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වருடාந்த அறிக்கை
ANNUAL REPORT
2023

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இலங்கை தேசிய மனிதவள அபிவிருத்திச் சபை
National Human Resources Development Council of Sri Lanka

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பொது நிர்வாக, உள்நாட்டலுவல்கள், மாகாண சபைகள் மற்றும் உள்ளூராட்சி அமைச்சு

Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government

National Human Resources Development Council of Sri Lanka

Annual Report

2023

Ministry of Public Administration, Home Affairs, Provincial Councils
and Local Government

354/2, 7th Floor, Nipunatha Piyasa, Elvitigala Mawatha, Narahenpita, Colombo 05

Institutional Background

Institution	:	National Human Resources Development Council of Sri Lanka
Ministry	:	Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government
Address	:	354/2, 7th Floor, Nipunatha Piyasa, Elvitigala Mawatha, Narahenpita, Colombo 05
E-mail address	:	director.nhrdc@yahoo.com
Web site	:	www.nhrdc.gov.lk
Telephone No.	:	0112595680
Fax No.	:	0112595680
Auditors	:	Auditor General National Audit Office Battaramulla
Bankers	:	Bank of Ceylon Peoples' Bank

Vision

A Future Ready Human Resource

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

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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.

After assuming duties of the Chairmanship in January 2023, the duties, functions, responsibilities and powers vested by the NHRDC Act No. 18th of 1997 was studied in depth with the staff and it was emphasized the National Human Resources Development Policy and the policy recommendations are extremely important for achieving the objectives of the council. At the 1st council meeting held on 21.02.2023 discussed in depth with members of the governing council. It was revealed that the existing National Human Resource and Employment Policy was well formulated and initially prepared 13 years ago. In order to review the existing deficiencies in the implementation of the NHR & E Policy, Governing Council proposed that the NHRDC is the authorized body to deal with all corresponding activities, and hold discussion with the relevant ministries for further policy amendments.

While the process is going on National Education Policy Framework (NEPF) has been approved by the government for transforming education system in the country. As the education is the basis of the HRD development, the governing council deeply studies the NEPF and show the necessity of formulation of a new national HRD policy. For this comprehensive task Dr. Chandra Embuldeniya, founder and former Vice Chancellor of the Uva-Wellassa University, has been appointed as the Team Leader for drafting this HRD policy based on the NEPF. Accordingly, NHRDC held Review meetings with relevant stake holders and prepared the policy reviewing reports on General Education, Vocational Education, Higher Education and Career Guidance.

NHRDC has been appointed as the focal point by the Ministry of Foreign Affairs for developing the HRD plan for the BIMSTEC region. This was a very comprehensive task and the draft HRD plan prepared by Dr. Embuldeniya with the assistance of NHRDC Team. The approved HRD plan by the governing council, has been circulated among the BIMSTEC member countries for their concurrence.

In addition, NHRDC has published two publications namely Statistical Bulletin-2023 and Human Capital Insights.

Moreover, an interview was held to recruit two Research Officers to the NHRDC.



Thusitha P. Wanigasingha

Chairman

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 of Public Administration, Home Affairs, Provincial Councils and Local Government.

1.2 Vision

A Future Ready Human Resource

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 Administration, Home Affairs, 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. In terms of section 3(1) (a) to (o) of NHRDC Act No.18 of 1997, the ex-officio members of the council as at 31.12.2023 are as follows subject to Article 44 of the 1978 Constitution.

1. Secretary, Ministry in charge of the subject of Education and Higher Education
2. Secretary, Ministry in charge of the subject of Finance
3. Secretary, Ministry in charge of the subject of Health
4. Secretary, Ministry in charge of the subject of Science and Technology
5. Secretary, Ministry in charge of the subject of Labour
6. Secretary, Ministry in charge of the subject of Public Administration
7. Secretary, Ministry in charge of the subject of Youth Affairs
8. Secretary, Ministry in charge of the subject of Industrial Development
9. Secretary, Ministry in charge of the subject of Agriculture
10. Secretary, Ministry in charge of the subject of Plan Implementation
11. Chairman, National Education Commission
12. Chairman, Tertiary and Vocational Education Commission
13. Chairman, National Apprentice and Industrial Training Authority
14. Chairman, University Grants Commission
15. Director General, Tertiary and Vocational Education Commission

The following are the details of the members appointed by the Hon. Minister of the Line Ministry as at 31.12.2023 in terms of Section 3 (1) (p) of NHRDC Act No. 18 of 1997.

1. Mr. Thusitha P. Wanigasinghe, retired Provincial Council Chief Secretary - Chairman
2. Prof. Jayantha Lal Ratnasekara, Vice Chancellor, University of Uva Wellassa
3. Prof. W. Hilary Elmo Silva, Prof. in Accounting, Faculty of Management Studies and Commerce, University of Sri Jayawardenapura
4. Mr. M.C.V. Rajanathan, Retired Senior Banker at HNB
5. Mrs. Muditha Samadhani Kiriwandeniya, Managing Director, SANASA International Pvt. Ltd.

Details of the Attendance of the Council Members of the Governing Council

	Details of the Council Member	2023.02.21	2023.05.22
01	Mr. Thusitha P. Wanigasighe, Chairman, National Human Resources Development Council of Sri Lanka (Appointed by the Hon. Minister)	√	√
02	Mr. Nihal Ranasinghe, Secretary to the Ministry in charge of the subjects of Education and Higher Education	√	√
03	Mr. R.P.A. Wimalaweera, Secretary to the Ministry in charge of the subject of Labour	√	-
04	Mr. Neel Bandara Hapuhinna/ Mr. Ranjith Asoka, Secretary to the Ministry in charge of the subject of Public Administration	√	-
05	S.J.S. Chandraguptha, Secretary to the Ministry in charge of the subject of Health	√	-
06	Mrs. Thilaka Jayasundara, Secretary to the Ministry in charge of the subject of Industrial Development	√	√
07	Mr. Gunadasa Samarasinghe, Secretary to the Ministry in charge of the subject of Agriculture	√	-
08	Prof. Niranjana D. Gunawardena, Secretary to the Ministry in charge of the subject of Industrial Development	√	√
09	Mr. Kanapathipillai Maheesan, Secretary to the Ministry in charge of the subject of Youth Affairs	√	√
10	Eng. B.K.U.A Wickramasinghe, Chairman, Tertiary and Vocational Education Commission	√	√
11	Prof. Harishchandra Abeygunawardena, Chairman, National Education Commission	-	-
12	Prof. Sampath Amaratunge, Chairman, University Grants Commission	√	√
13	Dr. K.A. Lalithadheera, Director-General, Tertiary and Vocational Education Commission	√	-
14	Mr. Ruchika Amarasekara, Chairman, National Apprentice and Industrial Training Authority	-	√
15	Ms. H.L.J.K Amarasekara, Deputy Director, Department of National Budget - Nominee of the Secretary to the Ministry in charge of the subject of Finance	√	√
16	Prof. Jayantha Lal Ratnasekara, Vice Chancellor, Uva Wellassa University (Appointed by Hon. Minister)	√	-
17	Prof. W. Hilary Elmo Silva, Prof. in Accounting, Faculty of Management Studies and Commerce, University of Sri Jayawardenapura (Appointed by Hon. Minister)	√	√
18	Mr. M.C.V. Rajanathan, Retired Senior Banker at HNB (Appointed by Hon. Minister)	√	√
19	Mrs. Muditha Samadhani Kiriwadeniya, Managing Director, SANASA International Pvt. Ltd. (Appointed by Hon. Minister)	√	√
	Total Participation	17	12

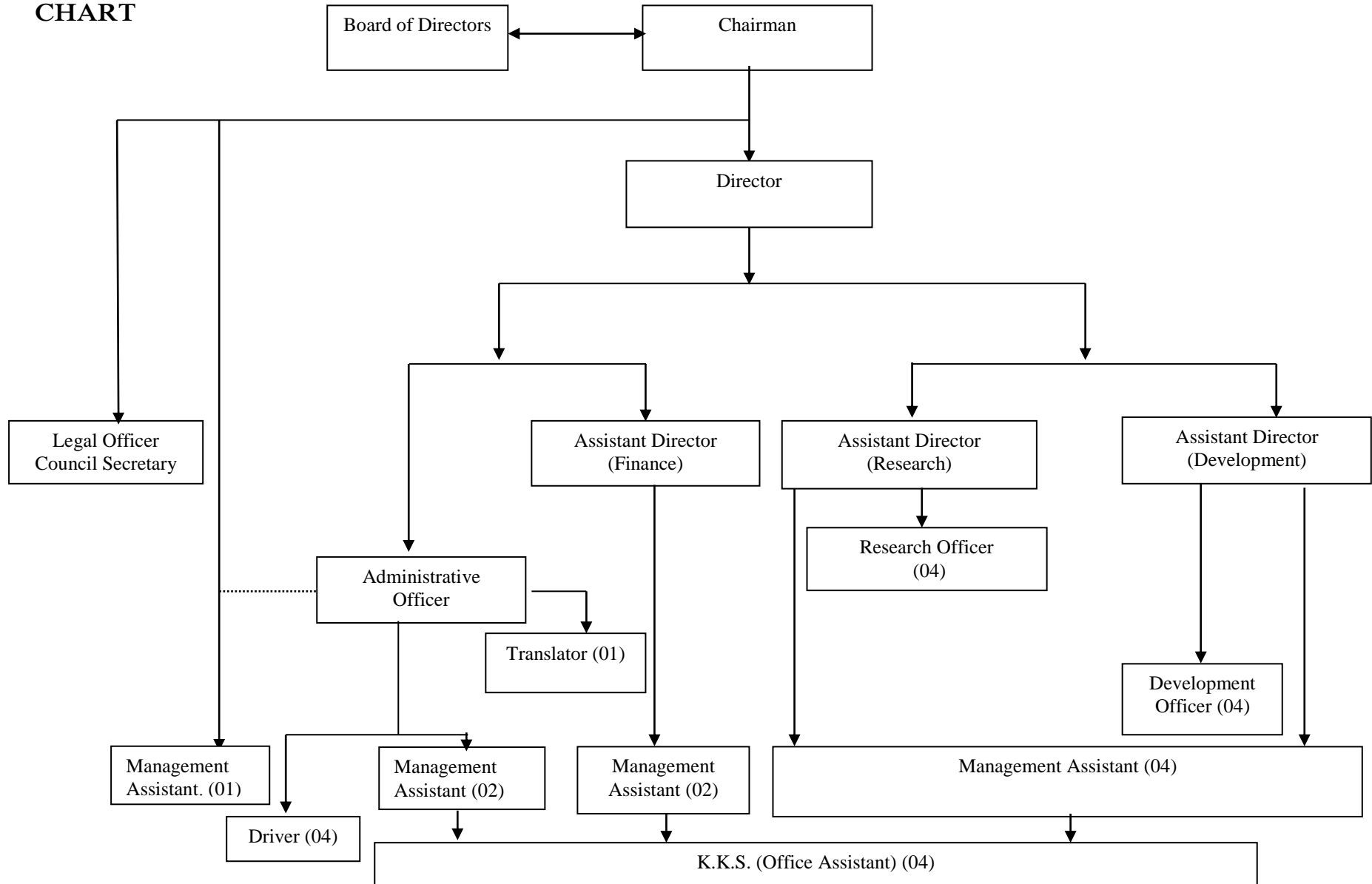
√ - Participated. - Excused.

Council Decisions highlights – 2023

1. The Governing Council proposed visiting the ministries to review the current status and implementation gaps of the National Human Resource and Employment Policy before the revision. The action plan of NHRDC was presented for the year 2023 in which the NHRDC has already identified this activity and requested secretaries to support this endeavor to be successful. Accordingly, the following activities were carried out by NHRDC in 2023.
 - I. Study the sectoral/institutional HR Policies and implementation plans
 - II. Matching the institutional implementation plans of 2023 with the National HR & E policy

2. The NHRDC has been appointed as the focal point by the Ministry of Foreign Affairs for developing the HRD plan for the BIMSTEC region. Therefore, Dr. Chandra Embuldeniya, Founder and former Vice Chancellor of Uva Wellassa University, has been appointed as the team leader. Together with the NHRDC staff, the plan has been prepared and submitted to the Governing Council on May 22nd 2023, and subsequently presented to the Hon. Prime-Minister.

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



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

Designation	Approved cadre	Existing Cadre as at 31.12.2023	Vacancies as at 31.12.2023	Name
Chairman	01	01	-	Mr. Thusitha P. Wanigasingha
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	02	02	Mr. D. Senthilnadan Mr. R.D.C.S. Rajapaksha
Administrative Officer	01	01	-	Mrs. K.V.S. Eranga
Translator	01	-	01	-
Development Officer	04	-	04	-
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	19	14	

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 existing staff was 19 Nos. as at 31.12.2023. Action was taken to recruit the post of Director and Research Officers. Interviews were held for Research Officers on 04th and 5th of December 2023 and Director Interview was held on 19.12.2023.

At the same time Mr. Thusitha P. Wanigasinha was appointed as the CEO/Chairman with effect from 02.01.2023. Miss Navoda Edirisinghe served as a Research Officer was suddenly passed away on 09.08.2023.

4.2 Resignations

Name	Designation	Date of Resigned
Miss U.M. Weerasena	Research Officer	11.09.2023

4.3 Details of Assignment

Assignment made by the Ministry of Public Administration, Home Affairs, Provincial Councils, and Local Government.

Name	Designation	Date of Assignment
1. Mrs. R. Priyatharsini	Development Officer	02.01.2023
2. Mr. W.A. Chaturanga	Development Officer	12.06.2023

4.4 Local Training

With the view to enhance subject knowledge of staff of the NHRDC, local trainings were provided to them during the year under review.

The details of officers who attended the training programs during the year 2023 are as follows.

Name of the Training	Name of the Officer/Group	Designation	Institute/ Resource Person
Workshop on Developing KPIs for Measuring Performance	Ms.K.V.S.Eranga	Administrative officer	Sri Lanka Institute of Development Administration
Senior Level- Sinhala Language	Mr. D.Senthilnathan	Research Officer	National Institute of Language Education and Training
Secondary/Tertiary Level Tamil Language	Ms. K.V.S. Eranga	Administrative Officer	Department of Official Languages
	Ms. A.S. Edirisinghe	Management Assistant	
	Ms. K.C. Muthumala	Management Assistant	
	Ms. G.P.M. Saddhamangala	Management Assistant	
Primary Level-Tamil Language	Mr. W. Terans Piyal	Driver	Department of Official Languages
	Mr. R.C.R. Jayawardena	Driver	
	Mr. D.D. Gayan Jeewantha	Driver	
General Procurement Training	Management Assistants and Above staff categories		Mr. S.T. Bulathsinhala, Chief Internal Auditor, Election Commission

4.5. Audit and Management Committee - 2023

In 2023, the Audit & Management Committee met on two occasions and recommended management decisions to the council on the following matters.

- ❖ Budget Estimate - 2023
- ❖ Audit Report 13(7)(a) - 2022
- ❖ Final Accounts - 2022
- ❖ Deligation of Authority – 2023
- ❖ Two Internal Audit Reports
- ❖ Various management decisions related to the administration of the Council

From 1st January to 31st December, 2023 the Audit & Management Committee consisted with the following members of the Council.

❖ 1st AMC meeting held on 30.03.2023

1. Mrs H.L.J.K. Amarasekara, Deputy Director, Ministry of Finance - Chairperson of the Committee
2. Dr. K.A. Lalithadheera, Director General, TVEC – Member of the Committee
3. Mr. M.C.V. Rajanadan - (Council Member) – Member of the Committee
4. Mrs. O.P.R. Damayanthi, Chief Internal Auditor, Ministry Public Admn.– Observer
5. Mrs.W.P.C.S. Abeydheera, Audit Superintendent, Government Audit Division- Observer

❖ 2nd AMC meeting held on 18.12.2023

1. Mrs H.L.J.K. Amarasekara, Deputy Director, Ministry of Finance - Chairperson of the Committee
2. Dr. K.A. Lalithadheera, Director General / TVEC – Member of the Committee
3. Mr. M.C.V. Rajanadan - (Council Member) – Member of the Committee
4. Mr. N.P. Gamini, Chief Internal Auditor/Ministry of Public Admn. - Observer
5. Mrs.W.P.C.S. Abeydheera, Audit Superintendent /Government Audit Division- Observer

5. PROJECTS DONE DURING THE YEAR 2023

5.1 Developing an Action Plan on Human Resource Development for BIMSTEC

As per the directive outlined in the communication with reference number MSTR/TRD/IR/4/Vol V dated 30.11.2022 from the Secretary of the Ministry of Education, the Ministry of Foreign Affairs has officially recognized the National Human Resource Development Council (NHRDC) as the primary focal point for Human Resource Development (HRD) within the BIMSTEC region. Their letter with reference number EA/BIMSTEC/22 communicated this designation on 9th February 2023.

Accordingly, NHRDC is working in association with the International Organization for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) in the Bay of Bengal Countries. Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal are members of this organization. The main objective of BIMSTEC is to promote technical and economic cooperation between South Asian and South East Asian countries along the Bay of Bengal.

BIMSTEC has identified 14 priority sectors for regional development and prosperity and assigned responsibilities to member countries. Among them, Sri Lanka is the leader in the region for the science, technology and innovation sector. The sector has sub-sectors of technology, health and human resource development.

Subsequently, the NHRDC has been tasked with formulating a comprehensive HRD Plan for the BIMSTEC region. Dr. Chandra Embuldeniya, founder and former Vice Chancellor of the Uva-Wellassa University, has been appointed as the Team Leader for developing this HRD plan, with the support of NHRDC staff. The finalized HRD plan was presented to the Governing Council on 22nd May 2024 after preparation.

Following a thorough review by the Council, the plan was submitted to the Hon. Prime Minister on 26th June 2023. Thereafter, it underwent further proceedings and the draft plan was forwarded to the BIMSTEC secretariat in Dhaka by the Ministry of Foreign Affairs on 22nd August 2023. The BIMSTEC secretariat provided valuable recommendations for enhancing the plan. In response, Dr. Embuldeniya and the NHRDC team diligently updated the plan. The final version was subsequently submitted to the BIMSTEC secretariat for circulation among member countries on 21st November 2023. Also, it is important to highlight that Dr. Embuldeniya volunteered to prepare this plan without seeking any financial compensation.

5.2 Review and update the existing National Human Resource and Employment (NHR & E) Policy

NHRDC has already nominated an Advisory Committee consist of expertise in the relevant areas. As per the decision taken at the 1st expert committee meeting, it was suggested to review the existing National Human Resources and Employment Policy(NHR& E) which was formulated by then Senior Ministers' office in 2012, rather than formulating a new National Human Resource Development policy.

Also, at the 1st council meeting held on 21.02.2023 informed to the members of the governing council and presented this policy and discussed it in depth. There, the need to observe whether the respective ministries and departments have formulated and implemented their policy within this policy framework was emphasized. The governing council members also agreed to study in depth the need to monitor the implementation of the policies of their institutions based on the national policy and the policies that should be revised to suit the current situation.

In order to review the existing deficiencies in the implementation of the policy, it was proposed by the governing council to visit the concerned ministries and hold discussions to identify the requirements.

After studying several institutions, the necessity of reviewing the National HR Policy has been recognized and the study of the policies of the respective institutions has already started in line with the national policy. Accordingly, in 2023, NHRDC undertook the following activities.

- ❖ Studied of sectoral/corporate HR policies and implementation plans. (eg education policy)
- ❖ Identified policy events to focus on by aligning/comparing sectoral policy implementation plans with HR and employment policy

It was also decided to give priority to health, education, vocational training, industry, agriculture, and transport and information technology sectors.

By implementing those decisions, the council has appointed an Advisory Committee consisting of experts. Through this committee with the Chairmanship of Dr. Chandra Embuldeniya the review and updating of the human resource development policy has already started.

As a first step, the following key sectors in NHR&E policy were reviewed by the NHRDC during the year 2023.

1. School Education
2. Higher and Professional Education
3. Vocational Skills and Employability
4. Career Guidance and Counseling

Consequently, NHRDC conducted several stakeholder meetings to review National Human Resources and Employment Policy with the Ministry of Education, Tertiary, Vocational and Education Commission, Ministry of Skills Sector Development, Ministry of Higher Education and University Grant Commission Department of Manpower etc.

School Education

The education system of Sri Lanka encompasses with three levels namely General Education, University Education and Vocational Education. General Education comprises with primary and secondary education and university education and vocational educations comes under tertiary level. Technical education and vocational training is another segment of the education. Many developed countries recognize both of these educational sectors as very vital to set up career goals of the students.

Every year around 350,000 students enter into grade one both government and private schools while around two percent of children not enter into the school system namely street children, children who are in estate sector and low income families. Students can be dropped out in the school system in various stages. These groups are possible to attract TVET sector.

- | | | |
|--|---|---|
| <ol style="list-style-type: none">1. Any dropouts from grade 1 to 112. Dropout from G.C.E(O/L)3. Dropout from G.C.E(A/L)4. Dropout from University Entrance | } | Possible to Absorb Group for
Vocational Training |
|--|---|---|

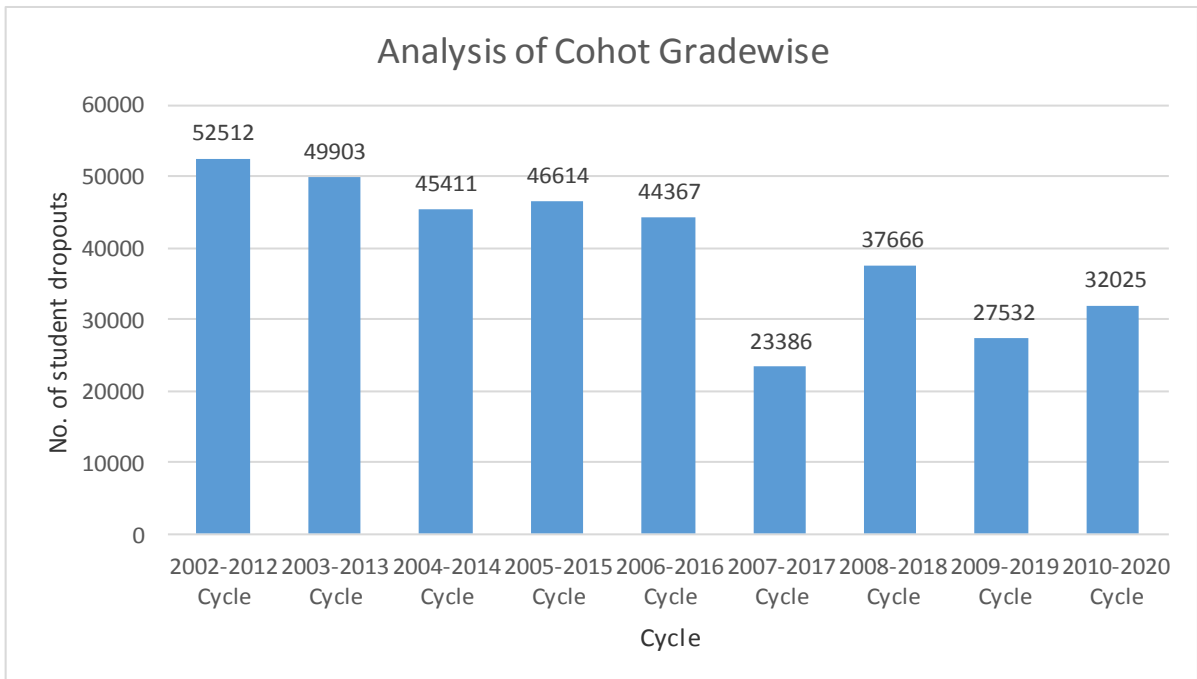


Figure 1: Dropouts from grade 1 to 11
 Source : MOE statistics, and compiled by NHRDC

It is shown that during the period of 2002-2020 the number of dropouts gradually declined while reported the lowest dropouts in 2007-2017 cohort cycle.

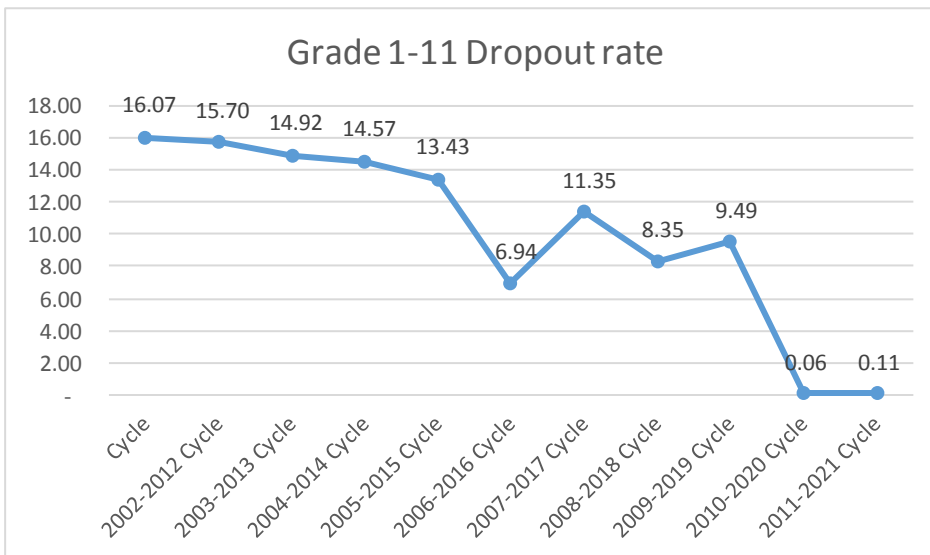


Figure 2: Dropout rate from grade 1-11
 Source : MOE statistics, and compiled by NHRDC

It is revealed that during the period of 2002-2021 the dropout rate was gradually decreased from 16.07 to 0.11.

Dropout from O/L and A/L and not having chance for admitted for National universities

In the year 2021, 333,915 students sat for the G.C.E. (O/L) examination and 272,682 sat for G.C.E.(A/L) examination. Out of 272,682 students who sat for G.C.E (A/L) 171,497 (62.89%) were eligible to enter into the state universities. However, out of all eligible students, only 43,568 (25.4%) students have a chance to enter into the State universities year 2021/22.

When considering the period of 2017-2021 there percentage of student admission has been increased while about 74.6% not having a chance to enter state universities in the year 2021. Hence, 79,339 O/L and 101,185 A/L student drop-outs were reported.

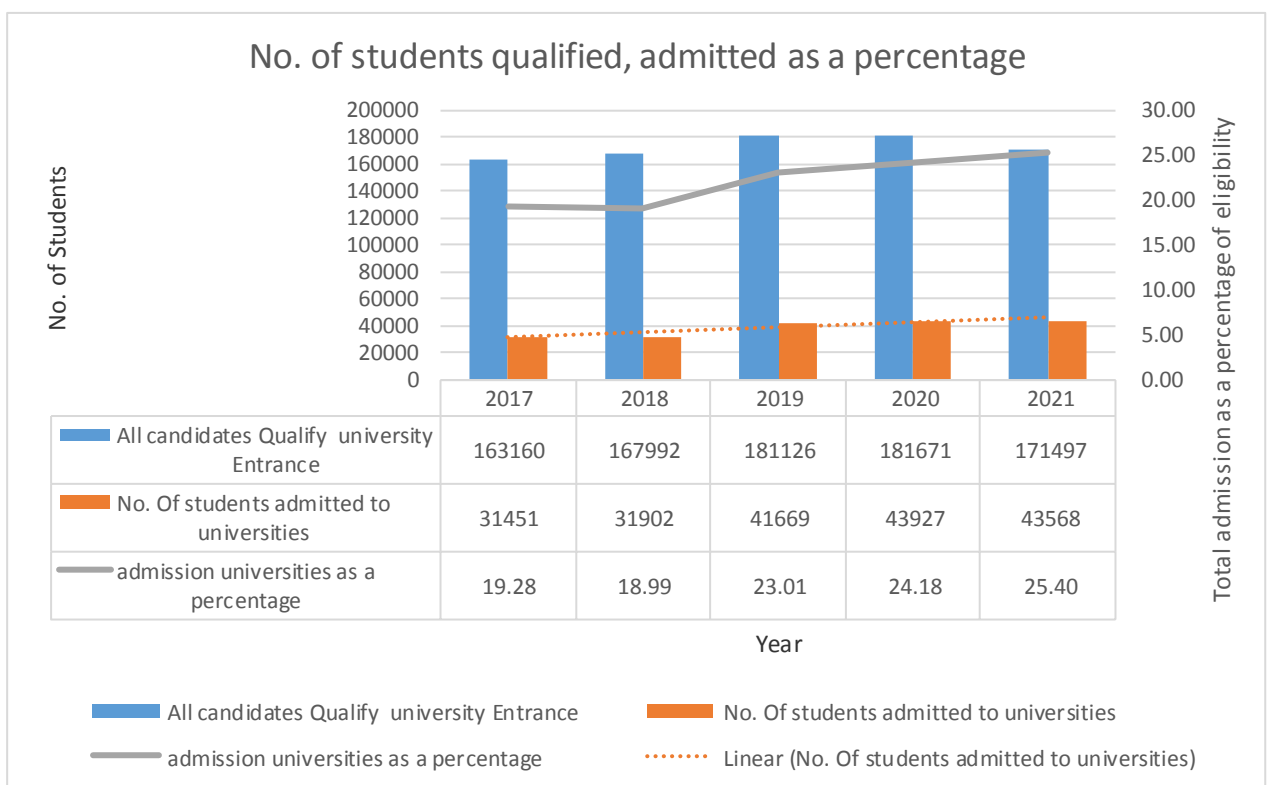


Figure 3: Number of Students qualified, admitted as a Percentage
 Source : MOE statistics, UGC statistics and compiled by NHRDC

These dropout students were suffering without a proper channel to acquire a higher level qualification or gain relevant experience enabling them to enter the job market having relevant skills expected by the industry. However there are so many avenues to acquire higher qualification through following TVET courses.

5.2.1 Reviewing the National Human Resources and Employment (NHR & E) Policy with special reference to the School Education (General Education)

School Education

In the NHR&E policy document, there are nine policy statements from school education starting from policy paragraphs number 58 to 66 and another two policy statements from Vocational Skills and Employability as policy paragraphs number 84 and 85. In general, it could be observed that, though actions have been taken to implement some policy areas mentioned in the policy paragraphs above there are no clear indicators to monitor the implementation of NHR&E policy due to;

1. Policy paragraphs are too complex to understand by implementing authorities.
2. Lack of data to measure some indicators mentioned in NHR&E policy to find out the progress of the last decade
3. Mismatch between the Master plan and the Detailed Action Plan of NHR&E policy

Therefore, the last decade's progress and the present status of few major policy statements relevant to the General Education sector were discussed herewith.

Policy 84: Seamless pathway to Vocational Education (G.C.E (A/L) Vocational Education Stream)

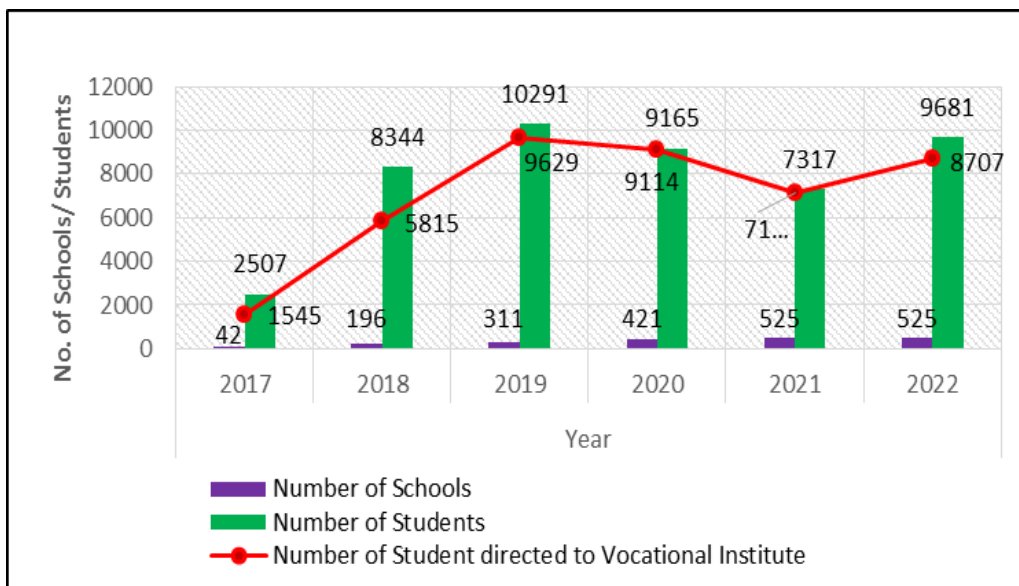


Figure 4: Number of Schools, Students enrolled and directed to Vocational Institutes
 Source: NHRDC Analyzed data collected from Education for All Branch, MOE

In 2017, Vocational education was initiated with 42 schools, and as seen in Figure 4, by the end of 2022, it expanded to include 525 schools, comprising 194 National and 331 provincial schools. Over the period from 2017 to 2022, a total of 47,305 students enrolled in the vocational education stream, with 41,941 students subsequently directed to vocational institutes. Despite these achievements, there is currently a lack of a well-established system to identify students who have been awarded NVQ qualifications through the vocational education stream.

Under G.C.E(A/L) Vocational Education Stream – 2017 to 2022

According to observations, the Vocational Education Stream has been implemented in 99 out of the 100 educational zones in Sri Lanka. As of the year 2021, a total of 1,840 teachers were trained to teach the Vocational Education Stream, with 1,393 in the Sinhala medium and 447 in the Tamil medium. Additionally, there were 152 master trainers, including 92 in the Sinhala medium and 60 in the Tamil medium, available to train teachers for the Vocational Education Stream. Overall, the initiative to integrate vocational education into the education system is a positive development, providing students with diverse pathways to success and addressing the need for a skilled workforce in alignment with the demands of the modern job market. It will be crucial to monitor the implementation of this vocational stream and make adjustments as needed to optimize its impact on student outcomes and workforce development. However, the following challenges could be identified for its successful implementation.

1. High Dropout Rate of students after Six Months:

Understanding the reasons behind the high dropout rate is essential. Implementing measures such as counseling, mentorship programs, or addressing specific challenges that lead to dropouts can help improve retention.

2. Lack of Infrastructure:

Adequate infrastructure is crucial for effective vocational education. A comprehensive assessment of infrastructure needs should be conducted, and efforts should be made to secure the necessary resources for schools to provide a conducive learning environment.

3. Limited On-the-Job Training Opportunities:

Enhancing opportunities for on-the-job training(OJT) closer to schools can be achieved through partnerships with local industries and businesses. Creating a network of potential employers willing to offer OJT can greatly enhance the practical aspect of the vocational education program.

4. Teacher Shortage:

The deficit of teachers is a significant concern. Urgent steps, such as gazetting vacancies and seeking the approval of the cadre commission for required teaching positions, should be taken to address the teacher shortage.

5. Long Commutes for Students:

Addressing the issue of long commutes may involve exploring the possibility of establishing additional vocational education centers in rural areas or providing transportation solutions for students.

6. Limited Vocational Subjects in Some Areas:

Mapping vocational skill needs to geographic areas is crucial for offering relevant subjects. Efforts should be made to expand the range of vocational subjects based on the industry requirements in specific regions.

7. Lack of Coordination:

Coordination between the Skills and Vocational Education Division and the Education for All Branch is essential for the smooth implementation of the program. Establishing effective communication channels and collaboration mechanisms can improve overall coordination.

8. Lack of Understanding the value of the Vocational education stream

Management at divisional and district administration levels in some rural areas seem to have insufficient interest or no understanding of the real value of facilitating vocational education in their areas.

9. No System for Identifying NVQ Awardees:

Developing a proper system for identifying students awarded NVQ qualifications is critical for the recognition of their achievements. Establishing a centralized database or registry could help track and document the accomplishments of students.

Addressing these issues will require a multi-faceted approach, involving collaboration between educational authorities, local industries, and relevant government agencies. Regular evaluations and adjustments to the program based on feedback and outcomes will contribute to its continuous improvement.

Policy 85: G.C.E (A/L) Technology Stream

The G.C.E (A/L) Technology stream was introduced in Sri Lanka in 2013, initially starting with 250 schools. By the year 2021, the program had expanded, with 513 schools across the country offering the Technological stream. The first cohort of students from this stream sat for the G.C.E (A/L) examinations in 2015. The Technological stream comprises two main branches: the Engineering Technology stream and the Bio System Technology stream. One of the primary goals of introducing this stream was to attract students who had initially chosen the Arts stream for their Advanced Level (A/L) studies. In the year 2021, a total of 24,369 students participated in the G.C.E (A/L) Technology stream. However, in the subsequent year, 2022, there was a decrease in the number of students, with 22,393 candidates, attributed to a shortage of teachers. The decline in the number of students could be a concern, and addressing the scarcity of teachers is crucial for sustaining and expanding the program. Ensuring an adequate number of qualified teachers is essential to maintain the quality of education and to encourage more students to opt for the Technology stream at the Advanced Level. Efforts to recruit and train additional teachers may help alleviate the shortage and contribute to the continued success of the G.C.E (A/L) Technological stream.

In order to achieve the objective of attracting more Art students into the Technological stream, it should be needed to start technological stream in every school which has only Art stream for G.C.E (A/L).

The identified issues in the Technology stream are as follows:

1. Retention of Teachers:

Problem: Low salary is causing difficulties in retaining teachers.

Implication: This may affect the quality of education and mentorship provided to students in the Technology stream.

2. Insufficient Infrastructure:

Problem: Inadequate infrastructure in schools for practicals related to the technological stream.

Implication: Lack of proper facilities hinders hands-on learning experiences, potentially impacting students' understanding and skills development.

3. Enrollment Discrepancy:

Problem: A tendency to enroll more students qualified for the science stream into the technological stream.

Implication: This could lead to an imbalance in student distribution, possibly affecting the effectiveness of the educational approach.

To address these issues and achieve the goal of attracting more Art students into the Technological stream, the following action is recommended.

Expansion of Technological Stream:

Proposal: Introduce the technological stream in every school that currently offers only the Art stream for G.C.E (A/L).

Rationale: This expansion would broaden access, providing more students, particularly those inclined towards the Arts, with opportunities in the Technological stream. It aligns with the objective of diversifying educational offerings and catering to a broader range of student interests.

Implementing these measures could contribute to the overall improvement and inclusivity of the Technological stream, addressing the identified challenges and fostering a more balanced and enriched educational environment. Also, the expansion of physical facilities in the Technology stream will contribute to the enrichment of the Vocational Education stream as well.

5.2.2 Reviewing the National Human Resources and Employment (NHR & E) Policy with special reference to the Technical and Vocational Education

Tertiary Education

Tertiary Education refers to any type of education pursued beyond the secondary education level. This includes diplomas, undergraduates, associates, bachelor, master and doctoral degrees. The National Vocational Qualifications Framework (NVQ) which was developed by the Tertiary and Vocational Education Commission (TVEC) makes provision for technical, vocational education and training in Sri Lanka in line with the economic and social development of the country with an international standard. This framework consists of the national competency standards which were identified by the industry sector stakeholders. The competency standards include relevant technical and employability competencies. The system consists of seven NVQ levels awarded by the TVEC and the University of Vocational Technology (UNIVOTEC). Certification of 1 – 6 levels (up to diploma level) courses carried out by the training institutions and accredited by the TVEC. Certification at level 7 (degree level) is carried out by the UNIVOTEC.

When considering the above situation who fails to face the various stages of education and leave the school without any skills are the children who can follow vocational training courses under government sponsored vocational training institutes.

Current Status, Issues, and Gaps :

The TVET sector as explained above is widely dispersed across the country, consisting of state and private sector training providers and a regulatory body, the TVEC. The TVET sector is very diverse in terms of size, resources, target populations, and quality of training. Therefore, a rational approach is made to address sector issues and gaps in under sector-specific themes or core areas.

- i) Access and Enrolment
- ii) Qualification Framework, National Competency Standards, and Curricula
- iii) Training Facilities and Learning Environment
- iv) Quality Assurance in Technical and Vocational Education and Training
- v) Human Resources Development and Management
- vi) Financing of Technical and Vocational Education and Training
- vii) Regulation, and Governance, and Management
- viii) Data, Information and Research.

Access and Enrolment

Despite having a well widespread network of TVET institutions operated by the State and private sectors, most of the courses offered, particularly by the State-run TVET institutions are operated below the training capacity due to inadequate enrolments and high dropout rates. This phenomenon appears to emanate from many limitations and reasons. Though many interventions, have been put in place to address the issues of TVET, more concerted efforts appear to be required to harness the TVET resource base, and training of school leavers and unemployed youth to match the emerging skilled human resource needs of the country.

Table 1: Students Recruitment in TVET sector 2017-2022

Year	TVET SECTOR Students recruitment						Total recruitment	TOTAL NVQ ISSUED
	VTA	NAITA	DTET	NYSC	Total Public	Total PVT training Inst		
2017	36695	32668	33650	22726	165238	-	165238	65212
2018	36667	32327	32151	21008	148085	37957	186042	61150
2019	37936	29989	42657	22280	183312	67378	250690	78007
2020	23417	14210	24950	24950	98313	26106	124419	47621
2021	33407	16977	25550	15948	123825	21094	144919	45033
2022	34996	23210	22238	18315	133924	26106	160030	117954

Source: TVEC LMI 2017-2022

By the Year 2021, there are 2946 training centres registered under TVEC while having 1097 public sector TVET institutions including NAITA, VTA, DTET, NYSC etc. According to the Labour Market Bulletin, by the year 2022, 160,030 No. of Trainees have been enrolled in TVET courses under public and private sector institutes registered under TVEC.

TVEC statistics have shown that students' enrollment in the public sector training institutes is 133,924 for the year 2022 and students' enrollment in private sector institutes is 26,106 for the year 2022. The total No. of NVQ certificates issued to both public and private sector training institutes is around 45,033 in 2021. However, in 2022 the total NVQ certificates issued has been risen up to 117,954. It is comparatively higher than the previous years.

Table 2 : NVQ certificate issued as at 2023.11.10

Institute	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Sub total
NAITA	437	13694	102896	55345	0	0	172372
DTET	99	4020	32740	34764	9665	1147	82435
NYSC	57	2955	11238	14211	4	0	28465
VTA	2420	18053	120993	81858	1771	17	225112
Private & Other	25518	11675	124554	45243	3503	4552	215045
Total	28531	50397	392421	231421	14943	5716	723429

Source: TVEC Dashboard

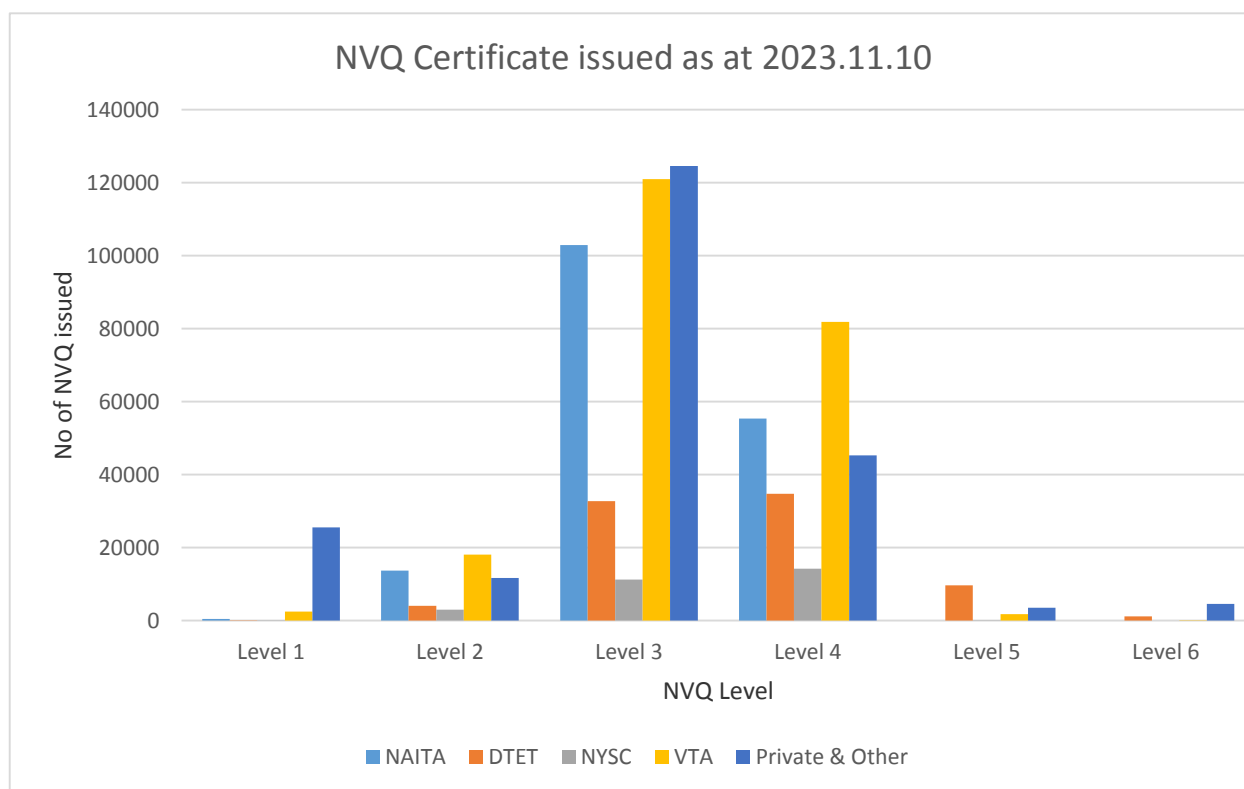


Figure 1 : No. of NVQ certificate issued level-wise

Source: TVEC Dashboard

According to TVEC Dashboard it is displayed the total No. of NVQ certificate level 1 to level 6 by the public and private training institutes as at 10.11.2023. Accordingly the highest No.(392,421) of NVQ certificates have been issued for the Level 3 courses while having the lowest for level 6 courses(5,716).

In the NHR & E policy document, under policy para No 86 – 92 it was discussed pertaining to Tertiary and Vocational education.

Policy No. 86

In order to determine how different educational and vocational qualifications are linked and how they are related to the world of work, NVQ framework covering standards and competencies associated with vocational qualifications has been developed. School leavers entering industry directly and acquiring competencies are awarded NVQ qualifications through Recognition of Prior Learning (RPL) with a well-established procedure.

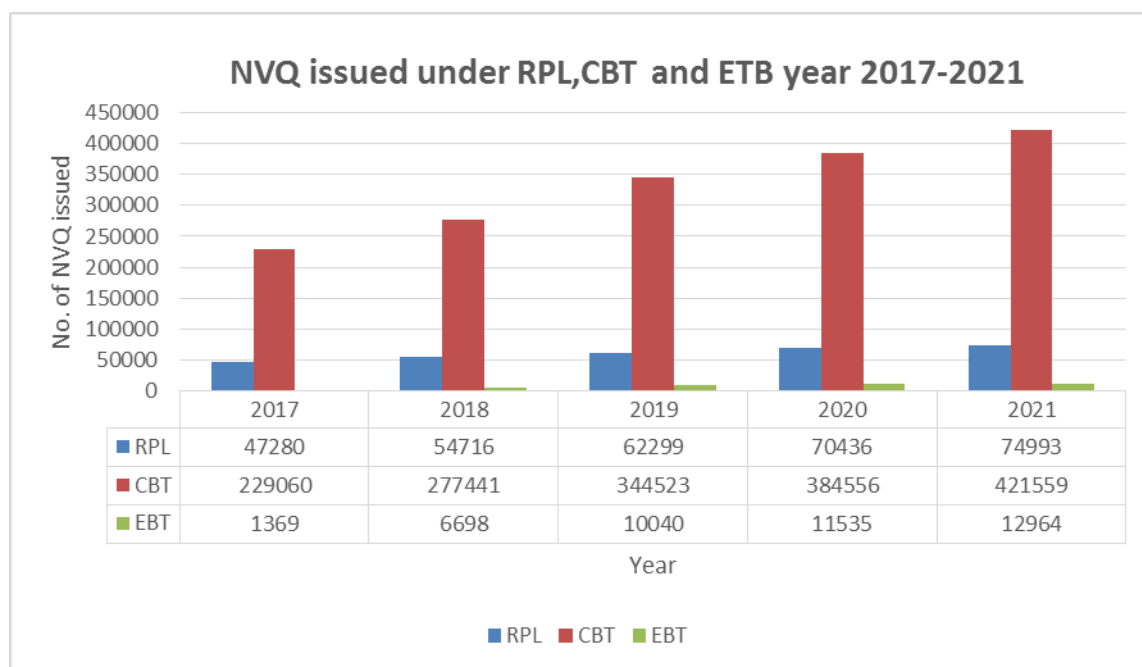


Figure 2 : NVQ Issued By Industry Sector Under RPL/CBT/ETB

Source : TVET LMB 2022 and compiled by NHRDC

It was revealed that NVQ certificates have been issued under RPL and during the period of 2017-2021 issuance under RPL was gradually increased.

Policy No. 87

Linkages between secondary education, VET institutes, higher education institutes and the world of work will be developed. Appropriate NVQ qualification holders will be allowed to pursue further qualifications in the conventional higher education system, including universities, thus providing seamless career progression through lateral entry.

The National Vocational Qualifications Framework which was developed by the Tertiary and Vocational Education Commission (TVEC) makes provision for technical and vocational education and training in Sri Lanka in line with the economic and social development of the

country with an international standard. This framework is comprised with the national competency standards which were identified by the industry sector stakeholders. The competency standards include relevant technical and employability competencies. The system comprises of 7 NVQ levels awarded by the TVEC and University of Vocational Technology (UNIVOTEC). Certification of 1 – 6 levels (up to diploma level) courses are carried out by the training institutions and accredited by the TVEC. Certification at level 7 (degree level) is carried out by the University of Technology.

Policy No. 88

An institution responsible for quality assurance and accreditation at the national level to cover all areas of education including tertiary, higher/university, professional, technical and vocational.

It is not yet established an institution responsible for quality assurance and accreditation at the national level to cover all areas including tertiary, higher/university, professional, technical and vocational. However there is a separate Standing Committee on Accreditation and Quality Assurance (SCAQA) which is under the Higher Education Division of MOE has the authority to assure the quality of the courses offered by non-state universities.

Policy No. 89

A mechanism will be established with the intervention and coordination of the TVEC and the relevant Ministries and agencies to determine the equivalent and alternate qualifications.

NVQ qualification was incorporated all Scheme of Recruitments(SORs) recently revised under the Department of Management Services. Wage boards were informed through Ministry of Labour by TVEC followed by few discussions were held and no progress was achieved in this regard.

- NVQ Level 3 = GCE Ordinary Level (Respective Field)
- NVQ Level 4 = GCE Advanced Level (Respective Field)
- NVQ Level 5 = Diploma Level
- NVQ Level 6 = Higher Diploma
- NVQ Level 7 = Degree Level

Policy No. 90

In addition to eligibility in terms of schemes and procedures of recruitment, suitability for employment depends also on life skills including soft skills and attitudes. A mechanism will be established to introduce more of employability competencies in the vocational training programme curricula. Current apprentice schemes will be improved to meet the current and emerging needs, and new schemes will be introduced as needed. On the basis of required surveys, international recognition of Sri Lanka's VET qualifications will be pursued.

Most of the private sector local and global higher education institutes recognize National Vocational Qualification Framework(NVQF) for upward mobility. TVEC continue to improve the quality of qualifications for higher recognition for further education and employment opportunities.

Policy No.91

Public-private partnership in curriculum development, provision of internships, on-the-job training, job matching services and part-time work during training will be strongly promoted in the vocational training sector.

TVEC has introduced Flexible Learning Mode(FLM) as fee-levying part-time training programmes through NVQ circular 03/2020.

Policy No. 92

Multiskilled labour is proposed as a possible solution to the problem of skilled labour shortages and low productivity in some key sectors. In future training efforts, including curriculum development work, training delivery, and certification, consideration will be given to the development of a multi-skilled labour force.

It has been developed following multi-skilled qualifications by the TVEC.

1. Multi Skilled Maintenance Craftsman
2. Multi Skilled Technician
3. Multi-tasker (Hotel Operation)

Multi-skilled craftsman construction NVQ Level 4 course has been conducted by the College of Technology, Kandy. Woodwork, plumbing, masonry and Electrical fields will be covered by this course. Holcim Lanka in partnership with National Apprentice and Industrial Training Authority (NAITA) has developed a National Competency Standard (NCS) for the multi-skilled technician.

5.2.3 Reviewing the National Human Resources and Employment (NHR & E) Policy with special reference to the Higher Education in Sri Lanka

Table 1: Student Enrollment in Degree programs :

	State universities- Internal degrees	External degrees	Open university	Non-state universities and higher edu. Inst.	Total Degree admissions	Foreign Scholarship
2012	24,198	32,317	15,418		71,933	179
2013	24,198	3,048	16,739		43,985	174
2014	25,643	42,755	20,916		89,314	191
2015	29,055	12,614	22,097		63,766	
2016	30,662	9,604	22,546	5,506	68,318	
2017	31,451	17,553	24,346	6,322	79,672	
2018	31,902	13,402	24,453	8,147	77,904	
2019	41,669	14,761	25,165	8,831	90,426	
2020	43,927	6,580	26,255	12,426	89,188	36
2021	43,568	9,265	28,824	83,678	165,335	23

Source: Ministry of Higher Education, Annual Reports, CBSL

According to CBSL Annual Reports, student intakes during the period of 2012-2021 has been gradually increased. However intakes for the external degree programs has been drastically decreased during the above period. Other than that there are so many avenues have been opened for following degree programs at Open Universities, Non-state universities and Higher Education Institutes and offering foreign scholarships as well.

NHRDC review the progress of the Higher Education Sector policies in the National Human Resource and Employment Policy developed by Senior Minister Secretariat in 2012. According to the NHR&E policy No. 74 to 81 NHRDC collected the data and review the progress.

The higher education sector in Sri Lanka is organized around 17 universities, which include 16 traditional universities and the Open University of Sri Lanka. Additionally, there are 19 Higher Education Institutes overseen directly by the University Grants Commission (UGC), the apex body operating under the Ministry of Education. The Bhiksu University of Sri Lanka, the Buddhist and Pali University of Sri Lanka, and the Sri Lanka Institute of Advanced Technological Education (SLIATE) also fall under the direct supervision of the ministry. Furthermore, Section 25A of the Universities Act No. 16 of 1978, there are 24 recognized institutes dedicated to promoting higher education and granting specific degrees. Alongside these, there exist private universities and professional institutions that offer higher education opportunities.

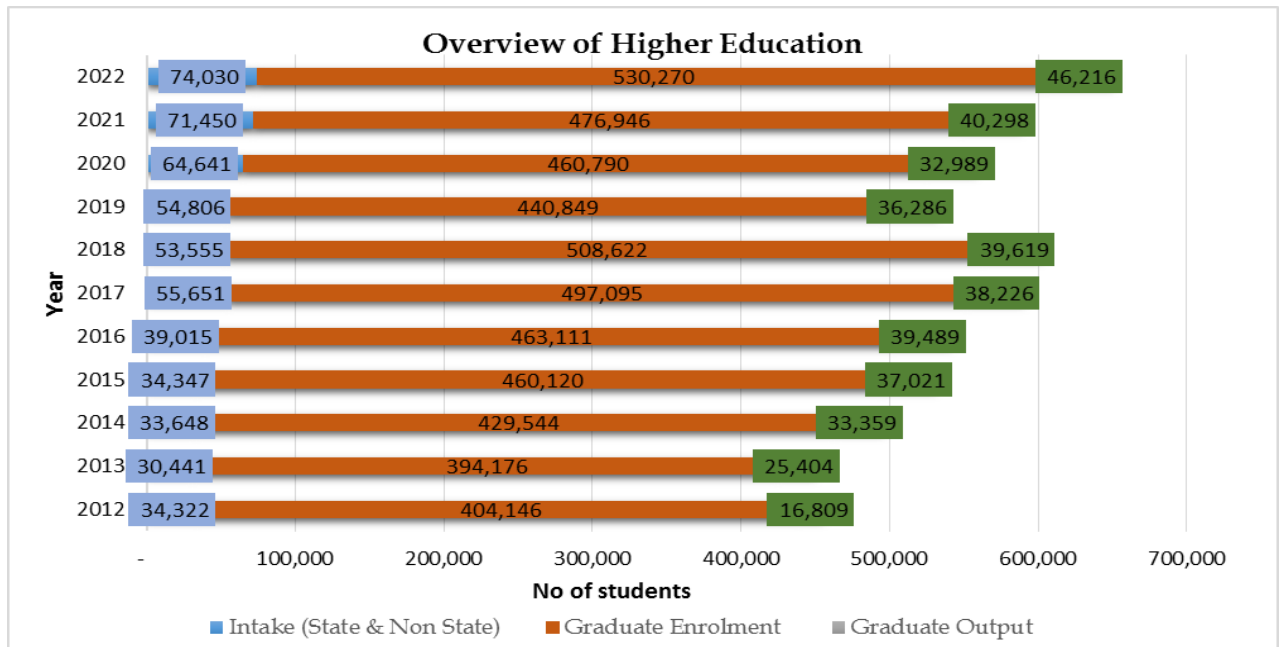


Figure 1: Overview of Higher Education from 2012-2022

Source: UGC Annual Reports (2012 -2022), KDU, SLIATE & Non-State Education Sector students Intake (2017 - 2022).

Note: Graduates enrollment included State (Internal & External) and Non - State Education Sector, OUSL, Institute for Agro Technology (UOC), Institute of Technology (UOM) & KDU* & SLIATE

*Graduate output data includes state (internal, External & OUSL) , KDU, SLIATE and non-state sector only.

The number of qualified students gaining admission to higher education institutions has shown a significant increase over the years. In 2013, 21.03% of students' successfully secured admission to universities, while in academic year 2021/2022, this percentage rose upto 43.17%. Specifically, out of 171,497 students in academic year 2021/2022, 74,030 were granted admission to universities and HEIs. This marks a notable increase from the 33,995 students out of 141,411 who gained admission in academic year 2011/2012 (See Figure 1 & 2).

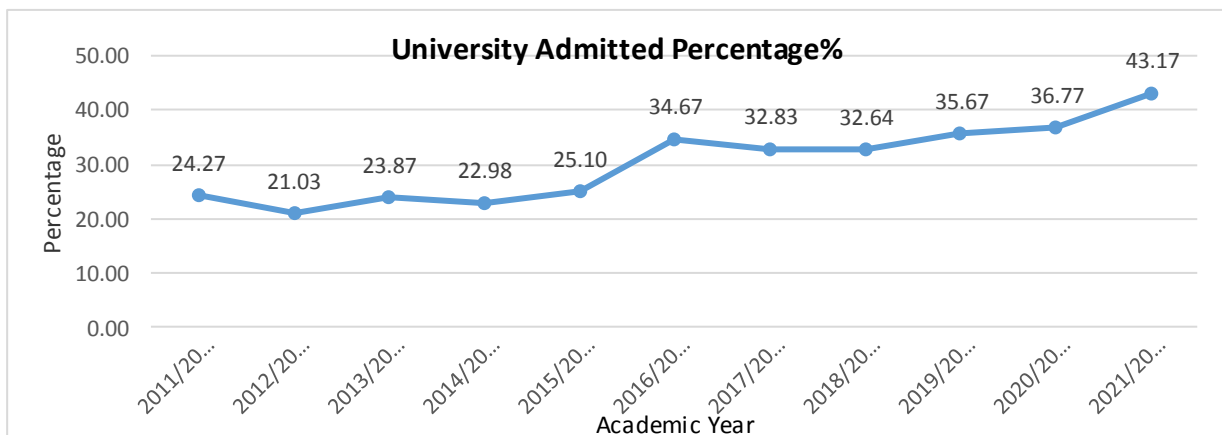


Figure 2: University Admissions as a Percentage

Source: UGC Annual Reports (2012 -2022), KDU, SLIATE Ocean University, UNIVOTEC, & Non-State Education Sector students Intake (2017 -2022).

Non-state universities and degree awarding institutions will be encouraged, with regulatory controls on quality and accreditation requirements. Legal provisions for the establishment of such institutions will be laid down.

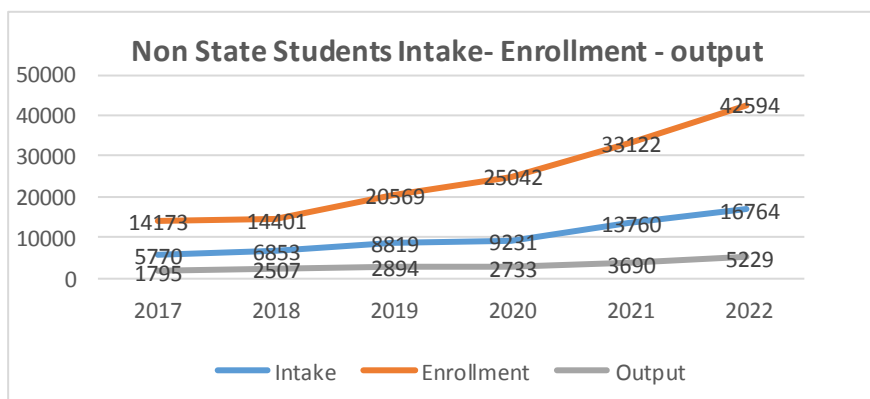


Figure 3: Students Intake/Enrollment/Output in the Non-state sector

Source: Non-State Education Sector 2023

In response to the escalating demand for higher education, the limited capacity of State Sector Universities has proven inadequate to accommodate all eligible candidates. Recognizing the importance of providing alternative opportunities, the responsibility for developing and regulating the Non-State Higher Education Sector was directly entrusted to the Ministry overseeing Higher Education. This led to the establishment of the Non-State Higher Education Division in 2013. Starting with 16 institutions in 2017, the number has steadily risen upto 24 by 2022. This expansion has significantly broadened access to higher education in the Non-State Sector, with enrollment surging from 14,173 in 2017 to an impressive 42,594 in 2022. The Non-State Higher Education Sector has demonstrated remarkable growth in student intake, increasing from 5,770 in the preceding years to an impressive 16,764 in 2022.

While strengthening universities as centres of learning and excellence in the select subject areas, linkages between academia and industry will be enhanced. Courses will be designed to meet the needs of the industry and the world of work.

A proposal has been put forth to enhance the employability of Arts and Humanities graduates by equipping them with essential IT skills. The UGC has introduced Certificate and Diploma programs in Information Technology to facilitate this initiative. Simultaneously, there will be a focus on strengthening IT resources within the Faculties of Humanities and Arts Degree programs. This involves the establishment of eight large-scale labs and fifteen medium-scale labs in identified faculties.

Additionally, efforts will be made to enhance human resources in IT-related fields, and IT Departments and units will be established at each faculty. Notably, ten Departments of Information Technology have been established in esteemed Higher Education Institutions under the Faculties of Social Science and Arts, including the University of Colombo, Peradeniya, Kelaniya, Jaffna, Ruhuna, Eastern University, Tricomalee Campus, Sabaragamuwa University, University of the Visual and Performing Arts, and Gampaha Wickramarachchi University of Indigenous Medicine. This comprehensive approach aims to bridge the gap between traditional Arts/Humanities education and the growing demand for IT proficiency in the job market, ensuring graduates are well-prepared to meet the evolving demands of the workforce.

As the initial phase, SLASSCOM is generously granting complimentary access to their established digital skills enhancement platform, SLASSCOM Future Careers BRIDGE, to all Humanities and Social Science faculties. Building upon this endeavor, SLASSCOM has committed to collaborating with the UGC to enhance the employability skills of undergraduate students in Humanities and Social Sciences (HSS).

NHRDC Observation:

- ❖ Absence of a unified regulatory body for higher education.
- ❖ Special purpose universities not adhering to state university rules.
- ❖ Non-state education institutions lacking accreditation panels for courses.
- ❖ Call for strengthening the UGC Act.
- ❖ Lack of coordination with non-registered private universities.
- ❖ Absence of a centralized database for higher education.
- ❖ Insufficient coordination among UGC, professional institutions, and the Ministry of Higher Education.
- ❖ Lack of Coordination UGC and special purpose universities.
- ❖ Lack of annual market Survey in Universities.
- ❖ Strengthen Career Guidance Programme in the state – Non state sector.
- ❖ Non-State Higher Education institutions should conduct independent and impartial reviews of student employability.
- ❖ Regular market surveys by the Ministry of Higher Education and UGC are recommended to inform the design of degree or diploma programs based on industry demand.

- ❖ It is Important to approach surveys related to graduate employment in an unbiased and neutral manner. The study suggests that students following certain university curricula face challenges in securing employment.
- ❖ While a 50% employment rate in the field of arts is encouraging, the absence of employment in other fields raises suspicions. Therefore, an annual market survey covering all universities is necessary.
- ❖ Non-State Higher Education institutions should conduct independent and impartial reviews of student employability, along with union-related surveys, to uphold standards. Adjustments to the curriculum can be made to align with industry needs, especially considering instances where graduates from certain courses are unemployed.
- ❖ Graduate unemployment rates were reported at 88.13% in 2019, 95.29% in 2020, and decreased to 50% in 2021, possibly attributed to recent graduate appointments. Nevertheless, in light of the evolving labor market, there is a pressing need to align curricula with industry requirements.

Table 4: Unemployment of the Graduates

Graduate Output	2017	2018	2019	2020	2021
Graduate	26,015	26,024	24,890	24,565	25,890
Post graduate	10,121	10,959	9,991	7,501	10,122
Graduate of Open University	6,442	7,211	6,795	5,674	7,802
External Degrees	5,280	8,480	6,007	7,465	6,802
Total	47,858	52,674	47,683	45,205	50,616
Unemployment of the Graduate	34,316	43,321	42,024	43,074	25,704
% as a Percentage	71.70	82.24	88.13	95.29	50.78

Source: Sri Lanka Labor Force Survey Annual Reports 2017- 2021

Note: Above review NHRDC conducted meeting and discussion with Ministry of higher Education, UGC, Non-State Education sector and collected the relevant data through special purpose universities.

5.2.4 Career Guidance and Counselling

Policy numbers 98-104 of NHR & E Policy pertain to career guidance. In accordance with these policies, key institutions such as the Department of Manpower and Employment, Ministry of Education, and Vocational Training Authority were visited to assess the progress of policy implementation. The following are the key observations made during these visits.

- ❖ Presently, TVEC releases an annual Labour Market Bulletin based on paper advertisements to pinpoint the training requirements and employment prospects for every year.
- ❖ It has been noted that the courses offered by training institutions are not regularly adapted or supplemented in response to market demands, nor are new courses consistently introduced to cater for the demand. As a result, Career Guidance Officers rely on existing data at training institutions, which may become outdated over time.
- ❖ The Ministry of Labour has recently launched a Labor Market Information System (LMIS), and there is a proposed digital database for skills and vocational education, which is being funded by KOIKA.
- ❖ Currently, there is no established authority through legislative means or otherwise to provide nationwide career guidance services. Additionally, there lacks a central governing body at the national level to oversee career guidance services across the entire island. While the Department of Manpower and Employment (DME), established in 2013, and the Ministry-in-charge for Skills Development and Vocational Training are presently involved in delivering career guidance services at the DS level, they do not possess the authority of an apex body in terms of implementation.
- ❖ While the National Authority is currently unavailable, the officers under the DME and the Ministry of Skills Development continue to provide their services at the Divisional Secretariat (DS) level and collaborate with tertiary and vocational education institutions in providing career guidance.
- ❖ The DME operates Public Employment Service (PES) centres at each DS office to facilitate access to employment opportunities. However, there is a lack of a systematically updated database for job openings.

- ❖ In 1998, a special skill cadre was introduced, leading to the recruitment of approximately 40 Career Guidance Officers. Presently, only 28 of them remain in service, and this cadre is no longer actively recruiting. Therefore, currently, there is no specialized skill cadre specifically designated for career guidance.
- ❖ The DME and the Skills Development Ministry now rely on Development Officers (SDOs) who are university graduates recruited for public service. Currently, there are about 350 SDOs, (Sinhala 271 & Tamil 79) in the service. As of 2023, there are around 528 Human Resource Development Officers (HRDOs) under the DME, and approximately 320 Skills Development Officers (SDOs) were available as of 2022.
- ❖ The TVEC formed the National Career Guidance Committee, involving participants from public, private, and NGO sectors, along with donor agencies.
- ❖ In schools, the responsibility for the career guidance subject falls on the teacher in charge of the counselling subject. In cases where such teachers are not available, the subject is assigned to another teacher. As of 2021, there were 1597 student counselling teachers in position. However, this number falls short of providing adequate coverage for all schools across the island.
- ❖ Additionally, training institutions like the Vocational Training Authority (VTA) and the Department of Technical Education and Training (DTET) also have positions for career guidance officers. In the VTA, program officers serve as career guidance officers.
- ❖ The 17 state universities operating under the UGC have been strengthened with the inclusion of career guidance units at each institution. These units are headed by committed professors serving as directors, and a standing committee has been designated to supervise the functioning of the Career Guidance Units.
- ❖ The Department of DME and the Ministry of Skills Development conduct programs for schools and vocational training institutes, either independently or in collaboration. It is emphasized that caution is essential, particularly when selecting private sector organizations for programs involving school students.

- ❖ Despite the absence of a current mechanism for implementing career guidance, there are plans to introduce a new circular aimed at efficiently integrating career guidance into the school education system.
- ❖ It is proposed that School Principals be entrusted with the responsibility of overseeing career guidance, and Key Performance Indicators (KPIs) need to be introduced to ensure the seamless and effective delivery of career guidance services. This circular will also include provisions for monitoring the implementation of career guidance in schools.
- ❖ Currently, Career Interest Tests, along with the Multiple Intelligence Test, are administered in grade 9, and again after the Ordinary Level (O/L) examinations Career Key Test with the Multiple Intelligence Test are being conducted. However, the interpretation of these test results is conducted by Skills Development Officers (SDOs) as teachers have not yet received training in this area.
- ❖ Furthermore, the Ministry of Education (MOE) is currently conducting a program for students and parents focusing on Advanced Level (A/L) streams and the available courses at universities.
- ❖ SDOs (Staff Development Officers) and HRDOs (Human Resource Development Officers) undergo training provided by their respective organizations on administering and interpreting career assessments.
- ❖ Additionally, it has been observed that certain officers pursue Diplomas and Post Graduate Diplomas in Career Guidance offered by the Sri Lanka Foundation Institution. The University of Kelaniya has incorporated Career Guidance as a component in the curriculum for Arts students. Nevertheless, there is a lack of specific research or publications available on this subject.
- ❖ While the DME and the Ministry of Skills Development mutually do offer career guidance at the exit level (O/L or A/L), it is important to note that their efforts may not reach all school dropouts. Following a student's departure from school, their whereabouts often remain unknown. Hence, every school must maintain a database, record such instances and conduct an annual tally.

5.3 Review of the Public Sector Cadre

As per the Hon. Prime Minister's Cabinet Proposal, in his capacity as the Minister of Public Administration Home Affairs, Provincial Councils and Local Government, a Cabinet Decision has taken on 12/09/2022, to review the public sector recruitment process. A six member committee has been appointed with the chairmanship of Prime-minister's Secretary.

At the Council Meeting held on 14.10.2022, the Secretary Ministry of Public Administration Home Affairs, Provincial Councils and Local Government requested from the Council to support this task and NHRDC was assigned to collect and analyze State Owned Enterprises(SOEs) employment data. Accordingly Cadre details of SOEs were collected and analysed. The analysed summary report was prepared and sent to the Ministry of Public Administration.

Public Sector Employment:

The public sector in Sri Lanka plays a significant role in the country's development and delivery of essential services to its citizens. The public sector encompasses a wide range of government institutions and agencies responsible for providing education, healthcare, transportation, utilities, and other services to the public.

The Sri Lankan public sector is divided into two main categories: the central government and the local government. The central government comprises of the executive, legislative, and judicial branches, and various ministries and departments responsible for policymaking, regulation, and service delivery. The local government, on the other hand, includes Provincial Councils, Urban Councils, and Pradeshiya Sabhas responsible for local governance and service delivery.

Sri Lanka's public sector provides jobs to a significant portion of the workforce. The public sector includes government ministries, departments, statutory bodies, local government authorities, and other public entities. According to the latest available data from the Department of Census and Statistics of Sri Lanka, as of 2021, the total number of persons employed in the public sector was 1,235,164. This accounts for about 15.2% of the total employed population in the country. The public sector provides employment opportunities in various fields such as administration, engineering, finance, medicine, and education.

The public sector employment in Sri Lanka is divided into two main categories: non-manual and manual. Non-manual workers include professionals, administrative staff, and technical staff, while manual workers include laborers, cleaners, and drivers. Public sector employment in Sri Lanka is governed by the Public Administration Circulars, which provide guidelines on recruitment, promotions, transfers, and other employment-related matters.

Recruitment Process:

The recruitment process in the public sector is generally based on competitive examinations, qualifications, and experience. The Department of Examinations conducts competitive examinations for various positions in the public sector. The qualifications required for each position vary depending on the nature of the job. For example, positions in the medical field require relevant degrees, while positions in the administrative field require a degree in public administration or business management. Experience is also considered when selecting candidates for positions in the public sector.

Efficiency and Productivity:

The government of Sri Lanka has been taking measures to improve the efficiency and productivity of the public sector. One such measure is the implementation of performance-based evaluations and incentives. Performance-based evaluations are conducted to assess the performance of public sector employees. Incentives are provided to employees who perform well. This measure ensures that public sector employees are motivated to perform their duties efficiently and effectively.

Another measure is the introduction of e-government systems. E-government systems have made it easier for the public to access government services. These systems have also made it easier for the government to provide services to the public. E-government systems have reduced the time and cost required to access government services.

State Owned Enterprises :

The State-Owned Enterprises (SOEs) sector in Sri Lanka is an important part of the country's economy, with SOEs playing a significant role in providing essential services, including utilities, transportation, finance, and manufacturing. This study will provide an overview of the SOE sector in Sri Lanka, including its history, current state, and challenges it faces.

The SOE sector in Sri Lanka has a long history, dating back to the country's independence in 1948 when the government nationalized several industries. The nationalization policy was aimed at promoting economic development and addressing social inequalities. Since then, the SOE sector has grown, with the government playing a significant role in various sectors of the economy, including power, transportation, telecommunications, and banking.

The SOE sector in Sri Lanka comprises several large enterprises, including the Ceylon Electricity Board, Ceylon Petroleum Corporation, and Sri Lankan Airlines. The SOEs employ a significant number of people, with estimates suggesting that they employ around 10% of the country's public sector workforce (Rodrigo, 2022).

In SOEs, the employee level is categorized as per the salary scales in the public service (2016). The following table shows the categorization.

SOE Classification

No	Category of SOE	Total
	SOEs Monitored by PED	
A	Corporations	39
B	Statutory Boards	48
C	Government Owned Companies	50
D	Non Functioning SOEs	17
E	Regional Plantation	21
F	Minority Shareholdings	16
G	Subsidiaries	62
H	Sub Subsidiaries	31
I	Associates	21
J	SOEs Monitored by PED	305
K	SOEs Monitored by NBD	125
	Total	430

Source – Department of Public Enterprises.

Summary I
Analyzed Cadre Data (Of the received 220 institutions)

Service Level	Approved Cadre	Existing Cadre	Vacant	No. of retirees					Contract	Assignment basis	Days' pay	Casual	Trainees	Temporary
				2022	2023	2024	2025	2026						
Senior Level	23,998	18,655	5,388	431	411	441	468	496	-	-	-	-	-	-
Tertiary Level	16,779	12,273	5,217	261	240	262	304	302	-	-	-	-	-	-
Secondary Level	64,430	57,520	9,359	1,207	1,157	1,086	1,332	1,171	-	-	-	-	-	-
Primary Level	62,677	53,612	14,579	1,015	1,103	1,027	1,104	1,109	-	-	-	-	-	-
*Other	13,302	32,965	2,772	259	401	416	515	107	-	-	-	-	-	-
Grand Total	181,186	175,025	37,315	3,173	3,312	3,232	3,723	3,185	1,280	24	99	2	77	205

**Total of the eleven companies have no service levels in their respective institutional cadre.*

Summary II

Analyzed Cadre Data of Subsidiaries (07)

Service Level	Approved Cadre	Existing Cadre	Vacant	No. of retirees				Contract employees	Assignment basis	Days'pay	Casual	Trainees
				2023	2024	2025	2026					
Senior Level	296	149	150	0	1	0	0	-	-	-	-	-
Tertiary Level	85	28	61	0	1	1	3	-	-	-	-	-
Secondary Level	408	268	139	0	0	0	0	-	-	-	-	-
Primary Level	246	209	53	0	0	0	0	-	-	-	-	-
*Other	3,531	2,885	658	14	24	26	25	-	-	-	-	-
Grand Total	4566	3539	1061	14	26	27	28	-	-	-	-	-

*The following three subsidiaries do not have level categorization in their respective organizations.

- Sri Lankan Catering Limited
- Property Development Limited
- Lanka Hospitals Corporation Limited

The list of seven subsidiaries are :

- People's Travels (Pvt) Ltd
- Sri Lankan Catering Limited
- Lanka Education And Research Network
- Property Development Limited
- SATHOSA SECURITY AND GENERAL (PVT)LTD
- Lanka Hospitals Corporation Limited
- Central Engineering Services (Pvt) Ltd

Summary III

Cadre Analysis of Funds (Of the received 6 Funds)

Service Level	Approved Cadre	Existing Cadre	Vacant	2023	2024	2025	2026	Contract	Trainee
Senior Level	8	8	0	0	1	0	0	-	-
Tertiary Level	11	9	2	1	0	0	0	-	-
Secondary Level	101	80	21	0	0	1	2	-	-
Primary Level	22	19	3	1	0	0	0	-	-
Total	142	116	26	2	1	1	2	0	0

Received Funds

- 1) National Health Development Fund
- 2) Shrama Vasana Fund
- 3) Thurusaviya Fund
- 4) Lady Lochore Loan Fund
- 5) Local Loans & Development Fund
- 6) Botanical Garden Trust Fund

Provincial Councils Cadre in Service Levels

Province	Senior Level				Tertiary Level				Secondary Level				Primary Level			
	Approved	Existing	Vacant	Positions not filled for the last 5 years	Approved	Existing	Vacant	Positions not filled for the last 5 years	Approved	Existing	Vacant	Positions not filled for the last 5 years	Approved	Existing	Vacant	Positions not filled for the last 5 years
Central	980	709	302	143	2,501	1,972	749	218	34,020	36,720	1,959	923	8,723	6,335	2,839	1,007
Western	443	343	104	40	551	401	164	43	7,939	8,006	778	368	8,301	7,152	1,215	213
Eastern	1,941	1,406	538	190	2,324	1,808	763	322	29,549	29,443	3,235	1,414	8,166	5,922	2,426	970
Northern	2,030	1,642	491	158	1,629	1,150	505	162	27,041	24,982	3,192	828	9,705	6,831	3,236	1,705
Southern	497	409	91	68	1,550	1,203	350	96	27,870	28,820	2,455	183	4,925	4,360	718	331
Sabaragamuwa	1,521	1,427	105	2	1,842	1,024	835	140	28,917	31,683	878	446	7,691	6,203	1,588	228
Uva	1,442	1,070	371	114	22,241	20,151	3,900	2,051	5,139	5,527	648	172	7,949	7,802	1,348	343
North central	1,317	1,049	318	157	3,346	2,534	837	296	19,862	18,305	2,530	847	3,730	3,739	927	130
North western	1,703	1,626	110	48	29,039	26,283	2,759	143	11,474	9,942	2,074	534	10,323	8,272	2,372	471
Total	11,874	9,681	2,430	920	65,023	56,526	10,862	3,471	191,811	193,428	17,749	5,715	69,513	56,616	16,669	5,398

Way Forward

In collecting this information, the NHRDC discovers that;

- ❖ There is no proper coordination between the institutions that are responsible for cadre approval.
- ❖ There is no central point where the NHRDC could get a list of SOEs in the Public Sector. (According to PED, there are 430 SOEs while Advocata has indicated that there are 527 SOEs in Sri Lanka in 2019).
- ❖ NHRDC feels the necessity to have a human resource information system for the public sector.
- ❖ NHRDC recommends the government to advise the institutions to maintain their own databases of employees and that they should be updated continuously.
- ❖ It is very difficult to collect data from the institutions unless continuous reminders were made to the institutions which consumes time.

NHRDC identifies the following benefits of having a human resource information system for the public sector.

Workforce Planning: Providing the government with the necessary data to conduct workforce planning, ensuring that the right people with the right skills are in the right place at the right time.

Succession Planning: Help the government identify potential gaps in leadership and technical expertise, allowing it to develop strategies for succession planning.

Recruitment and Selection: Providing a central repository of information on potential candidates for recruitment and selection, making the process more efficient and effective.

Performance Management: Help the government track employee performance and identify areas for improvement, allowing for targeted training and development interventions.

Compensation and Benefits: Providing information on employee salaries and benefits, allowing the government to ensure that it is providing competitive compensation packages to attract and retain top talent.

Diversity and Inclusion: Help the government track the diversity of its workforce and identify areas for improvement, allowing it to develop strategies to promote diversity and inclusion.

Owing to the above reasons, the NHRDC strongly recommends to have a comprehensive cadre database or a Human Resource Information System (HRIS) of the public sector for ensuring that the government has the necessary information to manage its workforce effectively.

5.4. Statistical Bulletin of NHRDC - 2023

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 and other vital Human Resources Development (HRD) sectors in Sri Lanka. In this regard, eight bulletins were published since the year 2015 and the latest bulletin has been published in the year 2023.

Since 2023, a new chapter has been included with vital Human Resource Development (HRD) statistics. Vital statistics on students' dropouts in each stage of Education & NEET group (Not in Education, Employment or Training), vital statistics on Human Resources Development Index (HRDI) & HRDI Map of Sri Lanka for year 2022, and vital statistics on foreign employment opportunities received & job placements done. Also, several new statistical tables were included in to the previous General Education and Higher Education chapters as well.

This bulletin includes important statistics related to General Education, TVET and Higher education sectors and other vital HRD statistics. All the data were collected based on the secondary data sources available in the Websites, Central Bank Annual Reports of Sri Lanka, University Statistics of University Grant Commission, annual Labour Market Information Bulletin of TVEC, Annual Performance Reports of Ministry of Education, Grade 5, G.C.E (O/L) and G.C.E (A/L) Performance of candidates reports of Department of Examination in Sri Lanka and Budget Estimate of Ministry of Finance, Statistics Report of Sri Lanka Bureau of Foreign Employment and NHRDC Publications etc. Data and analysis done in this bulletin could be important to researchers, policy makers who have an interest in the General Education, Higher Education, Skills and Vocational Education, and other vital HRD sectors in Sri Lanka.

Highlights of Programs

1. NHRDC initiated the task of developing a human resources information system for the entire public sector.



The first sub-committee meeting was held on 2nd of March 2023 at the University Grants Commission.

2. Human Resources Development (HRD) Plan for the Bay of Bengal Initiative for Multi Sectorial Technical and Economic Cooperation (BIMSTEC) region



Meeting to present the Human Resources Development (HRD) Plan for the Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (BIMSTEC) to the Honorable Prime Minister, Dinesh Gunawardena on 26th June 2023, at the Temple Trees.

3. Formulation of National Human Resources Development Policy



The meeting on the Formulation of the National Human Resources Development Policy was held on 13.07.2023



1st Review Meeting with TVEC held on 07.08.2023



2nd Review Meeting with Skills Development and Vocational Education Sector held on 22.08.2023



Discussion held on BIMSTEC HRD Plan with Hon. Prime-Minister



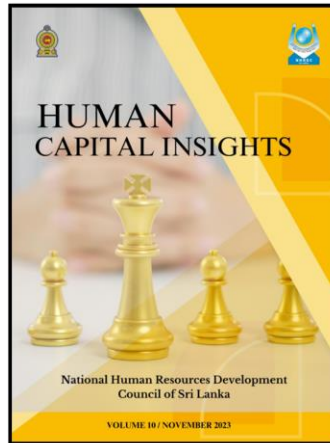
Final discussion with HRD index Committee Members

6. PUBLICATIONS OF NHRDC DURING THE YEAR 2023

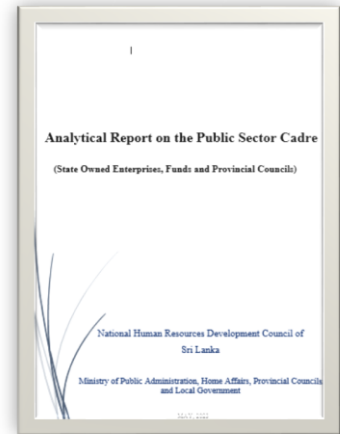
Images of the publications, reports done during the year 2023 are depicted below.



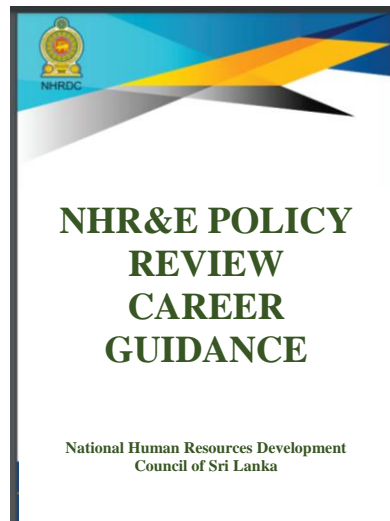
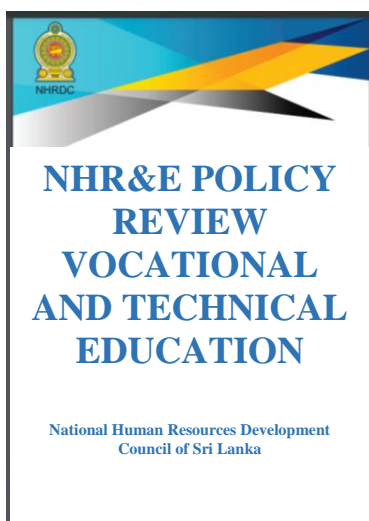
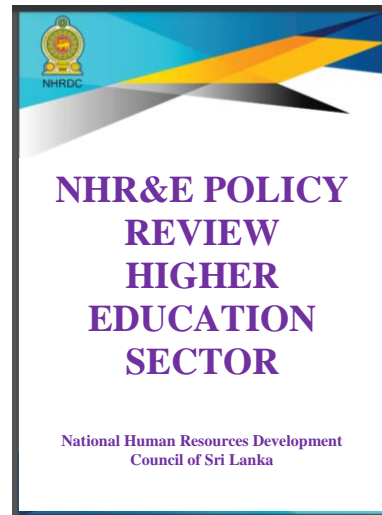
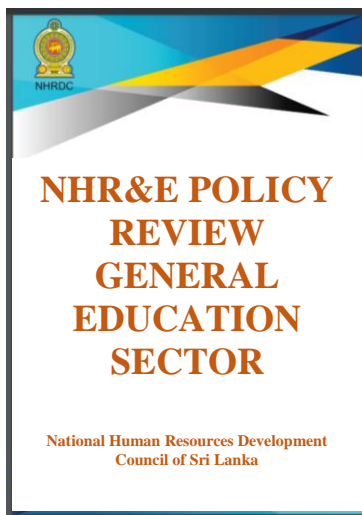
Statistical Bulletin 2023



Human Capital Insights



Analytical Report of the Public Sector Cadre (SOEs)

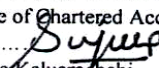


7. Statement of Financial Position as at December 31st 2023

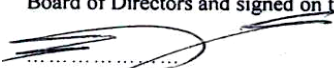
In LKR

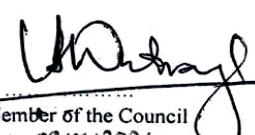
	Note	2023	2022	Budgeted
ASSETS				
Current assets				
Cash and cash equivalents	1	21,743,215.23	17,051,843.29	-
Receivables	2	87,060.82	40,062.82	-
Inventories	3	1,146,937.87	1,977,506.51	-
Prepayments	4	232,040.60	82,139.79	-
Other Current assets	5	3,520,934.05	3,667,057.73	-
		26,730,188.57	22,818,610.14	-
Non-current assets				
Infrastructure, plant and equipment	6	7,796,468.50	9,064,226.10	1,850,000.00
Vehicles	6	25,235,415.14	23,849,189.33	1,400,000.00
Other non-financial assets	6	-	221,695.76	-
Intangible assets				
Software	6		14,895.83	-
		33,031,883.64	33,150,007.02	-
Total assets		59,762,072.21	55,968,617.16	3,250,000.00
LIABILITIES				
Current Liabilities				
Payables	7	997,220.52	1,088,100.99	-
Short-term Provisions	8	40,062.82	40,062.82	-
		1,037,283.34	1,128,163.81	-
Non-current liabilities				
Employee benefits	9	4,392,017.50	4,181,542.50	-
		4,392,017.50	4,181,542.50	-
Total Liabilities		5,429,300.84	5,309,706.31	-
Net assets		54,332,771.37	50,658,910.85	3,250,000.00
NET ASSETS/EQUITY				
Capital contributed by				
Contributed Capital		3,000,000.00	3,000,000.00	-
Revaluation Reserve		34,247,905.90	34,700,042.90	-
Differed Income Grant		-	4,091,027.82	-
Government Grant – Capital		13,896,408.50	9,152,501.50	-
Accumulated Surplus/(Deficit)		3,188,456.97	(284,661.37)	3,250,000.00
Total Net assets/equity		54,332,771.37	50,658,910.85	3,250,000.00

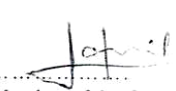
I certify that above Financial Statements comply with the requirements of Sri Lanka Public Sector Accounting Standards published by Institute of Chartered Accountants of Sri Lanka.


 Sujeewa Kaluarachchi
 Assistant Director (Finance)
 Date: 21/02/2024

The Accounting policies and Notes on pages 5 to 13 form 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.


 Chairman NHRDC
 Date: 09/04/2024


 Member of the Council
 Date: 09/04/2024


 Member of the Council
 Date: 09/04/2024

8. Statement of Financial Performance for the year ended December 31, 2023

In LKR

	Note	2023	2022	Budgeted
Revenue				
Government Grant - Recurrent	10	25,787,000.00	22,880,000.00	31,580,000.00
Government Grant – Development Activity	11	-	1,781,906.72	-
Government Grant – Capital	11	3,800,000.00	-	6,000,000.00
Amortization	6	-	3,410,061.29	-
Other revenue	13	1,035,823.46	312,133.74	-
Total Revenue		30,622,823.46	28,384,101.75	37,580,000.00
Expenses				
Wages, salaries and employee benefits	14	17,337,016.78	17,354,503.93	22,150,000.00
Grants and other transfer payment	15	633,598.75	1,781,906.72	2,750,000.00
Supplies and consumables used	16	982,404.47	(270,815.82)	1,750,000.00
Depreciation and amortization expense	6	6,778,240.66	3,410,061.29	-
Travelling, Subsistence & Allowances	17	309,520.00	359,010.21	1,250,000.00
Utility and Services	18	4,286,908.23	3,569,341.87	4,680,000.00
Maintenance Expenses	19	1,143,788.83	1,652,520.46	1,600,000.00
Other expenses	20	456,647.50	1,006,088.26	150,000.00
Deficit on Foreign training programs	12	64,800.00	72,400.00	-
Total Expenses		31,992,925.22	28,935,016.92	34,330,000.00
Surplus/(deficit) for the period		(1,370,101.76)	(550,915.17)	3,250,000.00

9. Statement of Changes in Net Assets/Equity for the year ended December 31, 2023

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, 2022 B/F	3,000,000.00	13,490,249.80	7,501,089.11	1,796,408.22	267,253.80	26,055,000.93
Prior year adjustments	-	-	-	-	(1,000.00)	(1,000.00)
Revalued surplus on disposed assets	-	21,209,793.10	-	-	-	21,209,793.10
Transfer to Government Grant Revenue	-	-	-	3,038,000.00	-	3,038,000.00
				6,100,000.00		6,100,000.00
Deficit / surplus for the period	-	-	-	-	(550,915.17)	(550,915.17)
Total expenses for the period	-	-	-	(1,781,906.72)	-	(1,781,906.72)
Transfer to Government Grant Revenue- Amortization	-	-	(3,410,061.29)	-	-	(3,410,061.29)
Balance at December 31, 2022 carried forward	3,000,000.00	34,700,042.90	4,091,027.82	9,152,501.50	(284,661.37)	50,658,910.85
Balance at January 01, 2023 B/F	3,000,000.00	34,700,042.90	4,091,027.82	9,152,501.50	(284,661.37)	50,658,910.85
Prior year adjustments –Expenses recording errors –Vehicle depreciation	-	-	-	-	(208,770.00)	(208,770.00)
Computer Depreciation					69,562.00	69,562.00
Under recording of opening inventory					(900,000.00)	(900,000.00)
Over recognition of Revaluation profit		(452,137.00)			452,137.00	
Write off Differed income account			(4,091,027.82)		4,091,027.82	
Government Grant – balance 2022				(1,256,093.00)	1,256,093.00	
Surplus / Deficit for the period					(1,370,101.76)	(1,370,101.76)
Capitalization of PB 0286 Cab				-	83,170.28	83,170.28
				6,000,000.00	-	6,000,000.00
Balance at December 31, 2023 carried forward	3,000,000.00	34,247,905.90	-	13,896,408.50	3,188,456.97	54,332,771.37

10. Cash Flow Statement

Consolidated Cash Flow Statement for year ended December 31,2023

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
Surplus/(deficit)	(1,370,101.76)	(550,915.17)
<u>Non-cash movements</u>		
Depreciation	6,778,240.66	-
Gratuity Expenses	457,487.50	485,380.00
Interest on Staff Loan	(153,378.30)	(145,467.49)
FD interest	(726,359.59)	-
(Increases) /Decreases in Consumable Store	830,568.64	(896,809.95)
(Increases) /Decreases in Pre payments	(149,900.81)	835.86
(Increases) /Decreases in Staff Loans	136,122.66	(635,980.12)
(Increases) /Decreases in Other Advances	10,001.02	3,525.00
Increases) /Decreases in Other receivables	(46,998.00)	
Increases/ (Decreases) in Payables	(90,880.47)	578,021.48
Assets write off	-	569,973.01
Over provision of Expenses	-	356,580.00
Short-term provisions	-	541,933.28
Under recording of opening inventory	(900,000.00)	-
Gratuity paid	(247,012.50)	(174,240.00)
Net cash flows from operating activities	4,527,789.05	132,835.90
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Computers	(9,500.00)	(19,000.00)
Purchase of Furniture & fittings	-	(431,610.00)
Vehicle repairs	(706,655.00)	(251,754.68)
Purchase of other assets	-	(42,000.00)
Interest on Staff Loan	153,378.30	145,467.49
Net cash flows from investing activities	(562,776.70)	(598,897.19)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities		-
FD interest	726,359.59	-
Net increase/(decrease)in cash and cash equivalents	4,691,371.94	(466,061.29)
Cash and cash equivalents at beginning of period	17,051,843.29	17,517,904.58
Cash and cash equivalents at end of period	21,743,215.23	17,051,843.29
Notes to the Cash Flow Statement		
Cash on hand and balances with banks		
Bank of Ceylon A/C 165197	11,424,352.45	17,022,181.47
People's Bank A/C No 119100120409161	318,862.78	29,661.82
Fixed deposit	10,000,000.00	-
	21,743,215.23	17,051,843.29

11. Notes

		2023		2022		Budgeted
<u>Cash and cash equivalents</u>	1					
Bank of Ceylon A/C 165197		11,424,352.45		17,022,181.47		-
People's Bank A/C No 119100120409161		318,862.78		29,661.82		-
Fixed deposit		10,000,000.00		-		-
		21,743,215.23		17,051,843.29		-
<u>Receivables</u>	2					
Nimal Bopage (Ex-Chairman)		40,062.82		40,062.82		-
Other receivable		46,998.00		-		-
		87,060.82		40,062.82		-
<u>Inventories</u>	3					
Consumable Stores		1,146,937.87		1,977,506.51		-
		1,146,937.87		1,977,506.51		-
<u>Prepayments</u>	4					
Vehicle Insurance		232,040.60		82,139.79		-
		232,040.60		82,139.79		-
<u>Other Current assets</u>	5					
Staff Loan - Distress		3,520,934.05		3,657,056.71		-
Festival Advances		-		10,001.02		-
		3,520,934.05		3,667,057.73		-

Property, Plant & equipment (Note 06)

Reporting Period	Furniture & Fittings		Office Equipment		Electrical Fixtures		Computers		Software		Vehicles		Books		Other Assets		Building & Structure		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
01.01.2023 to 31.12.2023																			
Opening Balance	5,272,129.09	4,884,257.49	3,148,928.80	3,156,548.80	14,579.00	14,579.00	1,862,900.00	5,698,339.72	1,189,566.61	1,189,566.61	25,551,754.68	15,007,442.85	118,524.54	118,524.54	1,145,102.30	1,103,102.30	6,531,265.68	6,531,265.68	
Additions	-	431,610.00	-	-	-	-	9,500.00	19,000.00	-	-	6,706,655.00	6,351,754.68	-	-	-	42,000.00	-	-	
Adjustment	-	(43,738.40)	-	(7620.00)	-	-	-	(3,854,439.72)	-	-	-	19,200,000.00	-	-	-	-	-	-	
Disposal	-	-	-	-	-	-	-	-	-	-	-	(15,007,442.85)	-	-	-	-	-	-	
Closing Balance	5,272,129.09	5,272,129.09	3,148,928.80	3,148,928.80	14,579.00	14,579.00	1,872,400.00	1,862,900.00	1,189,566.61	1,189,566.61	32,258,409.68	25,551,754.68	118,524.54	118,524.54	1,145,102.30	1,145,102.30	6,531,265.68	6,531,265.68	
Accumulated Depreciation (year Beginning)	3,149,829.09	2,674,484.70	2,927,233.04	2,611,250.82	14,579.00	14,579.00	30,978.49	5,013,456.01	1,174,670.78	1,071,418.28	1,702,565.35	15,007,442.85	71,138.05	59,285.60	977,354.70	866,004.29	1,636,395.18	1,309,831.90	
Adjustment	-	-	-	-	-	-	-	-	-	-	208,770.00	-	-	-	-	-	-	-	
Depreciation (As per statement of Financial Performance)	519,545.95	497,223.59	304,866.04	317,391.22	-	-	374,347.69	198,559.99	14,895.83	103,252.50	5,111,659.19	1,843,867.85	11,852.45	11,852.45	114,510.23	111,350.41	326,563.28	326,563.28	
Less Accumulated Depreciation on Disposal	-	-	(83,170.28)	-	-	-	(69,562.00)	-	-	-	-	(15,007,442.85)	-	-	-	-	-	-	
Closing Balance	3,669,375.04	3,149,829.09	3,148,928.80	2,927,233.04	14,579.00	14,579.00	335,764.18	30,978.49	1,189,566.61	1,174,670.78	7,022,994.54	1,702,565.35	82,990.50	71,138.05	1,091,864.93	977,354.70	1,962,958.46	1,636,395.18	
Net Carrying Amount	1,602,754.05	2,122,300.00	-	221,695.76	-	-	1,536,635.82	1,831,921.51	-	14,895.83	25,235,415.14	23,849,189.33	35,534.04	47,386.49	53,237.37	167,747.60	4,568,307.22	4,894,870.50	

	Note	2023		2022		Budgeted
<u>Payable</u>	7					
Accrued expenses		955,795.52		1,086,575.99		-
Stamp Duty		1,425.00		1,525.00		-
		997,220.52		1,088,100.99		-
<u>Short-term Provisions</u>	8					
Provision for doubtful Debt- N.Bopage		40,062.82		40,062.82		-
		40,062.82		40,062.82		-
<u>Employee benifit</u>	9					
Grativity Provision		4,392,017.50		4,181,542.50		
		4,392,017.50		4,181,542.50		
<u>Government Grant - Recurrent</u>	10	25,787,000.00		22,880,000.00		31,580,000.00
<u>Government Grant - Capital</u>	11					
Government Grant – Development Activities		-		1,781,906.72		-
Deffered Grant		-		1,256,093.28		-
		3,800,000.00		3,038,000.00		6,000,000.00
<u>Profit (Loss) on Foreign Training Programs</u>	12					-
Revenue		-		-		-
Expenses		64,800.00		72,400.00		-
		64,800.00		72,400.00		-

	Note	2023		2022		Budgeted
<u>Other revenue</u>	13			-		-
Miscellaneous income		9,986.15		166,666.25		-
Distress Loan Interest		153,378.30		145,467.49		-
FD Interest		726,359.59		-		-
Other income		146,099.42		-		-
		1,035,823.46		312,133.74		-
Wages, salaries and employee benefits	14					
Salaries & wages		10,693,801.01		10,788,502.55		13,150,000.00
Cost of Living Allowance		1,806,740.00		1,887,600.00		2,500,000.00
Telephone Allowance		231,266.66		147,214.28		300,000.00
Transport Allowance		-		-		-
Fuel Allowance		618,425.00		418,372.33		1,000,000.00
EPF		1,415,337.51		1,469,952.05		1,500,000.00
ETF		358,477.52		367,470.66		500,000.00
Over time		287,881.59		256,012.06		350,000.00
Adjustment Allowance		1,158,166.66		1,210,000.00		1,450,000.00
Professional allowance		309,433.33		324,000.00		500,000.00
Gratuity Expenses		457,487.50		485,380.00		900,000.00
		17,337,016.78		17,354,503.93		22,150,000.00

	Note	2023	2022	Budgeted
Grants and other transfer payment	15			
Public sector cadre review		68,410.00	-	100,000.00
Public sector HR information system		-	-	390,000.00
Research and Publication		-	-	400,000.00
Strengthen NHRDC staff development		66,515.00	360,464.76	550,000.00
Statistical Bulletin		176,105.00	-	200,000.00
Human Capital Insight		6,000.00	-	10,000.00
DO Study		305,288.75	216,410.00	-
HRD Policy		-	133,084.40	1,000,000.00
Labour Market		-	2,170.00	-
Rakiya Aruna		-	976,994.06	-
Other Projects		-	30,180.00	-
HRD index		11,280.00	62,603.50	100,000.00
		633,598.75	1,781,906.72	2,750,000.0
Supplies and consumables used	16			-
Stationary & office equipment		154,703.27	(879,114.87)	250,000.00
Fuel & lubricant		827,701.20	608,299.05	1,500,000.00
		982,404.47	(270,815.82)	1,750,000.00
Depreciation and amortization expense	6	6,778,240.66	3,410,061.29	-
Travelling, Subsistence & Allowances	17			-
Local Travelling & Subsistence		103,720.00	73,210.21	150,000.00
Allowance for Audit Members		54,000.00	32,000.00	200,000.00
Board Members Allowances		151,800.00	253,800.00	900,000.00
		309,520.00	359,010.21	1,250,000.00

	Note	2023	2022	Budgeted
Utility and Services	18			
Rates		50,400.00	50,400.00	50,400.00
Electricity		1,465,795.75	594,902.04	1,450,000.00
Water		46,069.44	19,965.13	50,000.00
Telephone charges & Rental		135,544.55	141,005.30	235,000.00
Postage & telex charges		10,410.00	9,380.00	15,000.00
Janitorial service		438,127.86	420,048.44	480,000.00
Security Service		1,429,575.30	1,474,117.22	1,599,600.00
Internet		167,546.79	150,492.34	200,000.00
Other utility & Other Service		543,438.54	709,031.40	600,000.00
		4,286,908.23	3,569,341.87	4,680,000.00
Maintenance Expenses	19			
Rep. & main. of vehicles		439,854.00	466,718.99	1,000,000.00
Vehicle Insurance		216,217.68	366,823.15	-
Rep. & main. of plant,machinery & equipment		-		200,000.00
Rep. & main. of Office Equipment		237,488.00	188,360.00	250,000.00
Rep. & main. of Other Assets		250,229.15	630,618.32	150,000.00
		1,143,788.83	1,652,520.46	1,600,000.00
Other expenses	20			
Audit fee		335,000.00	363,620.00	-
Refreshment		121,647.50	72,495.25	150,000.00
Assets write off		-	569,973.01	-
		456,647.50	1,006,088.26	150,000.00

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, 2016 and 2022 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	05%
Furniture & Fittings	10%
Office Equipments	10%
Electrical Fixtures & Equipments	20%
Computers	20%
Computer Software	25%
Vehicles	20%
Books	10%
Other Assets	10%

7. Assets Write off / Destroy

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

8. 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. Differed income grant account write of and total capital grant for the year 2023 changed to the statement of frinancial performance.

9. Retirement Benefit Cost

9.1 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.

9.2 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.

10. 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.

11. 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.

12. 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. This has been recognized as asset during the year 2022 based on the insurance value.

Vehicle number PB 0286 chassis number JNICJUD22Z0-081892 has been allocated by the Ministry of Public Administration, Home affairs, Provincial Councils and Local Government to NHRDC from 05.07.2023 and recognized as asset during the year.

Audit Report 2023

VOT/D/NHRDC/1/2023/37

5th July 2023

Chairman,

National Human Resources Development Council of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2023 in terms of Section 12 of the 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 (“Council”) for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance for the year then ended, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Council for the year ended 31 December 2023 and of 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) As per the section 25 of Sri Lanka Public Sector Accounting Standards 07, the cab had been accounted for as Rs.6,000,000 without any basis without taking any action to assess and account of the fair value of the cab acquired in the year under review through a non-exchange transaction. Further, the depreciation of Rs.588,493 related to the year under review had not been accounted for that cab, as such, the deficit of the year was understated by that amount.
- (b) The cab vehicle valued at Rs.6,000,000 received during the year under review through a non-exchange transaction had not been adjusted in the financial performance statement as per the Sri Lanka Public Sector Accounting Standards 11.
- (c) Due to capitalization of recurrent nature expenses of Rs.706,655 spent on two vehicles during the year under review, the balance of the fixed assets account and the deficit for the year were overstated and understated respectively by that amount.
- (d) The difference of Rs.76,670 and Rs.172,013 respectively were observed while reconciling of the balance of furniture, equipment and fixtures and the balance of distress loan with the relevant schedules as at end of the year under review.
- (e) Due to the insurance premium of Rs.165,447 paid in the previous year for the year under review had been accounted as expenses of the previous year and the stationery expense of Rs.81,555 paid in the year under review in relation to the previous year had been accounted as expenses of the year, the deficit of the year had been understated by Rs.83,892.
- (f) According to the paragraph 09 of Sri Lanka Public Sector Accounting Standard 02, a fixed deposit of Rs.10,000,000 with a maturity of one year was not shown as a cash outflow under investment activities but shown under cash and cash equivalents, as such, investment activities and cash in hand were overstated by that amount.

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 2023 of the institution

The other information comprises the information included in the council's 2023 Annual Report but does not include 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 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.

If I conclude that there are material misrepresentations, while reading the annual report of the Council, those should be communicated to the governing parties for correction. If there are any further uncorrected misrepresentations, they will be included in the report tabled by me in Parliament in terms of Article 154(6) of the Constitution in due course.

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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council 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 Council.

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 judgment and maintain professional scepticism throughout the audit. I also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the 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** National Audit Act, No. 19 of 2018 includes specific provisions for following 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 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 enough 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 except for;

	Reference to law/ direction	Observations
(a)	(a) and (b) of section 11 of the Finance Act No. 38 of 1971	Although funds of the Council should be invested on the approval of the Minister of Finance, the National Council had not been obtained the approval of the Treasury for investment of Rs. 10,000,000 in a fixed deposit in the year under review.
(b)	Letter No. F/FR/05/NHRDC/General/03/20 dated 05 February 2024 of the Chief Financial Officer of the Ministry of Public Administration and Home Affairs, Provincial Councils and Local Government.	Although it was informed to immediately credit to the Consolidated Fund the amount of Rs. 3,589,644 saved as of 31 December 2023 from the funds allocated for the year 2023 from the National Budget Estimates, that money had been used to cover the expenses of the year 2024.

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 following observation.

	Powers, Functions and Duties	Observations
(a)	According to Section 14(1) of the Human Resource Development Act No. 18 of 1997, prepare a national human resource development policy and review it periodically, advise the Minister and the government on human resource development.	Even though 25 years had been passed since the establishment of the National Council, the final result of the task of formulating a policy for the development of national human resources, one of its primary objective, was unable to reach even by 31 December 2023.
(b)	In terms of Sections 16(2)c and 16(2)e of the said Act, to establish and maintain an information data bank on human resources development in related fields which helps to fulfill the basic objective of the Council.	As an initial step in the preparation of a data bank, data from various fields has been collected and prepared as MSExcel tables, but no data bank has been maintained even by 31 December 2023.
(c)	To formalize the working procedure to be followed in relation to holding meetings and carrying out the activities of those meetings as per Section 10(5).	Although the meetings of the National Council related to the formulation, promotion and implementation of policies related to the development of human resources had been held 5 times in the previous year and 02 times in the year under review, no working procedure had been approved for conducting of those meetings formally.

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

2.3 Other Matters

- (a) It was unable to recruit a new officer for the vacant position of Director of the National Council from 27 April 2021, even by the date of the report.

- (b) In order to fulfill the objectives of the National Assembly, conducting researches in various fields are essential task, so an Assistant Director (Research) officer should be available in the Council to give priority to it, but from 31 October 2020 to 15 May 2024, which was the date of audit, it was not possible to recruit a permanent officer for that position and a female officer was appointed on an acting basis from 03 August 2021.

W.P.C. Wickramaratne
Auditor General