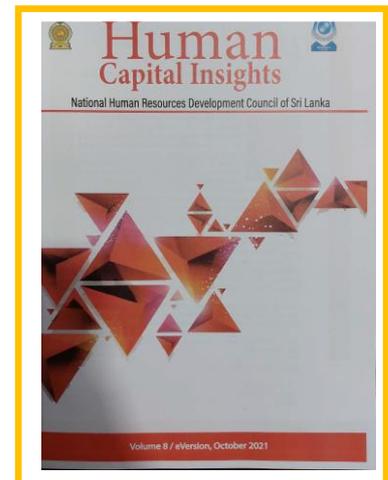
Images of the publications, reports done during the year 2021 are depicted below.



**Study on Technical Officers
in the Public Sector**



Statistical Bulletin 2021



Human Capital Insights

7. Statement of Financial Position as at December 31st 2021

National Human Resources Development Council of Sri Lanka Statement of Financial Position As at December 31, 2021				In LKR
Note	2021	2020	Budgeted	
ASSETS				
Current assets				
Cash and cash equivalent	1	17,517,904.58	17,476,958.78	17,500,000.00
Receivables	2	40,062.82	40,062.82	41,000.00
Inventories	3	1,080,696.56	788,136.66	1,100,000.00
Prepayments	4	82,975.65	84,468.92	85,000.00
Other current assets	5	3,034,602.61	3,319,639.45	3,400,000.00
		<u>21,756,242.22</u>	<u>21,709,266.63</u>	<u>22,126,000.00</u>
Non-current assets				
Infrastructure, plant and equipment	6	8,412,437.23	9,950,577.86	9,000,000.00
Vehicles	6	-	1,449,060.65	-
Software	6	118,148.33	221,400.83	200,000.00
Other non-financial assets	6	545,297.98	418,540.63	500,000.00
		<u>9,075,883.54</u>	<u>12,039,579.97</u>	<u>9,700,000.00</u>
Total assets		<u>30,832,125.76</u>	<u>33,748,846.60</u>	<u>31,826,000.00</u>
LIABILITIES				
Current liabilities				
Payables	7	510,079.51	1,718,483.37	1,000,000.00
Short term provisions	8	396,642.82	1,116,242.82	500,000.00
		<u>906,722.33</u>	<u>2,834,726.19</u>	<u>1,500,000.00</u>
Non-current liabilities				
Employee benefits	9	3,870,402.50	3,621,267.50	4,000,000.00
		<u>3,870,402.50</u>	<u>3,621,267.50</u>	<u>4,000,000.00</u>
Total liabilities		<u>4,777,124.83</u>	<u>6,455,993.69</u>	<u>5,500,000.00</u>
Net assets		<u>26,055,000.93</u>	<u>27,292,852.91</u>	<u>26,326,000.00</u>
NET ASSETS / EQUITY				
Capital contributed by				
Contributed Capital		3,000,000.00	3,000,000.00	3,000,000.00
Revaluation Reserve		13,490,249.80	13,490,249.80	13,490,249.80
Differed Income Grant		7,501,089.11	-	8,000,000.00
Government Grant - Capital		1,796,408.22	10,073,045.52	2,000,000.00
Accumulated surpluses / (deficits)		267,253.80	729,557.59	750,000.00
		<u>26,055,000.93</u>	<u>27,292,852.91</u>	<u>27,240,249.80</u>
<p>I certify that above Financial Statements comply with the requirements of Sri Lanka Public Sector Accounting Standards published by Institute of Chartered Accountants of Sri Lanka.</p> <p>..... Sujeewa Kaluarachchi Assistant Director (Finance) Date: 07.02.2022</p> <p>The Accounting policies and Notes on pages 5 to 14 from an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.</p> <p>..... Chairman NHRDC Date:/...../.....</p> <p>..... Member of the Council Date: 8/3/2022</p> <p>..... Member of the Council Date: 10/02/2022</p>				
Chinthaka S. Lokuhetti Chairman National Human Resources Development Council of Sri Lanka No. 354/2, 7th Floor, "Nipunatha Piyasa" Elvitigala Mawatha, Narahenpita, Colombo 05.		Dr. K. A. Lalithadheera Director General Tertiary & Vocational Education Commission "Nipunatha Piyasa" 3 rd Floor, No. 354/2, Elvitigala Mawatha Colombo 05.		

**8. Statement of Financial Performance
for the Year Ended December 31, 2021**

In LKR

	Note	2021	2020	Budgeted
Revenue				
Government Grant - Recurrent	10	22,191,000.00	21,897,323.00	23,000,000.00
Government Grant – Development Activity	11	683,152.12	2,800,000.00	3,000,000.00
Amortization	6	2,992,446.41	-	-
Other revenue	13	198,765.44	168,596.53	
Total Revenue		26,065,363.97	24,865,919.53	26,000,000.00
Expenses				
Wages, salaries and employee benefits	14	16,278,480.34	18,994,355.02	16,278,800.00
Grants and other transfer payment	15	683,152.12	1,149,949.66	2,097,100.00
Supplies and consumables used	16	177,239.24	147,166.68	202,700.00
Depreciation and amortization expense	6	2,992,446.41	4,624,227.70	3,000,000.00
Travelling, Subsistence & Allowances	17	218,640.00	289,597.01	219,000.00
Utility and Services	18	3,038,405.43	2,833,983.62	3,042,400.00
Maintenance Expenses	19	1,060,412.28	1,203,171.94	1,060,000.00
Other expenses	20	344,210.80	385,200.00	100,000.00
Deficit on Foreign training programs	12	78,400.00	981,600.00	-
Total Expenses		24,871,386.62	30,609,251.63	26,000,000.00
Surplus/(deficit)for the period		1,193,977.35	(5,743,332.10)	

**9. Statement of Changes in Net Assets/Equity
for the Year Ended December 31, 2021**

In LKR

	Attributable to Owners of the Controlling Entity					
	Contributed Capital	Revaluation Reserve	Differed Income Grant	Government Grant - capital	Accumulated Surpluses/ (deficits)	Total net assets/equity
Balance at January 01, 2020 B/F	3,000,000.00	13,490,249.80	10,073,045.52	-	6,472,889.69	33,036,185.01
Prior year adjustments	-	-	-	-	-	-
Revalued surplus on disposed assets	-	-	-	-	-	-
Transfer to government grant – Revenue	-	-	(1,149,949.66)	-	-	(1,149,949.66)
Net revenue recognized directly in net asset/equity	-	-	-	-	-	-
Deficit/surplus for the period	-	-	-	-	-	-
Deficit / surplus for the period	-	-	-	-	-	-
Derecognition of previous revaluation surplus on revalue assets	-	-	-	-	-	-
Deffered Income	-	-	2,800,000.00	-	-	2,800,000.00
Deficit / Surplus for the period	-	-	(1,650,050.34)	-	(5,743,332.10)	(7,393,382.44)
Total recognized revenue and expenses for the period	-	-	-	-	-	-
Balance at December 31, 2020 carried forward	3,000,000.00	13,490,249.80	10,073,045.52	-	729,557.59	27,292,852.91
Balance at January 01, 2021 B/F	3,000,000.00	13,490,249.80	10,073,045.52	-	729,557.59	27,292,852.91
Prior year adjustments - Expenses recording errors	-	-	-	-	(6,230.80)	(6,230.80)
Development Activities	-	-	-	1,650,050.34	(1,650,050.34)	-
Fixed Asset purchased	-	-	1,500.00	(1,500.00)	-	-
Government Grant	-	-	-	1,250,000.00	-	1,250,000.00
Surplus / Deficit for the period	-	-	-	-	1,193,977.35	1,193,977.35
Total expenses for the period	-	-	418,990.00	(418,990.00)	-	-
Transfer to Government Grant Revenue	-	-	-	(683,152.12)	-	(683,152.12)
Amortization	-	-	(2,992,446.41)	-	-	(2,992,446.41)
Balance at December 31, 2021 carried forward	3,000,000.00	13,490,249.80	7,501,089.11	1,796,408.22	267,253.80	26,055,000.93

10. Cash Flow Statement

Consolidated Cash Flow Statement for Year Ended December 31,2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
Surplus/(deficit)	1,193,977.35	(5,743,332.10)
<u>Non-cash movements</u>		
Amortization		4,624,227.70
Gratuity Expenses	573,990.00	539,700.12
Interest on Staff Loan	(128,273.77)	(112,136.56)
Audit Fee	-	225,950.00
Increases (Decreases) in Consumable Store	(292,559.90)	(108,594.32)
Increases (Decreases) in Pre payments	1,493.27	185,944.10
Increases (Decreases) in Staff Loans	295,037.86	(60,787.06)
Increases (Decreases) in Other Advances	(10,001.02)	10,000.00
Increases (Decreases) in Payables	(1,208,403.86)	747,800.72
Increase/Decrease in Asset Purchases Receivable	-	2,600.00
Over provision of Expenses	(53,527.78)	-
Adjustments	(105,455.12)	-
Gratuity paid	(324,855.00)	(242,287.50)
Net cash flows from operating activities	(58,577.97)	69,085.10
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Computers	(28,750.00)	-
Interest on Staff Loan	128,273.77	112,136.56
Purchase of Books	-	(1,500.00)
Net Cash flows from investing activities	99,523.77	(110,636.56)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net increase/(decrease)in cash and cash equivalents	40,945.80	179,721.00
Cash and cash equivalents at beginning of period	17,476,958.78	17,297,237.12
Cash and cash equivalents at end of period	17,517,904.58	17,476,958.78
Notes to the Cash Flow Statement		
Cash on hand and balances with banks		
Bank of Ceylon A/C 165197	16,997,730.13	17,380,095.96
People's Bank A/C No 119100120409161	520,174.45	96,862.82
	17,517,904.58	17,476,958.78

11. Notes

		2021	2020	Budgeted
<u>Cash and cash equivalents</u>	1			
Bank of Ceylon A/C 165197		16,997,730.13	17,380,095.96	17,000,000.00
People's Bank A/C No 119100120409161		520,174.45	96,862.24	500,000.00
		17,517,904.58	17,476,958.78	17,500,000.00
<u>Receivables</u>	2			
Nimal Bopage (ex-Chairman)		40,062.82	40,062.82	41,000.00
		40,062.82	40,062.82	41,000.00
<u>Inventories</u>	3			
Consumable Stores		1,080,696.56	788,136.66	1,100,000.00
		1,080,696.56	788,136.66	1,100,000.00
<u>Prepayments</u>	4			
Vehicle Insurance		82,975.65	84,468.92	85,000.00
		82,975.65	84,468.92	85,000.00
<u>Other Current assets</u>	5			
Staff Loan - Distress		3,021,076.59	3,316,114.45	3,390,000.00
Festival Advances		10,001.02	-	10,000.00
Receivable from Asset Purchases		3,525.00	3,525.00	
		3,034,602.61	3,319,639.45	3,400,000.00

Property, Plant & equipment (Note 06)

Reporting Period	Furniture & Fittings		Office Equipment		Electrical Fixtures		Computers		Software		Vehicles		Books		Other Assets		Building & Structure	
	2021	2020	2021	2020	2021	2020	2010	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
01.01.2019 to 31.12.2019																		
Opening Balance	4,884,257.49	4,884,257.49	3,156,548.80	3,156,548.80	14,579.00	14,579.00	5,669,589.72	5,669,589.72	1,189,566.61	1,189,566.61	15,007,442.85	15,007,442.85	118,524.54	117,024.54	1,103,102.30	1,103,102.30	6,531,265.68	6,531,265.68
Additions	-	-	-	-	-	-	28,750.00	-	-	-	-	-	1,500.00	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	4,884,257.49	4,884,257.49	3,156,548.80	3,156,548.80	14,579.00	14,579.00	5,698,339.72	5,669,589.72	1,189,566.61	1,189,566.61	15,007,442.85	15,007,442.85	118,524.54	118,524.54	1,103,102.30	1,103,102.30	6,531,265.68	6,531,265.68
Accumulated Depreciation (year Beginning)	2,181,187.54	1,682,637.45	2,293,155.10	1,979,099.57	14,579.00	11,663.20	4,833,472.57	4,570,167.57	968,165.78	864,913.28	13,558,382.20	10,556,893.63	47,433.05	36,748.45	755,653.06	652,240.83	983,268.62	656,705.34
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation (As per statement of Financial Performance)	493,287.16	498,550.09	318,095.70	314,055.53	14,579.00	2,915.80	179,983.44	263,305.00	103,252.50	103,252.50	1,449,060.65	3,001,488.57	11,852.45	10,684.70	110,351.23	103,412.23	326,563.28	326,563.28
Less Accumulated Depreciation on Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation on Revalued Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	2,674,474.70	2,181,187.54	2,611,250.82	2,293,155.10	14,579.00	14,579.00	5,013,456.01	4,833,472.57	1,071,418.28	968,165.78	15,007,442.85	13,558,382.20	59,285.60	47,433.15	866,004.29	755,653.06	1,309,831.90	983,268.62
Net Carrying Amount	2,209,782.79	2,703,069.95	545,297.98	863,393.70	-	-	684,883.71	836,117.15	118,148.33	324,653.33	1,449,060.65	59,238.94	71,091.39	237,098.01	347,449.24	5,221,433.78	5,547,997.06	

	Note	2021	2020	Budgeted
<u>Payable</u>	7			
Gratuity			242,287.50	-
Building & struct. leema retention			445,837.28	-
Telephone			21,138.38	-
Internet			41,070.00	-
Human Resource Pool			1,640.00	-
Janitorial & Security			155,403.53	-
Salaries			8,000.00	-
Over Time		-	-	-
Traveling			28,600.00	-
Electricity & Water			42,579.15	-
Repairs & Maintenance of office equipment			28,500.00	-
MCDP Programme		-	-	-
Fuel & Lubricant		-	-	-
Capital Insight			20,925.00	-
Statistical Bulletin			68,705.00	-
COVID-19			264,470.00	-
Rakiya Aruna		-	-	-
Repair & Maintenance of vehicles			250,282.53	-
Other			54,000.00	-
Fishermen off-season			-	-
Seminars & Workshop			34,500.00	-
Stationery & Office Consumables			9,020.00	-
Stamp Duty			1,525.00	-
Accrued expenses		510,079.51	-	-
		510,079.51	1,718,483.37	1,000,000.00
<u>Short-term Provisions</u>	8			
Audit Fee – 2014		81,580.00	81,580.00	81,580.00
Audit Fee – 2017		-	192,600.00	-
Audit Fee – 2018		-	252,000.00	-
Audit Fee - 2019		-	275,000.00	-
Audit Fee – 2020		275,000.00	275,000.00	377,420.00
Provision for doubtful Debt- N.Bopage		40,062.82	40,062.82	41,000.00
		396,642.82	1,116,242.82	500,000.00

	Note	2021	2020	Budgeted
Employee benefits	9			
Gratuity Provision		3,870,402.50	3,621,267.50	3,085,750.20
Government Grant - Recurrent	10	22,191,000.00	21,897,323.00	23,000,000.00
Government Grant - Capital	11			
Government Grant – Development Activities		683,152.12	1,149,949.66	2,100,000.00
Deffered Grant		566,847.88	1,650,050.34	900,000.00
		1,250,000.00	2,800,000.00	3,000,000.00
Profit (Loss) on Foreign Training Programs	12			-
Revenue		-	-	-
Expenses		8,400.00	81,600.00	-
		(78,400.00)	(981,600.00)	
<u>Other revenue</u>	13	-	-	-
Miscellaneous income		16,963.89	56,459.97	-
Distress Loan Interest		128,273.77	112,136.56	-
Over provision of expenses		53,527.78	-	-
		198,765.44	168,596.53	-
Wages, salaries and employee benefits	14			
Salaries & wages		10,832,244.32	12,476,965.16	11,086,600.00
Cost of Living Allowance		2,020,200.00	2,230,800.00	2,020,200.00
Telephone Allowance		140,133.33	87,000.00	-
Transport Allowance		200,000.00	600,000.00	200,000.00
Fuel Allowance		66,650.00	341,815.00	67,000.00
EPF		1,559,496.18	1,762,210.86	1,570,000.00
ETF		389,891.36	440,552.71	390,000.00
Over time		173,875.15	132,719.81	163,000.00
Holiday payments		-	8,591.25	-
Professional allowance		322,000.00	374,000.00	322,000.00
Gratuity Expenses		573,990.00	539,700.12	460,000.00
		16,278,480.34	18,994,355.02	16,278,800.00

	Note	2021	2020	Budgeted
Grants and other transfer payment	15			
Human Capital award		-	450.00	-
NHRDC staff Development		204,671.76	39,884.76	722,500.00
Statistical bulletin		-	68,705.00	100,000.00
Human Capital Insight			20,925.00	100,000.00
Solid waste management		3,240.00	500,784.90	-
COVID-19		4,800.00	286,720.00	-
Seminars & workshop		-	34,500.00	-
Publications		3,405.00	50,000.00	-
Specialist Data Bank		-	147,980.00	50,000.00
DO Study		136,028.03	-	724,600.00
TO Study		88,331.25	-	100,000.00
HRD Policy		217,676.08	-	250,000.00
Bio-Medical		25,000.00	-	50,000.00
		683,152.12	1,149,949.66	2,097,100.00
Supplies and consumables used	16			
Stationary & office equipment		(92,877.40)	(63,923.32)	-
Fuel & lubricant		270,116.64	211,090.00	202,700.00
		177,239.24	147,166.68	202,700.00
Depreciation and amortization expense	6	2,992,446.41	4,624,227.70	3,000,000.00
Travelling, Subsistence & Allowances	17			
Local Travelling & Subsistence		54,640.00	81,597.01	55,000.00
Allowance for Audit Members		60,000.00	24,000.00	60,000.00
Board Members Allowances		104,000.00	184,000.00	104,000.00
		218,640.00	289,597.01	219,000.00

	Note	2021	2020	Budgeted
Utility and Services	18			
Rates		50,400.00	50,400.00	50,400.00
Electricity		473,580.55	505,287.67	474,000.00
Water		15,246.85	15,864.99	16,000.00
Telephone charges & Rental		149,227.68	219,803.39	150,000.00
Postage & telex charges		2,605.00	28,995.01	3,000.00
Janitorial service		530,679.60	550,915.93	531,000.00
Security Service		1,123,618.36	1,213,281.63	1,124,000.00
Internet		107,231.94	150,410.00	108,000.00
Other utility & Other Service		585,815.45	99,025.00	586,000.00
		3,038,405.43	2,833,983.62	3,042,400.00
Maintenance Expenses	19			
Rep. & main. of vehicles		311,535.80	380,618.53	312,000.00
Vehicle Insurance		532,725.04	395,123.63	535,000.00
Rep. & main. of Office Equipment		150,466.44	158,743.68	163,000.00
Rep. & main. of computer		19,000.00	129,450.00	-
Rep. & main. of Other Assets		46,685.00	52,916.40	50,000.00
Rep. & main. of Building & Structure		-	86,319.70	-
		1,060,412.28	1,203,171.94	1,060,000.00
Other expenses	20			
Audit fee		302,000.00	225,950.00	-
Refreshment		38,620.80	58,275.00	100,000.00
Medical Expenses		-	15,000.00	-
Other Expenses		3,590.00	85,975.00	-
		344,210.80	385,200.00	100,000.00

12. Notes, comprising a summary of significant Accounting Policies and other explanatory Notes

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

2. Rendering of Accounts and Authorization to issue Financial Statements

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

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

3. Statement of Compliance

Accounting policy of the National Human Resources Development Council of Sri Lanka is prepared in accordance with the Sri Lanka Public Sector Accounting Standards published by Institute of Chartered Accountants of Sri Lanka.

4. Measurement Basis

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

5. Bases of Assets Valuation

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

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

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

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

6. Depreciation

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

Building & Structures	5%
Furniture & Fittings	10%
Office Equipments	10%
Electrical Fixtures & Equipments	20%
Computers	20%
Computer Software	25%
Vehicles	20%
Books	10%
Other Assets	10%

7. Events after reporting Date

All material balance sheet events have been considered and appropriate adjustments have been made disclosures have also been made in the financial Statements. Refurbishment work of the premises started from January 2017 and completed in December. Retention money payable to Leema constructions Limited has been recognized as a payable in the balance sheet and corresponding asset was recognized under building and structure. Retention money paid on March 2021.

8. Assets Write off / Destroy

No assets have been written off / destroyed during the year.

9. Accounting for Government Grant

Recurrent Grant and Capital Grant received from the General Treasury are used to meet the recurrent and capital expenditure of the National Human Resources Development Council of Sri Lanka respectively.

Recurrent grant and the amount incurred on Research and Development Activities (NHRDC activities) charged to the Statement of Financial Performance of the year they incurred.

Capital grant has taken in to the Equity and an amount equal to the depreciation charged during the year is recognized as income on a systematic basis over the useful life of capital assets.

10. Retirement Benefit Cost

10.1 Defined Contribution Plan – EPF & ETF

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

10.2 Retirement Gratuity

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

11. Financial Performance

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

12. Cash Flow Statement

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

13. Vehicles assigned by the Ministry

Vehicle number WP- PD 6170 chassis number JNICJUD22Z0116541 has been allocated by The Ministry of National Policies and Economic affairs, to NHRDC on a temporary basis from 01.02.2016.

13. Audit Report

VOT/D/NHRDC/1/2021/12

19th May, 2022

Chairman

National Human Resources Development Council

Report of the Auditor General on the Financial Statements of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2021 Other Legal and Regulatory Requirements in terms of the Section 12 of National Audit Act No.19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provision of the National Audit Act, No. 19 of 2018 and the provisions of the Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this report, the financial statements give a true and fair view of the financial position of the National Council as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Vehicles procured under government capital grants and fully depreciated were revalued in the year 2016 and its depreciation expenditure was normally recognized and adjusted in the financial statements. But due to adjusting the equal amount to that amount of depreciation to the income without basis, the profit for the year was over stated by Rs.1,823,306 and the accumulated surplus was over stated by Rs.12,376,694 in the financial statements.

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

1.3 Other information included in the Annual Report 2021 of NHRDC

The other information comprises the information included in the Annual Report 2021 but does not include in the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Report on Other Legal and Regulatory Requirements

- 2.1.1 Except for the effects of the matters described in the basis for qualified opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Council as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 Except for the observation made under section (a) in the basis for the qualified opinion of my report, the financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention to make the following statements.
 - 2.2.1 to state that any member of the governing body of the Council has any direct or indirect interest in any contract entered into by the Council which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018;
 - 2.2.2 to state that the Council has not complied with any applicable written law, general and special directions issued by the governing body of the Council as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018;
 - 2.2.3 to state that the Council has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018 except for;

Powers, Functions and Duties	Observations
(a) Primary Function and Duties of the National Council for Human Resource Development established under the Human Resource Development Act No. 18 of 1997	It has been stated that the preparation of a policy for the development of national human resources and its timely review, giving instructions to the minister and the government on the development of human resources. Although 23 years have passed since the establishment of the institute, a national human resource development policy has not been prepared.
(b) Section 16(2) f of the Act	Although a data bank containing information about various fields related to human resource development should be maintained, it was not done accordingly.
(c) Sections 16(2)(1) g and h of the Act	Although the authority has been given to the institution to recruit expert teams for the performance of the functions and duties of the council, it was revealed in the audit that there was a direct impact on the performance of the institution and the fulfillment of its powers due to the fact that it had not been done accordingly from the year 1997 to the year 2021.

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

W.P.C. Wickramarathna
Auditor General