

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

**ANNUAL REPORT  
2016**

**Ministry of National Policies and Economic Affairs**

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

## **Institutional Background**

Institution	:	National Human Resources Development Council of Sri Lanka
Ministry	:	Ministry of National Policies and Economic Affairs
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Bankers	:	Bank of Ceylon Peoples' Bank

## **Vision**

Our Workforce Future Ready

## **Mission**

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

## **Values**

- Team culture
- Customer orientation
- Creativity
- Indiscriminate

## **Message of the Chairman**

The Human Resources Development Council of Sri Lanka was established by Act of Parliament No 18 of 1997. Even though it was coordinating with several Ministries, from 2016, it came within the purview of the Ministry of National Policies and Economic Affairs. From there on the Council recruited the required staff and a Corporate Plan in accordance with the Aims and Objects of the Act was formulated. The General Treasury allocated Rs 15.5 Million for capital expenditure in 2016.

In conformity with Section 14.1 of the Act, the following key areas were selected for projects.

- (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;

Our Council with the Vision “OUR WORKFORCE FUTURE READY ” undertook the following projects during the year 2016.

### **MANAGERIAL COMPETENCY DEVELOPMENT PROGRAMME 2016 (MCDP)**

The Council organized two Management Competency Development Programmes in collaboration with the University of Putra, Malaysia for the Public Sector managerial staff and for their development. The sessions were divided into two-Local Sessions and Foreign Sessions and each focused on different competencies.

### **SRI LANKA HUMAN CAPITAL SUMMIT 2016**

The Council organized the first ever Sri Lanka Human Capital Summit in association with the Sri Lanka Association of Human Resources Professionals (AHRP) on the 11th and 12th August 2016. A diversity of stakeholders and supporting partners-, Employers’ Federation of Ceylon, ILO, ADB and the World Bank, participated. Deliberations centered on solutions for Human Resource Challenges and means of achieving a competitive edge in delivery and performance. The Summit focused on four areas-Tourism and Hospitality, Services, Manufacturing and Construction and Foreign Employment.

## **CREATING AWARENESS OF EMPLOYMENT OPPORTUNITIES IN THE TOURISM AND HOSPITALITY SECTOR AND CONSTRUCTION SECTOR**

This programme was mainly targeting school leavers to make them aware of opportunities in tourism and hospitality and for reducing unemployment among them and meeting the skills shortage in the industry. Both the Private and the Public Sector participated.

## **PUBLIC SECTOR MANAGERIAL STAFF COMPETENCY DEVELOPMENT PROGRAMME WITH KPMG**

KPMG undertook a programme to train all Boards of State Owned Enterprises(SOEs) which fall under the purview of the Ministry of Public Enterprise Development.

## **POLICY FORMULATION**

Four study groups were established to recommend policy options to address the gap between the skills that educational and training institutions are imparting and what the industry is seeking.

## **CMA SRI LANKA, SLITHM JOINT PROFESSIONAL FINANCE & MANAGEMENT ACCOUNTING COURSE FOR HOSPITALITY INDUSTRY**

The Council in agreement with Certified Management Accountants Sri Lanka (CMA) and Sri Lanka Institute of Tourism and Hotel Management (SLITHM) launched a new qualification "Certified Hospitality and Finance Management Accountancy (CHFMA)," to assist Financial and Management Accounting Personnel in the industry. Those who are not in the profession and who obtain this qualification will get job opportunities in the hospitality industry as qualified, competent finance and management accounting professionals.

## **STRENGTHENING AND CAPACITY BUILDING AND TRAINING OF THE SME SECTOR**

Currently there is no data with regard to the SMEs in the provincial or District Secretariats. Thus they cannot interface with stakeholders and service providers at village level. SMEs face further challenges in such areas as Financial Management, accessing available services, networking with other organizations, marketing and promoting their products and in skills development.

The Council's intent is to empower the SME sector and entrepreneurs who are in business and in self-employment, at Divisional or District level in areas including manufacturing, brick making, carpentry, agriculture, tailoring, and construction and in services such as repair and maintainance, trading, pawning and financial services, beauty and personal hygiene.

## **DEVELOPING AN HR STRATEGY IN PLANNING AND EXECUTION AND BUILDING MANAGERIAL COMPETENCIES IN THE PUBLIC SECTOR.**

A robust policy is not in place for the recruitment and promotion of the right person for the right job. Therefore our Council has together with experts in the field, developed a Competency Framework for the public sector to ensure a quality, effective and efficient public service.

### **LECTURE SERIES**

A lecture series was held on “HR for Non HR”, “ Motivate Your Self and your Team”, “HR Role in Improving public Sector Delivery”, “Professionalism as a Way of Life” to empower the public sector officials to upgrade their knowledge and skills towards delivering efficient and effective service to the general public.

### **“RAKIYA ARUNA” CAREER MOTIVATION PROGRAMME**

Four programmes were held in Kalutara, Ratnapura, Kandy and Colombo Districts with assistance from the National Chamber Of Commerce, District Secretariats, AGA Offices, Vocational Training Institutes, Zonal Educational Offices and the private sector.

### **KNOWLEDGE MANAGEMENT**

Initiatives for the introduction of knowledge management and to build internal bench strength was undertaken in 2016. Training in cognitive skills like creativity and communications, which are assets in a knowledge-based economy, as is the need to strengthen the proficiency in English, the lingua franca of a modern economy.

### **ENHANCING THE PRODUCTIVITY AND STANDARDS OF THE COUNCIL**

As Chairman, I am pleased that the Council received appreciation for working in accordance with the ISO 90001:2015 prescriptions towards an efficient, and effective service in furtherance of Human Resources in Sri Lanka, at the audit conducted by the Sri Lanka Standards Institute.

We wish to assure all our stakeholders that we will continue to uphold the highest standards in the future and will continue to focus on our vision of "TO BUILD A WORKFORCE READY FOR THE FUTURE".

Dinesh Weerakkody

Chairman

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# **1. Institutional Background and the Scope**

The 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 the important role of work in assisting to initiate, promote and implement the policies pertaining to human resources development and by giving priority to all the activities of human resources development under the powers vested upon the said council. Its main objective is to organize as a higher institution that provides instructions in respect of the Human Resources Development to the Minister concerned and to the government.

## **1.1 Introduction to the Institution**

The National Human Resources Development Council of Sri Lanka, as a national level Consultative Body was began as a unit of the Ministry of Youth Affairs on the 05<sup>th</sup> of June 1987. Subsequently it was established as an independent statutory body under the purview of the Ministry of Science & Technology, subject to the provisions of the National Human Resources Development Council Act No. 18 of 1997. Since then, this institution was assigned to the Ministry of Technical Education and Vocational Training within a short period i.e., in the year 2000, and again in the year 2001 it was assigned to the Ministry of Education & Cultural Affairs. Then, subsequent to the change of government, the institution was assigned to the Ministry of Skills Development, Vocational & Technical Training. This institution which functioned under a number of ministries within a short period is currently carrying out its functions under the purview of the Ministry of National Policies and Economic Affairs.

## **1.2 Vision**

Our Workforce Future Ready

## **1.3 Mission**

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



## 1.4 Objectives

The 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. The responsibilities and the role of this Council, as per the Act of the Council is 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 to be submitted to the government.
  3. In case where it is necessary to review and inspect the national human resource development policy and plans under opeations time to time, giving recommendations for the Minister regarding the changes to be made for such policies, plans and programmes.
  4. To inspect 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 another Minister, it should be implemented with the concurrence of the said Minister and
  6. Carry out all other activities which the Council intends as necessary or congenial to develop the human resource in compliance with the national objectives.

## 1.5 Authority of the Council

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

- (a) To carry out 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**

This Council operating under the purview of the Ministry of National Policies and Economic Affairs 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 ex-officio, while the remaining five (5) members are from relevant institutions. In addition to that, 5 members are appointed for the experience and skills in the relevant fields and out of them two (2) persons are from the private sector. The Minister in charge of the portfolio has been vested with 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 31.12.2016. Board of Directors of the Council as at 31.12.2016 is as follows :-

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

1. Chairman, National Human Resources Development Council of Sri Lanka
2. Secretary Ministry of National Policies and Economic Affairs
3. Secretary, Ministry of Higher Education and Highways
4. Secretary, Ministry of Education
5. Secretary, Ministry of Science, Technology and Research
6. Secretary, Ministry of Labour and Trade Union Relations
7. Secretary, Ministry of Public Administration and Management
8. Secretary, Ministry of Health, Nutrition and & Indigenous Medicine
9. Secretary, Ministry of Industries and Commerce
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 Grant Commission
15. Chairman, National Apprenticeship and Industrial Training Authority
16. Secretary, Ministry of Finance

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

1. Prof. Camena Gunaratne, Dean, Faculty of Humanities & Social Science, Open University
2. Dr. Rangika Halwatura, Senior Lecturer, University of Moratuwa
3. Dr. Ranil Abeysinghe, 178, George de Silva Mw. Kandy

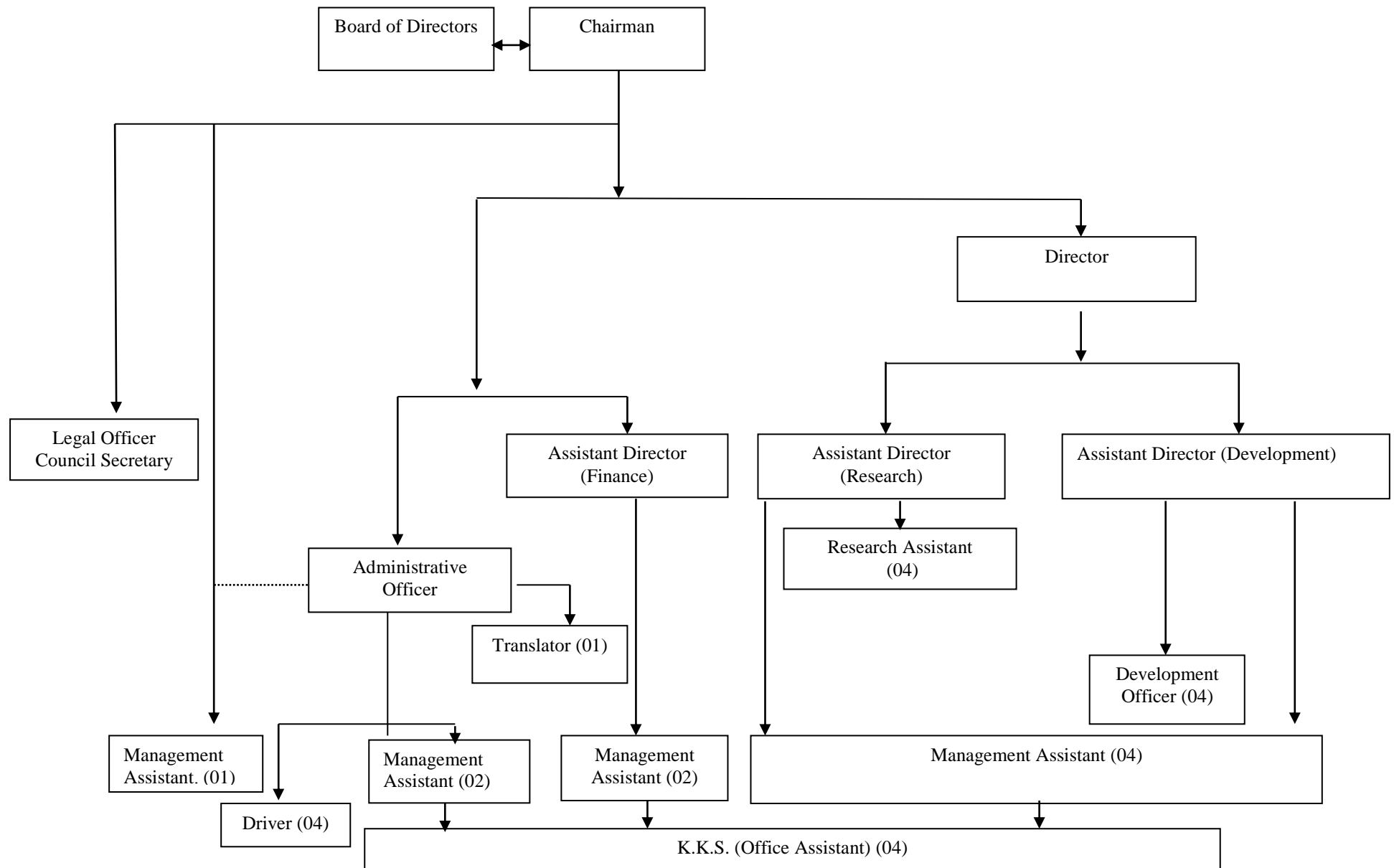
**The particulars of the dates when the Council Meetings of the National Human Resources Development Council of Sri Lanka were held in year 2016 and the members who attended.**

S/N	Member of the Council	2016.03.02	2016.06.29	2016.10.28
01.	Chairman, National Human Resources Development Council of Sri Lanka	√	√	√
02.	Secretary Ministry of National Policies and Economic Affairs	-	√	√
03.	Secretary, Ministry of Higher Education and Highways	-	√	√
04.	Secretary, Ministry of Education	-	-	-
05.	Secretary, Ministry of Science, Technology and Research	-	-	-
06.	Secretary, Ministry of Labour and Trade Union Relations	-	√	√
07.	Secretary, Ministry of Public Administration and Management	√	-	√
08.	Secretary, Ministry of Health and Nutrition and & Indigenous Medicine	-	-	√
09.	Secretary, Ministry of Industries and Commerce	-	√	-
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 Grant Commission	√	-	-
15.	Chairman, National Apprenticeship and Industrial Training Authority	-	-	-
16.	Secretary, Ministry of Finance (Appointed member)	√	-	-
17.	Prof. Camena Gunaratne	-	-	√
18.	Dr. Rangika Halwatura	√	√	√
19.	Dr. Ranil Abeyasinghe	√	-	√
	<b>No. of Total Participants</b>	<b>07</b>	<b>07</b>	<b>11</b>

### **Changes of the members of the Council during the year 2016**

1. Subsequent to the retirement of Mr. W.M.Bandusena who was working as the Secretary to the Ministry of Education, Mr. Sunil Hettiarachchi was appointed as the Secretary and has been appointed as a member of the Board of Governors with effect from 22.09.2017.
2. Subsequent to the retirement of Mr. J. Dadallage who was working as the Secretary to the Ministry of Public Administration and Management, Mr. J.J.Rathnasiri was appointed as the Secretary and has been appointed as a member of the Board of Governors with effect from 22.09.2017.
3. The relevant Ministry has appointed Dr. A.U.C. Athukorala, in replacement of Mr. J.Y.Peris who was working as the Chairman of the National Apprenticeship & Industrial Training Authority and he was appointed as a member of the Board of Governors with effect from 22.09.2017.
4. Dr. Chandra Ambuldeniya has been appointed as a member of the Board of Governors under Section 3(1)P of the National Human Resources Development Act No. 18 of 1997, with effect from 31.10.2016.
5. Mrs. N.Godakanda who served as the representative of the Ministry of Finance has been transferred to another Ministry.

### 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 31.12.2016	Vacancies as at 31.12.2016	Name
Chairman	01	01	-	Mr. Dinesh Weerakkody
Director	01	01	-	Mr. K.A.Lalithadheera
Assistant Director	03	02	01	Mrs. J.A.C.P.Jayasingha Mr. S. Thanagaseelan
Council Secretary/ Legal officer	01	01	-	Miss. G.G. Kasuni Uthpala
Research Officer	04	04	-	Mrs. R.M.A.U.K.Rathnayaka Mrs. M.A.H.D.C.Perera Mr. D. Senthilnadan Miss. N.D.Edirisingha
Administrative Officer	01	01	-	Miss. K.V.S. Eranga
Translator	01	-	01	-
Development Officer	04	04	-	Mrs. P.E.S. De Silva Mr. R.D.C.S. Rajapaksha Mr. K.P.P. Perera Mrs. K.C. Gurusingha
PA to the Chairman	01	-	01	-
Management Assistant	08	07	01	Mr. C.R.Maddage Miss. M.G.N. Dilhari Mr. W.M.Lakshitha Rajith Miss. K.C.Muthumala Miss. Asha Sureni Edirisingha Mrs. G.M.Saddhamangala Mrs. R.L.I.Sanjeewani
Driver	04	03	01	Mr. G.M.Pinnaduwa Mr. Terrance Piyal Mr. Asanka Lakmal
Office Assistant	04	03	01	Mr. N. G.Nadun Madhuranga Mr. W.R.A. Prince Granvil Miss. A.Nayana Priyadarshani
<b>Total</b>	<b>33</b>	<b>27</b>	<b>06</b>	

### **New Recruitments**

<b>Name</b>	<b>Designation</b>	<b>Date of recruitment</b>
Miss. K.V.S. Eranga	Administrative Officer	2016/08/15
Miss. R.L.I. Sanjeewani	Management Assistant	2016/10/17
Mr. D.H.W. Asanga Lakmal	Driver	2016/08/01

### **Attachments**

<b>Name</b>	<b>Designation</b>	<b>Institute attached</b>	<b>Date of attachment</b>
Mr. H.U.Kariyawasam	Assistant Director ( Finance)	Vocational Training Authority	16/10/2016

### **Resignations**

<b>Name</b>	<b>Designation</b>	<b>Date of resignation</b>
Mrs. Chamini Kariyawasam	Administrative Officer ( A/B)	2016/01/14
Mr. W.H.E. Jayarathna	Driver	2016/05/27
Mr. U.S.T. Vithanage	Assistant Director (Finance)	2016/10/04



## Local and Foreign Training

With the view of enhancing subject knowledge of staff of the NHRDC, the local and foreign training was provided to them during the year under review. The details of officers who attended training during the year 2016 is as follows.

### Local Training – Individual/Group

Individual Training				
No	Name of the employee	Designation	Name of the Training Program	Institute
1	Miss K. C. Muthumala	MA	The Course in computerized Accounting[SME] [Quickbooks, Tally ERP, MYOB]	AAT Sri Lanka
	Miss Nadeesha Dilhari	MA		
2	Miss K. C. Muthumala	MA	Practical Aspects of Bid Evaluation	Skills Development Fund Limited
	Miss M.G. Nadeesha Dilhari	MA		
	Miss G.P. M. Saddhamangala	MA		
3	Mrs. G.P. M. Saddhamangala	MA	Microsoft Exell 2010/2013 Master Course for HR Professionals	Institute of Personnel Management (IPM)
4	Miss G.G. K. Uthpala	Legal Officer	Labour Law for Career Development	IPM
5	Mr. K.A. Lalithadheera	Director	Diploma in English for Professionals	NIBM
6	Mr. W.M.L. Rajith	MA	Spoken English Course	ICBT
7	Mrs. R. M. U. K. Rathnayake	Research Officer	Diploma in Monitoring and Evaluation	National Institute of Labor Studies

<b>Group Training</b>				
<b>No</b>	<b>Name of the employee</b>	<b>Designation</b>	<b>Name of the Program</b>	<b>Institute</b>
1	Miss Sewvandi Eranga Mr. Rajitha Maddage Mr.Lakshitha Rajith Miss Nadeesha Dilhari Mrs M.Saddhamangala Miss Asha Sureni Miss Kasuni Chamalika Miss Inoka Sanjeewani	Adm.Officer MA MA MA MA MA MA MA	Human Capital Development Master Course	HNB
2	Mr. K.A. Lalithadheera Mrs. J.A.C.P. Jayasinghe Mr. U.S.T. Vithanage Mr. S.T. Seelan Miss G.G.K. Uthpala Mrs. Hansani Perera Mr. D. Senthilnathan Mrs. Amali Rathnayake Mrs. N.D. Edirisinghe Mr. K. Prabhath Perera Mr. R.D.C.S. Rajapaksha Mrs. Erandi De Silva Mrs G. Kasundani Chathurika Mrs. G.P.M. Saddhamangala	Director Asst. Director Asst. Director Asst. Director Legal Officer RO RO RO RO DO DO DO DO DO Management Assistant	Training program on Developing Action Plans	NHRDC
3	Mr. S. Thanigaseelan Miss K.V.Sevwandi Miss N.D.Edirisinghe Mr. D. Senthilnathan	Asst. Director Adm. Officer RO RO	Training program on Report Writing	NHRDC
4	Mr. S. Thanigaseelan Mr. D. Senthilnathan Mrs Erandi De Silva Mrs M. Saddhamangala	Asst. Director RO DO MA	Training program on Financial Regulations	NHRDC

## 5. Projects and Programs

### 5.1 Managerial Competency Development Program 2016 (MCDP)

Under the vision of NHRDC “Our Workforce Future Ready”, the Council successfully conducted two Managerial Competency Development Programs for the public sector managerial staff with the collaboration of the University of Putra in Malaysia and the 1st & 2<sup>nd</sup> programs were held in April and October 2016 respectively.

The main objective of these programs was to strengthen the competencies of the public sector managerial staff. To achieve this objective, the programs were designed in two sessions namely Local Session and Foreign Session and each session effectively targeted different competencies required for the managerial staff in the various institutions.

#### Local session

Resource Person	Mr. Ranil Sugathadasa
Venue	Sri Lanka Institute of Development Administration
Subject areas	<ul style="list-style-type: none"><li>➤ Project Management</li><li>➤ Computer applications on Project management (MS Project software)</li><li>➤ Time Management</li><li>➤ Cost Management</li><li>➤ Resource Management</li><li>➤ Presentation Skills</li></ul>

## Foreign Session

Venue	University of Putra, Malaysia
Subject areas	<ul style="list-style-type: none"> <li>➤ Motivation and Team Building through OBT training</li> <li>➤ International Negotiations</li> <li>➤ Human Resources Management</li> <li>➤ Strategic leadership in Public Sector</li> <li>➤ Transformation Leadership in Malaysia</li> <li>➤ Strategic Management</li> </ul>

Details of the participants are as follow:

### MCDP 01

	Name	Designation	Name Of The Institution
1	Mr. M.A.I.K. Manthirathna	Assistant Secretary	Ministry of Justice
2	Mr. M.L.M. Kusumpala	Labour Officer II	Department of Labour
3	Ms. P.A.M.R. Chandrasekara	Additional Director (Admin and Finance)	National Youth Crops
4	Mr.R.M.A.K. Wijerathne	Additional Director - Central Province	National Youth Crops
5	Mr.Major G.M.U. Bandaranayake	Officer In Charge NYC Training Centre	National Youth Crops, Wariyapola
6	Mr.L.H.P. Sandanath	Officer In Charge NYC Training Centre-	National Youth Crops, Dodangaslanda
7	Mr.W.M. Rathnasiri	Manager (Benefit Administration)	Employees Trust Fund Board
8	Mr.H.G.G.J. Dharmasena	Director General	Department Of Manpower and Employment
9	Ms. R.M.T.V. Rajaguru	Assistant Secretary (Admin)	Ministry of Labour and Trade Union Relations
10	Mr. R. R. K. Nugapitiya	Director	Department of Management Audit
11	Mr. S. M. Dayarathne	Director	Department of Management Audit

12	Ms. M.A.K.P.Wijewantha	Director	Department of Management Audit
13	Ms. I .A. Mallika Fernando	Director (ICT)	Department of Census And Statistics
14	Ms. C. Gunawardene	Assistant Secretary	University Grants Commission
15	Ms. Jayangani Nadeesha Samarasinghe	Senior Assistant Secretary	University Grants Commission
16	Mr. K. A. Lalithadheera	Director	National Human Resources Development Council
17	Mr. R.D.C.S.Rajapaksha	Development Officer	National Human Resources Development Council
18	Ms. R.M.A.U.K. Rathnayake	Research Officer	National Human Resources Development Council
19	Mr. R.M.D. Kudagammana	Senior Engineer	Sri Lanka Land Reclamation & Development Corporation
20	Mr. V.P. Samaraweera	Senior Engineer	Sri Lanka Land Reclamation & Development Corporation
21	Ms. S. Shia Devi	Engineer	Sri Lanka Land Reclamation & Development Corporation
22	Mr. W.P.C. W. Thilakarathna	Engineer	Sri Lanka Land Reclamation & Development Corporation
23	Mr Y.P.C. De Silva	Deputy General Manager Construction	Sri Lanka Land Reclamation & Development Corporation
24	Mr. O.V.W.R. Gunatilakarathna	Assistant General Manager Construction	Sri Lanka Land Reclamation & Development Corporation
25	Mr. Manoharan Satheesh	Assistant Registrar	Eastern University Sri Lanka

The second MCDP program which was held in October 2016 was special since, the participants of this program got the opportunity to have a one day exposure visit to Singapore. Details of the participants are as follow:

**MCDP 02**

<b>No</b>	<b>Name</b>	<b>Designation</b>	<b>Name Of The Institution</b>
1	Mrs.M K G I Keerthilatha	Operations Manager - WPN	Bank of Ceylon
2	Mrs. G K Ranmandala	Chief Manager	Bank of Ceylon
3	Mrs.U N Herathrandeny	Relationship Manager (Offshore Banking)	Bank of Ceylon
4	Mr.R.M.B.M Rathnayake	Senior Manager	Bank of Ceylon
5	Mr. V Sivananthan	Senior Manager	Bank of Ceylon
6	Mr. P W M K Tilakaratne	Senior Manager	Bank of Ceylon
7	Mrs.N Diyabedanage	Director General	University of Vocational Technology
8	Ms.D.K.D.G.Lakmali	Chief Accountant	Department of Labour
9	Mr.A.R.Hewapathirana	Asst. Commissioner of Labour	Department of Labour
10	Mrs.N.P.Manage	Asst. Commissioner of Labour	Department of Labour
11	Mr.M.K. Upul Senarath	Labour Officer	Department of Labour
12	Mr.A.S.B.Wijesuriya	Engineer	Department of Labour
13	Mrs.D.I.I.Perera	Director-Administration	Road Development Authority
14	Mr.G.D. S. Kumarasinghe	Deputy General Manager - Finance	State Timber Corporation
15	Mrs.S. Chanthira	Director(Planning)	Ministry of Justice
16	Mrs.B. A. P. S. Balasuriya	Deputy General Manager Legal & Secretary to Board	National Lotteries Board
17	Mrs.M.G.K.M.Madalussa	Asst. General Manager(Fin.)	National Lotteries Board
18	Mrs.H.M.C.N.Herath	Assistant General Manager(Administration)	National Lotteries Board
19	Ms.D.D.J.Wanaguru	Program Officer	Skills Development Fund Limited
20	Ms.K.I Perera	Program Officer	Skills Development Fund Limited
21	Mrs.E.M.S.K.E. Moonamale	Secretary/PA to Chairman	Vocational Training Authority
22	Mrs.M.D.A. Nilanthi	Secretary/ PA to Director (HR and Admin)	Vocational Training Authority
23	Mr.U. G. Ratnasiri	Additional Secretary	Ministry of National Policies And Economic Affairs
24	Mrs.W P T N Fonseka	Management Assistant	Central Bank of Sri Lanka
25	Mrs.B.G.A.L Balasooriya	IT Technician	Central Bank of Sri Lanka
26	Mr.K M S Sanjeewa	Management Assistant	Central Bank of Sri Lanka
27	Mrs.M M Elpitiya	Management Assistant	Central Bank of Sri Lanka
28	Mr.S.Thanigaseelan	Assistant Director	National Human Resources Development Council

## Memories of MCDP 01



## Memories of MCDP 02



## 5.2 Sri Lanka Human Capital Summit 2016

### **Objective:**

Deliberate on human capital opportunities aiming to develop a national agenda to support Sri Lankan growth sector.

### **Achievement:**

The Sri Lanka Human Capital Summit-2016 was organized by NHRDC and the Sri Lanka Association of Human Resource Professionals (AHRP) from 11th -12<sup>th</sup> August 2016. The conference was enriched by the diversity of stakeholders and supporting partners namely Employers Federation of Ceylon, ILO, ADB, and World Bank, who gathered to discuss and find solutions for the human resource challenges and help Sri Lanka to develop a competitive edge.

One of the main features of this summit was to receive inputs from experts in the area of human capital development to assist the government in reshaping its Human Resources Policy as a part of its new Economic Development Plan.

The summit focused on the key growth sector in Sri Lanka and highlighted opportunities that Sri Lanka has on four growth sectors: Tourism and Hospitality, Services, Manufacturing & Construction and Foreign employment.





### 5.3 Creating Awareness of the Employment Opportunities in the Regions by conducting workshops covering Tourism and Hospitality.

#### Objective:

The objective of this program is to make the school dropout students from selected districts aware and to attract and create interest among youth ensuring the flow of the talent supply into tourism sector both direct and indirect with the partnership of public and private sectors and with support to increase the student intake in the Vocational Training Institutions (SLITHM, VTA, NAITA, UNIVOTEC, SLIATE, EUSL, HEMAS, MSU & MSI, CAHM and District Secretariats). About 1817 school leavers benefitted from this program.

#### Programme Partners:

<b>SLITHM</b>	- Sri Lanka Institute of Tourism & Hotel Management
<b>CMA</b>	-Institute of certified management accountants of Sri Lanka
<b>CAHM</b>	-Colombo Academy of Hospitality Management
<b>VTASL</b>	-Vocational Training Authority of Sri Lanka
<b>NAITA</b>	-National Apprentice and Industrial Training Authority
<b>UNIVOTEC</b>	-University of Vocational Technology
<b>SLIATE</b>	-Sri Lanka Institute of Advanced Technological Education.
<b>EUSL</b>	-Eastern University of Sri Lanka
<b>MSU</b>	-Management and Science University
<b>HEMAS</b>	

No	District	Date held	Total Beneficiaries
1	Batticaloa	29.03.2016	372
2	Galle	09.06.2016	170
3	Kalutara	29.07.2016	370
4	Polonnaruwa	27.09.2016	350
5	Puttalam	17.11.2016	320
6	Badulla	23.12.2016	235
		<b>Total</b>	<b>1817</b>

## People Empowerment :

NHRDC conducted a tourism awareness programme for school dropouts to attract them into the tourism sector” with the collaboration of public and private sector participation together with the already mentioned partners.

The ultimate objective of these awareness programmes was to motivate students to follow the relevant training courses which will reduce the unemployment rate and be a solution for the skills shortage in these industries in the long run.

Also, we especially focused the female participants through this awareness programme targeting to fulfil the shortage of female participation in this sector.

### 1. Highlights of Awareness Programs

#### Polonnaruwa Awareness Workshop



#### Galle Awareness Workshop



### Kalutara Awareness Workshop



### Badulla Awareness Workshop



### Batticaloa Awareness Workshop



### Puttalam Awareness Workshop



## 5.4 Strengthening the Business Capabilities of the SME sector with the identified partners

**Objective:** Empower and strengthen the SME holders.

**Output :** 529 SME holders were trained in following six divisions

- Created networks with relevant stakeholders (HNB, Ceylon Chamber of Commerce, Ministry of Women Affairs, District SME Division, District and Divisional Secretariats )

No	District	Date	Male	Female	Total
1	Gampaha	24.02.2016	51	65	116
2	Biyagama	17.03.2016	08	52	60
3	Horana	19.05.2016	26	77	103
4	Wattala	21.07.2016	15	80	95
5	Kalutara	21.09.2016	32	03	35
6	Badulla	23.12.2016	21	99	120
	<b>Sub Total</b>		<b>153</b>	<b>376</b>	<b>529</b>

### People Empowerment :

These entrepreneurs are engaged in different businesses in the divisional and district level and engaged in self-employment projects including Industrial (Manufacturing: Bricks, Carpentry, Spice products, Tailoring, Construction), Services (Beauticulture, Repairs and Maintenance, Technicians, Black Smith workshop, wholesale & retail trade, pawning center, welding, astrology, Restaurants, homes & car sales, rent a car) and Agriculture (Livestock, Plantation, Horticulture). At the end of the training program Certificates were distributed to the participants.

In common, there were no data set or profile of the small and medium entrepreneurs (SMEs) developed when we requested information from selected district and divisional secretariats. Also SME do not still have a proper network with the relevant stakeholders and service providers at the village level. Also, SME in Sri Lanka encounter many challenges such as financial

management, access to available services, networking with other institutes, marketing and promoting their products, and skills development with technical improvement.

These training programs provide a foundation to overcome the above barriers. Many entrepreneurs are unsuccessful due to inappropriate management of finance. This is one of the major causes for the failure of businesses in Sri Lanka. Most of the entrepreneurs who participated at the training agreed that the training will add immense value to carry out the business efficiently and effectively. The program targeted business promotion through financial control, tax management and legal issue. In addition, finding market opportunities and other numerous relevant aspects were considered when conducting the training program.

### **Participants of the Program**





## 5.5 Public Sector Managerial staff Competency Development Programme with KPMG

**Objectives** : To strengthen Board of Directors in the State Owned Enterprises

**Achievement** : Over 50 Directors and Senior Executives of SOEs participated in the workshop.

**Empowerment:** KPMG Chartered Accountants partnered with the NHRDC to conduct a workshop on board governance for all the State-owned Enterprises (SOEs) under the purview of the Ministry of Public Enterprise Development. Hon. Deputy Minister of Public Enterprise Development, Eran Wickremeratne and KPMG Managing Partner Reaz Mihular participated at the event.



## 5.6 Joint Professional Finance & Management Accounting Course for hospitality industry with CMA and SLITHM

NHRDC facilitated to launch ‘Certified Hospitality Finance and Management Accountancy’ (CHFMA) Program with the Institute of Certified Management Accountants of Sri Lanka (CMA) and Sri Lanka Institute of Tourism and Hotel Management (SLITHM) recognizing the benefit of generating professional educational programs in financial, accounting and management accounting for the hospitality sector and to that end, both parties collaborated in conducting a Joint Certification Program.

This initiative has recognized the current need for a rare professional programme in Financial and Management Accounting for the hospitality industry. Those who obtain this qualification will get job opportunities in the hospitality industry as qualified, competent finance and management accounting professionals.

CHFMA will open the doors for all those currently employed in the hospitality industry at different levels in the financial accounting and management accounting sector to obtain a professional qualification specializing in the hospitality industry.



## 5.7 HR strategy to build the managerial competencies in the Public sector & planning for execution

### 5.7.1 Competency Framework

There is no correct strategy for the selection of the right person for the right job in the government and semi-government sector and for their promotions. As a solution, our council has formulated a commonly accepted Competency Framework for the public sector, with the cooperation of a panel of experts, to build an efficient, effective and quality service among the employees. It has been sent to Hon. Minister and Secretary of Ministry of National Policies and Economic Affairs for the cabinet approval.

### 5.7.2 Lecture Series 2016

A lecture series was held on the topics namely, “HR for Non HR”, “ Your Self”, “HR Role in Improving public Sector Delivery”, “Professionalism as a Way of Life” to empower the public sector officials to upgrade their knowledge and skills towards the delivering efficient and effective service to the general public.

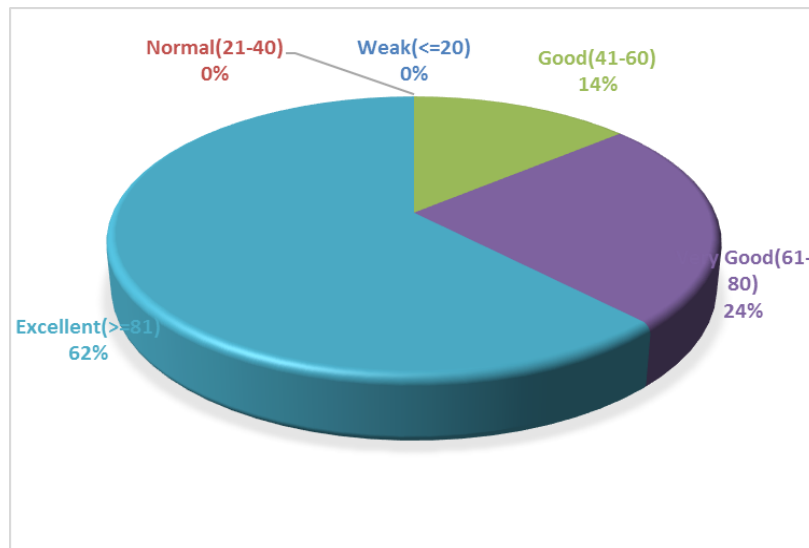
<b>Name of Lecture</b>	<b>Resource Person</b>	<b>Number of Participants</b>	<b>Date &amp; Venue conducted</b>
1. HR for Non HR(Winning Mind)	Dr. Ajantha Dharmasiri	76	<u>2016.05.10</u> Auditorium, Ministry of skills Development and Vocational Training
2. Motivate yourself and your team	Eng. Ranil Sugathadasa	100	<u>2016.06.16</u> Auditorium, Ministry of skills Development and Vocational Training
3. The HR Role in improving Public Sector Delivery	Mr. Dinesh Weerakkody	136	<u>2016.09.28</u> Auditorium, Ministry of skills Development and Vocational Training
4. Professionalism as a way of life	Mr. Deepal Sooriyaarachchi	77	<u>2016.11.29</u> Auditorium, Ministry of skills Development and Vocational Training



## Programme Evaluation

### 5.7.2.1 HR for Non HR(Winning Mind)

Figure 1: Pie chart of % number of participants with each evaluation category

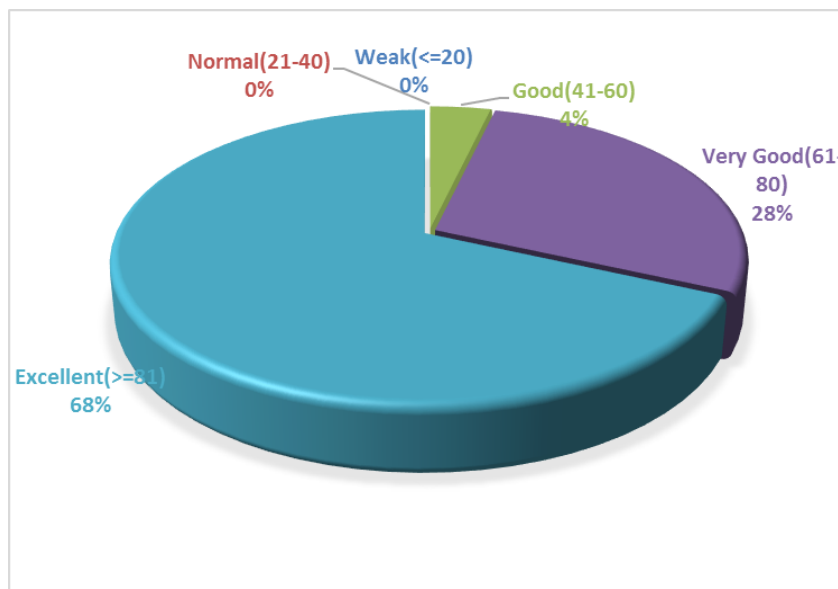


According to the Figure 1, 62% of participants said that the programme was Excellent, 38% of participants said the programme was Very good or good and no participant said this programme was weak or normal.



### 5.7.2.2 Motivate yourself and your team

**Figure 2: Pie chart of % number of participants with each evaluation category**

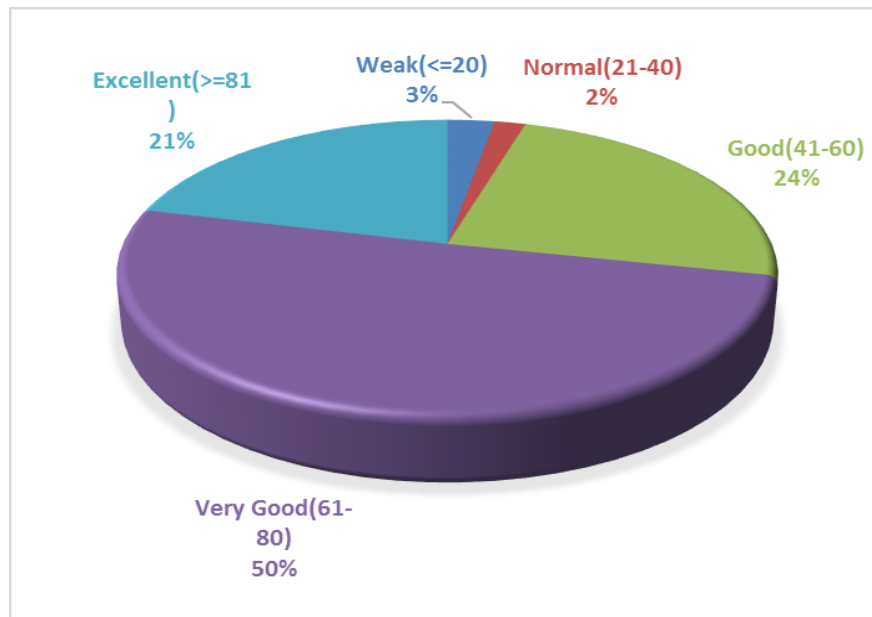


According to the Figure 2, 68.3% of participants said that the programme was Excellent, 31.7% of participants said the programme was Very good or good and no participant said this programme was weak or normal.



### 5.7.2.3 The HR Role in improving Public Sector Delivery

**Figure 3: Pie chart of % number of participants with each evaluation category**

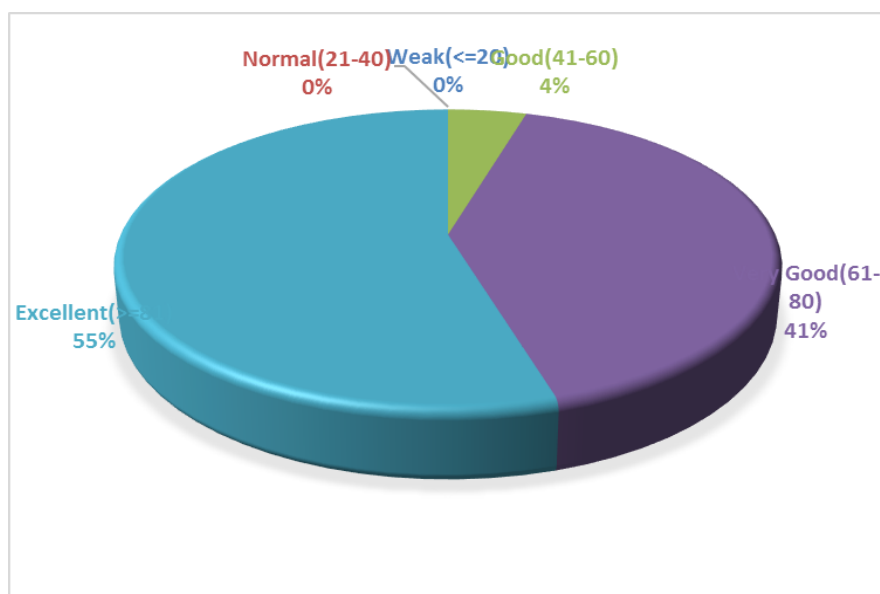


According to the Figure 3, 71.6% of participants said that the programme was Excellent or Very Good, 23.9% of participants said the programme was good and only around 4.5% participants said this programme was weak or normal.



#### 5.7.2.4 Professionalism as a way of life

**Figure 4: Pie chart of % number of participants with each evaluation category**



According to the Figure 4, 95.5% of participants said that the programme was Excellent or Very Good, 4.5% of participants said the programme was good and no participants said this programme was weak or normal.



## 5.8 “Rakiya Aruna” Vocational Motivation Programme – 2016

National Human Resources Council of Sri Lanka, National Chamber of Commerce of Sri Lanka, the National Chamber of Commerce, Vocational Training Institutions, Zonal Education Offices, District Secretariat, Divisional Secretariats together with the job seekers and private industries who can provide employment opportunities conducted 4 “Rakiya Aruna” vocational motivation programmes in the districts of Kalutara, Rathnapura, Kandy and Colombo.

The Department of Examinations had personal addresses of private candidates who sat the Advanced Level Examination 2014. Subsequently, they were invited to participate in the program. Banners and posters were displayed in the respective districts. Further “Lak Handa” radio broadcast advertisements on this.

Date	District	Venue	No. of participants
2016.2.13	Kalutara	SriPali Campus	270
2016.5.12	Ratnapura	D.A. Rajapaksha Hall	550
2016.7.12	Kandy	Co-operative Development Institute - Polgolla	499
2016.11.26	Colombo	Dharmapla College, Pannipitiya	418
<b>Company List</b>			
1. Union Assurance		11. Allianz insurance (Pvt)Ltd	
2. Janashakthi insurance		12. Hameedia Stars (Pvt)Ltd	
3. Ceylinco lanka		13. AMW (Pvt)Ltd	
4. Debug Group of Companies		14. Hydramani Ltd	
5. Ceylinco Life		15. GP Garments	
6. Delmage company		16. Cargills foods Company (Pvt)Ltd	
7. Heylix Engineering (Pvt)Ltd		17. Intelligent Image management lanka (Pvt) Ltd	
8. Laugfs Supermarket (Pvt)Ltd		18. Leader Travels and Tours (Pvt)Ltd	
9. Tantri Trailers (Pvt)Ltd		19. Singer Srilanka (Pvt)Ltd	
10. MAS Active		20. Cargills Ceylon Pl	



## Highlights of the programs

### Ambilitiya



### Colombo



### Kalutara



### Kandy



## 5.9. Newsletter – Human Capital Insights

During the year under review, the NHRDC was able to develop and publish a newsletter to make the relevant parties aware regarding new activities and programs undertaken by the NHRDC. Newsletters were distributed among the stakeholders during the year.

## 5.10 Improving productivity and quality within the National Human Resources Council of Sri Lanka

***National Human Resources Council of Sri Lanka is going forward in order to provide a quality service winning the ISO 9001:2015 certificate.***

National Human Resources Council of Sri Lanka with a Vision of “Our Workforce Future Ready” is committed to provide an efficient and effective service for the development of human resources in Sri Lanka.

In line with ISO 9001: 2015 quality standards, we have made arrangements to provide the services provided in the most productive and qualitative manner in order to achieve this objective.

The entire organization process was carried out in accordance with the standards recommended by the Sri Lanka Standards Institution having compiled necessary documents and other institutional document files.

While three officers of the institute participated at the awareness program on the ISO 9001: 2015 Quality Assurance on 15.12.2015 it helped to get an understanding about the revisions made in the new quality policy. In addition, the Internal Audit Committee of the Institution was trained to conduct an internal quality audit to monitor whether the organization's activities comply with ISO 9001: 2015. This training was conducted on 21.11.2016 under the guidance of "Quality Trilogy Consultancy & Training Services" according to a formal methodology.

The final audit was held on the 07th of December 2016 with the participation of the officers of the Sri Lanka Standards Institution, which recommended that our company comply with the ISO 9001: 2015 standard.

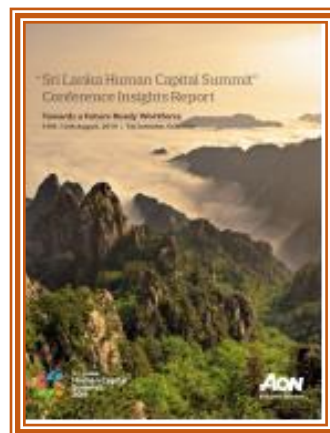
As per the instructions of the members of the audit committee who participated that day, the quality management system implemented by our company will further enhance and continue to provide quality service in 2017.

## 5.11 Publications of NHRDC during the year 2016

2016 Images of the publications, reports done during the year 2016 are depicted below.



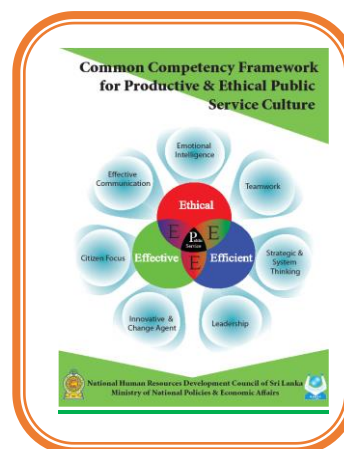
**Human Capital Insights**



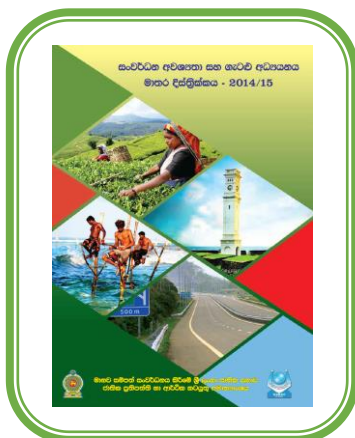
**Report of the Human Capital Summit -2016**



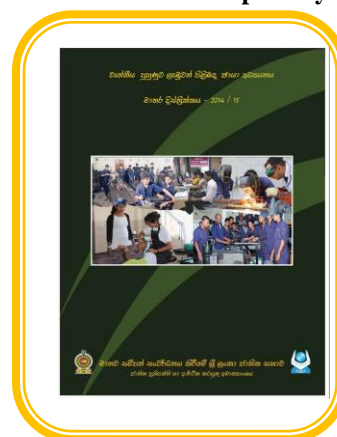
**Tourism Industry Forecasts 2016-2020**



**Common Competency Framework**



**Study on Development Needs and Issues- Matara District**



**Tracer Study on Ex-trainees at Vocational Training Institutes – Marata District**



## 6.Statement of Financial Position As at December 31.2016

				In LKR
	Note	2016	2015	Budgeted
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1	9,877,733.94	2,323,986.29	2,757,030.58
Receivables	2	71,162.82	71,162.82	71,162.82
Inventories	3	564,975.70	562,194.63	562,000.00
Prepayments	4	-	179,949.64	190,000.00
Other Current assets	5	2,668,029.66	2,131,857.17	2,810,000.00
		<b>13,181,902.12</b>	<b>5,269,150.55</b>	<b>6,390,193.40</b>
<b>Non-current assets</b>				
Infrastructure, plant and equipment	6	5,633,698.01	6,599,800.71	13,000,000.00
Vehicles	6	13,183,305.94	5,197,328.77	4,677,595.89
Other assets	6	779,918.91	879,571.14	900,000.00
		19,596,922.86	12,676,700.62	18,577,595.89
<b>Total assets</b>		<b>32,778,824.98</b>	<b>17,945,851.17</b>	<b>24,967,789.29</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	7	846,668.75	316,701.07	254,046.47
Short-term Provisions	8	313,742.82	318,242.82	313,742.82
		<b>1,160,411.57</b>	<b>634,943.89</b>	<b>567,789.29</b>

**Non-current liabilities**

Employee benefits	9	1,509,772.75	1,860,905.88	1,900,000.00
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		<b>1,509,772.75</b>	<b>1,860,905.88</b>	<b>1,900,000.00</b>
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<b>Total Liabilities</b>		<b>2,670,184.32</b>	<b>2,495,849.77</b>	<b>2,467,789.29</b>
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<b>Net assets</b>		<b>30,108,640.66</b>	<b>15,450,001.40</b>	<b>22,500,000.00</b>
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**Net ASSESTS/EQUITY****Capital contributed by**

Contributed Capital		3,000,000.00	3,000,000.00	3,000,000.00
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Revaluation Reserve		13,490,249.80	2,063,777.20	6,000,000.00
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Government Grant – Capital		15,435,982.49	13,148,819.55	15,500,000.00
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Accumulated				
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Surplus/(Deficit)		<u>(1,817,591.63)</u>	<u>(2,762,595.35)</u>	<u>(2,000,000.00)</u>
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Total Net assets/equity		<u>30,108,640.66</u>	<u>15,450,001.40</u>	<u>22,500,000.00</u>
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Assistant Director (Finance)

Date:

Chairman

Date:

## 7.Statement of Financial Performance

### for the Year Ended December 31, 2016

In LKR

	Note	2016	2015	Budgeted
<b>Revenue</b>				
Government Grant - Recurrent	10	21,500,000.00	19,830,000.00	21,000,000.00
Government Grant - Capital	11	11,389,837.06	8,866,349.84	12,900,000.00
Other Grant	12	1,073,187.14	-	1,000,000.00
Profit on Disposal of Assets	13	(5,662.59)	(15,625.68)	(7,000.00)
Other revenue	14	185,137.58	112,813.48	195,000.00
<b>Total Revenue</b>		<b>34,142,499.19</b>	<b>28,793,537.64</b>	<b>35,088,000.00</b>
<b>Expenses</b>				
Wages, salaries and employee benefits	15	15,706,158.54	15,622,203.63	15,150,500.00
Grants and other transfer payment	16	6,663,006.94	3,939,763.41	8,285,000.00
Supplies and consumables used	17	789,950.36	674,309.01	742,650.00
Depreciation and amortization expense	6	5,076,989.77	5,193,891.31	5,100,000.00
Travelling, Subsistence & Allowances	18	189,902.50	147,587.50	290,880.00
Utility and Services	19	3,196,272.23	3,031,239.97	3,326,600.00
Maintenance Expenses	20	1,396,272.13	1,324,023.91	1,005,000.00
Other expenses	21	208,988.00	174,647.50	195,500.00
<b>Total Expenses</b>		<b>33,197,495.47</b>	<b>30,107,666.24</b>	<b>34,096,130.00</b>
<b>Surplus/(deficit)for the period</b>		<b>945,003.72</b>	<b>(1,314,128.60)</b>	<b>991,870.00</b>

## 8. Statement of Changes in Net Assets/Equity

for the Year Ended December 31,2016

In LKR

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, 2014 B/F	3,000,000.00	1,808,200.00	16,776,387.93	(3,123,652.33)	18,460,935.60
Revalued surplus on disposed assets	-	-	-	-	-
Transfer to government grant - Revenue	-	-	(3,882,047.84)	-	(3,882,047.84)
Net revenue recognized directly in net asset/equity	-	1,956,877.20	5,238,781.46	(26,114.42)	7,169,544.24
Deficit/surplus for the period					
Re recognition of previous revaluation surplus on revalued assets	-	(1,701,300.00)	-	1,701,300.00	-
Differed Income	-	-	(4,984,302.00)	-	(4,984,302.00)
Surplus/Deficit for the period	-	-	-	(1,314,128.60)	(1,314,128.60)
Total recognized revenue and expenses for the period	-	255,577.20	(3,627,568.38)	361,056.98	(3,010,934.20)
<b>Balance at December 31, 2015 carried forward</b>	<b>3,000,000.00</b>	<b>2,063,777.20</b>	<b>13,148,819.55</b>	<b>(2,762,595.35)</b>	<b>15,450,001.40</b>
Balance at January 01, 2016 B/F	3,000,000.00	2,063,777.20	13,148,819.55	(2,762,595.35)	15,450,001.40
Prior year Adjustment	-	-	-	-	-
Revalued surplus on disposed assets	-	11,426,472.60		-	11,426,472.60
Transfer to government grant-Revenue			(6,656,903.22)	-	(6,656,903.22)
Net revenue recognized directly in net asset/equity			13,677,000.00		13,677,000.00
Deficit/surplus for the period					
Differed Income	-	-	(4,732,933.84)	-	(4,732,933.84)
Surplus/Deficit for the period	-	-	-	945,003.72	945,003.72
Total recognized revenue and expenses for the period	-	11,426,472.60	2,287,162.94	945,003.72	14,658,639.26
<b>Balance at December 31, 2016 carried forward</b>	<b>3,000,000.00</b>	<b>13,490,249.80</b>	<b>15,435,982.49</b>	<b>(1,817,591.63)</b>	<b>30,108,640.66</b>

## 9.Cash Flow Statement

### Consolidated Cash Flow Statement for Year Ended December 31, 2016

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus/(deficit)	945,003.72	(1,314,128.60)
<b><u>Non-cash movements</u></b>		
Depreciation	5,076,989.77	5,193,891.31
Gratuity Expenses	82,684.87	268,050.13
prior year adjustment	-	-
Deffered Income	(4,732,933.84)	(4,984,302.00)
Audit Fee Over Provision	4,481.00	-
Interest on Staff Loan	(93,554.45)	(74,331.71)
Audit Fee	80,500.00	80,500.00
(Profit)/losses on sale of property, plant and equipment	5,662.59	15,625.68
Increases (Decreases) in Consumable Stores	(2,781.07)	(114,264.40)
Increases (Decreases) in Pre payments	179,949.64	(14,766.35)
Increases (Decreases) in Staff Loans	(272,566.68)	(621,929.71)
Increases (Decreases) in Other Advances	1,250.00	-
Increases (Decreases) in Payables	529,967.68	(67,258.13)
Increase in other current assets	(264,855.50)	6,750.00
Increase / decrease in receivables	- (80,519.00)	210,444.23
Paid audit fee		-
Gratuity paid	(433,818.00)	-
Government Grand	7,020,096.78	781,952.16
<b>Net cash flows from operating activities</b>	<b>8,036,595.20</b>	<b>(633,767.39)</b>

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Furniture & Fittings	(164,169.00)	-
Purchase of Office Equipment	(74,750.00)	(37,600.00)
Purchase of Electricals Fixture	-	-
Purchase of Computers	(326,600.00)	(5,580.00)
Purchase of Vehicles	-	-
Interest on Staff Loan	93,554.45	74,331.71
Purchase of Software	-	-
Purchase of Books	(11,883.00)	(2,020.00)
Purchase of Other Assets	-	(56,075.00)
Proceeds from sale of plant and equipment	1,000.00	2,937.00
<b>Net Cash flows from investing activities</b>	<b>(482,847.55)</b>	<b>(24,006.29)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities	-	-
Net increase/(decrease)in cash and cash equivalents	7,553,747.65	(657,773.68)
Cash and cash equivalents at beginning of period	2,323,986.29	2,981,759.97
Cash and cash equivalents at end of period	<b>9,877,733.94</b>	<b>2,323,986.29</b>

## Notes to the Cash Flow Statement

### *Cash on hand and balances with banks*

People's Bank A/C No - 119100120409161	487,712.25	472,404.47
Bank of Ceylon A/C - 165197	9,390,021.69	1,851,581.82
	<b>9,877,733.94</b>	<b>2,323,986.29</b>

## 10. Notes

		2016	2015	Budgeted
<b><u>Cash and cash equivalents</u></b>	<b>1</b>			
People's Bank A/C No 119100120409161		487,712.25	472,404.47	757,030.58
Bank of Ceylon A/C 165197		9,390,021.69	1,851,581.82	2,000,000.00
		<b>9,877,733.94</b>	<b>2,323,986.29</b>	<b>2,757,030.58</b>
<b><u>Receivables</u></b>	<b>2</b>			
Nimal Bopage (ex-Chairman)		71,162.82	71,162.82	71,162.82
		<b>71,162.82</b>	<b>71,162.82</b>	<b>71,162.82</b>
<b><u>Inventories</u></b>	<b>3</b>			
Consumable Stores		564,975.70	562,194.63	562,000.00
		<b>564,975.70</b>	<b>562,194.63</b>	<b>562,000.00</b>
<b><u>Prepayments</u></b>				
Vehicle Insurance	<b>4</b>	-	149,949.64	190,000.00
Recoverable advance on Hall booking		-	30,000.00	
		<b>-</b>	<b>179,949.64</b>	<b>190,000.00</b>
<b><u>Other Current assets</u></b>	<b>5</b>			
Staff Loan - Distress		2,393,174.16	2,120,607.17	2,800,000.00
Festival Advances		10,000.00	11,250.00	10,000.00
Construction WIP		264,855.50	-	
		<b>2,668,029.66</b>	<b>2,131,857.17</b>	<b>2,810,000.00</b>

## Property, Plant & equipment (Note 06)

	Furniture and Fittings		Office Equipments		Electricals Fixture		Computers		Software		Vehicles		Books		Other Assets	
Reporting Period 01.01.2015 to 31.12.2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Opening Balance	2,075,743.21	1,945,637.94	2,873,646.29	2,803,429.20	66,135.25	71,555.25	4,865,592.98	5,616,658.13	776,556.61	776,556.61	18,750,000.00	18,950,000.00	86,362.15	84,347.15	1,278,824.50	1,015,204.50
Additions	164,169.00	-	74,750.00	37,600.00	-	-	326,600.00	5,580.00	-	-	14,200,000.00	1,500,000.00	11,883.00	2,020.00	-	56,075.00
Adjustments	-	130,105.27	-	59,333.09	-	(5,420.00)	-	(744,338.90)	-	-	-	-	-	(5.00)	-	231,680.00
Disposal	-	-	(12,920.00)	(26,779.00)	-	-	(1,400.00)	(12,306.25)	-	-	(18,750,000.00)	(1,700,000.00)	-	-	-	(24,135.00)
Closing Balance	2,239,912.21	2,075,743.21	2,935,476.29	2,873,646.29	66,135.25	66,135.25	5,190,792.98	4,865,592.98	776,556.61	776,556.61	14,200,000.00	18,750,000.00	98,245.15	86,362.15	1,278,824.50	1,278,824.50
Accumulated Depreciation (beginning of the year)	833,625.95	580,607.41	921,331.07	626,349.80	26,061.90	27,708.77	1,877,434.40	2,507,100.82	399,420.31	205,281.16	13,552,671.23	11,664,520.55	75,299.01	74,644.05	410,316.50	294,903.85
Adjustment	-	45,444.22	-	20,929.14	-	-	-	62,883.89	-	-	-	-	-	-	-	26,957.17
Depreciation (As per statement of Financial Performance)	211,165.05	207,574.32	284,672.16	286,635.82	4,264.43	4,453.13	830,718.32	803,311.88	194,139.15	194,139.15	3,440,495.43	3,588,150.68	2,336.07	1,059.96	109,199.16	108,566.37
Less Accumulated Depreciation on Disposal	-	-	(7,180.33)	(10,658.69)	-	-	(477.08)	(11,962.99)	-	-	-	-	-	-	-	(11,075.89)
Accumulated Depreciation on Revalued assets	-	-	-	(1,925.00)	-	(6,099.96)	2,707,675.64	(1,483,899.20)	-	-	(15,976,472.60)	(1,700,000.00)	-	(405.00)	-	(9,035.00)
Closing Balance	1,044,791.00	833,625.95	1,198,822.90	921,331.07	30,326.33	26,061.90	2,483,117.34	1,877,434.40	593,559.46	399,420.31	1,016,694.06	13,552,671.23	77,635.08	75,299.01	519,515.66	410,316.50
Net Carrying amount	1,195,121.21	1,242,117.26	1,736,653.39	1,952,315.22	35,808.92	40,073.35	-	2,988,158.58	182,997.15	377,136.30	13,183,305.94	5,197,328.77	20,610.07	11,063.14	759,308.84	868,508.00



		2016	2015	Budgeted
<b><u>Payable</u></b>	<b>Notes7</b>			
Telephone		21,331.31	19,961.80	21,000.00
Internet		13,690.00	13,690.00	13,690.00
News Paper Bill		-		
			3,030.00	3,000.00
Janitorial & Security		125,356.47		
			125,356.47	125,356.47
Local Travelling		2,887.50	-	2,000.00
Salaries Temporary		-	27,122.00	-
Over Time		13,841.78	11,880.80	13,000.00
Holiday Payments		-		
			3,490.75	-
Electricity & Water		46,295.86		
			53,453.68	50,000.00
Training for School Drop out		-	4,325.47	-
SME Programme		-	32,097.60	-
Labour Market survey		250,000.00	18,582.50	-
Develop HR strategy		-	3,710.00	-
Foreign Training Programme		210,925.71	-	-
MCDP Programme		35,154.29	-	-
Staff Welfare		3,675.00	-	4,000.00
Repair & Maintenance of office		14,662.50	-	16,000.00
Human Capital Summit		27,315.00	-	-
Acting Salary		5,562.08	-	6,000.00
Advertisement Charges		76,007.25	-	-
		<b>846,668.75</b>	<b>316,701.07</b>	<b>254,046.47</b>
<b>Short-term Provisions</b>	<b>8</b>			
Audit Fee – 2013		-	85,000.00	-
Audit Fee – 2014		81,580.00	81,580.00	81,580.00
Audit Fee – 2015		80,500.00	80,500.00	80,500.00
Audit Fee - 2016		80,500.00	-	80,500.00
Provision for doubtful Debt-N.Bopage		71,162.82	71,162.82	71,162.82
		<b>313,742.82</b>	<b>318,242.82</b>	<b>313,742.82</b>
<b>Employee benefits</b>	<b>9</b>			
Gratuity Provision		1,509,772.75	1,860,905.88	1,900,000.00
		<b>1,509,772.75</b>	<b>1,860,905.88</b>	<b>1,900,000.00</b>

	Note	2016	2015	Budgeted
<b>Government Grant - Recurrent</b>	10	<b><u>21,500,000.00</u></b>	<b><u>19,830,000.00</u></b>	<b><u>21,000,000.00</u></b>
<b><u>Government Grant - Capital</u></b>	11			
Government Grant – Development Activities		6,656,903.22	3,882,047.84	8,000,000.00
Deffered Grant		<u>4,732,933.84</u>	<u>4,984,302.00</u>	<u>4,900,000.00</u>
		<b><u>11,389,837.06</u></b>	<b><u>8,866,349.84</u></b>	<b><u>12,900,000.00</u></b>
<b>(Loss) on Foreign Training Programs</b>	12	<u>1,073,187.14</u>	<u>-</u>	<u>1,000,000.00</u>
		<b><u>1,073,187.14</u></b>	<b><u>-</u></b>	<b><u>1,000,000.00</u></b>
<b>Profit (Loss) on Disposal of Assets</b>	13	<b>(5,662.59)</b>	<b>(15,625.68)</b>	<b>(7,000.00)</b>
<b><u>Other revenue</u></b>	14			
Miscellaneous income		91,583.13	8,901.20	100,000.00
Distress Loan Interest		93,554.45	74,331.71	95,000.00
IWSS Survey		-	4,580.57	-
NVQ Certificate Holder - Galle		-	19,000.00	-
NVQ Certificate Holder - Beliatta		<u>-</u>	<u>6,000.00</u>	<u>-</u>
		<b><u>11,389,837.06</u></b>	<b><u>112,813.48</u></b>	<b><u>195,000.00</u></b>
<b><u>Wages, salaries and employee benefits</u></b>	15			
Salaries & wages		7,190,064.68	6,349,736.22	7,061,000.00
Acting salary		22,534.12	41,049.96	7,500.00
Special Allowance		768,331.89	1,140,090.33	800,000.00
Cost of Living Allowance		2,351,322.58	2,359,810.32	2,400,000.00
Interin Allowance		1,979,677.42	2,644,752.69	2,000,000.00
Adjustment Allowance		1,010,525.71	-	-

	<b>2016</b>	<b>2015</b>	<b>Budgeted</b>
Transport Allowance	400,000.00	360,000.00	400,000.00
Fuel Allowance	210,600.00	232,850.00	250,000.00
EPF	1,130,291.11	1,409,619.21	1,500,000.00
ETF	282,554.24	352,405.12	300,000.00
Over time	117,509.17	91,894.00	120,000.00
Holiday payments	9,918.75	28,544.25	12,000.00
Salaries temporary	150,144.00	343,401.40	180,000.00
Gratuity Expenses	<u>82,684.87</u>	<u>268,050.13</u>	<u>120,000.00</u>
	<b><u>15,706,158.54</u></b>	<b><u>15,622,203.63</u></b>	<b><u>15,150,500.00</u></b>

**Grants and other transfer payment**

16

News Letter	245,768.00	80,928.70	350,000.00
Labour Market Study	431,733.75	298,004.54	680,000.00
Staff Training & Development	1,802,098.87	1,218,751.48	1,800,000.00
Matara District Survey	81,081.90	490,156.72	100,000.00
Quality & Productivity Program	144,462.00	118,986.47	110,000.00
Develop a HR Strategy to build leadership	228,695.00	162,655.00	250,000.00
Rakiya Aruna Program	1,624,177.48	964,655.37	1,500,000.00
Skill gap study technology sector	131,449.25	36,670.75	400,000.00
Strengthening SME Sector	529,847.25	302,099.53	800,000.00
Skills gap study Tourism sector	905,510.49	99,321.55	1,000,000.00
Education sector expenditure 1.5% of GDP to 6%	-	66,357.25	-
Project proposal on Degree/diploma for students	-	101,176.05	-
HR Award	1,310.00	-	50,000.00

	<b>2016</b>	<b>2015</b>	<b>Budgeted</b>
Director Hand Book (KPMG)	122,620.70	-	200,000.00
Human Capital Summit	126,203.04	-	130,000.00
Develop Machanisam	13,165.00	-	15,000.00
NHRDC Starff Development initiatives	244,884.16	-	900,000.00
	<b><u>6,633,006.94</u></b>	<b><u>3,939,763.41</u></b>	<b><u>8,285,000.00</u></b>

**Supplies and consumables used**

17

Stationary & office equipment	327,750.36	342,603.01	350,000.00
Fuel & lubricant	419,555.00	331,706.00	350,000.00
uniforms	-42,645.00	-	42,650.00
	<b><u>789,950.36</u></b>	<b><u>674,309.01</u></b>	<b><u>742,650.00</u></b>

**Depreciation and amortization expense**

6

**5,076,989.77      5,193,891.31      5,100,000.00**

**Travelling, Subsistence & Allowances**

18

local travelling & Subsistence	15,902.50	8,387.50	68,880.00
Allowance For Audit Members	54,000.00	78,000.00	72,000.00
Board Members Allowances	120,000.00	61,200.00	150,000.00
	<b><u>189,902.50</u></b>	<b><u>147,587.50</u></b>	<b><u>290,880.00</u></b>

**Utility and Services**

19

Rates	44,800.00	40,320.00	40,320.00
Electricity	659,644.42	662,538.20	670,000.00
Water	40,409.78	42,825.32	40,000.00
Telephone charges & Rental	311,755.89	231,154.44	340,000.00

	<b>2016</b>	<b>2015</b>	<b>Budgeted</b>
postage & telex charges	17,470.00	8,240.00	30,000.00
Janitorial service	593,927.64	593,927.64	593,930.00
Advertising	202,297.50	68,931.00	150,000.00
Security Service	910,347.50	910,349.50	910,350.00
Internet		142,621.40	180,000.00
	164,280.00		
Other utility & Other Service	232,517.50	249,832.47	332,000.00
Legal Charges	19,000.00	-	40,000.00
	<b><u>3,196,272.23</u></b>	<b><u>3,031,239.97</u></b>	<b><u>3,326,600.00</u></b>

#### **Maintenance Expenses**

20

Rep & Main. Of Building & Structures	3,600.00	39,037.00	15,000.00
	1,003,375.79	386,873.49	
Rep & main of vehicles			400,000.00
Vehicle Insurance	149,949.64	358,770.10	350,000.00
Rep & main of Office Equipment	117,268.63	167,535.40	125,000.00
Rep & main of computer	57,526.60	43,825.50	50,000.00
Rep & main Of Other Assets	64,506.47	327,982.42	65,000.00
	<b><u>1,396,227.13</u></b>	<b><u>1,324,023.91</u></b>	<b><u>1,005,000.00</u></b>

#### **Other expenses**

21

Audit fee	80,500.00	80,500.00	80,500.00
News paper & Periodicals	24,380.00	68,825.00	25,000.00
Staff welfare	47,775.00	30,375.00	40,000.00
Medical Expenses	-	3,546.00	-
Refreshment	56,333.00	50,631.50	50,000.00
Library service	-	19,500.00	-
National paper Co.Ltd	-	1,770.00	-
	<b><u>208,988.00</u></b>	<b><u>174,647.50</u></b>	<b><u>195,500.00</u></b>

**Note No 12 - Illustration**

**Revenue**

Course Fee	8,230,000.00
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**Less**

**Expenses**

Tickets	1,431,759.00
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Visa	183,254.00
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University of Putra Malaysia Payment	4,584,087.14
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Resource Person Fee ( local session)	680,000.00
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Hall Reservation	210,925.71
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Refreshments	20,882.00
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Other	45,905.01
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<b>Total Expenses</b>	<b>7,156,812.86</b>
<b>Surplus (Deficit) on Foreign Training Programs</b>	<b>1,073,187.14</b>

## **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 of the Council during the year. Copies of such report shall, within four months after the end of 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 Council 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 closing of that year along with any report on the accounts which the Auditor-General may require to be submitted in the manner specified by him. Any such corporation which contravenes or fails to comply with the preceding provisions of this sub-section shall be guilty of an offence under this Act and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees.

### **3. Statement of Compliance**

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

#### **4. Measurement Basis**

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

#### **5. Bases of Assets Valuation**

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

5.2 Depreciation is charged on all property, plant and equipment to 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 stocks are measured at the lower of cost and net realizable value.

#### **6 Depreciation**

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

Building & Structures	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 Events after reporting Date**

All material balance sheet events have been considered and appropriate adjustments have been made disclosures have also been made in the financial Statements. Refurbishment work of the premises started from January 2017 and all preliminary expenses incurred on are shown as work in progress (WIP) under current assets.Total estimated cost of Refurbishment work is Rs. 9,897,587.66/-

## **8 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.

## **9 Retirement Benefit Cost**

### **9.1 Defined Contribution Plan – EPF & ETF**

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

### **9.2 Retirement Gratuity**

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

## **10 Financial Performance**

All costs incurred in its operation and maintainance of capital assets 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.

## **11 Cash Flow Statement**

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

## **12 Vehicles assigned by the Ministry**

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

## 12.Audit Queries and Replies



### විගණකාධිපති දෙපාර්තමේන්තුව கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம் AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය  
எனது இல.  
My No.

} VTY/E/NHRDC/1/16/20

ඔබේ අංකය  
உமது இல.  
Your No.

}

දිනය  
திகதி  
Date

}

20 June 2017

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 2016 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 for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in net assets 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.

#### **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 judgement, 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.

## **2 Financial Statements**

### **2.1 Opinion**

In my opinion, 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 2016 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 Accounts Receivable**

A sum of Rs.31,050 and goods valued at Rs.40,112 recoverable to the Council from the former Chairman issued by the Council to the Chairman had not been obtained even by 31 December 2016.

## **3. Financial Review**

### **3.1 Financial Results**

The financial result of the Council for the year under review had resulted in a surplus of Rs.945,003 as against the corresponding deficit of Rs.1,314,128 for the preceding year, thus indicating an improvement of Rs.2,259,131 in the financial result in the year under review as compared with the preceding year. The increase of the grants made by the Treasury by a sum of Rs.1,073,187 and earning profit amounting to Rs.1,073,187 from the foreign training programmes had been the main reasons for this improvement.

In analyzing financial results of 04 preceding years and in the year under review, a deficit had indicated in the years 2012 and 2015 and a financial surplus had indicated in the other years. In considering personnel emoluments and depreciation on non-current assets, the contribution of the Institution amounting to Rs.8,838,045 in the year 2012 had continuously increased up to a sum of Rs.21,728,153 in the year 2016.

## **4. Operating Review**

### **4.1 Performance**

The main objectives in terms of Section 14(1) of the National Human Resources Development Council of Sri Lanka Act No.18 of 1997 are inquiring on all sectors of the National Human Resources Policy including employment, training and education, the application of Science and Technology, the enhancement of the quality of life, designing of social protection for disadvantaged groups of persons, reviewing those



policies, inquiring on the implementation of those programmes. The following observations are made relating to the achievement of these objectives.

- (a) Programmes had not been implemented in the year under review by the Council for the achievement of the objectives of the application of Science and Technology for national human resources policies and designing social protection for disadvantaged groups and inquiring on the implementation of human resources development plans and programmes approved by the Government.
- (b) Even though the responsibility of reviewing the National Human Resources Policy had been entrusted to the Council according to the Act, it had been entrusted to the Ministry of Labour from the year 2012 by the Cabinet Subcommittee on Economic Affairs.
- (c) The following observations are made on the execution of the functions targeted by the Action Plan.
  - (i) The Report on Sri Lanka Job Market Trends which was scheduled to be issued in the year 2016 had not been published up to 31 March 2017.
  - (ii) Even though a sum of Rs.1,500,000 had been allocated to conduct 15 regional workshops for raising awareness on Job Opportunities in the fields of Tourism, Textile and Information Technology, only 6 workshops had been conducted for the field of Tourism by spending a sum of Rs.882,000 in the year under review.
  - (iii) Twenty- four per cent of the provisions made for research and development activities in the year had not been spent and the performance of 3 programmes was ranging from 10 per cent to 57 per cent.



#### 4.2 Management Activities

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The following observations are made.

- (a) Even though a Council consisting of 20 scholarly members including Secretaries of 11 Ministries, the Chairman of the University Grants Commission, Chairmen of 04 Vocational Education Institutions and 5 persons with high experience in the field appointed by the Minister had been appointed and 3 meetings had been held in the year under review for the participation in initiating, promoting and implementing the policies relating to the development of human resources in terms of the provisions in the National Human Resources Development Council of Sri Lanka Act No.18 of 1997, decisions relating to initiating and to promoting them had not been taken.
- (b) Even though it was observed that 20 items of fixed assets of which expenditure amounting to Rs.354,332 according to the Register of Fixed Assets does not physically exist in terms of an Inspection Committee Report, action had not been taken sufficiently in this connection.

#### 4.3 Commencement of Projects on property not properly vested

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Even though a contractual agreement valued at Rs.8,916,745 had been entered into with a private contractor on 30 December 2016 for modifying the Council Office established in a building belonging to an external Ministry, the Council Office had not been entered either into such an agreement or into a mutual agreement on long-term basis and even though a fee amounting to Rs.25,000 had been recovered for the goods removed in the modification according to the agreement entered into with the contractor, the fixtures which were agreed to remove had not been identified, listed and the values had not been established.



#### 4.4 Personnel Administration

The approved staff of the Council had been 31 and there were 05 vacancies as at 31 December 2016. However, it was observed that the Council did not have a sufficient staff for the achievement of the broad objectives of the established Act.

#### 5. Accountability and Good Governance

##### 5.1 Internal Audit

An Internal Audit Unit had not been established in the Council and any audit had not been carried out in the year even by the Internal Audit Unit of the Ministry. Even though the necessity of an internal audit for evaluating the sufficiency of internal control systems had been stated by the Management Audit Circular No.DMA/06 which had been issued on 15 November 2011 by the Director General of the Department of Management Audit, it was observed that action had not been taken accordingly.

#### 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 control.

##### Areas of Systems and Controls

##### Observations

(a) Budgetary Control

The budget had been revised in the end of the year.

(b) Control of Assets

Not following the provisions of the Circular in removing assets.

(c) Performance

Not paying attention to preparing sufficient programmes for the achievement of the objectives of the Act and implementing them.





(d) Procurement Process

Not following the Procurement Process  
in selecting external institutions for the  
implementation of programmes.

**Sgt J H.M GAMINI WIJESINGHE**  
**Auditor General**

H.M Gamini Wijesinghe  
Auditor General

My No: 3/2/12/1

21.09.2017

Auditor General,  
Department of Auditor General,  
Battaramulla

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 2016 in terms of Section (2) 14 of the Finance Act, No. 38 of 1971.

Relates to the Audit Report No. VTY/NHRDC/1/16/20 dated, 20.06.2017 relating to the above matter. Accordingly, my explanations are kindly presented in the following manner:

## **2.2.Comments on financial statements**

### **2.2.1 Accounts receivable**

A sum of Rs. 40,112 to be paid by the former Chairman is for the office equipment he has received such as a digital camera, 01 data cable, a camera bag, and an external hard disk 01. A complaint was lodged with the Mediation Board to recover it. Although the case was called three times, the former chairman did not present for the mediation. After the Director had discussed and explained the matter with him over the phone he had promised to hand over the relevant goods. Furthermore, this was taken into Board discussion at the Board Meeting and since the attempt to pay legal fees according to the amount of litigation is not effective requests have been made from the Secretary to the Ministry in that regard.

## **3. Financial Result**

### **3.1 Agreed**

#### 4. **Operational review**

##### 4.1 Performance

- (a) Several programs were organized and implemented before 2016 in this regard. But during this year, it was impossible to implement projects specially on the utilization of science and technology since the amount of resources in the institute was not enough to achieve all the objectives of the Corporate Act during a single year, 17 projects with high priority were implemented during year 2016 using existing resources.
- (b) As the manpower Division of the Department of Labor is handling the matters relevant for the review of national Human Resource Policy, since it can lead to the wastage of public resources if our institute also engage in this task, our division has taken actions to corporate with the manpower division in order to carry out the relevant task.
- (c) (i). Dr. Dunusingha who was in charge of providing the draft report on the job market has to go abroad. Accordingly, it has been informed that the said report will be further delayed. Therefore, it has been informed in writing that to submit the final report before December 15, 2017 and to forward the presentations.
- ii) Not agreed
- According to the revised Action Plan, only 6 regional workshops had been scheduled to hold in order to make aware on job opportunities in tourism, apparel and information technology sectors. It was held as scheduled.
- (iii) According to the revised action plan, it was planned to conduct six workshops under the programme of identification and strengthening micro-entrepreneurs and they were completed.

Under the research and development activities, the physical progress from 10% to 57% is as follows.

**1. 14 (1) Annual report on trends in Sri Lankan labor markets**

The arrangements have been made to finalize the draft report on the job market by the end of December 2017.

**2. 14(2) Completion of the skill gap study in the technology sector**

Having formulated an IT Committee in relation to the skill gap study project in the Information Technology Sector, an expert of the field prepared a report voluntarily as a result of several sessions of discussions and it was presented it to the Human Capital Summit. Since further studies on the information technology field were limited, we made arrangements to conduct a survey on the recommendations of the committee and only 11 had responded to the questionnaire. Since it was not enough for a research report, efforts were made to give reminders and to gather information.

**3. Conducting human resource management sessions with AHRP support (Human Capital Award)**

It has been made arrangements to conclude the AHRP program in year 2017 and the award ceremony for the public sector has been scheduled to be held during the final quarter of the year.

**4.2 Management Activities**

- (a) No. of meetings to be held for a year has not been specifically mentioned in the Act. It has been discussed about the two Human Capital Learning Conference Managerial Competency Development Program – 2016 during the first meeting of the year 2016. During the other two meetings, the progress of all projects has been discussed. These projects have been designed to meet the key objectives of the institute. It is stated in the minutes of the meeting.
- (b) The instructions were obtained from the line Ministry by the letter dated 03/08/2016 in relation to the fixed asset item No. 26 of the value of Rs. 354,332.00 in the fixed asset register a new investigation board was appointed on 23/05/2017 in accordance with the Financial Regulation No. 104 in order to take actions regarding the disposal of such assets. It will be briefed to the relevant officials to expedite the work of this committee and will soon complete the task. The relevant officials will be informed to expedite that committee report and actions will be taken to complete the task soon.

### **4.3 Commencement of projects on non-acquired properties**

While the approval has been requested from the Ministry of Skills Development & Vocational Training by my letter No. 3/1/1/3, dated 30th October, to re arrange the official premises, the approval for the same has been received.

Since these goods are not reusable and cannot be assessed as well as it is difficult to carry out the reconstruction works due to these damaged materials, (Gypsum Board, Carpet, Network & Power Cable, Aluminum Bar) these goods have been given to the contractors according to the agreement to re arrange the office premises. The goods with a usable value have been given to the state institutes with the approval of the Ministry.

### **4.4 Staff Administration**

While the vacancies of Assistant Director (Finance) and Drivers have been completed at present, the necessary arrangements are being made to complete to remaining vacancies. While the steps have been taken to amend the Human Resources Development Act, new recruitments have been temporarily suspended pending the possible changes in the future.

## **5. Accountability and good governance**

### **5. 1 Internal Audit**

An internal auditor of the Ministry has been nominated by the letter No. MNPEA / AD / GEN / NHRDC / 06 dated 05/16/2015.

K.A.Lalithadheera  
Director  
For the Chairman.