



NATIONAL HUMAN RESOURCES DEVELOPMENT COUNCIL OF SRI LANKA

ANNUAL REPORT

2014

Ministry of Youth Affairs and Skills Development

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

Institutional Background

Institution : National Human Resource Development Council of Sri Lanka

Ministry : Ministry of Youth Affairs and Skills Development

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Chairman's Message

This council established in terms of the National Human Resources Development Council of Sri Lanka Act No. 18 of 1997, and had been functioning attached to several Ministries within a short time period, is carrying out its functions under the purview of Ministry of Youth Affairs and Skills Development, by the year 2014.

Although this Council has been constituted with the purpose of assisting the government to execute the national level policies, the objectives of the Act could not have been achieved as expected, due to the non-completion of recruitment of the staff with the ability to perform it.

However, the recruitment of all the staff was completed by 2014, having understood the function expected by incorporating this institute, and accordingly, research and development projects were organized thereby laying out a corporate plan in relation to the projects so designed, and the operation plan for year 2014 has been prepared under the financial limit of Rs. 16.5 million allocated by the General Treasury as the Capital Expenditure in order to fulfill the recognized mission with the purpose of achieving its vision embodied there.

At the selection of the projects for this plan, they had been identified so as to cover key areas depicted by Section 14.1 of the respective Act and such key areas include:

- (a) Employments, training and education
- (b) Utilizing the science and technology
- (c) Enhancement of quality of life
- (d) Planning of social protection for the disadvantaged groups.
- (e) Rationalizing and integrating the human resource sectors with regard or in relation to the protection of rights through economic reforms.

Projects implemented during 2014

1. Study on Local and Foreign Labour Market

The primary objective of the project was to lead the Sri Lankan labour force correctly within the local and foreign labour market. During this study, special attention would be paid in relation to the demand and supply of the employment opportunities in the local and foreign market for the skilled labours. While this study was conducted through several sub purposes, the assistance of the Greentec Human Resources Development (Pvt). Ltd. which provides the advisory contribution in Sri Lanka has been obtained to conduct this study. They have submitted the necessary data through 3 key areas where the employment opportunities are generated.

While it provides the opportunity to build up a clear reflex how the skilled labours who are obtaining other trainings should be lined up by the vocational training institutes in order to fill the employment opportunities/vacancies in the agricultural, industrial and services sectors and it will enable to obtain the data for the young groups about the local and foreign employment opportunities suitable for their skills and talents and a range of hypothetical data from year 2014 to 2020 have been pointed and the National Human Resources Development Council wishes to present it as a report for next five years by updating the data annually.

2. The survey on War Displaced Disadvantage Families in Mullative District

“The survey on the war displaced disadvantage families in Mutative district” was conducted by the Council during year 2014 with the objective of uplifting the livelihood of the war displaced group of people who made efforts to maintain their lifeblood amidst the suffering from the brutal war existed more than three decades. The primary objective of this survey was to identify the social, economic and psychological status faced by the war displaced groups and support them to uplift their livelihoods from such status.

Although it has passed nearly five years period of concluding the war, the absence of some mechanism to upgrade the economic strength of this group has specially led for this. Accordingly, arrangements have been made to point out the government and the private sector the need providing employment opportunities, vocational and agricultural trainings,

improving the educational opportunities, and several development programmes preceding the purpose of making the psychological status of those who affected by the war better and to provide the necessary recommendations and guidance for the same.

3. Project to develop the uplift the livelihood of the selected war displaced families in Kilinochchi district

689 families in Grama Seva divisions of Ampar Nagar, Paranthan, Thambahamam and Pallikuda in the Divisional Secretariats of Karachchi, Kandawalei, Pachchilaipalei and Punarin in Kilinochchi district have been selected as the sample for this project and its special objectives are to increase the income and the psychological and physical health condition and motivation of youths in selected families for the vocational training of the selected families and development of obtaining the public sector services and the essential information.

While the needs of the selected families in selected areas by this survey and the programmes on providing consultation services, distribution of plants, social vitalization programme, programme on vocational training needs and distribution of educational needs have been implemented with the collaboration of Institute for Research and Psychology, Ministry of Child Development and Women's Affairs and Ministry of Youth Affairs and Skills Development.

4. Middle East migrant female workers and their social consequences

The objective of this research is to examine the reasons for the migration of women in Batticaloa district to Middle East countries and to find out its impacts. Further, the research has made effort to propose the solutions to reduce the negative impacts and its main objective is to analyze the changing role of the women and its impact on the families in Batticaloa district.

5. Inducing a holistic development through a holistic approach

The project for inducing a holistic development through a holistic approach was implemented through several stages. First stage was to identify the criteria for the development of the family. For this purpose two workshops were organized by the National Human Resources Development Council. Under this several programmes were conducted with the contribution of expert resource personnel in different fields and it is special since it can receive the ideas of a board of expert intellectuals from Grama Niladhari level to the Presidential Secretariat level. During this workshop the discussions were held among several groups in relation to

the various sectors and the criteria required to develop a family and a small booklet named as “Sonduru Kedella” including the criteria formulated through various studies and workshops with regard to the development of the family has been compiled. The distribution of the booklets including the criteria was carried out by the selected officers and volunteer employees through the village awareness workshops with the participation of the all the officers concerned and all the families and with the leadership of the Divisional Secretariat.

5. Dayata Kirula Programme- A dignified public service through a change in positive thinking

The programmes were conducted centering Sothern and Sabaragamuwa provinces to change the attitudes of the public servants into positive direction for upgrading the public service, as one programme of the series of the programmes conducted by the National Human Resources Development Council of Sri Lanka in parallel to the Dayata Kirula 2015. It was expected from these programs to transform the attitude of the public servant into a positive change enabling to provide dignified public service.

The first programme was commenced in the Management Development Training Centre in Wakwella, Galle on 18th August 2014 and the second, third, fourth and fifth workshops were conducted in Provincial Council Auditorium in Rathnapura on 28th August, District Secretariat Auditorium in Hambanthota on 19th of September, Matara district on 10th October and Galle district on 9th December respectively.

6. Improving the Productivity and the Quality within the National Human Resources Development Council of Sri Lanka

The overall objective of this project was to improve this institute into a level which can provide recommendations for the government in order to formulate the policies required to generate a better human resource development by practically adopting internationally recognized productivity and quality improvement standards within this Council in year 2014, based on the reasons that the National Human Resource Development Council which was established 16 years ago has been so far maintained by public funds, the human resource is a vital factor in the economic development and the human resource development in the country is an essential factor to achieve this endeavor. Our Council could entitle for the ISO 9001:2008 International Standard Certificate on 14.11.2014 and it will be valid until 13.11.2017. By taking into consideration the benefits gained by implementing the project to improve the productivity and the quality of this institute, it was able to carry out the overall function of the institute in

comply with the quality management system and the arrangements was made to administer all the documents of the institute. Accordingly, obtaining this ISO 9001:2008 International Standard Certificate made the opportunity for the National Human Resources Development Council of Sri Lanka to easily identify the documents and the formats of the institute, regular and smooth function of the daily activities and to arrange a most suitable method required to carry out the overall function of the institute in a correct, efficient and transparent manner.

7. Implementation of Electronic Document Management System within the institute

While some government institutes in Sri Lanka are carrying out paper works for their activities and the normal post for the communications, some institutes use document management systems and electronic documents for the electronic mails. We also have prepared and operated an electronic documentation management system in terms of the Public Circular No. SB/01/13 and some documents like word documents which are created as a result of normal automated process within this electronic system are converted into electronic documents by digitizing them.

8. Maintaining an information data bank about National Human Resources Development

In terms of the National Human Resources Development Council of Sri Lanka Act No. 18 of 1997, it has been vested with the power of maintaining a data bank in relation to the human resource development and related fields. Accordingly we are maintain a data base including the details of the youth who are waiting for vocational education and employment opportunities in the www.nhrdc.gov.lk/index.php website and the institutes providing employment opportunities and conducting vocational trainings have been enabled to obtain information through this web site.

Wijaya Wickramaratne
Chairman

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1. Institutional Background and the Scope

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

1.1 Introduction to the Institution

The National Human Resources Development Council of Sri Lanka, as a national level Consultative Body was commenced 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 under purview of 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 under the Ministry of Education & Cultural Affairs. Then, subsequent to the change of the government, the institution was assigned under the administration of the Ministry of Skills Development Vocational & Technical Training. This institution which functioned affiliating to number of ministries within a short period is currently carrying out its activities under the purview of the Ministry of Youth Affairs and Skills Development.

1.2 Vision

“A nation of visionary and skilled human Capital”

1.3 Mission

Develop, implement, promote and facilitate the effective policies and strategies on human resource thereby contributing to make Sri Lanka the wonder of Asia.”

1.4 Objectives

Objective of the National Human Resources Development Council of Sri Lanka is to create an institutional frame work suitable to provide instructions and guidelines for the government in respect of the Human Resources Development. This institution is also responsible for the sectors such as Human Resources Development process planning, policy review and improvement of the human resources field. Responsibilities and role of this Council, as per Act of the Council are as follows.

- a. employment, training and education;
 - b. the application of Science and Technology;
 - c. The enhancement of the quality of life;
 - d. The designing of social protection for disadvantaged groups of persons; and
 - e. Maintaining entitlements with economic reforms;
2. Recommendations for the Minister in charge of the portfolio in order to submit the human resource development plans and programmes which are in compliance with the national policy to the government.
 3. In case where it is necessary to review and inspect the national human resource development policy and plans under operations time to time, giving recommendations for the Minister regarding the changes to be made for such policies, plans and programmes.
 4. To inspect about the implementation of human resource development plans and programmes approved by the government.
 5. Implementation of any project in relation to any of the subject specified in the schedule to this Act. However, where such project is connected with the subjects assigned to some other Minister, it should be implemented with the accordance of the said Minister and
 6. Carrying out all other activities which the Council intends as necessary or congenial to develop the human resource in comply with the national objectives.

1.5 Authority of the Council

In terms of the 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 surveys, investigations, studies and researches required to execute the functions of the Council.
- (b) To inquire the facts personally or in public for the purpose of understanding the opinion of specialists, professionals or public with regard to the matters related to the Human Resources Development.
- (c) To establish and maintain relationships with the foreign agencies out of the country, which carry out functions similar to the Council
- (d) To enter into all the contracts and agreements which are necessary to perform the functions of the Council and to accomplish them.
- (e) To engage in the activities for conducting research on Human Resources Development by means of individuals or institutions in Sri Lanka or foreign countries.
- (f) To create and maintain a data bank on Human Resources Development and related fields.
- (g) To open and maintain the current accounts, saving accounts or deposits account in a bank or Banks.
- (h) To welcome and accept grants and contributions both in movable and immovable forms.
- (i) To take necessary steps in order to enhance the talents of the officers in the Council aiming at developing a pool of specialists competent in various fields on Human Resources Development.
- (j) To appoint committees, expert groups and consultation boards necessary for performing the functions of the Council properly.
- (k) To request and obtain the information deem as necessary by the Council, including the statistics received from Ministries, Government Departments, Public Corporations, Statutory Bodies, Provincial Councils, Local Governments and Private Sector Organizations.
- (l) To take all steps deemed necessary, favourable or consequential by the Council in its view in order to fulfill implement and carry out its functions, power and activities

2. Organizational Structure of the National Human Resources Development Council of Sri Lanka

This Council operating under the purview of the Ministry of Youth Affairs and Skills Development is composed of a Chairman and twenty (20) members appointed under the provisions made in National Human Resources Council of Sri Lanka Act No. 18 of 1997. Out of them, fifteen (15) persons have been appointed in ex-officio, while the remaining five (5) members are from relevant institutions. In addition to that, 5 members are appointed by considering the experiences and skills in the relevant fields and out of them two (2) persons are from private sector. The Minister in charge of the portfolio has been vested the power under the Act to appoint a member among them as the executive chairman, and the chairman is the Chief Executive Officer. The Council comprised nineteen (19) members as at 31.12.2014.

Director Board of the Council as at 31.12.2014 was comprised of following members.

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

1. Mr.Wijaya Wickramarathna - Chairman, National Human Resources Development Council of Sri Lanka
2. Mr. B. Wijayarathna - Secretary, Ministry of Youth Affairs and Skills Development
3. Dr. Sunil Jayantha Nawarathna- Secretary, Ministry of Higher Education
4. Mr. Anura Dissanayaka - Secretary, Ministry of Education
5. Dr. Y.D.Nihal Jayathilaka - Secretary, Ministry of Health
6. Mrs. Dhara Wijethilaka - Secretary, Ministry of Technology and Research
7. Mr.W.J.L.U.Jayaweera - Secretary, Ministry of Labour Relations and Productivity Promotion
- 8 Mr.P.B.Abeykoon - Secretary, Ministry of Public Administration and Home Affairs
9. Mr. Anura Siriwardhana - Secretary, Ministry of Industries and Commercial Affairs
10. Mr. R.M. D.B. Meegasmulla - Secretary, Ministry of Agriculture
11. Prof. Dayantha S.Wijesekara - Chairman, Tertiary and Vocational Education Commission

12. Dr. Rasika Perera - Director General, Tertiary and Vocational Education Commission
13. Prof. Lakshman Jayathilaka - Chairman, National Education Commission
14. Prof. Kshanika Hiriburegama - Chairman, University Grants Commission
15. Mr.Chandana Arunadeva - Chairman, National Apprentice and Industrial Training Authority
16. Mr.Asanga Dayarathna - Additional Director General, Ministry of Public Finance(for Secretary, Ministry of Finance)

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

1. Mr.Piyadasa Pathirana Weerasingha - “Sarasi”, Radampola, Urugamuwa
2. Mrs. Lalitha Vithanachchi - No. 377, Tangalle Rd., Meddawatta, Matara
3. Mr. R. Wickramasingha - 36 C , Vihara Mawatha, Pepiliyana

The Minister in charge of the portfolio has appointed the following members for the Board of Directors with effect of 15.08.2014.

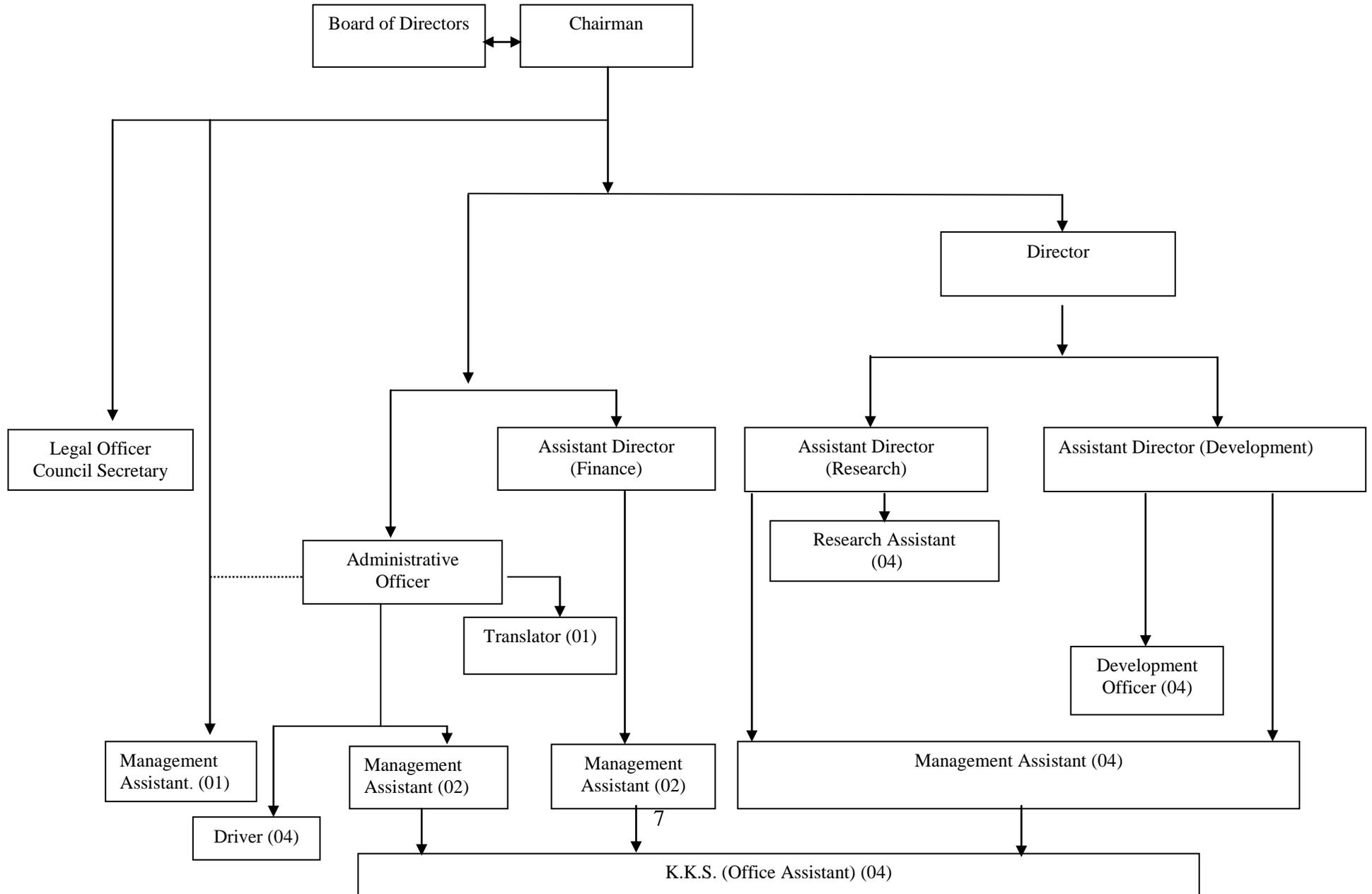
1. Mr.Wijaya Wickramarathna - Chairman, NHRDC
1. Mrs. Lalitha Vithanachchi
2. Mr. Piyadasa Pathirana Weerasingha
3. Mr. R.Wickramasingha

Similarly, Mr.R.M.D.B. Meegsmulla, Mr. Anura Disanayaka, Mr. B. Wijayarathna and Prof. Chandra Ambuldeniya had been respectively appointed in place of Mr. W. Sakalasooriya, Secretary, Ministry of Agriculture, Mr. Gotabhaya Jayarathna, Secretary of Ministry of Education, Mr. K.A. Thilakarathna, Secretary of Ministry of Youth Affairs and Skills Development and Mr. Dayantha Wijesekara, Chairman, Tertiary and Vocational Education Commission.

3. The particulars of the dates held the Council Meetings of the National Human Resources Development Council of Sri Lanka in year 2014 and the members who attended.

S/N	Member of the Council	2014.01.24	2014.03.28	2014.05.30	2014.08.01	2014.10.17	2014.12.12
01.	Chairman, National Human Resources Development Council of Sri Lanka.	√	√	√	√	√	√
02.	Secretary, Ministry of Youth Affairs and Skills Development	-	-	-	-	-	-
03.	Secretary, Ministry of Higher Education	-	-	-	-	-	-
04.	Secretary, Ministry of Education	-	-	-	-	-	-
05.	Secretary, Ministry of Technology and Research	-	-	-	-	-	-
06.	Secretary, Ministry of Labour Relations and Productivity Promotion	-	√	-	-	-	-
07.	Secretary, Ministry of Public Administration and Home Affairs	-	-	-	-	-	-
08.	Secretary, Ministry of Health	-	-	-	√	-	-
09.	Secretary, Ministry of Industries and Commercial Affairs	-	-	-	√	-	-
10.	Secretary, Ministry of Agriculture	√	√	-	-	√	√
11.	Chairman, Tertiary and Vocational Education Commission	√	√	-	√	√	√
12.	Director General, Tertiary and Vocational Education Commission	-	√	√	-	√	√
13.	Chairman, National Education Commission	√	√	√	√	√	√
14.	Chairman, University Grants Commission	-	√	√	√	-	-
15.	Chairman, National Apprentice and Industrial Training Authority	-	-	-	-	-	-
16.	Secretary, Ministry of Finance and Planning (Representative)	√	√	√	-	√	√
17.	Appointed member – Mrs. Lalitha Vithanachchi	√	√	-	√	-	√
18.	Appointed member – Mr. Piyadasa Pathirana Weerasingha	√	√	√	√	√	√
19.	Appointed member – Mrs. R. Wickramasingha	√	√	-	√	√	√
	Total	08	11	06	09	08	09

3. National Human Resources Development Council of Sri Lanka - Organizational Structure



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

Designation	Approved Cadre	The staff as at 31.12.2014	Vacancies as at 31.12.2014	Name
Chairman	01	01	-	Mr. Wijaya Wickramaratna
Director	01	01		Mr. K. A Lalithadheera
Assistant Director	03	03	-	Mrs. J.A.C.P. Jayasinghe Mr. U.S.T.Vithanage Mr. S. Thanigaseelan
Council Secretary/Legal Officer	01	01	-	Miss. G.G. Kasuni Uthpala
Research Officer	04	03	01	Mrs. R.M.A.U K.Rathnayaka Mrs. A.H. D. C. Perera Mr. D. Senthilnadan
Administrative Officer	01	01(cover-up)	-	Mrs. Chamini Kariyawasam
Translator	01	-	01	-
Development Officer	04	04	-	Mr. R.D.C.S. Rajapaksha Mr. K.P.P.Perera Mrs. P.E.S. Senarathna De Silva Miss. K.C.Gurusingha
Personal Assistant to the Chairman	01	01	-	Miss. Nalika Rathnayaka
Management Assistant	08	06	02	Mr. C.R.Maddage Miss. M.G.N.Dilhari Mr. W.M.Lakshitha Rajith Miss. K.C.Muthumala Miss. G.P.M. Saddhamangala Miss. Asha Sureni Edirisingha
Driver	04	04	-	Mr. G.M.Pinnaduwa Mr. W.H.E. Jayarathna Mr. W. Terrance Piyal Mr. D.H.W. Asanka Lakmal
K.K.S.	04	03	01	Mr. N.G.Nandun Madhuranga Mr. W.R.A.Prince Granvil Miss. A. Nayana Priyadarshani
Total	33	28	05	

The qualified officers were recruited for the following vacancies during this year within the approved cadre. Similarly, the Procedure of Recruitment and Promotion was ammended as per the provisions specified in the Management Service Circular No 30 and the approval was obtained for the same on 18.09.2014.

New Recruitments

Name	Designation	Date of Recruitment
Miss. K.C.Gurusingha	Development officer	01.01.2014
Mr. W. Terrance Piyal	Driver	01.01.2014
Mr. N.K.Miranda	Director	09.06.2014
Mr. D. Senthilnadan	Research Officer	19.06.2014
Miss. K.C. Muthumala	Management Assistant	19.06.2014
Miss. G.P.M. Saddhamangala	Management Assistant	19.06.2014
Miss. Asha Sureni Edirisingha	Management Assistant	19.06.2014
Mr. K.A.Lalithadheera	Director	19.06.2014
Mr. D.H.W. Asanka Lakmal	Driver(casual)	22.06.2014

Resignations

Name	Designation	Date of resignation
Miss. P.H.G.C. Priyadarshani	Management Assistant	04.01.2014
Mr. D.M.S.N.B. Jayathilaka	Research Officer	31.01.2014
Mrs. C.K. Jayasekara	Management Assistant	10.01.2014
Mr. K.A.M.Damayanthi	Management Assistant	04.04.2014
Mr. N.G.Ishan Rexmand	Driver	30.06.2014
Miss. H.D.A.A. Hathurusingha	Research Officer	28.07.2014
Mr. N.K.Miranda	Director	10.08.2014
Mr. K.S.N.Perera	Management Assistant	25.09.2014
Mr. Buddhika Wijesingha	Office Assistant	25.09.2014

5. Projects and Programs

5.1 Study on Local and International Labour Market

The main objective of this project is to correctly guide the Sri Lankan Work Force in the local and foreign labour market. Particularly, through this study, a special attention was drawn with regard to the demand and supply existing in the local and foreign job market. This study was lined up through several subsidiary objectives.

Those are as follows,

- I. Identifying the existing and potential employment opportunities in the local and foreign job market and to build up a work force suitable for it (qualified trained labourers)
- II. Identifying the number, the status of the employments and the countries of employment of the Sri Lankans who have become the labourers of the foreign job market at present.
- III. Identifying the employment opportunities with a local and foreign demand
- IV. To identify whether the training courses offered through other training institutes affiliated with our Ministry are matching with the employment opportunities in the local and foreign job market in the labour market.
- V. Identifying the sectors and countries where the demand for the local and foreign labour market demand will be available during the next five years.
- VI. To identify the places which should be socially, politically and culturally revised within the field of education to generate the skillful labours which commensurate with the demand existing in the local and foreign labour market.

Preparation of future plan regarding the manner of revising the university and educational sectors within the country, by identifying the difference between the demand and the supply existing in local and foreign market.

Drawing attention for these facts, the assistance for carrying out this study was obtained from “Green Tech Human Resource Development (Pvt) Ltd” which provides contribution through consultation.

Those are ;

- 1) Agricultural
- 2) Industrial
- 3) Service

Opportunities will be available to build a clear view about the manner of lining up the trained labourers who are being trained in other training institutes to fill the employments/vacancies existing in the above sectors. Not only that, this will enable the youth to obtain the data on local and foreign jobs suitable for their skills and abilities. The final report of this survey was presented for the National Human Resource Development Council of Sri Lanka in December 2014.

Here, it has given hypothetical data ranges form year 2014 to 2020 and National Human Resource Development Council of Sri Lanka expects to present a report for every five years in the future, by updating the data.

5.2 The survey on war - displaced disadvantaged families in Mullative district

The survey on the war - displaced disadvantaged families in Mullative district was carried out by the National Human Resource Development Council of Sri Lanka in December 2014 with the objective of uplifting the livelihood of the war – displaced people who made their effort to earn their livelihood amidst the sufferings of the cruel war prevailed three decades.

The prime objective of this survey was to identify the social, economic and mental condition faced by the war –displaced families and to assist them to uplift their livelihood. Specially, the reason for this is none of the strategies has been able to enhance the economic strength of this group although five years' time has already passed subsequent to the war. It is anticipated to point out the government and the public sector the necessity of several development projects aimed at granting employment opportunities, vocational and agricultural trainings, expanding the education opportunities as well as mending the health condition of the mentally distressed. It is expected to make arrangements to provide the recommendations and guidance.

For this study 5929 families in four divisional secretariats of Pudukuduiruppu, Oddusudan, Thunukkayi, Manthieast and Muhudubada Hathpaththuwa were selected. While this survey was carried out nearly about three months the recommendations had been given through several sectors being on the data collected. Those major sectors are:

I. Education and Vocational Training requirements

The recommendation including the importance of livelihood through the development of educational needs and training requirements, to generate the employment opportunities through training requirements.

II. Agriculture, Fisheries and Animal Husbandry

The need of the contribution of the state and private sector for the people who depend on their livelihood on Agriculture, Fisheries and Animal Husbandry. The required recommendations have been referred for the reference.

III. To minimize the economic development and poverty

The recommendations have been submitted including the manner of uplifting the livelihood of the war displaced people through the development of their economic capabilities and offering a good price for their agricultural products.

IV. The need for upgrading the mental and physical health

The importance of the consultation programmes, social benevolence workshops and programmes related to health problems have been pointed out in order to them for recovering to normal status from their problems having faced to mental and physical harassments due to the war.

V. Social and human redress

The changes in the environment where these people are living, the need for social improvement and social benevolence programmes and training needs to develop the corporation, cordiality and mutuality among the members were pointed out. While the drafting of the report including the recommendations has been completed, it is expected to direct the attention of the state and private sector towards the unprivileged, war displaced families by referring this report for the line minister.

5.3 The project to uplift the standard of living of the war displaced families in 04 selected Grama Niladhari Division in Killinochchi district, who face social, economic, cultural and political challenges.

Number of selected families as per AGA Divisions and G.N. Divisions for the project-

District	Divisional Secretariat	G. N. Division	Number of selected families
Kilinochchi	Karachchi	Ampar Nagar	256
	Kandawalei	Paranthan	188
	Pachchileipalei	Thambahamam	78
	Punarin	Pallikuda	167
	Total		689

Specific objectives of the project –

1. To increase the income level of selected families
2. To enhance the mental and physical health
3. To motivate the youths in selected families to obtain the vocational training.
4. To improve the obtaining of services in the state sector
5. To improve the obtaining of essential information.

Project procedure –

Requirement assessment survey was carried out by means of a structural questionnaire, by the National Human Resources Development Council of Sri Lanka in the afore-mentioned Grama Niladhari divisions. Later based on the information of that survey, National Human Resources Development Council of Sri Lanka adopted the Public, Private and People Partnership Approach to fulfill the needs identified. Further, various strategies were used for this. Those are as follows.

01. A mechanism to distribute the contribution of this project from the Divisional Secretariat of the Divisional Secretariat in the public service up to the volunteer officers identified and named by the National Human Resources Development Council of Sri Lanka was developed.

02. Meetings were conducted regarding the mediation of various public and private institutes to fulfill the needs identified.

Findings of the survey –

The requirements of the following aspects of the selected families in the selected areas by the needs assessment survey were identified.

1. Consultation needs
2. Agricultural needs
3. Vocational training needs
4. Educational needs
5. Self-employment needs

Project activities –

1. Programme to provide consultation services

This programme was implemented as mentioned in the table.

Divisional Secretariat	GN Division	Public and private institutes mediated to implement the programme
Karachchi	Ampar Nagar	CIRP –Colombo Institute of Research and Psychology
Kandawalei	Paranthan	Ministry of Child Development and Women’s Affairs
Pachchileipalei	Thambahamam	Ministry of Social Services
Punarin	Pallikuda	

2. Plants distribution Programme

The plants were distributed with the intervention of the Ministry of Agriculture, for the families which requested the plants.

3. Programme on social animation

An awareness workshop regarding the social animation was carried out by the Stromme Foundation (Pvt) Ltd. Institute which is an international non-government institute, for the volunteer officers who were appointed by the National Human Resource Development Council of Sri Lanka. The objective of this programme is to animate the beneficiary families by providing awareness for the volunteer officers.

4. Programme on the vocational training needs

This programme was carried out with the intervention of the Ministry of Youth Affairs and Skills Development.

5. The programme to distribute educational needs

National Human Resource Development Council of Sri Lanka distributed the educational items which were supplied with the contribution of several institutes of the Ministry of Youth Affairs and Skills Development.

5.4 Middle- east Women Migrant Workers and their Social Consequences

In the past of Sri Lanka can be seen that the people had migrated to abroad with the purpose of social, economic political and security reasons. But recently people tend migrate to foreign countries with economical valuation in Sri Lanka. Because of Sri Lanka is a third world developing country. Economic situation of every people is different thus people migrate specially to Middle East countries to strengthen and uplift their economic condition and living standard.

This study was focused research problem an increase the social issues among the migrant women in Batticaloa district. One of the main problems in terms of numbers that migrate on temporary labour is that only those who are registered with the SLBFE are reflected in statistics for temporary migration. These people are mostly unskilled workers, housemaids and semi-skilled workers primarily focusing the Middle Eastern region for employment. Another problem is Sri Lanka has been traditionally concentrating on the unskilled workers and the Housemaids, but the present demand is for more skilled and professional categories of workers which require internationally recognized qualifications to enter these markets. On the other hand, in the domestic labour market too, there are significant supply gaps.

The aim of this research is to examine reasons for the migration of Batticaloa women and its impacts on the society and the economy. Furthermore, the research attempts to suggest feasible solutions to mitigate the negative impacts. The main objective of this research is to analyze the changing role of women in migration and its effects to the family in Batticaloa. Primary sources Information was collected by interviewing intellectuals from particular authorities, officers and distributing a questionnaire among the sample of the population who supposed to migrate and after migration. Secondary sources necessary Information was gathered from relevant books, treaties, statutes, scholarly journals, internet, newspaper articles and periodicals.

The findings of the study were confirmed to some extent earlier research that migration of mothers has a negative impact on children and fathers. Yet, the positive impacts of

mother migration were also undeniable, including financial benefits to the family and emotional adjustment of many of the children to the absence of the mother. School dropout; rural village school dropout rate is very high due to the mother departure for foreign workers. Separated; due to the migration of workers wife or husband as separated or married another person. Caregivers observed certain negative behavior in children. Poor coordination among government agencies at community, regional and national level. This research found some recommendations from conference, interview, observations, primary and secondary data analysis; Key informal Interviews with government stakeholders. Outlines recommendations to the government, the school systems, the community and families.

National Labor Migration Policy for Sri Lanka has discussed various forms of vulnerability and rights violations, such as harassment and abuse at the work place, that need to be seriously understood as part of safeguarding citizens who seek foreign employment to escape poverty. Social costs that can outweigh the benefits of migration, such as the lack of care, protection and education of children of migrant families, also need to be considered. Later part of this project will be submitted the recommendations to policy makers to take actions against this situation under the supervision and guidance of Asst. Director, Director and Chairman of NHRDC.

5.5 To Build a holistic development in the family through a holistic approach

The project on creating a holistic development in the family through a holistic approach was carried out in several stages. The first step was to identify the criteria needed to develop the family. For this task, two workshops were organized by the National Human Resources Development Council of Sri Lanka.

I. Workshops to create a holistic development through a holistic approach

The first workshop of this was conducted in the Hector Kobbekaduwa Agrarian Research and Training Institute on 8th April 2014. Expert resource persons in various fields island wide joined with this workshop. The specialty of this is the ability to get the ideas of a board of expert scholars could be gained from the Grama Niladharis' level up to the Presidential Secretariat level.

Several groups discussed about various fields during this workshop and the criteria to develop a family were presented with relevant to their respective sector. Those sectors are as follows.

- ❖ Health and Agriculture
- ❖ Safety from home accidents and road accidents
- ❖ Technology and communication
- ❖ Adopting productivity concepts
- ❖ Values
- ❖ Education
- ❖ Building an implementing mechanism

II. Preliminary study Sapugaskanda Grama Niladhari Division in Biyagama

This was carried out by the National Human Resource Development Council of Sri Lanka in association with the Sapugaskanda Grama Niladhari Division in Biyagama in order to search for the reasons for the absence of a sustainable development within the family.

III. Target groups interviews

While an interview was held with target groups inviting a selected community in the Saugaskanda Grama Niladhari Division in Biyagama on 29.05.2014 and their ideas were taken on the criteria to improve the family. Accordingly, the National Human Resource Development Council of Sri Lanka was able to adopt an ascending approach in addition to the descending approach. The target group discussion was held with the house wives in village levels with various ideas and life experiences and the groups employed in various sectors.

IV. The study in National institute of Mental Health in Angoda and Welikada prison

There is a potential for everyone on the earth to face mental health problems. Biological factors directly affect for the mental disorders. Child Related Disorders, Anxiety Related Disorders, Alcohol Consumption, Epilepsy, Schizophrenia, Mental Disorders of Elderly and Affective Disorders are specific among these. But there is a high possibility of aggravating these mental disorders in the absence of proper peace and safety within the family. Therefore, the community was made aware regarding the provision of security for the mentally disordered people within their families.

It was obvious from the study conducted in association with the Welikada prison that the family circumstances have affected on their imprisonment. Restriction of social association, earning through improper means, imprisonment for the drug business due to the carrying of baggage given by unknown people during international migrations and associating unsuitable persons have become the major reasons.

We could design the book of **Sonduru Kadella** including the criteria relevant to improve the family through various studies and workshops.

Project procedure :

In conducting this project, as the preliminary step, the District Secretariats, Divisional Secretariats, Assistant Divisional Secretariats and field officers in selected Divisional Secretariats were made aware. Initially, the committees were appointed in district levels.

- District Secretariat, - Chairman
- Director Planning, - Secretary
- Productivity Development Officer
- Skills Development Officer
- Agricultural Deputy Director
- Agrarian Service Assistant Commissioner
- Medical Health Officer
- Director of Education
- Deputy Chief Secretary

Appointing Regional Committees in Divisional Secretariats

- Divisional Secretary, Chairman
- Additional Divisional Secretary
- Assistant Director Planning
- Medical health Officer
- Agricultural Instructor
- Agrarian Service Regional Officer
- Zonal Director of Education
- Public Health Inspector
- Skills Development Officer
- Productivity Promotion Officer
- Paradeshiya Sabha Secretary
- Skill Development Officer or Productivity Promotion Officer were named as the convener and the Secretary also.

Although the National Human Resource Development Council of Sri Lanka intended to select at least 4 Grama Niladhari Divisions for the first stage, Biyagama, Makola North Central Heiyanthuduwa South, Makola Down- South were selected according to the views of the divisional Secretaries. The Grama Niladhari Divisions of Bambaranda Central, Batheegama East, Urugamuwa South, Dikwella East and Bambaranda South were selected in the Divisional Secretariat, Dikwella. 612 families in Mannar district were selected according to the request of District Secretary, Mannar.

To establish Rural Committees for 04 Grama Niladhari Divisions. For this following officers were selected.

- A Development Officer named by the Economic Development Officer
- Grama Niladhari
- Samurdhi Development Officer
- Agriculture Research and Production Assistant
- Family Health Service Officer
- A teacher from the village school
- Development Officers attached to the Divisional Secretariat as per the requirement.
- To distribute 50 families in selected divisions for each officer mentioned above.
- To select a volunteer male/female employee from the same 50 families as one for each 10 families.
- To distribute the families among those volunteer employees as 10 families per each.
- To assign 5 volunteer employees for each officer.

Subsequent to this the workshops in Divisional Secretariat level were held by the National Human Resource Development Council of Sri Lanka.

Religious leaders, Local Government heads, all the Staff Officers in Divisional Secretariat, All Regional level Department Heads (specially, Agrarian Services, Agriculture, Health, Education, Police), All Field Officers in the Divisional Secretariat, Grama Niladharis in selected Divisions, Economic Development Officers, Agriculture Research and Production Assistants, Family Health Officers, Principals and selected volunteer employees participated at the occasion.

While an action plan was prepared for the Divisional Secretariats, the role of each officer was explained there. Then the books including the sufficient criteria were distributed among the families through selected officers and volunteer employees.

The evaluation forms to give the marks for each family were distributed among all the families. Then the workshop to aware the villages were conducted with the participation of all the families and all the relevant officers and with the leadership of the Divisional Secretary and it was organized by the Divisional Secretariat or District Secretariat.

They were instructed by us to photograph the present situation of all the houses and to persuade them to visit the respective households once a week by the volunteer employees and once a month by the other officers and to record their assessment. It has been scheduled to conduct a meeting in the village once in a 3 month and to measure the progress and the following steps should have been taken.

- To meet the rural committee monthly and to review the progress
- To review the progress by the regional committee once in three months.
- To report the monthly progress to the Divisional Secretary by the rural committee.
- To report the progress to the National Human Resources Development Council of Sri Lanka and to the District Secretary by the Divisional Secretary.
- Conducting an year-end field visit to the village houses by the officers including District Secretary and Divisional Secretary
- Year-end evaluation and selecting winners. Granting prizes and certificates for the winners. Photographing the status.

While this project was implemented as above, it was implemented in year 2014 as a pilot project. Many favorable responses have been received in this regard.

5.6 Deyata Kirula Programme

A dignified public service through a change of the positive attitude.

Conducted the programmes on changing the attitudes of the public servants towards positive direction on behalf of the progress of the public service, based on Southern and Sabaragamuwa provinces, as one programmes of the series of programmes conducted by National Human Resources Development Council of Sri Lanka in line with the Deyata Kirula programme. It was anticipated through these programmes to transform the attitude of the public servant toward a positive direction enabling to provide a dignified public service.

While the first programme was commenced in Management Development Training Centre on 18th August 2014, second, third, fourth and fifth programmes were respectively held in Provincial Council Auditorium in Ratnapura on 28th of August, Auditorium of the District Secretariat in Hambantota on 19th September, in Matara district on 10th of October and 9th December 2014 in Galle district.

The particulars of the organized programmes are as follows:

For whom	Venue	Number of participants
For the executive officers of the Southern Provincial Council – Sothern	Management Development Training Centre Wakwella, Galle	120
For the executive Officers in the Sabaragamuwa Provincial Council	Auditorium of Sabaragamuwa Provincial Council	163
For the executive officers in the public service in the Hambantota district	Auditorium of the District Secretariat in Hambantota	211
For the executive officers in Matara district	Auditorium of the District Secretariat in Matara district	145
For the executive officers in the public services in Galle district	Auditorium of the District Secretariat in Galle	162

According to the responses of them, 74% has replied that this programme is in very good condition and nearly 24% has commented that it is a good programme. According to the awareness gained through the programmes, it was clear from the pre –post assessments carried out that their attitude towards the public service has positively developed. Total assessments indicate that they have understood the value of these programmes well. It has been expected to conduct such programmes based on other districts in the future. Such kind of programmes will be helpful for the progress of the public service in the future.

5.7 To improve the productivity and the status of the National Human Resource Development Council of Sri Lanka

Introduction

National Human Resources Development Council of Sri Lanka is an institution established as per the provisions of The National Human Resources Development Council Act No. 18 of 1997 to perform a significant role under the Line Ministry. It takes responsibilities to initiate, promote and implement the policies pertaining to Human Resources Development and by giving priority in all the activities of Human Resources Development under the powers vested upon the said institute.

This project has been formulated in order to upgrade the present performance level of the institute by following a productive promotion strategy to achieve the aforesaid objective by developing the efficiency, productivity and the quality of this institute by utilizing the limited resources owned by the National Human Resources Development Council of Sri Lanka.

It is further expected to adopt the productivity concepts successfully experimented by various countries including Japan, and Singapore as well as the traditional productivity concepts inherent to our culture, in order to increase the productivity during this procedure.

As a result of this effort, we have now obtained the ISO 9001:2008 Quality Management System certificate granted by Sri Lanka Standard Institute and we have planned to maintain it in the future and to obtain the certificate offered by the National Productivity Secretariat.

Overall Objective

Since this institute which was established 16 years before, is being maintained by the public money, and a recognized policy system in relation to the human resource has not been formulated so far, and since this institute has not taken efforts to formulate such policies and since the human resource is a special feature of the economic development and the human resource is an essential factor to make the such effort success, it is a must to pay the attention of the council in that regard. Accordingly, it is essential to effectively direct the staff of the institute for this and to undertake an internationally recognized productivity improvement and quality management system improvement.

The overall objective of this project was to develop this institute to the level which can give recommendations to the government in order to formulate the necessary policies to create a proper human resource development through making the internationally accepted productive and quality improvement standards practicable in this Council during year 2014, by taking into consideration this situation.

The way of implementation

This project was implemented under two stages in order to carry out the internal affairs of this institute irregular and transparent manner. They are :

- To improve the productivity of the institute
- To improve quality of the overall function carried out by the institute

The actions taken by the National Human Resources Development Council of Sri Lanka to improve the productivity

- To visit the institutes entitled for national productivity award and to get an insight. For this purpose, Sabaragamuwa Provincial Council complex and Kandalama hotel premises were observed to get a perception about green productivity concept.
- To conduct an awareness proramme to educate the staff about the productivity concept. Following is a summary of it.

S/N	Name of the awareness programme	Particulars about the resource persons' contribution
01	Awareness programme regarding the productivity concept	Mr. W.M.Madduma Bandara Weerasekara .- Director (Former) Productivity Secretariat
02	Productivity and quality enhancement project	Mr. Wijaya Wickramarathna -NHRDC Chairman
03	ISO 9001:2008 Importance of obtaining standard certificate	Mrs. Kanchana Lokugeegana –Assistant Director (Training) Standard Institute of Sri Lanka
04	The function within NHRDC institute in order to obtain ISO 9001:2008 standard certificate	Mr. Nihal Artigala –Consultant, Quality Trilogy Consultancy & Training Services
05	Concept of quality circles	M. Wijaya Wickramarathna -NHRDC Chairman
06	Awareness lecture on the national productivity contest	Mr. Suranga Gunarathna- Director, Productivity Secretariat
07	Lecture on standard equipment	Mr. Suranga Gunarathna- Director, Productivity Secretariat
08	Isotypication of special experiences	Mrs. Shyama Fernando – Productivity Secretariat
09	Integral productivity maintenance concept	Mr. Esha Rathna Kamal - Productivity Secretariat
10	Green Productivity Concept	Mr. Suranga Gunarathna- Director, Productivity Secretariat
11	Balanced Score card	Mr. Upali Marasingha -Secretary, Productivity Secretariat
12	Kaizen Concept	Mr. N. Kularathna
13	Six Zigma Concept	Mr. Suranga Gunarathna - Director, Productivity Secretariat
14	5 S Concept	Mr. Wijaya Wickramarathna - NHRDC Chairman

- Launching the 5S concept within the institute
- Carrying out annual Board of Surveys
- To allocate a specific colour for every section of the institute and to arrange all the documents accordingly
- Procedures formulation
- Numbering the Minute sheets
- Numbering the file cupboards and to display those numbers on the door
- Due arrangement of the files in the cupboards
- Due arrangement and packing of formats
- To arrange a proposal box to receive the proposals of the staff
- Displaying 5- S boards
- Labeling the sections
- To establish a notice board and photograph plank
- Labeling all electric bulb and fan switches enabling for the easy identification
- To display the vision and the mission of the institute
- To allocate 5 minutes time every day for cleaning.
- To establish a methodical strategy to proceed these functions
- To establish 5 – S audit committees
- To commence 5 – S auditing
- To photograph and video the existing condition of the institute
- Displaying the details of the equipment.
- .Due preparation and proper arrangement of the formats
- To establish quality circles within the institute.

Three quality circles were established in this institute during year 2014.

- ❖ Arunalu
- ❖ Divakara
- ❖ Sandakan

These three quality circles were established joining all the officers in the institute. Seven sessions were conducted for these quality circles and a calling of votes was held regarding the identified issues adopting the strategies like stimulation of the wisdom. Accordingly, the solutions were found for the identified issues.

- To receive the Kaizen proposal and to make arrangements to implement them.
- To establish a Welfare Society to develop the welfare of the officers of the institute.
- To organize a productive month for the growth of the productivity within the institute.

The actions taken for the improvement of the quality of the overall activities undertaken by National Human Resources Development Council of Sri Lanka

- To get a pre conception by visiting the institutes which have entitled for the ISO 9001:2008 standard certificate
 - ❖ Sabaragamu Provincial Council Complex
 - ❖ Public Service Commission

To obtain a pre conception about this concept by observing above institutes.

- To aware the staff regarding the importance of obtaining ISO 9001:2008 standard certificate and the activities to be completed for the same
- To elect a consultant according to a formal methodology to obtain ISO 9001:2008 certificate
- To complete the application form to obtain the ISO 9001:2008 international standard certificate and to hand over the same for the Sri Lanka Standard Institute.
- To appoint a Management representative and a Deputy Management representatives.
- To design a standard policy needed for the National Human Resources Development Council of Sri Lanka and to display it in every section.
- To establish a Quality management System required for the National Human Resources Development Council of Sri Lanka
- To arrange all the files of the institute according to a formal methodology.
- To design the formats and documents suitable for the easy handling the duties in the intitute and to prepare the file record subject to the control.
- To control the internal and external formats separately.
- To formulate a procedure code for the activities undertaken in every section of the institute.
- To prepare a code of instructions for the subsidiary activities conducted by the institute.

- To rectify the non-compliance activities of the institute.
- To conduct internal auditing according to a plan covering all sections of the institute.
- To design the quality objectives which should be achieved by all sections and to monthly study its progress.
- To report the prevention actions within the institute
- To conduct the management inquiry audits and to discuss the shortcomings identified through the internal auditing.
- To report the non-compliance activities in all sections.
- Data analysis and carrying out continuous growth.
- Updating the obsolete documents.
- To record all the complaints made by the external parties in a register by the head of the department.
- To recognize the training needs of the officers provided by the institute according to a formal strategy and to prepare a formal training plan.
- To carry out the first audit by the Sri Lanka Standard institute.
- To carry out the final audit after rectifying the shortcomings identified at the first audit.
- To obtain the ISO 9001:2008 Standard Certificate subsequent to the rectifying the identified errors there.

Result-

While the National Human Resources Development Council of Sri Lanka obtained the ISO 9001:2008 international standard certificate on 14.11.2014 and it will be valid until 13.11.2014. When considering the benefits achieved by implementing the productivity and quality improvement project in this institute, it has been able to undertake the overall functions of the institute in compliance with the quality management system and to subject all the documents under control. This enabled to easily identify the documents, formats etc. in the institute and to conduct the daily functions duly and easily and to minimize the unnecessary movements.

While the institute is taking actions to fulfill the quality objectives of the institute, it was able to work in compliance with the code of procedure prepared by covering the overall function of each section.

It was possible to identify the potential issues and to make the overall objectives of the institute efficiently success through the rectifications.

To make it possible to identify the activities which are non-compliant with the quality management system by conducting internal audits and to resolve them by discussing the shortcomings of the overall process of the institute at the management inquiry meetings.

Possibility to minimize the shortcomings of the institute by identifying the complaints of the external parties according to a formal strategy. Being entitle for the ISO 9001:2008 international standard certificate, the National Human Resources Development Council of Sri Lanka was able to create a simple way to perform the overall functions of the institute accurately, efficiently and transparently.

Sustainability –

While the management representative, deputy management representative and the respective officer in charge of the project have a special responsibility to protect the ISO 9001:2008 international standard certificate which could be obtained by the National Human Resources Development Council of Sri Lanka in year 2014, the sustainability of the can be secured by conducting continuous internal audits and management inquiry meetings as they have been planned. It will be able to protect its sustainability by organizing the training programmes on quality management systems in the institute and thereby increasing the understanding of the staff in that regard and giving opportunity for them to join with the external training programmes.

5.8 To Implement an Electronic Documentation Management System within the institute

The government institutes of Sri Lanka use paper works for their documentation and use the normal post for communication. But some government institutes use document management systems and electronic documentation through electronic mail. Our institute also prepared and implemented an electronic documentation management system in terms of the Circular No. No /SB/01/13. In this electronic system the word documents are saved for later use and some documents are converted into electronic documents by digitizing them. As the examples PDF files can be considered. These two types of documents can be entered into this system.

The advantages of using such system

- A high cost has to be borne and a considerable space has to be allocated for the papers, files and cabinets. The electronic documents do not need physical space and it is less expensive.
- The utility of the electronic documents is very high. They can be easily duplicated and can be easily preserved.
- It has been calculated that a normal employee spends 400 hours per year to search paper documents. The electronic documents can be quickly searched and it costs less than searching papers.
- If it is possible to generate only the electronic documents through office systems, the cost for the design, storage, preservation and recovery will be less.
- Working without using the papers, the earth can be preserved by minimizing the carbon footprints.

5.9 To maintain a Data Bank on the Human Resources Development

In terms of the National Human Resources Development Council of Sri Lanka Act No. 18 of 1997, it has been empowered to establish and maintain a data bank with regard to the human resource development and related fields. Accordingly, we are maintaining a data bank through the www.nhrdc.gov.lk/index.php website including the details about the youth anticipating vocational training opportunities and employment opportunities. This web service has enabled the institutes providing employment opportunities and conducting vocational training to obtain information.

5.10 Newsletter

While our Council published 2 newsletters (puwath hasuna) this year with the objective of minimizing the information communication gap among institutes, industries and the youth, the first volume was published in June and the second volume was issued in December 2014.

6. Statement of Financial Position - As at December 31,2014

	Note	2014	2013	In LKR Budgeted
ASSETS				
Current assets				
Cash and cash equivalents	1	2,981,759.97	1,378,053.62	2,827,468.36
Receivables	2	281,607.05	250,561.50	282,932.82
Inventories	3	447,930.23	337,705.74	400,000.00
Prepayments	4	165,183.29	129,860.00	150,000.00
Other Current assets	5	1,516,677.46	1,225,421.67	1,520,000.00
		5,393,158.00	3,321,602.53	5,180,401.18
Non-current assets				
Infrastructure, plant and equipment	6	7,266,852.17	6,716,617.92	7,000,000.00
Vehicles	6	7,285,479.45	10,735,479.45	7,000,000.00
Other assets	6	730,003.75	177,676.42	700,000.00
		15,282,335.37	17,629,773.79	14,700,000.00
Total assets		20,675,493.37	20,951,376.32	19,880,401.18
LIABILITIES				
Current liabilities				
Payables	7	383,959.20	1,469,607.37	306,208.36
Short-term Provisions	8	237,742.82	241,162.82	241,162.82
		621,702.02	1,710,770.19	547,371.18

Non-current liabilities

Employee benefits	9	<u>1,592,855.75</u>	<u>1,160,263.00</u>	<u>1,500,000.00</u>
		1,592,855.75	1,160,263.00	1,500,000.00
Total Liabilities		<u>2,214,557.77</u>	<u>2,871,033.19</u>	<u>2,047,371.18</u>
Net assets		<u>18,460,935.60</u>	<u>18,080,343.13</u>	<u>17,833,030.00</u>

**Net
ASSESTS/EQUITY****Capital contributed by**

Contributed Capital		3,000,000.00	3,000,000.00	3,000,000.00
Revaluation Reserves		1,808,200.00	1,833,030.00	1,833,030.00
Government Grant - Capital		16,776,387.93	17,583,167.18	16,000,000.00
Accumulated surpluses/(deficits)		<u>(3,123,652.33)</u>	<u>(4,335,854.05)</u>	<u>(3,000,000.00)</u>
Total net assets/equity		<u>18,460,935.60</u>	<u>18,080,343.13</u>	<u>17,833,030.00</u>

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.

U.S.T Vithanage
Assistant Director
(Finance)

Date:

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.

Malkanthi Jayawaradne
Member of the council
Date:

Prof. Lakshman Jayathilake
Member of the council
Date:

7. Statement of Financial Performance
for the Year Ended December 31,2014

In LKR

	Note	<u>2014</u>	<u>2013</u>	<u>Budgeted</u>
Revenue				
Government Grant - Recurrent	10	18,134,114.54	13,780,000.00	18,500,000.00
Government Grant - Capital	11	16,840,222.46	11,595,548.22	17,500,000.00
Other Grants	12	604,764.07	-	-
Profit on Disposal of Assets	13	1,346.44	13,085.00	-
Other revenue	14	<u>279,061.74</u>	<u>67,516.85</u>	<u>227,055.97</u>
Total Revenue		35,859,509.25	25,456,150.07	36,227,055.97
Expenses				
Wages, salaries and employee benefits	15	12,915,337.81	9,325,037.70	12,308,000.00
Grants and other transfer payment	16	12,273,441.07	7,334,149.51	12,550,000.00
Supplies and consumables used	17	268,558.17	342,636.52	280,000.00
Depreciation and amortization expense	6	4,927,597.71	4,318,600.74	5,500,000.00
Travelling, Subsistence & Allowances	18	264,326.50	308,720.00	270,000.00
Utility and Services	19	2,456,180.57	2,024,806.00	2,393,500.00
Maintenance Expenses	20	1,285,975.10	1,154,670.58	1,115,000.00
Other expenses	21	<u>280,990.70</u>	<u>354,867.57</u>	<u>411,000.00</u>
Total Expenses		34,672,407.63	25,163,488.62	34,827,500.00
Surplus/(deficit)for the period		1,187,101.62	292,661.45	1,399,555.97

8. Statement of Changes in Net Assets/Equity As at Year Ended December 31,2014

Attributable to owners of the controlling entity					
	Contributed Capital	Revaluation Reserve	Government Grant - capital	Accumulated Surpluses/ (deficits)	Total net assets/equity
Balance at December 31, 2012 B/F	3,000,000.00	1,833,030.00	20,898,715.40	(4,726,793.82)	21,004,951.58
Prior year Adjustment	-	-	-	98,278.32	98,278.32
Net revenue recognized directly in net asset/equity					
Deficit/surplus for the period	-	-	985,926.52	-	985,926.52
Nominal Depreciation	-	-	(4,301,474.74)	-	(4,301,474.74)
Surplus/Deficit for the period	-	-		292,661.45	292,661.45
Total recognized revenue and expenses for the period	-	-	(3,315,548.22)	390,939.77	(2,924,608.45)
Balance at December 31, 2013 carried forward	3,000,000.00	1,833,030.00	17,583,167.18	(4,335,854.05)	18,080,343.13
Balance at December 31, 2013 B/F	3,000,000.00	1,833,030.00	17,583,167.18	(4,335,854.05)	18,080,343.13
Reveled surplus on disposed assets	-	(24,830.00)	-	24,830.00	-
Transfer to government grant - Revenue	-	-	-	-	-
Net revenue recognized directly in net asset/equity					
Deficit/surplus for the period	-	-	4,108,088.46	270.10	4,108,358.56
Nominal Depreciation	-	-	(4,914,867.71)	-	(4,914,867.71)
Surplus/Deficit for the period	-	-	-	1,187,101.62	1,187,101.62
Total recognized revenue and expenses for the period	-	(24,830.00)	(806,779.25)	1,212,201.72	380,592.47
Balance at December 31, 2014 carried forward	3,000,000.00	1,808,200.00	16,776,387.93	(3,123,652.33)	18,460,935.60

9. Consolidated Cash Flow Statement for Year Ended December 31,2014

	2014	In LKR 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit)	1,187,101.62	292,661.45
<u>Non-cash movements</u>		
Depreciation	4,927,597.71	4,318,600.74
Gratuity Expense	930,305.50	181,208.60
prior year adjustment	-	98,278.32
Nominal Depreciation Income	(4,914,867.71)	(4,301,474.74)
Capital Grant Gain on Fixed Assets	(4,557.75)	-
Interest on Staff Loan	(57,055.97)	(50,816.85)
Audit Fee	78,160.00	79,289.00
(Gains)/losses on sale of property, plant and equipment	(1,346.44)	(13,085.00)
Increases (Decreases) in Consumable Stores	(110,224.49)	(247,574.29)
Increases (Decreases) in Pre payments	(35,323.29)	(129,860.00)
Increases (Decreases) in Staff Loans	(302,255.79)	94,753.42
Increases (Decreases) in Other Advances	20,000.00	5,939.50
Increases (Decreases) in Payables	(1,085,648.17)	1,088,738.63
Increases (Decreases) in Short Term Provisions	-	71,162.82
Increase in other current assets	(9,000.00)	1,000.00
Increase in receivables	(31,045.55)	(248,791.50)
paid audit fee	(81,580.00)	(79,289.00)
Gratuity paid	(497,712.75)	-
Government Grant	4,108,088.46	985,926.52
Net cash flows from operating activities	4,120,634.98	2,146,667.62

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Furniture & Fittings	(139,495.60)	(486,947.00)
Purchase of Office Equipment	(622,261.00)	(854,636.00)
Purchase of Electrical Fixtures	(13,899.00)	-
Purchase of Computers	(1,204,700.00)	(2,093,262.38)
Purchase of Vehicles	-	-
Interest on Staff Loan	57,055.97	50,816.85
Purchase of Software	(6,000.00)	(770,556.61)
Purchase of Books	(4,250.00)	(380.00)
Purchase of other assets	(601,339.00)	-
Proceeds from sale of plant and equipment	17,960.00	13,085.00
Net Cash flows from investing activities	(2,516,928.63)	(4,141,880.14)

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities	-	-
Net increase/(decrease)in cash and cash equivalents	1,603,706.35	(1,995,212.52)
Cash and cash equivalents at beginning of period	1,378,053.62	3,373,266.14
Cash and cash equivalents at end of period	2,981,759.97	1,378,053.62

Notes to the Cash Flow Statement

Cash on hand and balances with banks

People's Bank A/C No 119100120409161	1,001,931.27	1,283,060.26
Bank of Ceylon A/C No 165197	1,979,828.70	94,993.36
	2,981,759.97	1,378,053.62

10. Notes

		2014	2013	Budgeted
<u>Cash and cash equivalents</u>	1			
People's Bank A/C No 119100120409161		1,001,931.27	1,283,060.26	1,000,000.00
Bank of Ceylon A/C No 165197		1,979,828.70	94,993.36	1,827,468.36
		2,981,759.97	1,378,053.62	2,827,468.36
<u>Receivables</u>	2			
National Paper Company Ltd		1,770.00	1,770.00	1,770.00
National Institute of Fisheries and Nautical Engineering		208,674.23	110,284.63	210,000.00
Ministry of Youth Affairs & Skills Dev.		-	67,344.05	-
Nimal Bopage (Ex-Chairman)		71,162.82	71,162.82	71,162.82
		281,607.05	250,561.50	282,932.82
<u>Inventories</u>	3			
Consumable Stores		447,930.23	337,705.74	400,000.00
		447,930.23	337,705.74	400,000.00
<u>Prepayments</u>	4			
Vehicle Insurance		165,183.29	129,860.00	150,000.00
		165,183.29	129,860.00	150,000.00
<u>Other Current assets</u>	5			
Other Advances		-	20,000.00	-
Staff Loan - Distress		1,498,677.46	1,196,421.67	1,500,000.00
Festival Advances		18,000.00	9,000.00	20,000.00
		1,516,677.46	1,225,421.67	1,520,000.00

Property, Plant & equipment (Note 06)

Reporting Period 01.01.2014 to 31.12.2014	Furniture & Fittings		Office Equipment		Electrical Fixtures & equipment		Computers		Software		Vehicles		Books		Other Assets	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
opening balance	1,818,342.34	1,331,395.34	2,278,209.95	1,423,573.95	57,656.25	57,656.25	4,420,588.13	2,327,325.75	770,556.61	-	18,950,000.00	18,950,000.00	80,097.15	79,717.15	413,865.50	413,865.50
Additions	139,495.60	486,947.00	622,261.00	854,636.00	13,899.00	-	1,204,700.00	2,093,262.38	6,000.00	770,556.61	-	-	4,250.00	380.00	601,339.00	-
Adjustment	28,010.00	58606.00	3,000.00	-	-	-	-	93,100.00	-	-	-	-	-	-	-	-
Disposals	(40,210.00)	(58,606.00)	(99,978.75)	-	-	-	(8,630.00)	(93,100.00)	-	-	-	-	-	-	-	-
Closing Balance	1,945,637.94	1,818,342.34	2,803,492.20	2,278,209.95	71,555.25	57,656.25	5,616,658.13	4,420,588.13	776,556.61	770,556.61	18,950,000.00	18,950,000.00	84,347.15	80,097.15	1,015,204.50	413,865.50
Accumulated Depreciation (year Beginning)	396,348.29	238,498.15	470,306.99	326,573.19	20,177.65	17,457.65	1,730,043.30	1,202,187.02	11,859.13	-	8,214,520.55	4,764,520.55	74,047.75	73,469.36	242,238.48	218,235.48
Adjustment	25,170.12	58,606.00	-	-	-	-	-	93,100.00	-	-	-	-	-	-	-	-
Depreciation (As per statement of Financial Performance)	187,763.95	157,850.14	253,002.55	143,733.80	7,531.12	2,720.00	782,616.39	527,856.28	193,422.03	11,859.13	3,450,000.00	3,450,000.00	596.30	578.39	52,665.37	-
Less Accumulated Depreciation on Disposal	(28,674.95)	(58,606.00)	(96,959.74)	-	-	-	(5,558.87)	(93,100.00)	-	-	-	-	-	-	-	-
Closing balance	580,607.41	396,348.29	626,349.80	470,306.99	27,708.77	20,177.65	2,507,100.82	1,730,043.30	205,281.16	11,859.13	11,664,520.55	8,214,520.55	74,644.05	74,047.75	294,903.85	242,238.48
Net Carrying Amount	1,365,030.53	1,421,994.05	2,177,142.40	1,807,902.96	43,846.48	37,478.60	3,109,557.31	2,690,544.83	571,275.45	758,697.48	7,285,479.45	10,735,479.45	9,703.10	6,049.40	720,300.65	171,627.02

Payables

7

State Trading Cor.	-	89,074.00	-
Metropolitan Office	-	260,000.00	-
Ms Technologies	-	739,556.61	-
IWSS Survey Payable	4,580.57	4,580.57	4,580.57
NVQ Certificate Holders - Galle	19,000.00	19,000.00	19,000.00
NVQ Certificate Holders - Beliatta	6,000.00	6,000.00	6,000.00
CADREP	-	48,097.63	48,097.63
Salaries & Wages - NIFNI	63,390.48	53,435.53	21,130.16
Telephone	11,472.19	20,562.50	20,000.00
Internet	11,123.58	1,096.73	8,000.00
News Paper Bill	1,820.00	2,440.00	2,400.00
Janitorial & Security	125,356.47	82,562.33	90,000.00
Local Travelling Payable	6,737.50	350.00	7,000.00
Deyata Kirula Payable	-	2,463.00	-
Establish For Database Payable	-	400.00	-
Other Services Payable	1,996.80	16,660.50	-
Rep; Maintain of vehicle	-	12,425.00	-
Staff Training & Development	-	27,000.00	-
Salaries Temporary	30,396.32	39,421.56	30,000.00
Over Time	36,570.17	11,552.00	40,000.00
Holiday Payments	7,440.50	-	10,000.00
Electricity Payable	53,615.52	-	-

Killinochchi Survey Payable		<u>1,000.00</u>	<u>32,929.41</u>	<u>-</u>
		<u>383,959.20</u>	<u>1,469,607.37</u>	<u>306,208.36</u>
<u>Short-term Provisions</u>	8			
Audit Fee - 2012		-	85,000.00	-
Audit Fee - 2013		85,000.00	85,000.00	85,000.00
Audit Fee - 2014		81,580.00	-	85,000.00
Provision for doubtful Debt - Nimal Bopage		<u>71,162.82</u>	<u>71,162.82</u>	<u>71,162.82</u>
		<u>237,742.82</u>	<u>241,162.82</u>	<u>241,162.82</u>
<u>Employee benefits</u>	9			
Gratuity Provision		<u>1,592,855.75</u>	<u>1,160,263.00</u>	<u>1,500,000.00</u>
		<u>1,592,855.75</u>	<u>1,160,263.00</u>	<u>1,500,000.00</u>
Government Grant - Recurrent	10	<u>18,134,114.54</u>	<u>13,780,000.00</u>	<u>18,500,000.00</u>
<u>Government Grant - Capital</u>	11			
Government Grant - Capital		11,920,797.00	7,294,073.48	12,000,000.00
Nominal Depreciation Income		4,914,867.71	4,301,474.74	5,500,000.00
Capital Grant Gain on Fixed Assets		<u>4,557.75</u>	<u>-</u>	<u>-</u>
		<u>16,840,222.46</u>	<u>11,595,548.22</u>	<u>17,500,000.00</u>

	Note	2014	2013	Budgeted
<u>Other Grants</u>	12			
Grant - Line Ministry		499,804.07	-	-
Stromme Foundation		104,960.00	-	-
		604,764.07	-	-
<u>Profit on Disposal of Assets</u>	13	1,346.44	13,085.00	-
<u>Other revenue</u>	14			
Miscellaneous income		173,908.14	16,700.00	170,000.00
Distress Loan Interest		57,055.97	50,816.85	57,055.97
CADREP		48,097.63	-	-
		279,061.74	67,516.85	227,055.97
<u>Wages, salaries and employee benefits</u>	15			
Salaries & wages		6,040,218.22	4,815,399.69	6,000,000.00
Acting salary		77,692.80	20,524.98	78,000.00
Special Allowance		1,101,577.04	723,276.32	1,100,000.00
Cost of Living Allowance		2,387,795.67	1,601,947.75	2,400,000.00
Interim Allowance		150,000.00	-	-
Transport Allowance		166,677.42	180,000.00	180,000.00
Fuel Allowance		340,006.45	334,000.00	340,000.00
EPF		1,096,756.05	785,139.39	720,000.00
ETF		274,189.45	196,285.03	180,000.00
Over time		132,582.86	107,184.88	135,000.00

Holiday payment	23,388.75	16,739.50	25,000.00
Salaries temporary	194,147.60	363,331.56	200,000.00
Gratuity Expenses	<u>930,305.50</u>	<u>181,208.60</u>	<u>950,000.00</u>
	<u>12,915,337.81</u>	<u>9,325,037.70</u>	<u>12,308,000.00</u>

Grants and other transfer payment

16

Developing a common career guidance system	-	532,275.00	-
Kilinochchi Survey	-	1,473,061.05	-
HR Programme	-	492,567.00	-
News Letter	169,810.52	65,500.00	170,000.00
Deyata Kirula Exhibition	762,508.68	1,347,567.38	800,000.00
Labour Market Study	4,000,479.50	250,657.75	4,000,000.00
Establish A database	-	824,663.16	-
Graduate Trainee Study	-	437,978.46	-
Career Guidance Staff Training & Development	722,527.18	99,000.00	800,000.00
Middle East Migrant	350,794.40	-	350,000.00
Matara District Survey	499,804.07	-	500,000.00
Use of Technology to improve work efficiency	29,437.37	-	30,000.00
Study On Disadvantaged Families	1,455,638.27	-	1,500,000.00
Study To Holistic Approach	866,720.24	-	900,000.00
NHRDC.gov.lk mar & improvement	589,650.07	-	600,000.00
Killinochchi Survey - PPP approach	1,510,095.43	-	1,500,000.00
ISO Certification Programme	1,144,236.94	-	1,200,000.00

Monitoring & Evaluation Projects		171,738.40		200,000.00
		12,273,441.07	7,334,149.51	12,550,000.00
<u>Supplies and consumables used</u>	17			
Stationary & office consumables		96,838.17	107,726.52	100,000.00
Fuel & lubricant		171,720.00	207,260.00	180,000.00
uniforms		-	27,650.00	-
		268,558.17	342,636.52	280,000.00
Depreciation and amortization expense	6	4,927,597.71	4,318,600.74	5,500,000.00
<u>Travelling, Subsistence & Allowances</u>	18			
local travelling & Subsistence		13,526.50	37,520.00	15,000.00
Allowance For Audit Members		66,400.00	84,400.00	70,000.00
Board Members Allowances		184,400.00	186,800.00	185,000.00
		264,326.50	308,720.00	270,000.00
Utility and Services	19			
Rates		40,320.00	39,199.97	40,000.00
Electricity		727,630.33	579,465.92	750,000.00
Water		41,320.09	31,839.73	40,000.00
Telephone charges & Rental		176,392.67	171,843.68	180,000.00
postage & telex charges		14,425.00	24,400.00	15,000.00
Janitorial service		386,768.66	206,146.21	400,000.00
Advertising		37,094.40	103,084.80	40,000.00
Security Service		804,750.00	518,010.00	800,000.00
Internet		104,680.42	78,949.86	100,000.00

Consultancy	10,500.00	-	10,500.00
other utility & other service	<u>112,299.00</u>	<u>271,865.83</u>	<u>18,000.00</u>
	<u>2,456,180.57</u>	<u>2,024,806.00</u>	<u>2,393,500.00</u>
Maintenance Expenses	20		
Rep & Main. Of Building & Structures			
Rep & Main. Of Plant Machinery	181,611.90	251,557.32	200,000.00
Rep & main of vehicles	739,786.70	439,877.56	550,000.00
Vehicle Insurance	307,844.00	196,177.30	300,000.00
Rep & main of Office Equipment	53,552.50	192,727.60	50,000.00
Rep & main of computer	-	61,944.80	-
Rep & main Of electrical Equip	-	12,386.00	10,000.00
Rep & main Of other Assets	<u>3,180.00</u>	<u>-</u>	<u>5,000.00</u>
	<u>1,285,975.10</u>	<u>1,154,670.58</u>	<u>1,115,000.00</u>
Other expenses	21		
Audit fee	78,160.00	79,289.00	80,000.00
News paper	16,940.00	14,000.00	14,000.00
Staff welfare	11,750.00	43,101.00	12,000.00
Medical Expenses	4,999.00		5,000.00
Others Service Expenses	76,217.70	39,659.75	200,000.00
refreshment	92,924.00	107,655.00	100,000.00
Doubtful Debt - Nimal Bopage	-	71,162.82	-
	<u>280,990.70</u>	<u>354,867.57</u>	<u>411,000.00</u>

11. 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 convention 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 and 2011 by Department of Valuation of Sri Lanka, 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 write off the cost over the estimated useful life.

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 stores 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	2.5%
Furniture & Fittings	10%
Office Equipment	10%
Electrical Fixtures & Equipment	20%
Computers	20%
Computer Software	25%
Vehicles	20%
Books	10%
Other Assets	10%

7. Comparative Figures

Figures of the last financial year have been re-classified to make the comparability of financial statements.

8. Events after reporting Date

All material balance sheet events have been considered and made appropriate adjustments to or disclosures have been made in financial Statements.

9. Accounting to 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. The amount incurred on Research and Development Activities (NHRDC activities) and an amount equal to the depreciation charged during the year is recognized as income on a systematic basis over the useful life of capital assets.

10. Retirement Benefit Cost

10.1 Defined Contribution Plan – EPF & ETF

All employees who are eligible for Employee Provident Fund contribution and Employee Trust Fund contribution are covered by relevant contribution funds, with receptive statutes and regulations.

10.2 Retirement Gratuity

Provision is made in the financial statements for retiring gratuity, which may fall due for payments under the payment of gratuity Act No 12 of 1983 in accordance with LKAS No 19 of “Employee Benefits” for all employees. The gratuity liability is not externally funded or actuarially valued.

11. Financial Performance

All costs incurred in its operation and maintaining its capital assets, the council had functioned efficiently and has been charged to revenue. The Deficit/Surplus of the revenue expenditure has been arrived at after making provision for all known liabilities and depreciation of assets.

12. Cash Flow Statement

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

12. Audit Queries and Replies



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මගේ අංකය
எனது இல.
My No. }

YS/E/NHRDC/1/14/02

මමේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

31 August 2015

The Chairman,

National Human Resources Development Council of Sri Lanka

Report of the Auditor General on the Financial Statements of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2014 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971 .

The audit of financial statements of the National Human Resources Development Council of Sri Lanka, comprising the statement of financial position as at 31 December 2014 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 read in conjunction with the Section 13(1) of the Finance Act, No. 38 of 1971 and Section 24 of the National Human Resources Development Council of Sri Lanka Act, No. 18 of 1997. My comments and observations which I consider should be published with the Annual Report of the Council in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act, was furnished to the Chairman of the Council on 08 April 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 Council'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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 Basis for Qualified Opinion

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



2 Financial statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the National Human Resources Development Council of Sri Lanka as at 31 December 2014 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 07

Action had not been taken for the revaluation of assets to show a fair value, though the assets costing Rs. 2,940,950 fully depreciated and being used at present.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Three items of expenditure payable totalling Rs.29,580 related to periods ranging from 01 year to 03 years had not been settled even by the end of the year under review.
- (b) The sum of Rs.71,162 recoverable from the former Chairman of the Council had not been recovered according to the decision of the meeting of the Board of Council held on 15 July 2013.





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

Instances of non-compliance with the following laws, rules, circulars and Financial Regulations were observed

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Section 3(1) of the National Human Resources Development Council of Sri Lanka Act, No. 18 of 1997.	Only 4 members had been appointed by the Minister though the composition of the Council should consist of 15 members appointed on designations and 5 members appointed by the Minister .
(b) Public Finance Circular No. IAI/2002/02 dated 28 November 2002	Even though a separate Register of Fixed Assets should be maintained for the computers accessories and software, such a Register had not been maintained by the Council.
(c) Treasury Circular No. 842 dated 19 December 1978.	Even though, a Register of Fixed Assets should be maintained for every accounting purpose, all purchases of fixed assets had been entered in the Inventory Register by the Council.





3. Financial Review

3.1 Financial Results

The operations of the Council during the year under review had resulted in a surplus of Rs.1,187,102 as compared with the surplus of Rs. 292,661 in the preceding year. The financial results for the year under review had indicated an improvement of Rs.894,441 as compared with the preceding year.

4. Operating Review

4.1 Performance

Six duties and functions of the Council are set out under Section 14 (1) of the National Human Resources Development Council of Sri Lanka Act.No.18 of 1997. Similarly, the duties and functions to be performed for the development of human resources of the Country is described furthermore under the 1st Schedule of the Act. However, attention should be paid in respect of the plans and the actual functions of the Council prepared for the past period and execution of the following matters mentioned in the Act.

- (a) The recommendations had not been furnished to the Minister by the Council in respect of the changes to be made for the policy, plans and programmes in necessary moment and the review and examination of the Programmes and plans periodically operational with the National Human Resources Development Policy.
- (b) The implementation on the Human Resources Development Plans and Programmes approved by the Government had not been sought.





4.2 **Management Inefficiencies**

The members appointed to the Council in terms of Sub –section 3 of the Act, should consist of a team of 20 members with Heads of Institutions involved in the economic and human resource development of the country for the achievement of the objectives of the establishment of the Council more effectively. However, it was observed that the contribution of the members of the Council had been a minimum level in the examination of minutes of Board of Control and participation of members for the meetings held during the year under review.

- (a) 07 members out of the 19 appointed for the 06 meetings of Board of Control held during the year under review had not participated in any of the meetings.
- (b) It was observed in audit that only the Chairman and other 2 members had participated in all the meetings held and 2 members had participated only for one meeting .

4.3 **Operating Inefficiencies**

The following observations are made.

- (a) Even though according to the Action Plan, the final report in relation to the Project of Middle East Immigrant Labourers and their Social Knowledge should be furnished to the Minister in the year under review, this project had been executed after 06 months of the planning. However, a sum of Rs. 0.35 million had been spent for that purpose but the report had not been furnished even as at 18 June 2015.
- (b) A sum of Rs.1.6 million had been spent in the year under review for the planning and to conduct surveys in respect of 7000 families under the Project of Development of war disadvantaged families displaced by war in Mullaitivu District in the Northern Province. According to the Action Plan, this Project should be completed during the year under review but the reports had not been submitted even as at 18 June 2015.



- (c) The survey of the National and International Labour market Study Project had been conducted by a private institution spending a sum of Rs.4 million. Even though ,a report had been submitted by that institution relating to the survey ,that report had not contributed to achieve the expected objectives of the Council.

4.4 Personnel Administration

Twenty officers had been recruited to the Council in the year 2013 and 03 officers had left in the same year. Nine officers were recruited in the year under review and 09 officers had been left. Accordingly, it was observed that there was a tendency that officers vacate their services and there were 05 vacancies existed out of 33 approved cadre. It was observed that there was one vacancy for an essential post of the Research Officer, though these posts were limited to 4 officers .

4.5 Resources of the Council Given to Another Government Institutions

The service of a driver who had been recruited for the permanent service of the Council had been deployed for another Government Institution during a period over 5 years.

4.6 Un-economic Transactions

A sum of Rs.43,411 had been spent for printing of 500 units of June volume of the Journal News Letter which is published once in 06 months by the Council and a sum of Rs.79,236 had been spent to print the December volume in a more harder paper . As such, an unnecessary expense of Rs.35,825 had been incurred .



5. Accountability and Good Governance

5.1 Corporate Plan

The Corporate Plan prepared for the year 2013 to 2017 did not include the review of the operations of the 3 preceding years in terms of Sub-section 5.1.2 of the Public Enterprises Circular No.PED/12 of 02 June 2003. Similarly, the financial values of targets to be achieved had not been stated .

6. Systems and Controls

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

- (a) Accounting
- (b) Assets Management

W.P.C Wickramaratne,
Acting Auditor General

Auditor General,
Auditor General's Department,
Battaramulla.

Report of the Auditor General on the Financial Statements of the National Human Resources Development of Sri Lanka for the year ended 31 December 2014 in terms of Section 14 (2) C of the Finance Act, No. 38 of 1971

This relates to the above report submitted by the letter No. S/E/NHRDC/1/14/02 dated, 31st of August. Accordingly, my clarifications are kindly presented as follows.

2.2 Comments on financial statements

2.2.1 Sri Lanka Government Sector Accounting Standards No. 07

The assets with a zero value had been already assessed.

2.3 Receivable and payable accounts

- a) Council approval has granted to remove these three relevant expenditure items from accounts, those will be removed when the final accounts are prepared for the year 2015.
- b) Legal actions are being taken to recover the relevant amounts.

Non - compliance with laws, rules, regulations and management decisions

- a) To execute the power with regard to the appointment of five members for the Board of Administration by the Minister is beyond the control of our institution as provided by the Act. However, the Chairman has make arrangements to inform in this regard to the Minister in charge of the portfolio.
- b) Separate fixed assets registers will be maintained in relation to the computer accessories and software.
- c) Although there is a registrar for the fixed assets of the institution, a fixed asset register has not been maintained by the institute in terms of the FR 502 (2). Accordingly, the

relevant proceedings have been started to maintain a fixed asset registrar in terms of FR 502 (2).

3. Financial Review

3.1 Financial result

Agreed.

4. Operational Review

4.1 Performance 2014

a). While implementation of the National Human Resources Development plan is in delaying status, the plans have been formulated to examine the implementation procedure and supervising activities in the future. The initial discussions for updating the existing National Human Resources Policy has been informed by the letter No.408/51-2015/01 of the Secretary to the Prime Minister dated June 3rd 2015 are in process.

b) Although the attention has not been paid to achieve this objective during the year under review, it will be able to fulfill in forthcoming years.

Accordingly, you are kindly informed that the attention has been paid to fulfill the prime objective of establishing this institute and the actions have been taken in this regard.

4.2 Managerial inefficiencies

a) and b) Out of the members of the Board of Administration of this institute, eleven (11) people are Ministerial Secretaries and there are four chairmen from four government institutes and one Director General. Accordingly, the regular participation of Administrative Board meeting of such a people with a busy schedule can not be practically expected. However, based on the prevailing situation, necessary arrangements have been made by referring the relevant amendments to the legal draftsman by the letter of the Secretary to the Ministry of Youth Affairs and Skills Developments No. 5 -1/4/5 dated 01.10.2014 in order to amend the provisions of the members of the Administrative Board enabling to obtain the maximum contribution of the membership of the Council to fulfill the objective of the institute according to the decision of the Board of Administration. Actions will be taken to amend the Act forthwith subsequent to the approval of legal drafts.

4.3 Operational inefficiencies

a) The project on migrators to Middle East countries and their social consciousness

While the preparation of project proposal has been completed, arrangements will be taken to hand over the same to the Minister in charge of Portfolio within another two weeks' time period.

b) The project on development of war - displaced unprivileged families in Mulativ district in Northern Province

While the project report has been already prepared, actions will be taken to submit the recommendations for the line Minister within next month.

c) Project on study about the local and international labour market

In terms of the functions of the Council laid down in Section 14 (1) of the Sri Lanka National Human Resources Development Council Act No. 18 of 1997, the study on the local and international labour market was carried out and the report had been referred to the Line Minister and the relevant training institute. That report has forecasted about the potential employment opportunities in labour market up to year 2020. Accordingly, it can be confirmed that the object in Section 14 (1) of Sri Lanka National Human Resources Development Council Act No. 18 of 1997.

4.4. Staff administration

a). Out of the 09 officers who had left during year under review, 04 officers have been retired and other officers had left for high – salaried employments in the private sector and some for their personal family issues. Although the approval of the Board of Administration has been granted for internal recruitments for existing vacancies, it was delayed due to the elections held. Accordingly, actions are being taken to immediately fill the existing vacancies during this year.

4.5 Resources of the Council allocated to other government institutes

In terms of the requests made on behalf of fulfillment of temporary requirements of the drivers in government institutes operating under the Line Ministry relevant for our institute and its other Ministries, this driver was temporarily attached for this time to time. Accordingly, there was an opportunity to utilize the public resources with maximum efficiency. Up to now, nobody has been attached to other institutes.

4.6 Non- economic transactions

The December edition was printed with the thickness of 150 GSM based on the facts such as the quality of the information in “Puwath Hasuna” published by the institute, existence of long term studies for the users, ability to provide facilities suitable to use for the long term studies. In addition to this, additional 4 pages have been included in December Volume and extra cost had been made for its design. Accordingly, it is not a non – economic expense while considering all the above facts.

5. Accountability and good governance

5.1 Corporate plan

While the arrangements is made to include a review on previous three years operations in the Corporate Plan formulated for the period of year 2014 – 2018, although it cannot give financial values for the objectives to be achieved, the actions will be taken to enter approximate values and to rectify them.

6. System and control

It is expected to take necessary arrangements according g to the audit queries made.

G.G.Kasuni Uthpala
Council Secretary
For Chairman