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புடவைக் கைத்தொழில் திணைக்களம்

DEPARTMENT OF TEXTILE INDUSTRY

වැය ශීර්ෂ අංක: 303

செலவினத் தலைப்ப இலக்கம்: 303

Expenditure Head No: 303

3 වන මහල, මහලේකම් කාර්යාල ගොඩනැගිල්ල, මාලිගාවත්ත, කොළඹ 10

3ஆம் மாடி,செயலகக் கட்டிடம், மாளிகாவத்தை, கொழும்பு 10

3rd Floor, Secretariat Building, Maligawatta, Colombo 10

Annual Performance Report for the year 2022

Department of Textile Industry

Chapter 01: Institutional Profile

1.1 Introduction

The Department of Textile Industry is entrusted with formalization, supervision and coordination of all the functions in Handloom Textile Industry sector related to the generation and development of human resources with required knowledge and skill through the Textile Industry Training Institutions and Design Centers including in assist with the formulation of policies and implementation of programs, supervision and assessment towards the Development of the Handloom Textile Industry.

This report produces the progress of programs conducted by the Department of Textile Industry during the year 2023 towards the development of the Handloom Textile Industry.

1.2 Vision, Mission and Objectives of the Institution

Vision

Gearing up producers to manufacture creative and competitive textiles in the sphere of handloom textile industry in a manner befitting the indigenous identity and the culture as well as in a manner that can upsurge the behavior of the local and international market.

Mission

Formulation of policies in relation to the development of the handloom textile industry within the policy framework of the Government and creation of quantitative and qualitative improvement in the handloom textile industry sector through the required guidance, provision of necessary services and facilities, and monitoring and coordination with a view to setting such policies in motion.

Objectives

- Assist in formulation of relevant policies, implementation and assessment towards the development of Handloom Textile Industry
- Formalization, Supervision and Coordination of all the functions in Handloom Textile Industry
- Generation of required human resources towards the Development of the Handloom Textile Industry sector

1.3 Key Functions

1.3.1 Training of Textile Industry instructors and staff required for the development of Handloom Textile Industry sector

1.3.2 Training of professionally qualified employees required in the sector

1.3.3 Taking measures towards the entrepreneurial development and self-employment promotion in Handloom Textile Industry sector

1.3.4 Provision of programs aimed at Product Development

- Designing Programs
- Trainers Training Programs
- Product Diversification Programs

1.3.5 Coordination of Domestic and International Sales Promotion of products in Handloom Textile Industry

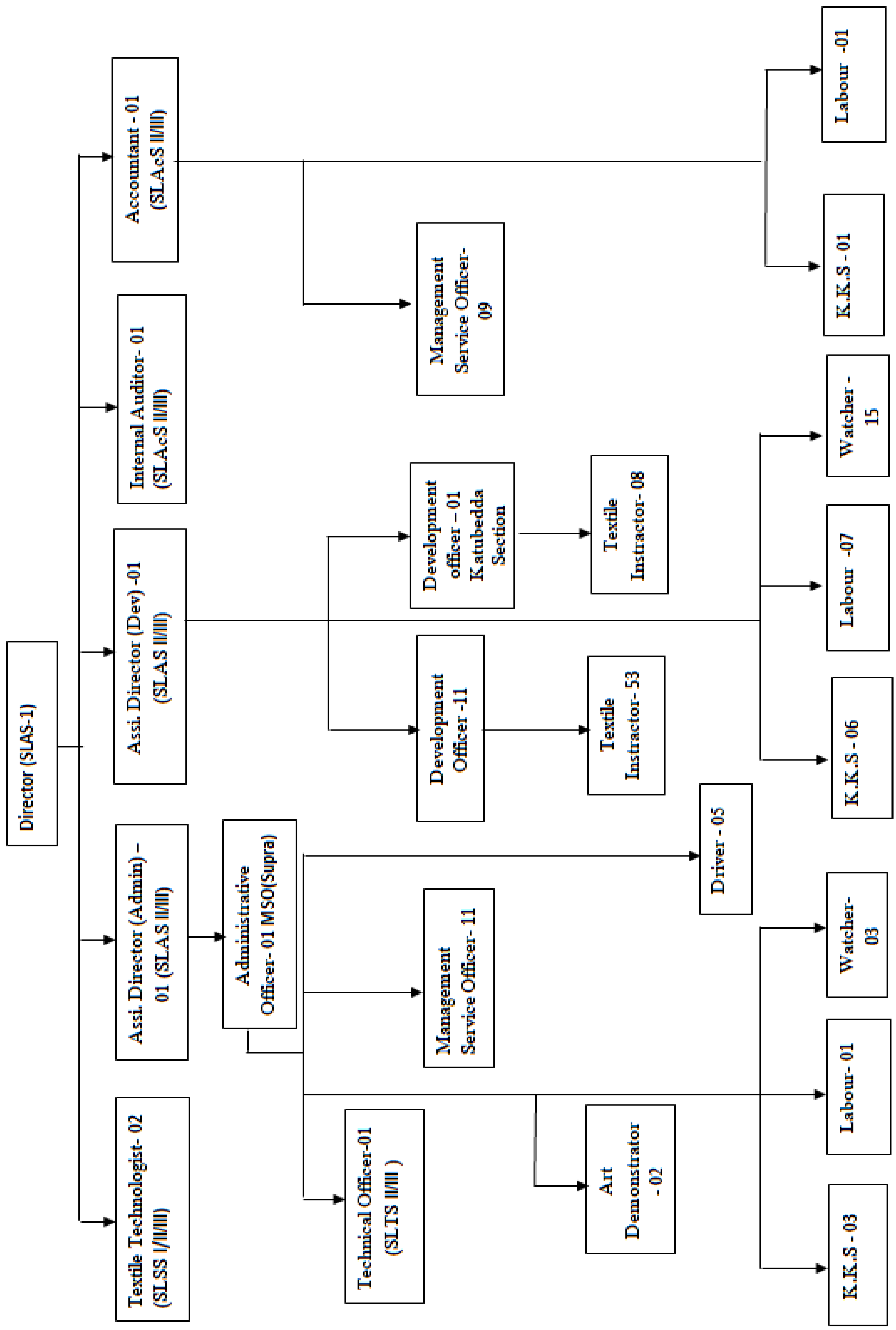
1.3.6 Conduct of Exhibitions and Competitions aimed at product popularizing, designs development and quality enhancement in Handloom Textile Industry sector

1.3.7 Required research and conservations towards the development of Handloom Textile Industry sector

1.3.8 Taking necessary measures to introduce the new technology towards the qualitative and quantitative development in Handloom Textile Industry sector

1.3.9 Processing the payment of Monthly Allowance of 4166 Machine Operators through Divisional Secretariats decentralizing from April 2022 which machine operators are being paid till they live and who had served less than 10 years in 10 power loom enterprises which owned by this department in years 1980-82.

1.4 Organizational Structure



1.5 Major Divisions of the Department

- Establishments Division
- Development Division
- Accounts Division

1.6 Institutions under the purview of the Department

i. Research, Training, Design and services institute
280/1, Galle Rd., Katubedda, Moratuwa

ii. Natural Colour Project, Rajagiriya

iii. Textile Training Schools & Design Training Schools

There are 14 textile industry training schools and 2 design schools operative under the Department of Textile Industry.

S. No	Institution	Address
01	Handloom Textile Training Institute, Katubedda	280/1,Galle Road, Katubedda, Moratuwa
02	Handloom Textile Training Institute, Kottala	Kottala, Veyangoda
03	Handloom Textile Training Institute, Boyagane	Boyagane, Kurunegala.
04	Handloom Textile Training Institute, Pinnawala	Pinnawala, Rambukkana
05	Handloom Textile Training Institute, Watapuluwa	Aruppala Road, Watapuluwa, Kandy
06	Handloom Textile Training Institute, Getambe	Getambe, Peradeniya
07	Handloom Textile Training Institute, Matale	Kongahamula, Palapathwala, Matale
08	Handloom Textile Training Institute, Matara	Hakmana Road, Matara.
09	Handloom Textile Training Institute, Kirama	Kirama
10	Handloom Textile Training Institute, Bandarawela	Kinigama, Bandarawela
11	Handloom Textile Training Institute, Thalawa	Mihirigama, Thalawa
12	Handloom Textile Training Institute, Galle	Kalegana Rd, Ginthota, Galle
13	Handloom Textile Training Institute, Nallur	194, Point Pedro Road, Nallur, Jaffna
14	Handloom Textile Training Institute, Samanturai	Sammanthurai
15	Design Training Institute, Katubedda	280/1, Galle Road, Katubedda, Moratuwa
16	Design Training Institute, Getambe	Getambe, Peradeniya

2.1 Institutional Progress

2.1.1 Training of new personnel for the Handloom Textile Industry sector

- **Training of students following recruitments to the Textile Industry Training Institutions**

14 Textile Industry Institutions in operation under the Department of Textile Industry provide the relevant trainings through the basic Training Course on Textile Industry throughout 6 months and Final Certificate Course throughout 13 months.

Accordingly, Interviews were conducted in recruiting 88 students for the academic year 2023/2024. This course was commenced with the qualified students on 10th of March 2023.

2.1.2 Conduct of In Service Training Programs

- **Conduct of Short Term Training Courses for those who are engaging in Handloom Textile Industry sector**

Organization and implementation of relevant training programs and workshops towards the development of the sector inclusive of implementing necessary methods towards the development of productive and effective production, design concepts, new techniques for the capacity development of Trainers, Entrepreneurs and weavers in the Textile Industry sector is accomplished under this.

19 training programs were conducted for 323 trainees during the year 2023 with the intension of enhancing the knowledge and skills of the staff of the Department of Textile, of the Textile Instructors served under the Provincial Department of Industries, of personnel who are engaging in Textile industry in cooperative sector and of the individuals employed in the field of Handloom Textile Industry in private sector.

Details on In Service Training Programs conducted in year 2023

- **Training Programs conducted at Textile Industry Training Institution, Katubedda**

8 Training Programs were conducted at Textile Industry Training Institution in Katubedda and 151 beneficiaries have received the training.

Serial No:	Name of the Course	Date of conduct (from – to)	Number of Participants
1.	Dik Jala (Horizontal Jala) Designs	07.02.2023– 10.02.2023	24
2.	Yarn Bleaching and Dyeing	21.02.2023 – 24.02.2023	12
3.	Dumbara Rata Designs	19.04.2023 – 21.04.2023	18
4.	Catch Card Designs	22.05.2023 – 24.05.2023	21
5.	Handloom Carpet Designs	26.06.2023 – 28.06.2023	28
6.	Woolen Towel Weaving	11.07.2023 – 14.07.2023	11
7.	Yarn Dyeing with Natural Dyes	24.07.2023 – 26.07.2023	18
8.	Color Combination	06.09.2023 – 08.09.2023	19

- Training Programs conducted for Freelancers in Handloom Textile Industry sector

4 Training Courses have been conducted and 38 beneficiaries have received the training.

Serial No:	Name of the course	Date of conduct	Number of Participants	Venue
1.	Pallu Designs	17.01.2023 – 20.01.2023	13	Place of Handloom Textile Project – Ganewatta
2.	Flower Designs	30.01.2023 – 02.02.2023	07	Place of Handloom Textile Project – Millawala

3.	Carpets Designs	26.07.2023 – 28.07.2023	09	Place of Handloom Textile Project – Buthpitiya
4.	Yarn Bleaching and Dyeing	21.11.2023 – 26.11.2023	09	Place of Project – Maradagahamula

- Training Courses conducted for Provincial Departments of Textile Industry

7 Training Courses have been conducted and 134 beneficiaries have received the training.

Serial No:	**Name of the course**	**Date of conduct**	**Number of Participants**	**Venue**
1.	Pethampili Designs	28.03.2023 – 04.04.2023	23	Textile Industry Center Pandulagama (North Central Province)
2.	Pallu Weaving Designs	07.08.2023 – 10.08.2023	17	Textile Industry Institution Ampara
3.	Pallu Weaving Designs (Tamil Medium)	14.08.2023 – 17.08.2023	17	Textile Industry Center Karathivu (Northern Province)
4.	Pallu Designs	11.09.2023 – 15.09.2023	16	Textile Industry Center Trincomalee
5.	Woolen Towel Designs	16.10.2023 – 20.10.2023	18	Textile Industry Centre Jaffna
6.	Kukul Adi Designs	11.09.2023 – 15.09.2023	30	Textile Industry Center Ampara
7.	Dobby Designs Training	13.11.2023 – 24.11.2023	13	Textile Industry Center Vavuniya

2.1.3 Conduct of Examinations and Assessment

- **Activities related to the Conduct of Examinations and Assessment of Textile Industry Training Courses**

Theoretical and Practical Assessment and Examinations of Textile Industry Final and Basic Training Courses were held on 13th,14th and 15th of March 2023. 89 of internal students in Textile Industry Training Institutions and 67 of external candidates have sat for these examinations.

Examination Center	**Number of students in Textile Industry Institutions (Internal)**	**Number of External Candidates**
Kottala	04	05
Katubedda	04	04
Gatambe	08	02
Kirama	09	04
Boyagane	09	03
Matale	08	05
Bandarawela	12	14
Matara	02	03
Watapuluwa	08	06
Pinnawala	05	01
Thalawa	06	-
Galle	05	02
Samanthure	07	13
Nallur	02	05
Total	**89**	**67**

Necessary arrangements were made to conduct the Final Examination on 17th ,18th and 19th of July 2023 for the students enrolled in Handloom Textile Industry Advanced Designs Training Course for the Academic Year 2022. 22 students from Designs Training Institution in Gatambe and 13 students from Designs Training

Institution in Katubedda participated in this examination and Certificate Awarding for the students who successfully passed the Final Examination at the end of the academic year and for the students who passed the examination of Handloom Textile Industry Advanced Designs Course is taken place on 07^{th} August 2023.

05 students to Designs Training Institutions in Gatambe and 08 students to Designs Training Institutions in Katubedda have been enrolled in Textile Industry Advanced Designs Training Course for the academic year 2023 on 24^{th} July 2023.

2.1.4 Commencement of Handloom Textile Industry Projects

- This program is implemented with the intension of empowering those who are engaging in handloom textile industry in rural level in socially and economically.

Handloom Textile Industry projects have been initiated covering various districts of the country with the objective of expanding the Handloom Textile Industry as a more productive livelihood in rural level. After providing a Training on the Handloom Textile Industry for a period of six months to the beneficiaries selected from the relevant areas, sets of handloom, basic implements and tools as well as raw material necessary for the commencement of the industry are provided free of charge with the aim of encouraging local manufacturers. Affairs related to the additional trainings and follow-ups will be accomplished by the Department.

Accordingly, details on the projects implemented in 2023 amongst the project proposals recognized in year 2023 are as follows.

Serial No:	**Name of the Project**	**Number of Trainees:**
1.	Handloom Textile Industry Project Hangawatta	13
2.	Handloom Textile Industry Project Matiyakgama	05
3.	Handloom Textile Industry Project Manipe	10

4.	Handloom Textile Industry Project Damunugolla	02
5.	Handloom Textile Industry Project Rawaala	14
6.	Handloom Textile Industry Project Mudunkotuwa West	06
7.	Handloom Textile Industry Project Amunugoda	07
8.	Handloom Textile Industry Project Ahugammana	07
9.	Handloom Textile Industry Project Amunukumbura	11
Total Number of Beneficiaries		**75**

2.1.5 National Handloom Textile Competition, Exhibition and Awards Ceremony

- **These are held with the view of Market Promotion and appreciating those who are engaging in Handloom Textile Industry sector.**

The final judgement of annually featured National Handloom Textile Competition held with a view to harness the talents of those involved in the Textile Industry according them the due appreciation of their skills with requisite motivation in order that they could contribute in creating locally manufactured textile aimed at both national and international markets underpinning improvement of the qualitative aspect of the Handloom Textile Industry, was made on 27th of October 2023 at the Textile Industry Training Institution in Katubedda. Certificates awarding related to this competition was taken place on 06th of December 2023 at the premises of Bandaranaike Memorial International Conference Hall where 128 students were being awarded.

2.1.6 Handloom Textile Industry Trade Fair

Small and medium scale Handloom and Textile Industry Trade Fair was held on 2nd, 3rd and 4th of December 2023 at precincts of the Bandaranaike Memorial International

Conference Hall (BMICH) by facilitating sales opportunities for 40 manufacturers in Handloom Textile Industry sector. According to the income statements provided to the department by the industrialists, all the participated industrialists have earned an amount of 8.1 million rupees.

2.1.7 Facilitating to offer NVQ certification under RPL method

It's functioned as a facilitation center for offering NVQ 4 certification under RPL method for the industrialists serving under Provincial Department of Industries whereas 110 beneficiaries have received the NVQ 4 certifications under RPL at the end of the year 2023.

Province	**Number of Beneficiaries**
Sabaragamuwa Province	Textile Instructors 40
Southern Province	Textile Instructors 08
Uva Province	Textile Instructors 07
Central Province	Textile Instructors 20
Western Province	Textile Instructors 35

2.1.8 Introducing New Products and Innovations to the sector

- A modified winding machine has been invented and another 22 of this machine have been already manufactured by now. These are to be introduced to the industrialists in the future.
- As a solution for the current shortage of raw materials in the market, 10 cost effective innovations have been produced.

2.1.9 Entrepreneurial Development Training Programs

A program which 20 young students who followed the training courses in Training Institutions in operation under the Department of Textile Industry and currently engaging in the Textile Industry sector and which they are let to be entrepreneurs is implemented in the year 2023 and the following two special courses have been conducted with the view of enhancing the knowledge and skills of the said students further.

1. Pattern Designing for Apparel
    - This course was held in cooperation with the Sri Lanka Institute of Textile and Apparel (SLITA).
2. Advanced Designs Training Course - "Trainning programme on Design Innovation in Handloom : Bridging the Gap Between Trend and Tradition"
    - This was held in cooperation with the Department of Textile and Apparel Engineering in University of Moratuwa.

2.2 Institutional Outlook

- ❖ Expecting to implement 06 Handloom Textile Industry villages in Divisional Secretariat level.
- ❖ Planning to conduct 20 Training Courses related to Handloom Textile Industry.
- ❖ Conducting of Handloom Textile Industry Provincial Level Competition and National Level Competition concurrent with Handloom Textile Industry Exhibition, Trade Fair and Awards Ceremony.
- ❖ Scheduled to hold the Textile School Final Certificate Examination and Designs Training Examination.
- ❖ Modernizing of 4 Handloom Textile Industry Schools out of 14 owned by the Department in a very attractive way.
- ❖ Processing the payment of Monthly Allowance of 4166 Machine Operators through Divisional Secretariats decentralizing with the intension of regulating and accelerating the process which of 80% of machine operators are being paid till they live and who had served less than 10 years in 10 power loom enterprises when in privatization of these enterprises which owned by this department in years 1980-82.
- ❖ Conducting of Capacity Development Training Workshops for all the staff of the Department for the enhancement of knowledge, skills and attitudes.
- ❖ Conducting of Leadership Training Workshops for students in 14 Schools and 2 Designs Training Schools.

2.3 Challenges

- Lack of adequate staff
- Lack of a work place with adequate space and facilities
- Vacancies available in essential positions
- Lack of approved positions to perform duties in key functions of the Department
- Constantly Escalating prices of required raw materials in Handloom Textile Industry
- Minimal knowledge and possibilities in capturing the adequate Market Opportunities for the Handloom Products
- No value addition and target of Foreign Market is made to the Handloom Textile Products.

2.4 Signature of the Institutional Head

Name : U. V. S. Senani Senevirathna

Position : Director

Chapter 03: Overall Financial Performance
3.1 Statement of Financial Performance

Statement of Financial Performance for the period ended 31 December 2022

Budget (Current year)		Note	Actual		
			Current year Rs. Cts		Previous year Rs. Cts
-	**Revenue Receipts**		-		-
-	Income Tax	1	-		-
-	Taxes on Domestic Goods & Services	2	-		-
-	Taxes on International Trade	3	-		-
-	Non Tax Revenue & Others	4	-		-
-	**Total Revenue Receipts (A)**		-		-
-					
-	**Non Revenue Receipts**		-		-
-	Treasury Imprests		116,717,000.00		198,740,000.00
-	Deposits		499,579.00		1,542,569.00
-	Advance Accounts		6.366,570.00		5,552,804.00
-	Other Receipts		-		-
-	**Total Non Revenue Receipts (B)**		123,583,149.00		205,835,373.00
-	**Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)**		123,583,149.00		205,835,373.00
-	Remittance to the Treasury (D)		1,200,000.00		-
	Net Revenue Receipts & Non-Revenue Receipts E = (C)-(D)		122,383,149.00		205.835,373.00
-	**Less: Expenditure**		-		-
-	**Recurrent Expenditure**		-		-
82,700,000	Wages, Salaries & Other Employment Benefits	5	70,068,156.00		74,754,339.00
27,900,000	Other Goods & Services	6	23,415,183.00		18,973,472.00
300,400,000	Subsidies, Grants and Transfers	7	253,780,653.00		215,696,318.00
-	Interest Payments	8	-		-
-	Other Recurrent Expenditure	9	-		-
411,000,000	**Total Recurrent Expenditure (D)**		347,263,991.00		309,424,129.00
	Capital Expenditure				
8,700,000	Rehabilitation & Improvement of Capital Assets	10	7,949,094.00		1,015,963.00

Budget (Current year)		Note	Actual Current year Rs. Cts		Previous year Rs. Cts
300,000	Acquisition of Capital Assets	11	-		105,800.00
-	Capital Transfers	12	-		-
-	Acquisition of Financial Assets	13	-		-
-	Capacity Building	14			44,387,641.00
50,000,000	Other Capital Expenditure	15	27,448,614.00		29,958,071.00
59,000,000	**Total Capital Expenditure (E)**		35,397,708.00		31,079,834.00
	Deposit Payments		257,180.00		5,016,846.00
	Advance Payments		6,333,064.00		5,258,228.00
	Total Main Ledger Expenditure (H)		-		-
	Main Ledger Expenditure (F)		6,590,244.00		10,275,074.00
	Total Expenditure I = (F+G+H)		389,251,943.00		350,779,037.00
470,000,000	**Total Expenditure G = (D+E+F)**		(266,868,794.00)		(144,943,664.00)
	Balance as at 31st December J = (E-I)		(267,097,794.00)		-144,943,664.00
	Imprest Balance as at 31st December		(229,000.00)		(144,943,664.00)

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2023

	Note	Actual 2023 Rs	2022 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	268,815,527	268,815,527
Financial Assets			
Advance Accounts	ACA-5/5(a)	19,167,102	19,200,608
Cash & Cash Equivalents	ACA-3	229,000	-
Total Assets		**288,211,629**	**288,016,135**
Net Assets / Equity			
Net Worth to Treasury		19,035,003	19,081,908
Property, Plant & Equipment Reserve		268,815,527	268,815,527
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	361,099	118,700
Unsettled Imprest Balance	ACA-3		-
Total Liabilities		**288,211,629**	**288,016,135**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 01 to 38 and Annexures to accounts presented in pages from I to XIV form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

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

Chief Accounting Officer
Name :
Designation :
Date : 2024/03/06

J.M. Thilaka Jayasundara
Secretary
Ministry of Industries
73/1, Galle Road, Colombo 03.

Accounting Officer
Name :
Designation :
Date : 2024/03/06

U.V.S. Senani Seneviratne
Director
Department of Textile Industry
3rd Floor, Secretariat Building,
Maligawatta, Colombo 10.

Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name : 2024/03/06
Date :

H. G. Nandani
Accountant
Department of Textile Industry
3rd Floor,
Secretariat Bulding,
Maligawatta, Colombo 10.

3.3 Statement of Cash Flows

Statement of cash flows for the Period ended 31st December 2022

	Actual	
	Current year Rs. Cts	**Previous year** Rs. Cts
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	5,900,551.00	6,761,297.00
Imprest Received	116,717,000.00	198,740,000.00
Recoveries from Advance	5,216,810.00	5,443,134.00
Deposit Received	499,579.00	1,542,569.00
Total Cash generated from Operations (a)	128,333,940.00	212,487,000.00
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	92,385,868.00	93,485,381.00
Subsidies & Transfer Payments	233,870.00	72,016,338.00
Expenditure on other heads and imprest settlement to treasury	-	7,606,303.00
Imprest Settlement to Treasury	1,200,000.00	-
Advance Payments	6,333,064.00	5,258,228.00
Deposit Payments	257,180.00	5,016,846.00
Total Cash disbursed for Operations (b)	100,409,982.00	183,383,096.00
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	27,923,958.00	29,103,904.00
Cash Flows from Investing Activities		
Interest		
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from Advance	-	-

Total Cash generated from Investing Activities (d)	-	-
<u>Less - Cash disbursed for:</u>		-
Purchase or Construction of Physical Assets & Acquisition of other investments	**27,694,958.00**	**29,103,904.00**
Total Cash disbursed for Investing Activities (e)	**27,694,958.00**	**29,103,904.00**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-(e)	**(27,694,958.00)**	**(29,103,904.00)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	**228,999.55**	
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	-	-
Total Cash generated from Financing Activities (h)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (i)	**-**	**-**
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	**-**	**-**
Net Movement in Cash (k) = (g) -(j)	229,000.00	
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	229,000.00	-

3.4 Notes to Financial Statements

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2023.

2) Basis of Measurement

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

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

3) Recognition of Revenue

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

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

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

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

5) Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2023.

3.5 Performance of Revenue Collection

Revenue Code	Description of revenue code	Revenue estimate		Revenue collection	
		Original estimate	Final estimate	Amount (Rs)	As a % of the final estimate
2002.01.00 2002.01.01	**Rent** Rent on government building	800,000.00	800,000.00	654,716.29	
2002.02.00 2002.02.99	**Interest**	700,000.00	700,000.00	716,279.83	
2003.99.00	**Other receipts**	-	-	1,737,984.84	
2004.01.00 2004.01.00	**Social security contributions** Central government	-	-	279,157,0.47	

3.6 Performance in the utilization of allocated funds

Type of Allocation	Allocation		Actual expenditure	Allocation utilization as a % of the final allocation
	Original estimate	Final estimate		
Recurrent	411,000,000.00	411,000,000.00	347,263,991.00	84.5%
Capital	59,000,000.00	59,000,000.00	35,397,708.00	60%

3.7 In terms of F.R. 208, grant of allocations for expenditure to this Department/ District Secretariat/ Provincial Council as an agent of other Ministries/Departments

Serial No	Allocation received from which Ministry/Department	Purpose of the Allocation	Allocations		Actual Expenditure Rs.	Allocation utilization as a % of the final allocation
			Original Rs.	Final Rs.		
130	Ministry of Provincial Councils and Local Government	Making payments for Economic Development Officers				
439	Ministry of Industrial	National Apprentice & Industrial Training Authority – obtain NVQ certificates				
253	Department of Pensions	Settling advance concession	3,600,000.00	3,600,000.00	3,600,000.00	100%

3.8 Performance of the Reporting of Non-Financial Assets

Assets code	Code Description	Balance as per Board of Survey Report as at 31.12.2022	Balance as per Financial Position Report as at 31.12.2022	Yet to be accounted	Reporting progress as a %
9151	Buildings and structures	127,979,125.00	127,979,125.00	-	100%
9152	Machinery	41,277,552.00	41,277,552.00	-	100%
9153	Lands	99,561,850.00	99,561,850.00	-	100%
9154	Intangible assets	-	-	-	-
9155	Biological assets	-	-	-	-
9160	Work in progress	-	-	-	-
9180	Leased assets	-	-	-	-

3.9 Auditor General's Report

National Audit Office

My No: TAC/A/DTI/FS/23/38 Your No: Date: 05th June 2024

Director General,

Department of State Accounts

[Sgd. Illegibly]
02/06

[Seal: Department of Textile Industry
28 Jun 2024
[Sgd. Illegibly]
Administrative Division]

Head 303 – Summary Report of the Auditor General on the Financial Statements of the Department of Textile Industry for the year ended 31st December 2023 in terms of section 11 (1) of the National Audit Act No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

Head 303 - The audit of the financial statements of the Department of Textile Industry for the year ended 31st December 2023 comprising the statement of financial position as at 31st December 2023 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations on the financial statements issued to the Department of Textile Industry in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 are stated in this report. The Report of the Auditor General which should be presented to Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act No. 19 of 2018 will be tabled in due course.

In my opinion, except for the effect of the matters stated in paragraph 1.6 of this report, the financial statements of the Department of Textile Industry give a true and fair view of the financial position of the Department of Textile Industry as at 31st December 2023 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My qualified opinion is based on the facts that are stipulated in paragraph 1.6 of this report. 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 this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Accounting Officer determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

In terms of Sub-section 38(1) (c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control is maintained in the Department and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carry out.

1.4 Auditor's Responsibility for the Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Report of the Auditor General 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 and users should be aware of this when making economic decisions based on these financial statements.

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

- Identify and assess the risks of material misstatements 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 impact of fraud is greater than the impact of material misstatements due to the reasons such as collusion, preparation of forged documents, intentional evasion, making mistakes or evasion of internal controls.
- Although not intended to express an opinion on the effectiveness of internal control, an understanding of internal control was gained in order to design appropriate audit procedures from time to time.
- Evaluate the structure and content of financial statements, including disclosures, and the relevance of transactions and events in the financial statements in an appropriate and fair manner.
- Evaluated the overall presentation of the financial statements, including the fact that the transactions and events underlying the structure and content of the financial statements were appropriately and fairly included and disclosures.

The Accounting Officer is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal and Regulatory Requirements

In terms of section 6(1)(d) of the National Audit Act, No.19 of 2018, I state the followings.

(a) The financial statements are consistent with the preceding year.

(b) The following recommendations made by me on the financial statements of the preceding year had not been implemented.

Paragraphs Reference of the Report related to the preceding year	Unimplemented Recommendation	Paragraph Reference of this Report
……………………….	………………………….	……………………….
1.6.1, 1.6.2, 1.6.3	The cash flow should be accurately stated in the Cash Flow Statement.	1.6.4

1.6 Comments on Financial Statements

1.6.1 Non-Revenue Receipts

(a) The remitted amount of Rs. 1,200,000 to the Treasury had not been stated in the Statement of Financial Performance and Treasury Imprest Balance of Rs. 1,200,000 had been understated.

(b) The Cash Flow generated through operating activities had been overcalculated of Rs. 2,865,591 due to overstated Income from other sources of Rs. 1,715,831 and overstated advance payments of Rs. 1,149,760 in the Cash Flow Statement.

1.6.2 Recurring Expenditures

The Cash Flow spent on operating activities had been overcalculated by that figure due to the Subsidies and Transfers of Rs. Rs. 2,865,591 in the Cash Flow Statement.

1.6.3 Non-Financial Assets

Although the Transfer of Three Power Loom Weaving Houses had been made to the Divisional Secretariats in which they are located, the value of said lands and buildings had not been removed from the Statement of Non-Financial Assets.

1.6.4 When representing the values related to the previous year in the Cash Flow Statement, the revised values had not been stated.

2. Financial Review

2.1 Revenue Management

Following observations were made in this regard.

(a) The lease receivable for the years starting from 2000 to 2012 from the Power Loom Textile Industry Institution in Yatinuwara, an amount of Rs. 556,000 is yet to be recovered.

(b) The receivable amount of Rs. 9,431,000 which relevant to the lease basis of Power Loom Textile Industry Land and Building in Thalalla and Higurakgoda payable for the years starting from 1995 to 2000 and 2016 to 2019 respectively had not been recovered.

(c) The receivable amount of Rs. 1,681,250 which relevant to the lease basis of Power Loom Textile Industry Land and Buildings in Bibila had not been recovered.

3. Operational Review

3.1 Performance

3.1.1 Non-Achievement of Desired Output Level

14 Textile Training Institutions are in operation and only 25 students can be recruited in to one Institution. Following observations were made on the planned courses to be conducted.

(a) Only 02 students were enrolled in Six months course at Katubedda Training Institution while no (00) students were enrolled in the said course at other 13 Training Institutions which they couldn’t conduct the course due to the lack of students.

(b) 110 students have been registered to sit for the Final Certificate Course. Amongst 13 students were registered in the Advanced Design Training Course at Katubedda while a number of 5 to 9 students were registered in other Training Institutions.

3.2 Assets Management

Following observations were made in this regard.

(a) The Transfer of 11 Textile Industry Training Institutions and 2 Tourists' Houses had not been made to the Department.

(b) The Natural Dyeing Centre situated in Rajagiriya, in a title unclear land in extent of 30 perches, which consisted of 02 buildings and a guardroom, had not been utilized for more than three years.

(c) 185 Handloom weaving machine sets and 146 winding machine sets which have been purchased in 2020 and with the value of Rs. 19,991,000 had been underutilized for more than three years and stored in Katubedda Store.

4. Good Governance

4.1 Audit and Management Committee

The Departmental Audit & Management Committee Meetings had not been held for the year under review.

[Sgd. Illegibly]
S. M. C. Indika
Senior Assistant Auditor General
For Auditor General

Chapter 04: Performance Indicators

4.1 Performance Indicators of the Institution

Specific Indicator	Actual output as a percentage (%) of expected output		
	100% - 90%	**75% -89%**	**50% - 74%**
1. Administration of Textile Industry Training Institutions – Initiation of recruitment of 120 students for training	√		
2. Initiation of 10 Handloom Textile Industry Self-Employment Projects	√		
3. Training of 150 beneficiaries through Handloom Textile Industry Self-Employment Projects			√
4. Conduct of 20 In-service Training Courses	√		
5. Introducing 80 entrepreneurs to the Textile Industry field			√
6. Generating 10 innovations to the field	√		
7. Offering NVQ for 100 industrialists engaging in Handloom Textile Industry field	√		

Chapter 05- Performance of achieving Sustainable Development Goals (SDG)

Goal/Objective	Targets	Indicators of the achievement	Progress of the achievement to date		
			0%-49%	50%-74%	75%-100%
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Granting NVQ Level 4 for 5000 professionals in the handloom textile sector by the year 2030.	Granting NVVQ to 2500 professionals by 2025	√		
9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	Making the contribution of the industrial sector to the GDP to 10% by increasing the contribution of the handloom sector	Increasing the contribution to the GDP by the year 2025.	√		

Chapter 06: Human Resources Profile

6.1 Cadre Management

	Approved cadre	Existing cadre	Vacancies/(Excess)
Senior	07	05	02
Tertiary	01	01	0
Secondary	95	86	09
Primary	42	28	14

6.2 How the shortage or excess in human resources has been affected the performance of the institution

- Interruptions are caused for the functioning of duties due to the vacant positions of Internal Auditor and Technical Officer.
- Due to the fact that a position of IT Officer or Assistant IT Officer had not been included in the cadre of the Department interruptions are caused when functioning the IT related duties.
- Interruptions are caused for the functioning of duties in Accounts, Administration and Development divisions due to the vacant positions of Management Service Officer.

Chapter 07 - Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
1	**The following Financial statements/ accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.6	Others	-		
2	**Maintenance of books and registers (FR 445)**			
2.1	Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018.	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and updated.	Complied		
2.3	Register of Audit queries has been maintained and updated.	Complied		
2.4	Register of Internal Audit reports has been maintained and updated.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date.	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and updated.	Complied		
2.8	Stocks Register has been maintained and updated.	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated.	Complied		
2.11	Register of Counterfoil Books (GA — N20) has been maintained and updated.	Complied		
3	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been Delegated within the institute.	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package.	Complied		
4.	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared.	Complied		
4.2	The annual procurement plan has been prepared.	Complied		
4.3	Having the budget for the year under review approved in terms of Finance Act No. 38 of 1971	Complied		
4.4	The annual Internal Audit plan has been prepared.	Not Complied	Internal Auditor post is not yet filled	Already several request made and action taken to fill the vacancy
4.5	The annual estimate has been prepared and submitted to the National Budget Department (NBD) on due date.	Complied		
4.6	The annual cash flow has been submitted to the Treasury Operations Department on time.	Complied		
4.7	Quarterly reports have been prepared and submitted to the Treasury on due date	Complied		
5	**Audit queries**			
5.1	All the audit queries has been replied within the time specified by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019.	Not complied	Internal Auditor post is not yet filled	Already several request made and action taken to fill the vacancy

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
6.2	Answers have been submitted to all internal audit reports within a period of one month.	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018.	Not Complied	Internal Auditor post is not yet filled	Already several request made and action taken to fill the vacancy
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019.	Not complied	Internal Auditor post is not yet filled	Getting an internal audit officer approved in the cadre
8	**Asset Management**	Complied		
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017.	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular.	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016.	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Compiled		

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
8.5	The disposal of condemned articles had been carried out in terms of FR 772.	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Complied		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident.	Not complied	Getting the loss reimbursed through insurance	Recovering no-claim bonus from the relevant party
9.5	The fuel consumption of vehicles has been retested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016.	Complied		
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term.	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit.	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1).	Complied		
12	**Advances to Public Officers Account**	Complied		
12.1	The limits had been complied with.	Complied		
12.2	A time analysis had been carried out on the loans in arrears.	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained.	Complied		
14	**Imprest Account**	Complied		
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task.	Complied		
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per F.R. 371.	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15	**Revenue Account**	Complied		
15.1	The refunds from the revenue had been made in terms of the regulations.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account.	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176.	Complied		
16	**Human Resource Management**			
16.1	The staff has been maintained within the approved cadre.	Not Complied	Retirements and transfers	1. Departmental recruitments have been expedited. 2. Briefed about the vacancies in the combined/island-wide services
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017.	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation.	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Biannual and Annual reports have been submitted as per section 08 of the RTI Act.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management.	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular.	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular.	Not compiled	Action has so far not been taken for formulation	Taking measures for formulation in future.
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity-building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular.	Complied		.

No.	Applicable Requirement	Compliance Status (Complied/ Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
20	**Responses to Audit Paragraphs**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		