

Report of the Director Principal.
Ceylon – German Technical Training Institute

This Institute endowed with a proud heritage of over fifty years was established in the year 1960 with the objective of creating a trained labour force required for the then Ceylon Transport Board has at present achieved the foremost place as the Institute creating a skilled labour force in the field of Motor Mechanics and the other related fields in Sri Lanka.

Job opportunities in Sri Lanka as well as in the outside world such as Europe, Middle East, etc. are readily open to the students of this Institute who leave after successful completion of the courses of the Institute, thus making an immense contribution to the foreign exchange earnings to the national economy.

The student intake for the full term courses conducted by the Institute in the year 2013 had been 438 for the mother Institute and 55 students were enrolled for the courses of the Borella Branch. The number of students enrolled for the part – time courses of the Institute in this year had been 3,100. In addition, over 500 persons had participated in the Special Daytime Courses, seminars and workshops conducted during this year by the Institute. The commencement of a motor vehicle painting course by the Borella Branch during this year for 5 students needing special requirements in also a special event.

In addition to providing training in English Language for the Students following the full time courses of the Institute, facilities for learning the German Language are also provided.

Arrangements have been made for the supply of machinery as well as training equipment with new technology and updating the knowledge of the staff with a view to maintain every course conducted by the Institute at the optimum level to suit the standards required by the local as well as the foreign job market.

Our sole objective is to use all our efforts to further upgrade the goodwill we have earned, locally and internationally generating a knowledgeable, skilled as well as disciplined labour force to the world.

Director / Principal
Ceylon German Technical Training Institute

Ceylon German Technical Training Institute
Advisory Committee - 2013

	Name	Designation	
01	Emeritus Professor P.A. de Silva	Emeritus Professor, Department of Mechanical Engineering, University of Moratuwa.	Chairman
02	Mr. B.H.S. Suraweera	Act. Director General, Tertiary and Vocational Education Commission.	Member
03	Mr. R.V.D. Piyathilake	Chief Executive Officer, Sri Lanka Central Transport Board	Member
04	Mr. H.R.V.P. Wijewardhana	Asst. Director (Department of National Planning)-General Treasury	Member
05	Mr. W.A. Jayawickrama	Additional Secretary (Administration & Finance), Ministry of Youth Affairs and Skills	Member
06	Mr. Kapila Kumara Ranasinghe	General Manager, South Asia Textiles Industries Lanka (Pvt) Ltd.	Member
07	Mr. Ramyachandra Gunasekara	Attorney- at- Law	Member
08	Dr. S.P.W.Jayasiriwardena	General Manager (Workshops), Auto Miraj Group of Companies	Member
09	Dr. A. S. Abeygoonewardana	Justice of Peace (All Island)	Member
10	Mr. Shantha Karunaratne	Director /Principal, Ceylon German Technical Training Institute	Member

Ceylon-German Technical Training Institute(CGTTI)-2013

1. Introduction

The Ceylon – German Technical Training Institute (CGTTI) is the foremost institute in Sri Lanka for the training of skilled technicians in the field of Automobile and allied trades. The institute was originally established in 1960 at the premises of the central workshop of the Sri Lanka Transport Board at Werahera. This was a result of an agreement entered into between the government of Federal Republic of Germany and Sri Lanka to supply training assistance in the maintenance of the bus fleet, which belonged to the Sri Lanka Transport Board.

The Institute was shifted to Moratuwa in 1974 and re-named as the Ceylon-German Technical Training Institute. It was originally set up and managed by a German Director and his German staff until February 29, 1976. Then its management was handed over to Sri Lanka, under a Director /Principal and local Staff. The CGTTI was administered under Sri Lanka Transport Board until April 2004. In 2004 this institute was handed over to Ministry of Skills Development Vocational and Technical Education. From November 2005 CGTTI was handed over to Ministry of Skills Development and Public Enterprise Reforms. In February 2007, CGTTI was handed over to the Presidential Secretariat. In October 19, 2007, the CGTTI was handed over to the Ministry of Transport. As from 2010, the CGTTI comes under the purview of the Ministry of Youth Affairs & Skills Development.

Vision- To become the best Automotive training institute in South Asia.

Mission- Systematically develop the technology related to Automotive and other technical trades and to provide training to students to be appropriately equipped to perform at the highest level of competence and thereby maintain high standards as the centre of excellence for training in the automotive sector of Sri Lanka.

2. Establishment functions

1. Main objective of our institute is to produce skilled persons required locally and internationally.
2. Conducts Full Time Training Courses in Automobile Mechanics and other allied Trades.
3. Conducting Part Time weekend and evening courses for school leavers and employed persons to enhance their mechanical and technical knowledge.
4. Offer variety of customer oriented technical services, repairing of Vehicles and technical support for domestic home appliances and industrial sector.
5. According to the request of the industry, arrange to conduct day time special Courses in Automobile Mechanics and other allied Trades.

3. Full time Courses Training Conducted by the Institute

Presently 10 full time Technical Training Courses are being conducted relating to Automobile and other Trades and annually 510 trainees (including Borella Branch) are recruited to study these courses.

Course	Course Duration	No. Of Trainees 2013
Automobile trade	04 Years	100
Millwright trade	04 Years	46
Power Electrical trade	03 ½ Years	47
Air conditioning & Refrigeration trade	03 ½ Years	40
Tool Machinery trade	03 ½ Years	27
Auto Electrical trade	03 Years	32
Diesel Mechanic trade	03 Years	20
Welding trade	03 Years	28
Motor Vehicle Body Repair & Painting (Borella Branch)	03 Years	27
Auto Electrical trade(Borella Branch)	03 Years	20
Basic Training Program-2013	01 Year	450
Basic Training Program (CGTTI-Borella Branch)-2013	01 Year	55

450 trainees were recruited for full time Training courses and 55 trainees for Borella branch in 2013. Thereafter at the trade selection test examinations held after one year of basic training based on marks obtained the trainees were detailed to follow the courses given above in the 2014.

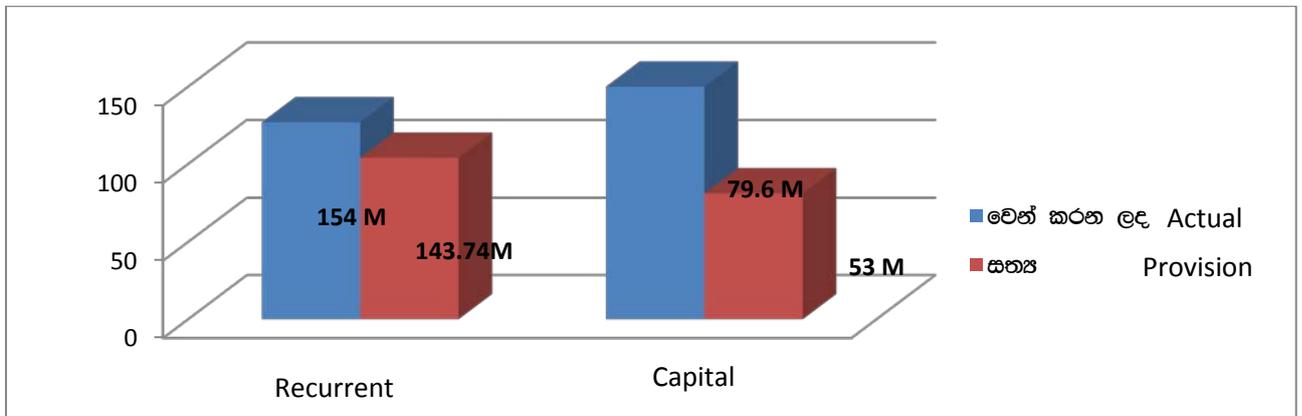
4. Part- Time Training Programmes (Evening/Weekend)

The Part-Time Training Scheme functions as an additional training activity for private sector employees and school leavers at the institute after normal working hours. Thirty Two short- term courses are conducted during evenings and weekends under this scheme. Fees are levied from the participants. Funds required to meet the expenses are earned from the course fees levied from these Part Time trainees.

- ❖ Preliminary Training course
- ❖ Automobile Courses
- ❖ Power Electrical Courses
- ❖ Tool Machinery
- ❖ Air Conditioning & Refrigeration
- ❖ Draughtsmanship
- ❖ Welding Courses
- ❖ Auto Electrical
- ❖ Electronics
- ❖ Machinery Maintenance & Repairing
- ❖ PLC

5. Financial Progress of CGTTI – Year 2013

For the year 2013 the annual allocated amount for recurrent expenditure was Rs.154 million while for capital expenditure it was Rs.79.6 million. Up to end of December 2013, the recurrent expenditure incurred by the Institute is Rs.143.74 million while capital expenditure spent is Rs.53 million.



6. Achievement

- In the survey conducted by the LMD Magazine, CGTTI has ranked second amongst Educational Institutions in Sri Lanka.

SULTS	INSTITUTION	INDEX
	SRI LANKA INSTITUTE OF INFORMATION TECHNOLOGY (SLIIT)	1,105
	CEYLON-GERMAN TECHNICAL TRAINING INSTITUTE	697
	NATIONAL INSTITUTE OF BUSINESS MANAGEMENT (NIBM)	695
	BRITISH COLLEGE OF APPLIED STUDIES	655

- Enrolled 438 new trainees in this year for Full Time Training Courses.
- 55 trainees were enrolled to CGTTI-Borella Branch for Full Time Training Course in February 2013.
- 05 differently abled trainees were enrolled to CGTTI-Borella Branch for Special Painting Course.
- Introduce German Language Course for the Full Time Trainees.
- In this year about 3100 trainees following 37 Part Time courses.
- Provide Electrical Oven and Oscilloscopes for the Auto Electrical Section to enhance their training.



Auto Electrical Section- Electrical Oven



Auto Electrical Section- Oscilloscope

- Provided the CNC Vertical Machine for the Tool Machinery Section to upgrade the training programme.



Lathe Section -CNC Vertical Machine

- Provided a Horizontal Metal Cutting Machine for the basic training programme
- Provide Two Post Ramp for the Engine Section to enhance their training.

Infrastructure Development

- Road rehabilitation with Inter locking
- Renovation of Vehicle Repair Section
- Claddings
- LED display board





Road Rehabilitation

Middle Term Plan – 2013

- Upgrading the Auto electrical section
- Introducing of new painting course for differently abled trainees in Borella Branch.
- Provide training inland & abroad on updated modern technology to our Staff members and provide updated Machinery & Equipments to conduct our training programmes at the highest level to meet the requirements of local & foreign job market.

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
Financial Position as at 31st December 2013

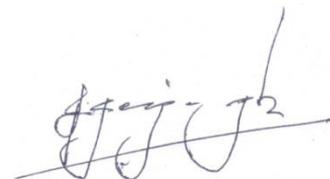
DESCRIPTION	NOTE	2013 Rs	2013 Rs	2012 Rs	2012 Rs
ASSETS					
Non Current Assets					
Property, Plant & Equipment	2	1,535,292,671		1,002,507,651	
Investment	8	<u>48,155,215</u>		<u>32,927,073</u>	
Other Financial Assets			1,583,447,886		1,035,434,724
Current Assets					
Non Movement Stocks		5,829,550		6,279,189	
Steel stock for furniture		769,250			
Stationery & Paints Stocks	29	435,000		485,000	
Income Receivable	26	1,201,872		1,403,886	
Advance A/C	5	1,490,802		1,534,942	
Current Accounts -S.L.C.T.B	7	1,133,529		1,133,529	
Deposit	4	272,000		202,000	
Advance for Fixed Assets	30	399,319		7,377,919	
Debtors	3	3,524,938		2,757,805	
Cash & Cash Equivalents	6	<u>20,083,851</u>		<u>25,397,555</u>	
			<u>35,140,111</u>		<u>46,571,825</u>
TOTAL ASSETS			<u>1,618,587,997</u>		<u>1,082,006,549</u>
LIABILITIES					
Current Liabilities					
Payables	28	-			
Accrued Expenses	9	32,997,720		19,083,330	
Loans	10	-		321,319	
Refundable Deposits	11	135,000		215,000	
Part Time Course Fees (2014)		6,500,000		6,000,000	
Creditors	27	<u>26,464,590</u>	66,097,310	<u>5,992,461</u>	31,612,110
Non Current Liabilities					
Deferred Income	13	321,981,373		330,698,143	
Gratuity payable		83,035,238		72,377,684	
			<u>405,016,611</u>		<u>403,075,827</u>
TOTAL LIABILITIES			471,113,921		434,687,937
			<u><u>1,147,474,076</u></u>		<u><u>647,318,612</u></u>

NET ASSETS / EQUITY

Accumulated Fund		845,275,098		845,275,098
Capital Reserve		4,407,578		4,407,578
Revaluation Reserve		532,074,670		
Translation Reserve	14	<u>(234,283,270)</u>		<u>(202,364,063)</u>
			<u>1,147,474,076</u>	<u>647,318,613</u>

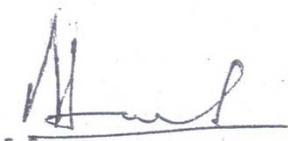


Director / Principal
C.G.T.T.I.
M.D.S.B. Karunarathne

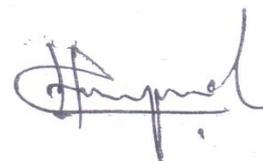


Accountant
C.G.T.T.I.
J.D.Y.B. Jayasinghe

The Accounting policies on pages 17 to 18 and Notes on pages 07 to 16 from an integrate part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These financial statements wear approved by the Advisory committee and signed on their behalf.



Chairman
Advisory committee
Professor P.A. de Silva



Member
Advisory committee
H.R.V.P. Wijewardhana

CEYLON - GERMAN TECHNICAL TRAINING INSTITUTE
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31ST DECEMBER 2013

DESCRIPTION	NOTE	2013	2012
OPERATION REVENUE		Rs.	Rs.
Recurrent Treasury Grant	12	125,200,000	108,400,000
Other Income	15	8,920,334	9,645,399
Part Time Income	1	8,162,875	6,379,040
MTTC Course Income	1 A	47,365	246,277
Transfer from Differed Income	13	51,716,770	47,416,770
Production Net Income	16	1,193,144	1,636,641
TOTAL INCOME		195,240,488	173,724,127
OPERATING EXPENSES			
Personnel Emoluments	17	114,930,806	101,012,962
Traveling	18	301,866	76,974
Staff Training & Development	19	1,501,311	1,283,287
Contractual Service	20	11,695,797	10,627,260
Supplies & Consumable Used	21	6,475,501	6,049,067
Maintenance Expenses	22	7,721,885	7,726,420
Depreciation	2	72,720,479	36,514,662
Other Recurrent Expenses	23	7,473,902	15,023,765
Training Materials	24	4,092,978	3,909,816
Finance Cost	25	245,170	241,690
TOTAL OPERATING EXPENSES		227,159,695	182,465,903
Surplus/(Deficit) from Operating Activities		(31,919,207)	(8,741,776)
Net Surplus/(Deficit) Before Extra Ordinary Items		(31,919,207)	(8,741,776)
Net Surplus/(Deficit) for the Period.		(31,919,207)	(8,741,776)
Prior Year Adjustment(Bank Charges)	32	-	(1,069,261)
Net Surplus/(deficit) After Prior Year Adjustment		(31,919,207)	(9,811,037)

CEYLON - GERMAN TECHNICAL TRAINING INSTITUTE
CASH FLOWS STATEMENT
YEAR ENDED 31st DECEMBER 2013

	Note	2013 (Rs.)	2012 (Rs.)
Cash Flows From Operating Activities			
Surplus (Deficit) from Ordinary Activities		(31,919,207)	(8,741,776)
Prior Year Adjustment		-	(1,069,261)
		(31,919,207)	(9,811,037)
Non Cash Movements			
Depreciation		72,720,479	36,514,662
Gratuity Provision		18,890,291	10,065,261
Amortization – Deferred income		(51,716,770)	(47,416,770)
		7,974,793	(10,647,884)
Increase/ Decrease in Payables			
Increase/ Decrease in Accrued Expenses		13,914,390	12,921,362
Increase/ Decrease in Current Liabilities		20,570,810	8,999,981
Gratuity Payments		(8,232,736)	(3,042,550)
Sales of property, plant & equipment			
Increase/ Decrease in Current Assets		6,387,621	3,337,510
Increase/Decrease in Stocks		(269,611)	35,651
Net Cash Flow from Operating Activities		40,345,267	11,604,070
Cash Flow from Investment Activities			
Acquisition of fixed Assets		(62,946,665)	(108,981,061)
Building Constructions		(10,484,164)	
		(33,085,562)	(97,376,991)
Cash Flow from Financing Activities			
Increase / Decrease Investments		(15,228,142)	(12,728,801)
Reserves/Capital Grant		43,000,000	115,998,218
		(5,313,704)	5,892,426
Cash & Cash equivalents at beginning of the Period.		25,397,555	19,505,129
Cash & Cash Equivalents at End of the Period.		20,083,851	25,397,555

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2013

	Accumulated Fund	Revaluation Reserve Deferred Income	Translation Reserve	Capital Reserve	Revaluation Reserve	Total
Opening Balance 01.01.2013	845,275,098	330,698,143	(202,364,063)	4,407,578		1,070,461,463
Net Surplus / (Deficit) For the Period			(31,919,207)			(31,919,207)
Capital Grant Treasury		43,000,000				43,000,000
Revaluation Reserves					532,074,670	532,074,670
	845,275,098	373,698,143	(234,283,270)	4,407,578	532,074,670	1,613,616,926
Less:						
Transfer to Finance Performance A\C		(51,716,770)				(51,716,770)
Balance as at 31.12.2013	845,275,098	321,981,373	(234,283,270)	4,407,578	532,074,670	1,561,900,156

Note: 01

**CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
PART TIME COURSES**

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2013

	Note	Rs	Rs
		2013	2012
Income			
Interview Fees		921,320	523,210
Course Fees & Admission		36,980,095	24,756,855
Course Fees- Diploma	35	1,178,900	138,600
Interest on Treasury Bills-E.W.P.T		767,505	623,212
Miscellaneous Income	34	94,824	86,897
Fixed Deposit Interest- E.W.P.T		1,730,753	1,165,535
Total Income		41,673,397	27,294,309
Expenditure			
Part Time & Other Allowances		29,222,484	19,538,401
Diploma course expenses (NVQ)	36	467,496	271,994
Refreshments		4,692	5,170
Stationery		430,808	279,895
Postage & Telegrams		121,335	133,458
Bank Charges		25,555	25,800
Electricity		2,262,026	
Advertisements		94,153	56,672
Stamp Duty		6,575	1,375
Training Materials		593,483	405,417
Risk Allowances		1,890	2,387
Miscellaneous Expenses		101,025	18,500
Total Expenditure		33,331,522	20,739,069
Surplus/Deficit Before Bonus		8,341,875	6,555,240
Less: Bonus		(179,000)	(176,200)
		8,162,875	6,379,040
Surplus/Deficit			

CEYLON GERMAN TECHNICAL TRAINING INSTITUTE
MTTC COURSES
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2013

Income	Rs.	Rs.
	2013	2012
Course Fees	1,889,000	1,820,500
Total Income	1,889,000	1,820,500
Expenditure		
Part Time Allowance	673,607	411,705
Production Incentives		313,914
Special Course incentive	331,780	
Training		102,667
Stationery	17,384	6,050
Maintenance Workshop Equipment	57,095	42,928
Postage & Telegrams		
Bank Charges	750	2,200
Advertisements	54,219	43,656
Stamp Duty		75
Training Materials	18,840	27,125
Office Equipments Maintenance	19,350	20,100
Civil Maintenance		1,530
Water	24,439	35,370
Telephone	58,880	58,017
Electricity	580,390	503,362
Miscellaneous Expenses	4,901	5,524
Total Expenditure	1,841,635	1,574,223
Surplus / Deficit	47,365	246,277

Note -02

Property, Plant and Equipments	Land		Building		other		Vehicle		Machinery		Furniture & Fittings		Office Equipment		TOTAL
	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI/ BORE.
Cost															
Balance as at 01.01.2013	843,750,000	209,000,000	284,250,000	11,000,000			45,882,460	515,000	311,391,280	16,266,406	26,750,890	693,804	39,624,722	298,250	1,789,422,812
Additions			10,733,663		8,466,268				41,288,839	134,500	350,702	20,591	1,850,182	101,920	62,946,665
Transfers															
Balance as at 31.12.2013	843,750,000	209,000,000	294,983,663	11,000,000	8,466,268	-	45,882,460	515,000	352,680,119	16,400,906	27,101,592	714,395	41,474,904	400,170	1,852,369,477
Depreciation															
Balance as at 01.01.2013							45,186,579	515,000	147,760,210	6,641,379	15,348,436	566,610	28,120,410	217,703	244,356,327
Charge for the year Depreciation for disposal			28,649,259	1,100,000	951,430		255,920		30,797,893	2,630,898	1,898,509	26,457	6,352,327	57,786	72,720,479
Balance as at 31.12.2013	-	-	28,649,259	1,100,000	951,430	-	45,442,499	515,000	178,558,103	9,272,277	17,246,945	593,067	34,472,737	275,489	317,076,806
Written down value															
As at 31.12.2013	843,750,000	209,000,000	266,334,404	9,900,000	7,514,838	-	439,961	-	174,122,016	7,128,629	9,854,647	121,328	7,002,167	124,681	1,535,292,671

Note-03

Debtors Accounts				Rs	Rs
				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Other Debtors	3,256,819			3,256,819	2,663,778
MTTC Allowances			268,119	268,119	94,027
Total	3,256,819	-	268,119	3,524,938	2,757,805

Note-04

Deposit				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fuel (Security-Co-op. Society Moratuwa)	270,000			270,000	200,000
Electricity (Official Bungalow - Dehiwala)			2,000	2,000	2,000
Total	270,000	-	2,000	272,000	202,000

Note-05

Advance				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Festival Advance	200,700	6,000		206,700	244,100
Special Advance	589,500			589,500	604,500
Trainees Advance	24,200	3,150		27,350	
Book Loan	8,850		543,350	552,200	526,100
Local Purchase	115,052			115,052	132,442
Salary Advance/4048/Tr.Insurance					27,800
Total	938,302	9,150	543,350	1,490,802	1,534,942

Note-06

Cash & Cash Equivalents					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Return Money Order				2,400	2,400	2,400
Cash/Bank Balance	794,646		28,847	19,128,762	19,952,255	25,458,273
Bank Balance (Production)	1,462				1,462	1,462
Bank -MTTC	127,734				127,734	(64,580)
Total	923,842	28,847	28,847	19,131,162	20,083,851	25,397,555

Note-07

Current A/C S.L.C.T.B					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
S.L.C.T.B.Current A/C	480,268		653,261		1,133,529	1,133,529
Total	480,268	480,268	653,261	-	1,133,529	1,133,529

Note-08

Investment					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fixed Deposit- PF	22,307,769		2,050,752		24,358,521	11,886,499
Fixed Deposit- E.W.P.T				16,430,259	16,430,259	14,477,394
Treasury Bills-E.W.P.T.				7,056,643	7,056,643	6,277,901
Fixed Deposit- D.P.T	309,792				309,792	285,279
Total	22,617,561	22,617,561	2,050,752	23,486,902	48,155,215	32,927,073

Note-09

Accrued Expenses				Rs	Rs
				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salary Payable /4093	305,920	59,291		365,211	367,787
Salary Payable	692,592	66,931		759,523	1,520,353
E.T.F Payable	253,903	64,764		318,667	301,019
E.P.F Payable	23,435,838	2,163,046		25,598,884	12,004,887
NVQ Course Fees					400
MTTC Part Time Allowance	268,119			268,119	94,027
Sri Lanka Insurance	5,041			5,041	4,088
Union Payable	11,330	1,247		12,577	8,952
Welfare - Society - CGTTI	32,957	2,000		34,957	19,157
Sports	46,648	4,022		50,670	22,856
Welfare - Society -Trainees	46,021			46,021	36,301
Insurance Payables-Trainees		8,700		8,700	23,750
Book Loan	81,607	2,733		84,340	8,700
Pension Fund Payable	16,286			16,286	8,143
Stamp Duty	1,275			1,275	3,400
4080/1 Accrued Expenses	2,701,808	225,864		2,927,672	2,185,347
Tax	356,900	18,995		375,895	375,978
P.T Allowances			1,929,614	1,929,614	1,906,717
Risk Allowances					
4048/5012 Payable	15,268			15,268	15,268
Bonus Payable			179,000	179,000	176,200
Total	28,271,513	2,617,593	2,108,614	32,997,720	19,083,330

Note-10

Loans (Third Party)				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Bank Loans (Third Party)					240,283
P.F.Loan-7070 (S.L.C.T.B)					81,036
Total	-	-	-	-	321,319

Note-11

Refundable Deposit				2013	2012
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Canteen Tender	15,000	5,000		20,000	125,000
Tender	70,000			70,000	80,000
Tender Deposit - Sandeepsteel	31,000			31,000	
Playground Deposit	9,000			9,000	10,000
Name Board Tender	5,000			5,000	
Total	130,000	5,000	-	135,000	215,000

Note-12

Treasury A/C	Rs.	Rs.
	2013	2012
Capital Grant	43,000,000	115,998,218
Recurrent Grant	125,200,000	108,400,000
Total Grant	168,200,000	224,398,218
Less:- Deferred Income	43,000,000	115,998,218
Performance A/C	125,200,000	108,400,000

Note-13

Capital reserve	Debit	2013		2012
		Credit	Total	Total
Opening Balance		4,407,578		4,407,578
Balance				
		4,407,578	4,407,578	4,407,578
Deferred Income				
Opening Balance		330,698,143		262,116,695
Received from Treasury Account		43,000,000		115,998,218
10% Transfer to P & L Account	51,716,770			(47,416,770)
Total	51,716,770	373,698,143	321,981,373	330,698,143

Note-14

	2013		2012
Translation Reserve		Credit	Credit
Opening Balance		(202,364,063)	(192,553,026)
Prior Year Adjustment Net Surplus (Deficit) for the Period		(31,919,207)	(1,069,261) (8,741,776)
Total		(234,283,270)	(202,364,063)

Accumulated Fund	2013	2012
Opening Balance	845,275,098	845,275,098
Total	845,275,098	845,275,098

Note-15

Other income				Rs	Rs
	C.G.T.T.I	BORELLA	PART TIME	2013	2012
				TOTAL	TOTAL
Examination Income	749,900			749,900	823,850
Traveling Pass	30,827	3,448		34,275	32,232
Miscellaneous Income	208,350	22,000		230,350	230,345
Insurance Commission	32			32	78
Trade Test Fees	37,875	4,000		41,875	43,710
Fitness Charges	80,544			80,544	149,656
Special Course Fees	6,650,943			6,650,943	7,404,205
Skill competition receipt	10,000			10,000	
Vehicle Examination Canteen Rent	60,000	3,600		63,600	33,600 63,600
Auditorium Income Admission Fees	651,000	85,500		736,500	591,000
Ground Fees	84,000			84,000	61,000
ICDL recovery	16,000			16,000	18,000
Brief case recovery	7,500			7,500	
Tender Fees	103,500	500		104,000	93,500
Milk Centre-Rent	36,000			36,000	36,000
FD Interest	34,015			34,015	23,823
Milk Centre	40,800			40,800	40,800
Total	8,801,286	119,048	-	8,920,334	9,645,399

Note-16

Production Unit					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Production Income Private		2,834,123	438,996		3,273,119	2,480,173
Production Income SLTB		2,519,680			2,519,680	1,601,134
Less :Production Materials		(3,359,997)	(197,409)		(3,557,406)	(1,461,686)
Paints Materials			(50,000)		(50,000)	(35,651)
Incentive		(941,699)	(50,550)		(992,249)	(947,329)
Total		1,052,107	141,037	-	1,193,144	1,636,641

Note-17

Personal Emoluments					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salaries & Wages	17A	69,761,096	6,194,129		75,955,225	71,986,389
Allowances	17B	17,113,872	1,425,947		18,539,819	17,595,283
Gratuity		18,890,291			18,890,291	10,065,261
Over Time-Board Holiday		137,025			137,025	99,136
Over Time		1,327,472	80,974		1,408,446	1,266,893
Total		107,229,756	7,701,050	-	114,930,806	101,012,962

Note-17A

Salaries & Wages					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salaries		45,672,989	3,965,432		49,638,421	47,239,191
Additional Allowances(COL)		14,659,326	1,188,000		15,847,326	13,248,772
Contract Salaries		283,708	164,637		448,345	1,687,641
Contract Additional Allowances		89,475	49,175		138,650	475,732
P.F. Board contribution		7,230,059	663,738		7,893,797	7,466,971
ETF		1,825,539	163,147		1,988,686	1,868,082
TOTAL		69,761,096	6,194,129	-	75,955,225	71,986,389

Note-17B

Allowances		C.G.T.T.I	BORELLA	PART TIME	2013	2012
					TOTAL	TOTAL
Band Training Allowances		200,100			200,100	201,500
Risk Allowances		740			740	
Trade Test						
Fitness Charges						38,400
English Teachers Allowances		830,958	37,450		868,408	809,300
Cash/ Assets Verification Allowances						
Allowances- Drivers						147,250
Advisory Committee Allowances		480,000			480,000	420,000
Weekend Allowances						400
Attendance Allowances - Technical Staff only		1,077,002	37,686		1,114,688	1,063,080
Trainees Allowances		12,860,708	1,350,811		14,211,519	13,810,784
Special Course		1,664,364			1,664,364	1,104,569
Total		17,113,872	1,425,947	-	18,539,819	17,595,283

Note-18

Traveling		C.G.T.T.I	BORELLA	PART TIME	2013	2012
					TOTAL	TOTAL
Foreign Travelling		210,796			210,796	
Traveling Expenses		76,510	14,560		91,070	76,974
Total		287,306	14,560	-	301,866	76,974

Note-19

Staff Training & Development		C.G.T.T.I	BORELLA	PART TIME	2013	2012
					TOTAL	TOTAL
Leadership Training						601,000
Capacity Building- Singapore Training	33	667,861			667,861	
Teacher /Staff Training		673,450	160,000		833,450	320,568
Foreign Training/Travelling						361,719
Total		1,341,311	160,000	-	1,501,311	1,283,287

Note-20

Contractual Service					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Electricity & Water Expenses	20A	5,078,176	238,311		5,316,487	4,782,246
Postage & Telecommunication	20B	592,837	111,559		704,396	549,696
Security Expenses		3,753,875	1,921,039		5,674,914	5,295,318
Total		9,424,888	2,270,909	-	11,695,797	10,627,260

Note-20A

Electricity & Water Expenses					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Electricity		4,571,796	181,651		4,753,447	4,210,291
Official Bungalow Water		506,380	56,660		563,040	6,228
Total		5,078,176	238,311	-	5,316,487	4,782,246

Note-20B

Postage & Telecommunication					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Postage & Telecommunication		553,519	111,559		665,078	549,696
Stamps		39,318			39,318	
Total		592,837	111,559	-	704,396	549,696

Note-21

Supplies & Consumable Used					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Stationary		1,303,092	38,709		1,341,801	1,024,527
Fuel Expenses		5,124,200	9,500		5,133,700	5,024,540
Sports Items						
Fuel Expenses MTTC						
MTTC Stationery						
Total		6,427,292	48,209	-	6,475,501	6,049,067

Note-22

Maintenance Expenses					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Furniture & Office Equipments		343,741			343,741	105,714
Electricity Maintenance		672,683			672,683	849,265
Vehicle Maintenance		1,289,390	5,432		1,294,822	944,357
Civil Maintenance		2,209,129	101,988		2,311,117	2,814,832
Official Bungalow Maintenance		23,274			23,274	45,400
Work Shop Equipment Maintenance		2,985,603	66,020		3,051,623	2,940,633
Garden Maintenance		24,625			24,625	26,219
Total		7,548,445	173,440	-	7,721,885	7,726,420

Note-23

Other Recurrent Expenses					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Miscellaneous Expenses	23A	1,969,332	71,294		2,040,626	1,799,456
Welfare Expenses	23B	485,803	305,347		791,150	673,662
Verification Expenses		25,000			25,000	30,000
Ceremony & Exhibition		305,058			305,058	
Uniforms		307,100			307,100	
Intake Ceremony		82,886	16,371		99,257	
Deyata Kirula Exhibition		297,702			297,702	378,573
Exhibition Expenses		73,032			73,032	126,119
Certificate Awarding Ceremony		195,365			195,365	176,101
Accounts Translate						65,000
Audit Fees & Audit Meeting		58,000			58,000	76,000
Tender Expenses		35,500			35,500	
Annual Report		96,550			96,550	100,000
Taxes	23C	2,276,565			2,276,565	11,011,336
Insurance	23D	844,635	28,362		872,997	587,518
Total		7,052,528	421,374	-	7,473,902	15,023,765

Note-23A

Miscellaneous Expenses					2013	2012
					TOTAL	TOTAL
		C.G.T.T.I	BORELLA	PART TIME		
Examination Expenses		741,580			741,580	860,966
Sports		50,340			50,340	
News Papers		88,660	11,500		100,160	53,640
Ex-gratia Payments						
Refreshments		223,145	28,783		251,928	169,929
Innovation Test Fees						31,156
Legal Fees						
Other Miscellaneous		447,511	5,610		453,121	347,112
Other Miscellaneous		3,175			3,175	
Airport Charges						
Staff Uniforms						
Paper Advertisement		378,091	25,401		403,492	314,055
Seminar Expenses		36,830			36,830	22,598
Total		1,969,332	71,294	-	2,040,626	1,799,456

Note-23B

Welfare Expenses					Rs	Rs
					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Welfare Expenses		251,955	134,369		386,324	450,439
Medical Bills		233,848	169,785		403,633	223,223
Trainees Welfare			1,193		1,193	
Total		485,803	305,347	-	791,150	673,662

Note-23C

Taxes					2013	2012
					TOTAL	TOTAL
		C.G.T.T.I	BORELLA	PART TIME		
VAT Receivable		2,276,565			2,276,565	11,009,736
Stamp Duty						1,600
Total		2,276,565	-	-	2,276,565	11,011,336

Note-23D

Insurance					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Assets Insurance		643,332	22,657		665,989	426,161
Insurance (Money in Transit)		18,900	5,705		24,605	24,607
Vehicle		182,403			182,403	136,750
Total		844,635	28,362	-	872,997	587,518

Note-24

Training Materials					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Training Materials		3,789,970	303,008		4,092,978	3,909,816
Total		3,789,970	303,008	-	4,092,978	3,909,816

Note-25

Finance Cost					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Bank Charges		218,820	26,350		245,170	240,490
Bank Charges Production						1,200
MTTC Bank Charges						
Total		218,820	26,350	-	245,170	241,690

Note-26 Income Receivable

					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fixed Deposit Interest Receivable		28,902		687,665	716,567	909,777
Treasury Bills Interest Receivable				428,272	428,272	439,509
Fixed Deposit Interest Receivable FT						19,400
Milk Bar Electricity Recovery		10,200			10,200	10,200
Canteen Rent		21,833			21,833	
Milk Bar Rent		25,000			25,000	25,000
		85,935	-	1,115,937	1,201,872	1,403,886

Note-27

Fixed Asset Creditors					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Swedish Trading		289,500			289,500	289,950
Metropolitan Eng. (Pvt) Ltd		3,906,080			3,906,080	452,000
Metropolitan Computers (Pvt) Ltd						138,829
Waterman Eng.(Pvt) Ltd		54,540			54,540	54,540
Ananda Constructions		47,511			47,511	47,511
DIMO (Pvt) Ltd						1,363,500
Savidzone		207,060			207,060	
Abans (Pvt) Ltd		327,995			327,995	327,995
Megaheters		53,395			53,395	
Open system pvt Ltd		108,885			108,885	
Singn tec advertising		49,237			49,237	
NGP Engineering		84,930			84,930	
Prasans Contraction		190,089			190,089	
Alcobronz		89,250			89,250	
Electroserve		45,103			45,103	
API Machinery		5,376,000			5,376,000	
VK Constraction		2,669,262			2,669,262	
Waterman Eng. Pvt. Ltd.		5,000,000			5,000,000	
Nett Engineering		380,370			380,370	
Dacess Engineering		97,457			97,457	
Nikini Automation (Pvt) Ltd		1,468,544			1,468,544	1,305,671
United Tractors (Pvt) Ltd		546,460			546,460	30,700
John Keels office		33,157			33,157	
State Development & Construction Co.		5,427,605			5,427,605	1,894,765
HM Enterprise		12,160			12,160	
Macro Auto Tec (Pvt) Ltd						87,000
Total		26,464,590	-	-	26,464,590	5,992,461

Note-28

Payables					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
		-	-	-	-	-

Note-29

Stocks					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Paints			435,000		435,000	485,000
Total		-	435,000	-	435,000	485,000

Note-30

Advance for Fixed Assets					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
API Machinery (Pvt) Ltd						5,419,500
Swedish Trading (Pvt) Ltd						1,559,100
Abans (Pvt) Ltd		399,319			399,319	399,319
Metropolitan Eng.(Pvt) Ltd						
Total		399,319	-	-	399,319	7,377,919

Note-31

Sales of Non Movement Stocks					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Sales Value						
Book Value						
Total		-	-	-	-	-

Note-32

Prior Year Adjustment					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Inland Revenue A/c						(1,080,661)
NVQ Course Fees						11,400
Total		-	-	-	-	(1,069,261)

Note-33

Capacity Building – Capital Expenses					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Training & Development (Singapore Training)		667,861			667,861	
Transfer to training & devp A/C		(667,861)			(667,861)	
Total		-	-	-	-	-

Note-34

Miscellaneous income part time					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Examination fees				70,600	70,600	
Miscellaneous income				26,224	26,224	86,897
Total		-	-	94,824	94,824	86,897

Note-35

Diploma Course income NVQ					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Course Fees				1,080,000	1,080,000	
Registration fees				98,900	98,900	138,600
Total		-	-	1,178,900	1,178,900	138,600

Note-36

Diploma Course expenses NVQ					2013	2012
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Visiting lecture				333,000	333,000	98,000
Other staff allowance				86,930	86,930	40,600
Other expenses				47,566	47,566	
				467,496	467,496	138,600

1. General Policies

1.1 Basis of Preparation

The Balance Sheet Statements of Income changes in equity and Cash flows together with Accounting policies and notes of C.G.T.T.I. as at 31st Dec. 2013 and for the year then ended comply with Sri Lanka Public Sector Accounting Standards. These Financial Statements presented in Sri Lankan Rupees.

1.2 Foreign Currency Transaction

All transaction involving foreign exchange was converted to Sri Lankan Rupees at the rate of exchange prevailing at the time of transaction in this financial Statement.

1.3 Event Occurring subsequent to the Balance Sheet

All material events occurring after the balance sheet date have considered in the financial statement.

2. Assets and base of their valuation.

2.1 The C.G.T.T.I. was functioning as an S.L.C.T.B. Training Institute and was converted to a statutory body under the Ministry of Skills Development Vocational and Technical Education with effect from 28th April 2004. (As per the special Gazette Notification.) Assets including vehicles owned by the C.G.T.T.I. were valued according to instructions given by, Board of Governors and land & building revalued as at 31.12.2012 by Department of valuation.

2.2 Depreciation is provided from month of purchased. The annual rates of depreciation generally used by institute are as follows.

	Per annum
Buildings	10%
Vehicles	25%
Machinery	12.5 %
Furniture & Fittings	10%
Office equipments	25%
Other equipments	25%

2.3 Assets classified as Current Assets on the balance sheet are those which are expected to be realized in cash during the normal operating cycle or within one year from the Balance Sheet date whichever is shorter.

3. Liabilities and Provisions

3.1 All known liabilities have been accounted in preparing the financial statement and Adequate provision has been made for liabilities which are known to exist.

3.2 Retirement Gratuity

Provision is made in the financial statements for retiring Gratuity which may fully Due for payment, under the payment of gratuity act no 12 of 1983 in accordance with Sri Lanka Accounting Standard No 16. Retirement benefit costs for all employees who Have completed more than five year of continuous Service with the C.G.T.T.I.

3.3 Deferred Income

Capital Grant received under the Treasury funds are treated as deferred income and Amortized 10% per year.

**CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
TRAIL BALANCE AS AT 31.12.2013**

	Dr	Cr
Accumulated Fund		5,735,681
Premium Income		325,900
Interest Income – Prior Year		-
Interest Income		388,066
Fixed Deposit	3,852,789	
Bank Balance	2,404,255	
Interest Receivable	192,603	
Expenses		
Bank Charges		
	6,449,647	6,449,647

**CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
Income Expenditure Account Year ended 31.12.2013**

	2013	2012
Income		
Premium Income	325,900	318,250
Interest Income	388,066	309,983
Total Income	713,966	628,233
Expenses		
New Year Festival	-	24,429
Total Expenses	-	24,429
Surplus	713,966	603,805
Prior Year Adjustment		
Surplus	713,966	603,805

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
Balance Sheet as at 31.12.2013

Assets	2013	2012
Fixed Assets		
Fixed Deposit	3,852,789	3,489,944
Current Assets		
Bank Balance	2,404,255	2,059,985
Interest Receivable	192,603	185,752
Total Assets	6,449,647	5,735,681
Liabilities		
Accumulated Fund	5,735,681	5,131,876
Ad: Surplus	713,966	603,805
Total Liabilities	6,449,647	5,735,681

Director/Principal
CGTTI

Accountant
CGTTI



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கணக்காய்வாளர் தலைமை அறிப்பதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} YS/D/CGTTI/1/13/07

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

}

12 June 2015

The Director / Principal,
Ceylon – German Technical Training Institute.

Report of the Auditor General on the Financial Statements of the Ceylon – German Technical Training Institute for the year ended 31 December 2013 in terms of the Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the Ceylon – German Technical Training Institute for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My comments and observations on the above financial statements appear in this report. A detailed report for the year under review was furnished to the Principal of the Institute on 26 January 2015.

1.2 Management's Responsibility for the Financial Statements

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



1.3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

1.4 Basis for Qualified Opinion

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

1.5 Incorporation of the Institute

According to the Cabinet Memorandum No. 05/0994/029/013 of 18 August 2005 it had been decided to allow the Ceylon German Technical Training Institute to be further maintained under the identification of the Central Transport Board until it is formally incorporated. Even though a period of 10 years had elapsed since such decision, action had not been taken for the incorporation of the Institute.



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the Ceylon-German Technical Training Institute as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

Even though the contributions to the Employees' Provident Fund and the Employees Gratuity to 02 groups of employees of the Institute had been computed on 02 systems, the accounting policy followed in that connection had not been disclosed in the financial statements.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Even though a sum of Rs.532,074,670 had been shown as the surplus on revaluation in the financial statements, according to the computation made in audit, that amounted to Rs.514,586,175. As such the revaluation surplus had been overstated by a sum of Rs.17,488,495.
- (b) The contribution to the Provident Fund in respect of the year under review for the staff appointed to the Central Transport Board and deployed in the Institute amounted to Rs.22,018,855 whereas according to the ledger, the balance amounted to Rs.23,435,838 and as such a difference of Rs.1,416,983 was observed between the two balances. That difference had been due to the crediting of the interest earned from the investment of the Provident Fund contribution in fixed deposits to Provident Fund Account instead of recognizing the interest as an income.



- (c) Prior to the receipt of the certified bills in connection of work-in-progress relating to a construction done in the year 2011, an estimated value of Rs.1,894,765 had been posted as building works-in-progress in the year end financial records and the credit entry thereof had been shown as creditors. On the receipt of certified bills in the year 2013, the payment made amounting to Rs.1,951,324 had been debited to the Buildings Account and credited to cash without considering the above entry. Similarly a revaluation amount had been brought to account as buildings in the year under review. The creditors balance in the balance sheet had been overstated by a sum of Rs.1,894,765 as a result thereof.
- (d) The balance of a Bank Current Account as at the end of the year under review according to the cash book amounted to Rs.19,133,425 and that had been shown as Rs.19,128,762 in the statement of financial position. As such the Bank balance had been overstated by a sum of Rs.4,663, in the financial statements.
- (e) According to the financial statements the net value of 19 motor vehicles used by the Institute had been shown as Rs.439,961 and action had not been taken to revalue those motor vehicles and account for the correct value.

2.2.3 Lack of Evidence for Audit

Even though a current asset balance of Rs.1,133,529 appear in the financial statements from the year 2005, the particulars thereof had not been furnished to audit.

2.3 Accounts Receivable and Payable

Action had not been taken even by the end of the year under review to settle the unpaid wages balance of Rs.308,496 as at 01 January 2013.



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

Even though the advances granted for a particular purpose should be settled immediately after the completion of the purpose in terms of Financial Regulation 371, the advances totalling to Rs.1,252,550 granted for the purchase of goods in 21 instances had been settled after delays ranging from 01 month to 03 months.

3. Financial Review

3.1 Financial Results

The financial results of the operations of the Institute during the year under review had been a deficit of Rs.31,919,207 as compared with the corresponding deficit of Rs.9,811,037 for the preceding year. Accordingly, the financial results for the year under review as compared with the preceding year, had deteriorated by a sum of Rs.22,108,170. The increase of operating expenditure for the year under review as compared with the preceding year by a sum of Rs.44,693,792 had been the main reason for the deterioration.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) The Institute had conducted 09 full time courses during the year under review and the National Vocational Qualification Certificates had been awarded for 03 courses. Action was being taken for the accreditation of 04 courses. The Training Standards for the Mill Wright and the Diesel Mechanics courses had not been prepared by the Tertiary and Vocational Education Commission.
- (b) Costs amounting to Rs.154,439,216 had been incurred in the year under review for 1,395 students following the 04 year full time courses. Accordingly, an annual expenditure of Rs.110,709 and full course expenditure of Rs.442,836 have to be spent per student for the courses.



4.2 Management Inefficiencies

The following observations are made.

- (a) According to an agreement entered into between the Institute and a private company on 08 February 2010, a computerized accounting software system costing Rs.1,103,200 should be supplied and installed. A cost of Rs.591,100 had been spent thereon in the years 2010 and 2011. According to the agreement, the computerized accounting system should have been installed within 90 days. Nevertheless, the accounts could not be prepared even by the end of the year under review due to the existing deficiencies. As such any benefit from the expenditure incurred had not been received.
- (b) The production work done by the Institution had not been brought to account under a Cost Accounting System.
- (c) Action had not been taken either to record the goods received as donations to the Institute in the Inventory Book or to assess and bring to account their value.
- (d) The registers and files on the insured value, insurance contributions, accidents, losses, etc of the motor vehicles of the Institute had not been maintained properly.
- (e) Action had not been taken even by 08 August 2014 to settle 06 Money Orders valued at Rs.35,036 deposited in the years 2006 and 2007 and remaining without being realized.



4.3 Operating Inefficiencies

The following observations are made.

- (a) The balance as at the end of the year under review in the Current Account of the Personal Accident and Insurance Benefit Scheme established by the Institute without approval and a methodology for payment of benefits, by collecting a sum of Rs.250 annually from the bursary paid to the students amounted to Rs.2,404,205 and a sum of Rs.3,852,799 thereof had been invested in fixed deposits. The collection from the bursaries and the interest on investments for the year under review amounting to Rs.325,900 and Rs.388,066 respectively had been received by the Insurance Fund. The Institute had not taken action to provide a legal basis for the scheme to enable the payment of other benefits in addition to the accident benefits to the contributors.
- (b) The sum of Rs.2,716,773 representing the contribution to the Employees' Provident Fund recovered from the salaries of the employees of the Central Transport Board who are members of the Provident Fund of the Central Transport Board and attached to the Institute and the installments recovered from the loans granted to employees' from the Fund had been brought to account under Provident Fund Contributions Payable without determining whether the money should be remitted to the Central Bank of Sri Lanka or the course of action to be taken thereon.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) In addition to the conduct of the approved Training Courses by the Institute, it had conducted Part Time, Short Term and Special Training Courses. The following matters were observed in that connection.



- i. The syllabuses for these Training Courses had not been planned by Competent Boards of Scholars and those had not been subjected to timely revision. The approval of the Secretary to the Ministry had not been obtained for commencing such courses.
- ii. In addition to the lecture fees paid to the officers implementing these courses, bonus amounting to Rs.179,000 and an attendance allowance of Rs.1,077,003 had been paid during the year without formal approval. The basis for allocation of overhead and other costs relating to these courses was not clear and the formal approval for that as well had not been obtained.
- iii. Sums of Rs.16,430,258 and Rs.7,056,642 out of the course income had been invested in fixed deposits and Treasury Bills respectively, without approval.
- iv. The Course fee income and expenditure as at the end of the year under review amounted to Rs.41,673,397 and Rs.33,331,522 respectively. The expenditure, as compared with the preceding year, had increased by 60 per cent. Out of this expenditure 87 per cent represented the allowance paid for the part time courses. Such expenditure ranged between 26 per cent to 112 per cent of the income of each course. Even though a specific basis and formal approval should be in place for these payments it had not been so done.

(b) Irregularity in the Computation of Employees Gratuities

The following observations are made in this connection.

- i. Action in terms of the Payment of Gratuity Act had not been taken in the computation of employees gratuity. The letter of the Chairman of the Sri Lanka Central Transport Board had been made the basis thereto.



- ii. Two bases had been followed for the computation of employees gratuity for the officers attached from the Central Transport Board and for the Officers of the Ceylon German Technical Training Institute.

(c) Irregularity in the Computation of Contribution to Employees Provident Fund

The following matters were observed in connection with the computation of contributions to the Employees Provident Fund.

- i. The contribution to the Employees Provident Fund of the officers recruited by the Central Transport Board and attached to the Institute had been made at 10 per cent from the salaries of employees and 12 per cent from the Institute based on the letter No. EPF/LC/CGTTI/05 dated 23 March 2005 contrary to Section 10(1) and (2) of the Employees Provident Fund Act.
- ii. That money had been invested without being remitted to the Central Bank of Sri Lanka and the total value of the investment as at the end of the year under review amounted to Rs.22,307,769.

4.5 Idle Assets

A sum of Rs.309,792 received from the sale of lottery tickets issued in the year 1985 in connection with the Twenty Fifth Anniversary Celebration of the Institute had been invested in a fixed deposit account without being used for the relevant objectives.



5. **Systems and Controls**

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director of the Institute from time to time. Special attention is needed in respect of the following areas of systems and controls.

- (a) Procurement
- (b) Accounting
- (c) Internal Control
- (d) Staff Loans Control

W.P.C.Wickaramaratne
Acting Auditor General

Replies to the Report of the Auditor General on the Financial Statements of the Ceylon - German Technical Training Institute for the year ended 31 December 2013.

1.2 Management's Responsibility for Financial Statements

1.3 Auditor's Responsibility

1.4 Basis for Qualified Opinion

1.5 Incorporation of the Institute

2 Financial Statements

2.1 Qualified Opinion

2.2 Comments on Financial Statements

2.2.1

2.2.2 Accounting Deficiencies

- (a) When the lands and buildings were revalued in the year 2013, two newly constructed buildings were also revalued. However, the Government Audit Branch pointed out that those two buildings should not be revalued as the final bills had not been paid.

Action was taken in the preparation of financial statements for the year 2014 to state the two buildings referred to above at cost and to rectify the overstatement of the revaluation surplus due to the adjustment of the prior year depreciation.

- (b) The Provident Fund of the Sri Lanka Transport Board was repealed with effect from November 2011 by a decision of the Cabinet of Ministers and transferred to the Employees' Provident Fund of the Central Bank of Sri Lanka. Due to the objections raised by the employees during that time, the remittance of the contributions of the Employees' Provident Fund to the Employees Provident Fund was delayed.

The contributions to the Provident Fund and the loan installments on the Housing Loans obtained by the employees from the Provident Fund of the Sri Lanka Transport Board, recovered during that period had to be invested in a fixed deposit, and the interest received on the investment was not considered

as an income of the Institute as that was an income from the investment of the money belonging to the employees.

Action was taken in September 2014 to remit the arrears of contributions of the Provident Fund to the Employees' Provident Fund. Nevertheless, the Employees' Provident Fund did not takeover the interest received on the fixed deposit and that amount is further remaining in a fixed deposit in the Bank of Ceylon. This matter was discussed at the meeting of the Advisory Board of the Institute and the Audit and Management Committee. Action will be taken as soon as possible to take a decision and solve the matter.

- (c) Action was taken in the preparation of the accounts for the year 2014 to eliminate from accounts the sum of Rs. 1,894,765.00 estimated and brought to account before the receipt of the final bill for the constructed building and to rectify the value of the creditors. Further, action was taken to eliminate the revaluation amount and to account for the building at cost.
- (d) The sum of Rs. 19,128,762.00 stated in the Statement of Financial Position is correct. The erroneous understatement in the cash book balance Rs.4,663.00 was rectified.
- (e) The motor vehicles were revalued in the year 2014 and action was taken to include the revaluation amount of Rs. 36,568,000.00 in the accounts of that year.

Lack of Evidence for Audit

A sum of Rs. 1,133,529.00 is shown under the current assets in the accounts as the SLTB Current Account. When the Ceylon – German Technical Training Institute was under the Sri Lanka Transport Board. The transactions between the Head Office of the SLTB and our Institute were recorded in a Current Account in the ledger and as such a sum of Rs. 1,133,529.00 appears in our financial statements as the SLTB Current Account.

2.3 Action has been taken after obtaining the approval under the Advisory Board Paper No. 21-2016 to cancel the unpaid wages balance of Rs. 365,211.00 which existed over a long period in the Accounts Recoverable and Payable and write back to income.

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

Even though action had been taken to grant advances and obtain the goods within the specified period, action had not been taken to settle the advances immediately after obtaining the goods. This had been due to the lack of adequate number of officers in the Supplies Division and the Stores during the period concerned. Instructions were issued to the Supplies Officer and the Stores Officer to make necessary entries in the relevant registers and settle without delay.

3. Financial Review

3.1 Financial Results

Even though a deficit of Rs. 31,919,207 appears in the financial statements, it is not a financial deterioration. The depreciation provision for the assets of the Institute in respect of the year under review amounted to Rs. 72,720,479.00. However the depreciation of previous year was Rs. 36,514,662.00. The depreciation being higher was the reason for indicating a deficit of Rs. 31,191,207.00 in the financial statements for the year under review and that being more than that of the preceding year.

4. Operating Review

4.1 Performance

(a) Ten full time courses are conducted at present and 07 of those have been accredited. Necessary action for the accreditation of the balance courses is being taken and that will be completed soon.

(b) Expenditure of Rs. 150.00 million approximately has to be incurred annually on the salaries of staff, training, materials, apprenticeship allowance, maintenance expenses and other recurrent expenditure of the Institute. The training period of a student of the Institute is 3-4 years and as such the cost per student is high. Nevertheless, there is a

heavy demand and recognition for the trainees of this Institute for employment locally and in foreign countries. They also can earn high salaries.

As such the annual cost incurred per student is not wasteful.

4.2 Management Inefficiencies.

(a) Even though the computer software system was installed, it could not be completed during the to planned period due to the errors and deficiencies of the system and the lack of adequate knowledge among the staff of the Institute. Discussions were held on several occasions with the supplier. Even though it was not possible to make use of it fully, parts of the system were used for the relevant functions. The Accountant was instructed to get the balance deficiencies rectified.

Payment up to 60 per cent only has been made for the system and the balance has not been paid so far.

(b) Job sheets are prepared for each of the items of production by the Institute and the costs are computed.

(c) Action has been taken for the computation of the book value of the motor vehicles received by the Institute as donations in the year 2014 and include the value in the presentation of accounts for that year.

(d) Instructions have been issued to the officer in charge for the proper maintenance of the registers that should be maintained for the motor vehicles of the Institute and they are being maintained properly at present.

(e) As the unrealized Money Orders further remain without being realized, the approval of the Advisory Board of the Institute has been obtained for the write off of those from the books. Action will be taken to settle the matter after obtaining the approval in this connection from the Secretary to the Ministry.

4.3 Operating Inefficiencies.

The approval of the Treasury has been obtained for the maintenance of the Apprentices Insurance Fund. Necessary steps have been taken to incorporate the Fund in the Act of the Institute.

The major objective of the creation of the Apprentices Personal Accident Benefit Scheme was for the grant of compensation in the event of accidents to the Apprentices. We always give priority for the safety of the Apprentices and Instructions and advice have been given to the Apprentices to be mindful of their safety.

Even though about 1,500 Apprentices receive training in the Institute, accidents occurring annually is limited. Even though accidents occur in certain instances, they are not so serious for payment of compensation. But it is not possible to surmise that accidents would not occur. As such it is necessary to maintain the Apprentices Insurance Benefit Scheme.

A new Committee of Members has been appointed for the Scheme and instructions have been issued to make proposals for the improvement of the Scheme and to make suggestions of ways and means for granting better benefits to the Apprentices.

(c) The amount shown represent the installment recoveries made in connection with the housing loans obtained from the SLTB Provident Fund. Since the abrogation of the SLTB Provident Fund and transfer to the Employees Provident Fund managed by the Central Bank of Sri Lanka it is not possible to refund the recoveries of housing loan installments.

Even though recoveries made from 18 employees existed at the inception, subsequently 14 employees had obtained refunds. Even though the recoveries made from 4 employees remain with the Institute, they have declared that they do not wish to obtain refunds of their money.

Discussions in this connection were held with the Commissioner General of Labour, the Employees Provident Fund and the Central Bank of Sri Lanka and action will be taken settle the installments of the four employees immediately after reaching consensus.

4.4 Transaction of Contentious Nature

(a) (i) A Committee headed by the Chief Engineer (Motor Mechanics) has been appointed to raise the short term Motor Mechanics Course to the level of NVQ 3.

This courses had been commenced in the year1979, that is, when the Institute was functioning under the SLTB.

(ii) The Ceylon German Technical Training Institute was functioning under the purview of the Sri Lanka Central Transport Board. A large number of employees appointed by the SLTB are serving in the Institute. When the SLTB paid bonus, the employees of this Institute were also entitled to the bonus.

Subsequently this Institute was divested from the SLTB and brought under the purview of the Ministry of Skills Development and Technical Training in the year 2014.

Since the Institute was brought under the purview of the Ministry the bonus paid to them up to that date was paid to them with the approval of the Ministry. Accordingly payments of Rs. 1,000.00 per employee were made in the year. The bonus was paid from the income earned by the Institute.

The Director / Principal has appointed a Committee including the Chief Engineer (Motor Mechanics) and the Divisional Heads to raise the short term courses relating to the field of motor mechanics to the level of NVQ 3.

The Institute conducts fee changing short term evening courses and the academic staff of the Institute participate in teaching. They are paid an allowance for that purpose. A monthly attendance allowance is paid for encouraging their attendance and deductions are made for the days of absence during the month. The approval for that has been obtained from the Board of Governors. In the preparation of income and expenditure

statements of the short term courses, 1/3 of the expenditure of the Institute on water, electricity and maintenance is charged as overhead expenditure in addition to the direct expenditure thereof.

(iii) Even though a request for obtaining the approval of the Treasury for the fixed deposits was forwarded 07 August 2013 through the Secretary to the Ministry, a reply thereto has not been received. A decision was taken to withdraw the Investments and implement a Loan Scheme for the Staff of the Institute. A letter for obtaining the approval of the General Treasury for the Scheme was forwarded to the Department of National Budget through the Secretary to the Ministry.

When this matter was discussed with the officers of the Department of National Budget, we were informed that as there is no Act for the Institute, attention for the establishment of a Loan Scheme can be paid after enactment of the Act of the Institute.

(iv) The income for the year under review, as compared with the preceding year, had increased by 53 per cent. Comparatively the expenditure as well had increased and that as compared with the preceding year amounts to 60 per cent. Short term courses have been planed parallel to the courses of every field conducted by the Institute. The demand for certain courses are very high while the demand for certain courses is not so. Course periods range between 75 hours and 150 hours and the participating Instructors are paid about Rs. 360 per hour.

As the participating Apprentices for the courses in Power, Air-conditioning, Primary Training and Motor Mechanics are more, the income from non-courses is also more. A lesser number of Apprentices participate in the Machinist and welding courses and Instructors should be deployed even for those courses. As such the allowance paid to the Instructors of these courses with lesser income depicts a higher percentage.

(b) Irregular Computation of Employees Gratuity

(i) The approval for the grant of a Gratuity at the rate of salary for one month per year of service to the employees who were in service at the time of peoplisation of the Sri Lanka Central Transport Board on 28 December 1990, whose services had been terminated without paying compensation. (SLCTB Board paper No. 21 – 1994 & No. 02 – 1996)

As such the employees of the employees in the Ceylon German Technical Training Institute who were appointed by the SLTB who were entitled to the monthly gratuity are also paid a monthly gratuity.

Paragraph 1.1 of the Memorandum of Understanding signed by the Hon. Minister of Youth Affairs and the Minister of Transport on 12 October 2010 indicates that the employees of the Ceylon German Technical Training Institute should be paid the gratuity.

The employees who are entitled to the gratuity of one month are clearly indicated in the letter No. PA 642 dated 14 March 1995 of the General Manager of the SLTB. In addition the SLTB Board paper No.2 of 1996 also clearly states the employees who are further entitled to the gratuity.

Nevertheless, a gratuity of one month is computed as explained earlier as the gratuity of one month to the employees appointed by the SLTB who were in service on 28 December 1990.

(c) Irregular computation of contributions to the Employees' Provident Fund

(i) The contributions to the Employees' Provident Fund of the employees appointed by the CGTTI are computed at 8 per cent from the Salary and 12 per cent from the Instatein terms of Section 10 (1) and (2) of the Employees Provident Fund Act. The contributors to the SLTB Provident Fund had been competed at 10 per cent from the salary and 12 per cent from the Institute.

(ii) At the initial stage of transferring the SLTB Provident Fund to the Employees' Provident Fund managed by the Central Bank of Sri Lanka, Contributions could not be remitted to the Employees' Provident Fund due to the objections raised by the employees. Nevertheless all the contributors to the Provident Fund inducing the arrears were remitted in September 2014. Thereafter the contributions to the Provident Fund are paid regularly.

4.5 Idle Assets

The income collected from the sale of tickets of the Twenty-fifth Anniversary Celebration was held in a fixed deposit account. Subsequently, with the approval of the Advisory Board of the Institute, the invested money was remitted to the General Treasury.

5. System and Controls

Instructions were issued to the officers concerned to take action according to the practices by paying special attention to the areas pointed out. Action will be taken to rectify the deficiencies pointed out.

A handwritten signature in blue ink, consisting of a stylized initial 'D' followed by a long horizontal line that ends in a small upward tick.

Director / Principal

Ceylon German Technical Training Institute