

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

**ANNUAL REPORT
2017**

Ministry of National Policies and Economic Affairs

354/2, NIPUNATHA PIYASA, 7TH 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
- ❖ Equality

Message of the Chairman

The Human Resources Development Council of Sri Lanka was established by Act the of Parliament No 18 of 1997. Even though it was coordinating with several Ministries, from 2017, 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 22.8 Million for capital expenditure in 2017.

In terms of Section 14.1 of the Act, the following key areas were selected for developing and conducting 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 of “Our Workforce Future Ready” undertook the following projects during the year 2017.

Roadmap to Increase the Female Labour Force Participation in the Private Sector

According to the fourth quarter of Sri Lanka Labour Force Survey-2016 published by the Department of Census and Statistics in Sri Lanka, the current female labour force participation rate is thirty six percent. Therefore the committee appointed and identified five key areas in which interventions are needed to achieve following objectives:

- ❖ National policy and labour law reforms
- ❖ HR Policy interventions public and private sectors
- ❖ Incentivising the private sector to hire more females
- ❖ Social sensitisation through public debate via mass media
- ❖ Education reforms

Finally the committee developed a report on “Roadmap to Increase the Female Labour Force Participation in the Private Sector of Sri Lanka.” The first copy of the report was handed over to the Deputy Chief of Staff to the Prime Minister and former Minister Rosy Senanayake.

Skilled Workers for the Technology Sector

This program was conducted to partner with the industry to launch an accelerated training program to generate 1000 young people over 5 years in data science programs. The main objectives of this program is to create opportunities and 1000 young people in data science technology to launch and accelerate new data science programs for next five years with the relevant institutes.

Put in place a strategy in consultation with key stakeholders to reorient returnees from the Middle East

The main objectives of this program is to reorient migrant returnees from the Middle East, to create opportunities for returnees and to connect the public and private stakeholders to deliver the training. Accordingly, two awareness campaigns was conducted at Wattala and Negombo on 13th of September and 21st November 2017 respectively. These programmes were designed for career motivation, vocational training and strengthen the Small and Medium Entrepreneurs.

Improve Quality Standards in TVET Sector (Tourism) through NVQ System in collaboration with TVEC

NHRDC was tasked by the Prime Minister to assess the staff requirements of the tourism industry for the short term future and at the same time evaluate all available training facilities for tourism in the country and establish training gaps. The main objectives of this project is to increase the talent supply for critical growth industries and to established two tourism task force and analysis the industry expect ideas, suggestions and inputs.

Implement the CSC Approved Strategy to Re-deploy Three Wheeler Drivers into Industry

The objective of this project is to increase the talent supply for critical growth industries. Discussions were held with EFC, SLTDA, National Chamber of Commerce, Three wheelers’ Associations and TVEC. TVEC has developed the NVQ module on “Tourist Taxi Driver” collaboration with Police Training School, Hotel Industry, Sector Council of TVEC, NAITA and SLITHM.

Conduct a Survey to Identify Strategies to Redeploy Three Wheeler Drivers into Industry

The objectives of this survey is; to identify the social- economic status of three wheeler drivers, to identify skilled training needs and way forward, to identify alternative services for transports services and to develop strategy to redeploy the three-wheeler drivers into growing sectors. This survey was carried out in six districts namely Colombo, Gampaha, Badulla, Kurunegala, Rathnapura and Galle with the support of NHRDC staff.

Foreign Training Programs for Public Sector Officials - 2017

In 2017 NHRDC was able to organize eight Foreign Training Programs for different target groups such as common public sector managerial staff, school principals, university administrative staff and university technical officers. The main objective of these programs is, to increase the job-related competencies and individual growth of the public sector officials.

Common Competency Frame work for Productive and Ethical Public Service Culture

NHRDC, has undertaken a study to upgrade the skills and competencies of the officers in the Public Sector. Based on the study done by NHRDC with the team of experts, developed a Common Competency Framework for the public sector. Common Competency Framework has been approved by the Cabinet Committee on its meeting held on 27th June 2017.

NHRDC Lecture Series

Our council has conducted series of lectures to uplift the skills of the public servants in the managerial levels and below namely, Customer Care, Human Confidence, Top HR Trends, Enhancement of Accounting Skills of the Public Sector, Good Governance and Role of Public Service, Cyber Security Talk and Introducing the Productive work Methods for Public Sector. Most of the participants representing the various organisations in the public sector have responded positively regarding the series of lectures to be conducted for the betterment of public sector employees. A series of lectures continue to be conducted for public officers through a distinguished panel of lecturers to cover various aspects.

Statistical Bulletin of NHRDC

Statistical Bulletin is published annually to fulfill the information gap of relevant stakeholders regarding the Education sector in Sri Lanka. Latest bulletin was published in the year 2017.

Directors Handbook

On the direction of Hon. Prime Minister, NHRDC with the collaboration of the Institute of Chartered Accountants of Sri Lanka (ICASL) has developed a “Handbook on Good Governance for Chairmen and Board of Directors of Public enterprises” by updating the existing guidelines. This handbook provides guidance and clarity on the best practice areas requiring Boards’ attention. This handbook on good governance directed to Chairmen and Boards of Directors of public enterprises would serve as a guide to manage the affairs of those institutions effectively. It is mainly applicable to Commercial Public Enterprises. The first copy of the Handbook was handed over to Hon. Prime Minister on 5th December 2017 at the Annual Awards Ceremony of ICASL.

Report on "New Ways of Working in the Public Sector"

The National Human Resources Development Council has prepared a report on improving New Ways of Working in the Public Sector. This has been forwarded to the President and the Prime Minister, and responses are awaited to take things forward.

Amongst the areas addressed in the report are; ensuring both the independence of the public service and continuation with regard to policies and practices, increasing productivity, in particular through promoting greater professionalism by laying down rationales for any appointments and entrenching accountability mechanisms, including internal adherence to agreed goals.

CA Sri Lanka partners with NHRDC on a drive to enhance good governance in Audit Committees.

NHRDC together with CA Sri Lanka conducted a workshop on the “Role of Audit Committee” on 6th July 2017 at CA Sri Lanka, with the participation of more than 180 senior government officials who are representing Audit Committees of Public Enterprises. Under the direction of Prime-minister, this initiative is to support the government’s goal of enhancing good governance and create a uniform set of skills in Directors of the Public Enterprises in order to widen their scope.

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 under 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 05th of June 1987. Subsequently it was established as an independent statutory body under the purview of the Ministry of Science & Technology, subject to the provisions of the National Human Resources Development Council Act No. 18 of 1997. Since then, this institution was assigned to the Ministry of Technical Education and Vocational Training within a short period i.e., in the year 2000, and again in the year 2001 it was assigned to the Ministry of Education & Cultural Affairs. Then, subsequent to the change of government, the institution was assigned to the Ministry of Skills Development, Vocational & Technical Training. This institution which functioned under several 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 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 operations 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 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 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 considering 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 twenty members as at 31.12.2017. Board of Directors of the Council as at 31.12.2017 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 University 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

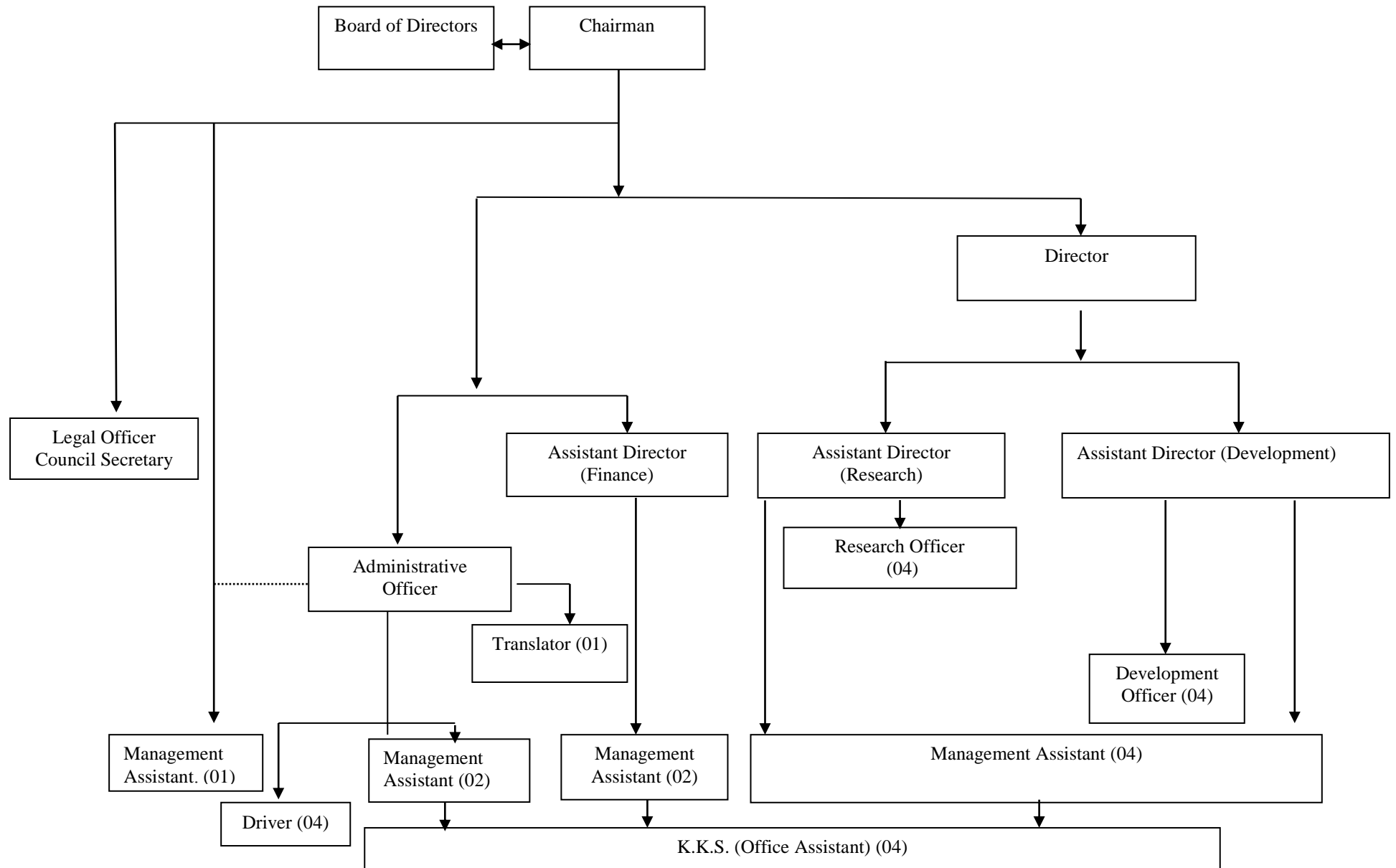
1. Prof. Camena Gunaratne, Dean, Faculty of Humanities & Social Science, Open University
2. Prof. Rangika Halwatura, Senior Lecturer, University of Moratuwa
3. Dr. Chandra Ambuldeniya, 165/1C, Polhengoda Road, Colombo 05
4. Dr. Ranil Abeysinghe, 178, George de Silva Mw. Kandy

The particulars of the dates when the Council Meetings of the National Human Resources Development Council of Sri Lanka were held in year 2017 and the members who attended.

#	Name and the Institution of the Council Member	2017.03.14	2017.06.12	2017.09.15	2017.12.12
01.	Chairman, National Human Resources Development Council of Sri Lanka	√	√	√	√
02.	Secretary, Ministry of National Policies & Economic Affairs	√	√	-	-
03.	Secretary, Ministry of University Education and Highways	-	√	√	-
04.	Secretary, Ministry of Education	√	-	√	-
05.	Secretary, Ministry of Science, Technology and Research	√	-	-	-
06.	Secretary, Ministry of Labor and Trade Unions	√	√	√	√
07.	Secretary, Ministry of Public Administration and Management	-	-	√	-
08.	Secretary, Ministry of Health, Nutritious & Indigenous Medicine	√	-	-	-
09.	Secretary, Ministry of Industries and Commerce	√	-	-	√
10.	Secretary, Ministry of Agriculture	-	-	-	-
11.	Chairman, Tertiary & Vocational Education Commission	-	-	√	√
12.	Director General, Tertiary & Vocational Education Commission	√	√	-	√
13.	Chairman, National Education Commission	√	-	NA	√
14.	Chairman, University Grants Commission	-	√	√	√
15.	Chairman, National Apprenticeship and Industrial Training Authority	√	√	-	-
16.	Representative, Ministry of Finance	√	NA	NA	√
17.	Prof. Camena Gunarathne (Appointed Member)	√	√	√	-
18.	Prof. Rangika Halwatura (Appointed Member)	√	√	√	-
19.	Dr. Ranil Abeysinghe (Appointed Member)	√	-	-	-
20.	Dr. Chandra Embuldeniya (Appointed Member)	√	√	-	√
	Total No. of Participants	15	10	09	09

NA – Not Appointed

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 31.12.2017	Vacancies as at 31.12.2017	Name
Chairman	01	01	-	Mr. Dinesh Weerakkody
Director	01	01	-	Mr. K.A.Lalithadheera
Assistant Director	03	03	-	Mrs. J.A.C.P.Jayasingha Mr. S. Thanagaseelan Mrs. N.U.S. Karunasekara
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	06	02	Mr. C.R.Maddage Miss. M.G.N. Dilhari Miss. K.C.Muthumala Miss. Asha Edirisingha Mrs. G.M.Saddhamangala Mrs. R.L.I. Sanjeevani
Driver	04	03	01	Mr. G.M.Pinnaduwa Mr. Terrance Piyal Mr. R.C.R. Jayawardena
Office Assistant	04	03	01	Mr. N. G.Nadun Madhuranga Mr. W.R.A. Prince Granvil Miss. A.Nayana Priyadarshani
Total	33	27	06	

New Recruitments

Name	Designation	Date of Recruitment
Mrs.N.U.S. Karunasekara	Assistant Director (Finance)	2017.01.23
Mr. R.C.R. Jayawardena	Driver	2017.05.04

Resignations

Name	Designation	Date of Resignation
Mr. W.M.Lakshitha Rajith	Management Assistant	2017.09.29
Mr. D.H.W. Asanka Lakmal	Driver	2017.10.03

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 2017 is as follows.

Local Training – Individual/Group

Local Trainings – Individual

Individual Training				
No	Name	Designation	Name of the Training Program	Institute
1	Ms. M. Saddhamangala	Management Assistant	Professional Qualification in Human Resource Management	Institute of Personnel Management (IPM)
2	Ms. K.V.S. Eranga Mr. R.C.R. Jayawardhana	Admn. Officer Driver	Induction Training & Positive Thinking	Skills Development Fund Ltd
3	Dr. K.A Lalithadheera	Director	Awareness Program of the Institute of Certified Professional Managers	Institute of Certified Professional Managers (CPM)
4	Ms. Madhubashini Saddhamangala	Management Assistant	Executive Development Training Programme	Institute of Personnel Management (IPM)
5	Ms.K.V.S Eranga	Admin. Officer	Internal Auditing & Internal Control Systems	SDFL
6	Ms.J.A.C.P Jayasinghe	Asst.Director	Formal Letter Writing Skills	Miloda
7	Ms.N.U.S Karunasekara	Asst.Director	Financial Regulations in the Public Sector	Miloda
8	Ms.J.A.C.P Jayasinghe	Asst.Director	Leadership for Productivity Improvement	National Productivity Secretariat
9	Ms.N.D Edirisinghe	Research Officer	Applied Econometrics Practical Approach Using E-Views Software	Central Bank
10.	Ms.G.G Kasuni Uthpala	Legal Officer cum Board Secretary	CPM Regional Management Conference – Transformational Leadership	Institute of Certified Professional Managers
11	Dr.K.A lalithadheera	Director	CMA National Management Accounting Conference	Institute of Certified Management Accountants

Foreign Training

No.	Name	Designation	Name of the Training Program	Institute
01	Mr.S.Thanigaseelan	Asst.Director	Managerial Development Competency Development Training	University of Putra Malaysia
02	Dr.K.A Lalithadheera	Director	TFI @10 Asia Skills Leaders Forum 2017	ITE Education Services (ITEES) Singapore
03	Ms.J.A.C.P Jayasinghe	Asst.Director	Managerial Competency Development Program	University of Putra Malaysia
04	Ms.M.A.H.D.C Perera	Research Officer	Managerial Competency Development Program	University of Putra Malaysia

5. Projects and Programs Implemented during the year 2017

5.1 Roadmap to Increase the Female Labour Force Participation in the Private Sector

According to the fourth quarter of Sri Lanka Labour Force Survey-2016 published by the Department of Census and Statistics in Sri Lanka, the current female labour force participation rate is thirty six percent.

At present, there are 5,313,997 women who are not in the labour force. The reasons for their lack of motivation to join the labour force have been identified by many studies and policy papers (Gunatilaka 2013, Gunewardena 2015, ILO 2016, Gunatilaka et al. 2017). Various studies worldwide show that women engagement in paid employment makes their families, communities and countries wealthier. On the other hand it has estimated that the global loss to GDP from women's non-participation in the economy at the size of the US and Chinese economies (McKinsey Global Institute, 2015).

Evidence points several constraints for women's participation in the labour force – ranging from archaic legislation to the lack of access to vocational training – it has become increasingly evident that social and cultural factors play a defining role in determining women's inclusion in the labour market.

A Committee under the guidance of the National Human Resources Development Council (NHRDC), identified five areas in which interventions are needed to meet this objective. The Committee was headed by Chiranthi Cooray, Chief HR Officer, Hatton National Bank and included the following:

	Name	Designation	Institute
1	Prof. Dileni Gunawardena	Senior Lecturer	University of Peradeniya
2	Dr. Nisha Arunathilaka	Director -Research	Institute of Policy Studies
3	Dr. Ramani Gunatilaka	Independent Consultant	Former Economist at Institute of Policy Studies
4	Mr. S.M. Gotabaya Jayarathne	Former Secretary	Ministry of Labour & Trade Unions Relations
5	Mr. Sunil Abeywardena	State Secretary	Ministry of Labour & Trade Unions Relations
6	Mr. J. P. S. Jayasinghe	Director Planning	Ministry of Women and Child Affairs

7	Ms. Padmini Ratnayake	Advisor to the Minister	Ministry of Foreign Employment
8	Prof. Preethi Udugama	Senior Lecturer	University of Colombo
9	Dr. B. W. R. Damayanthi	Senior Lecturer	University of Sri Jayawardenapura
10	Mr. H.G.G.J Dharmasena	Director General	Department of Manpower and Employment
11	Mr. A. Wimalaweera	Senior Assistant Secretary	Ministry of Labour & Trade Unions Relations
12	Mr. P. Mahadevah	Commissioner of Labour	Department of Labour
13	Mr. Murtaza Esufally	Group Director	Hemas Group
14	Mr. Arjuna Herath	Senior Partner	Ernst & Young
15	Ms. Gayani de Alwis	Chairperson	Women in Logistics and Transport
16	Ms. Alikie Perera	Deputy Secretary General	Ceylon Chamber of Commerce
17	Ms. Aroshi Nanayakkara	CEO	Global Consulting Company
18	Ms. Ayomi Fernando	Assistant DG	Employers' Federation of Ceylon
19	Ms. Shiromal Cooray	Managing Director	Jetwing Travel / Chairperson, SLID
20	Dr Ruanthi De Silva	Founder / CEO	SCM PLUS (Pvt) Ltd
21	Ms. Eranthi Premaratne	General Manager	MAS
22	Ms. Upulka Munasingha	Head of HR	Hemas
23	Ms. Cathrine Weerakkody	Investment Analyst	AIA Insurance
24	Prof. Rangika Halwatura	Senior Lecturer	University of Moratuwa

The task force identified five key areas in which interventions are needed to meet this objectives:

- ❖ National policy and labour law reforms
- ❖ HR Policy interventions in public and private sectors
- ❖ Incentivising the private sector to hire more females
- ❖ Create social sensitisation through public debate via mass media
- ❖ Educational reforms

Recommendations made under the above areas were as follow:

1. National policy and labour law reforms

- ❖ Set up an insurance fund to share the cost of maternity benefits between government and employers in line with ILO-C183.
- ❖ The scope of the term “industrial undertakings” in the shop and office act needs to be broadened.
- ❖ Introduce laws/amendments/clauses to clearly define rights and benefits related to part-time, flexi hours, home and virtual work arrangements.

2. HR Policy interventions in the public and private sectors

- ❖ Establish a private-public best practice sharing network through an MOU signed by GOSL and CCC and EFC.
- ❖ Minimize stigma and onus on affected women and create an easy and seamless channel for them to raise grievance.
- ❖ Gender based pay equity study in the Sri Lankan private sector companies.

3. Incentivizing the private sector to hire more females

- ❖ Providing infrastructure facilities, special hostels and women-only transport facilities using mid-size motor coaches.
- ❖ Create an online job sourcing company to act as a middle agent to outsource work for qualified women to work from home.

4. Social sensitization through public debate via mass media

- ❖ Drive education curriculum reforms. School textbooks to recognize dual income earning families.
- ❖ Mass media – print, Television, radio, teledramas, cinema, talk shows, articles etc. to engage in addressing cultural norms relating to gender stereotypes and issues of harassment, and discrimination in the workplace, and the dual burden of work that working women face. Showcase Women Role Models at award programs eg: national productivity awards, best corporate citizen awards.

5. Education Reforms.

- ❖ More opportunities for Women to enroll in universities and in the TEVT Sector. Access to education loans to pursue higher education.

- ❖ Mobile education applications can be provided training on important skills and resources to which women may not have access, such as financial literacy, management and leadership strategies, and networks of support.

After the completion of the report, the National Human Resources Development Council of Sri Lanka has kicked off the ‘Young, bold and daring – the spirit of young entrepreneurs for a country enriched,’ a discussion forum and workshop on 2nd November 2017 at BMICH. The forum aimed to create awareness about opportunities that are available for young entrepreneurs specially women who venture into enterprises, challenges faced and how to successfully overcome them. The keynote speaker of the forum was Anjana Reddy, a successful young entrepreneur from India. Reddy is the Founder Universal Sportsbiz Ltd., a Rs. 100-crore business. She was listed recently as one of the top 30 e-commerce and retails entrepreneurs in the Forbes 30 under 30 list for Asia. The keynote speech was followed by a panel discussion and a workshop targeting young, aspiring professionals and entrepreneurs. The panel was included Coca-Cola Sri Lanka, Managing Director Sonu Grover; Spa Ceylon Co-founder Shalin Balasuriya; Daily FT Editor Nisthar Cassim; Sri Lanka Institute of Tourism and Hotel Management (SLITHM), was Chairman Sunil Dissanayake; and the session was moderated by HNB Chief Human Resource Officer Chiranthi Cooray.

At this event the Chairman of NHRDC, Mr. Dinesh Weerakkody presented the first copy of the report on “Roadmap to Increase the Female Labour Force Participation in the Private Sector of Sri Lanka” to Deputy Chief of Staff to the Prime Minister and former Minister Rosy Senanayake.



5.2 Skilled Workers for the Technology Sector

This program was conducted to partner with industry to launch an accelerated training program to generate 1000 young people over 5 years in data science programs. The main objectives of this program is to create opportunities and 1000 young people in data science technology to launch and accelerate new data science programs for next five years with the relevant institutes.

Three discussions were held with the ICT data science industrial representatives on 14th September, 24th August and 9th August 2017 and has developed a Concept Paper. The discussion directed to exchange the available information and start to prepare the report.

5.3 Put in place a strategy in consultation with the key stakeholders to reorient returnees from the Middle East

The main objectives of this program is to reorient migrant returnees from the Middle East, to create opportunities for returnees and to connect the public and private stakeholders to deliver the training.

Two Awareness Campaigns was conducted at Wattala and Negombo on 13th of September and 21st November 2017 respectively. These programmes were designed for Career Motivation, Vocational Training and strengthen the Small and Medium Entrepreneurs.

5.3.1 Career Fair and Career Motivation Programme at Wattala

Under the vision of NHRDC “future ready workforce” the second career awareness campaign and career fair for the school leavers organized at Gampaha District. As per the discussion had with the Secretary and the foreign employment Bureau of Ministry of Foreign Employment, two programmes were designed; i.e, one was held in Wattala Divisional Secretariat the latter was conducted in Gampaha District. Four districts were identified related to the highest migration in Sri Lanka i.e. Kurunegala, Gampaha, Batticalo and Puttalam.

First awareness campaign was done targeting job seekers, vocational training courses seekers and migrant returnees from Middle East who live in Wattala, Mahara and Ja-Ela Divisional Secretariats. The programme was designed for career motivation, vocational training and job fair. At the first programme some private sector companies such as Tasma International, Aitken Spence, Heyles Pvt Ltd, MAS Holding, Leader Travels and Tours, Arpico Pvt Ltd, Sadaharitha

Plantation were participated. Representatives from the VTA, NAITA and SME division created awareness about their opportunities and their vocational training programme.

Mr. Dhanuka Sirinama is a motivational speaker and he has participated in many local TV and Radio programme and has given consultancy for several private companies. A very good career motivational session was delivered by him. Private Secretary of Hon. Ministry of Tourism Development and Christian Religious Affairs delivered the boosted of the program. Mr. Manjula Vidanapathirana, Director, TVEC has introduced about Tertiary Vocational and Educational Programme. There were 300 women participated in this event. The migrant reorient programme held on 13th of August 2017 at Municipal Council Auditorium, Wattala.



5.3.2 Career Fair and Career Motivation Programme at Negombo

NHRDC has conducted second awareness Campaign and career fair at Negombo for school leavers to aware the available job opportunities in industries/ companies and available skills training courses in state sector and private sector training institutions. It was also targeted to provide an opportunity for industry employers to introduce themselves to the school dropout young youth, to educate them about industrial opportunities and to provide an opportunity for them to network with industry employers.

Target groups of the program were job seekers, school leavers who sat for the examination in 2016, Vocational training education and migrant returnees from Middle East in Negombo, Minuwangoda, Katana, Gampaha, Wattala, Mahara and Ja-ela Divisional Secretariats. The expectation of the Career Fair is to allow organizations to meet potential employees in an informal setting. The Career Fair also gives job seekers the opportunity to learn more about potential employers and the opportunities available. It is focused on sharing information between

companies, training providers and job seekers. It is a way to explore career opportunities within various companies at one location. The Career Fair organized to create youth access to corporate internships, job placement, and career information and also it is provided opportunities for relationship building between young people and corporations.

It is our view that hosting these events will assist companies and youth in securing positive recruiting and placement successes. The talent are confident of these youth will meet the demands required for positions in company. Employers participated this event free of charge and the opportunity to get the awareness about the skills relevance and available matching courses on the spot of this event.

The Industry Career Fair held on 21st, November 2017 at Municipal Council Auditorium, Negombo. There were 700 students participated in this event. District Secretary of Gampaha Mr. Sunil Jayalath delivered a boost of speech for participants. Also he has encouraged NHRDC co-ordination and works. Commissioner of Municipal Council has indicated the job opportunities and skills gaps in growing industry in Sri Lanka and he wished all the best for initiatives of NHRDC in island wide.

Mr. Dhanuka Sirinama is a motivational speaker and he delivered the motivational session. He pointed out the “why youth looking for a job?”, ‘Why we want a job?, How we find a job?’, what are the requirements of private companies and employers?’. Most of the participants was got the ideas of their career. It was explained regarding the career path in private sector. Ms. Chandima Rodrigo (Career Guidance Officer of Ministry of Skills Development and Vocational Training) delivered about “vocational training programme and opportunities for youths and migrant returnees. Ms. Sumudu Pagoda (Director- Operation – Certified Accounting of Management) has deliver their training programme and courses.

Almost 800 different target groups participated in this event. There were 23 private companies and educational institutes such as VTA, NAITA, DTET, NYSC, SLITHM and CMA were participated and companies such as Aitken Spence, MPL Group, MC Donalds, Hydramani, MAS Holding, Politex Garment, Union Assurance, Koku Lanka Pvt, Ltd, CIB and Arpico etc. There were different industry representatives were participated and displayed their vacancies and opportunities. Mainly Apparel Industry, Textile, Food and Restaurants, Manufacturing Industries,

Insurance Industry, Plantation Industry, HR, Tourism and Hotel Industry, Construction and Auto Mobile etc.

NHRDC has coordinated those programs with the collaboration of District Secretary of Gampaha, Ministry of Skills Development and Vocational Training, Ministry of Manpower and Employment, Ministry of Women Affairs, Employer Federation Council, National Chamber of Commerce, Ceylon Chamber of Commerce, Public and Private Vocational Training Institutions at national level as well as district level.

Negombo Programme



	Company/Organization Name	No. of available Vacancies	Interviewed Participant
01	CIB shopping center Negombo	20	38
02	Trinity Street Pvt. Ltd.	40	15
03	Maritime Placement	160	28
04	Assurance	50	50
05	Diesel & Motor Engineering (PLC)	10	0
06	Arpico Insurance PLC	20	77
07	Kohoku Lanka (PVT) LTD	100	18
08	MC Donald's	30	28
09	Aitken Spence	50-70	02
10	Sadharitha Plantation	35	30
11	Siddhalepa	08	03
12	Lanka Garment	30	0

13	Smart Shirts	200	0
14	Brandix	50	0
15	Hidramani Mercury Apparel Katunayaka	35	02
16	Mounta Product (PVT) LTD	25	17
17	Senvec Lanka (pvt) LTD	10	20
18	Highland Files (SL) (PVT) LTD	50	25
19	Tantric Trailers (PVT) LTD	100	7
20	Selco Continental (PVT) LTD	100	40
21	Universal College of Learning	500	35
22	North Manufacturing (PVT) LTD	20	5
23	Arpico Supper (Richard Peris)	100	60
24	ODEL PLC (softlogic)	50	20
25	VTA (Training)	350	14
26	Dal Textiles Industries (PVT) LTD	50	30
27	CMA Institute Colombo 4		2
28	Okaya Lanka	100	40
29	Vocational Training Authority	15	15
30	Haidramani Textile (PVT) LTD	40	30
31	Polytex Garment LTD		23
32	Hettigoda Group (PVT) LTD		10
33	Manpower & Employment Department	100	Entered their Dbase
34	NAITA -Gampaha	For Training	12

5.4 Improve Quality Standards in TVET Sector (Tourism) through NVQ System in collaboration with TVEC

National Human Resource Development Council of Sri Lanka (NHRDC) was tasked by the Prime Minister to assess the staff requirements of the tourism industry for the short term future and at the same time evaluate all available training facilities for tourism sector in the country and identify the training gaps.

Under the direction of the Chairman NHRDC, Mr. Dinesh Weerakkody, two committees were set up, one to assess and forecast the real demand from the industry for trained personnel to meet Sri

Lanka Tourism's growth targets, headed by Srilal Miththapala and the second headed by Sunil Dissanayake to ascertain the quality and standards of all tourism training institutions in Sri Lanka. Based on the findings of these two committees a report was compiled and prepared by Dr.Chandra Embuldeniya entitled ' Tourism Industry forecasts 2016-2020' and handed over to the Chairman of the NHRDC for onward transmission to the Prime Minister. Consequently the NHRDC is now desirous of preparing a set of action plans to address the issues highlighted in this report as follows.

- ❖ To prepare a clear action plan highlighting ways and means of attracting young people to join the tourism industry
- ❖ To prepare a plan as to how the desired level of training and development can be imparted to meet the demand for new staff for the industry

Two working groups were set up, the first headed by Mr. Mano Sekaram and the second headed by Mr. Chandra Mohotti. The main objectives of this project are;

- ❖ To increase the talent supply for critical growth industries
- ❖ To Establish two tourism task force and analysis the industry expect ideas, suggestions and inputs
- ❖ To develop and hand over a proposal to the Ministry of Tourism Development and Christian Religious Affairs

The Ministry of Skills Development and Vocational Training and Ministry of Tourism Development have set up a skills council for Tourism, once it is fully operational and properly resourced the skills council must be tasked to ensure that people working across tourism, travel and hospitality are appropriately skilled and able, through the application of their expertise, to contribute to the growth and development of a sustainable, productive and profitable tourism and hospitality industry. However implementation of the proposed interventions will require industry, training providers and government to work together. Only through such a collaborative approach can ensure that the tourism and hospitality industry have access to the right people with the right skills at the right time.

Due to the unprecedented growth in the Tourism, Travel and Hospitality industry, there exists a critical shortage of qualified and skilled labour. Employment forecasts of future workforce needs strongly indicate that this pattern will continue. As the industry continues to grow, manpower planning is required to enable the industry to access appropriately-skilled staff in requisite

numbers to ensure that operations remain productive, sustainable and are able to meet the rising standards in quality of visitor's expectation. The training intake in the tourism sector by 2020, is estimated to be around 32,793 but the annual capacity is currently about 8,599.

The gap needs to be filled by the registered number of training institutions or by new institutions which must match up to at least to regional standards. Sri Lanka Institute of Tourism and Hotel Management (SLITHM) output was 5178 in 2016 and in 2017 the target was 8000. An area that needs urgent attention is the requirement of competent trainers and the introduction of new disciplines in the hospitality curriculum that are not offered at present such as sales and marketing, hotel finance, ERP and procurement etc. with more emphasis on building managerial talent. Low completion rates for Tourism, Travel and Hospitality qualifications have long been a concern for the industry, but it has worked to improve the situation by working collaboratively with the Vocational Education and Training (VET) system through many new initiatives.

The Committee was mandated to make specific recommendations to address the following;

- ❖ To look at the immediate learning and development interventions required to meet the immediate skills demand in the tourism sector
- ❖ To recommend HR interventions that ensure people who work in the tourism, travel and hospitality industry have the appropriate skills and personal attributes to deliver a quality experience to tourists and the education and training system is reengineered to deliver the skills and knowledge the industry would require now and in the future.

Very broadly the paper attempts to discuss the following and provide measurable actions for implementation covering the following three pillars.

- ❖ Skilled Labour supply (industry has access to appropriately-skilled people in the requisite numbers)
- ❖ Building capability (increasing productivity through improving skills, leadership and management)
- ❖ Quality issues (measures to increase the quality of skills outcomes through improving the quality of delivery and assessment)

This report summarized the deliberations and findings of the Work Group 1, under the chairmanship of Mr. Mano Sekaram, which comprised of the following members.

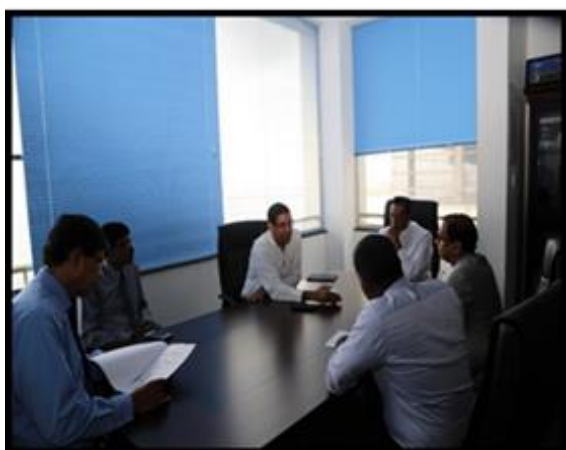
Task Force: 01 Chairman: Mr. Mano Sekaram and Committee Members

No	Name	Designation	Institution
1	Mr. Mano Sekaram	CEO	99x Technology
2	Mr. Kiran Shenoy	CEO	Toppan Forms
3	Mrs. Amal Goonattileke	Consultant	Hospitality Marketing
4	Mr. Kanchhana Nanayakkra	Head of HR	Jetwing
5	Mr. Malinga	MD	HEMAS Leisure
6	Mr.S.Muralitharan	CEO/GM	Sampath IT Solution
7	Mr.Timothy Edward	MPSR	WUSC
8	Mr. Sujeeva Cooray	Vice president/ Head of HR	Cinnamon hotels
9	Mr.Pathma Leange	MSRP	Hayles
10	Mr. Suresh Murugesar	Consultant	Deviancy consulting
11	Mr. Lalithadheera	Director	NHRDC
12	Mr. S.Thanigaseelan	Asst. Director	NHRDC
13	Mr. Srilal Mithapala	Consultant	
14	Mrs. Ishara Naufal	Cinnaman Hotels Pvt Ltd	Cinnamon hotels
15	Mr. Ishan Dantanarayana	CEO	Brandix
16	Mr.Sanjiv Wijesinghe	Director HR	HEMAS
17	Mr. Deepthi Lanahewa	DPD	WUSC
18	Mr. Anton Godfrey		

Task Force: - 02

Chairman: Mr. Chandra Mohotti and Committee member

No	Name	Designation	TPC
1	Mr.Chandra Mohotti	Chairman –Sector Council/TVEC (Tourism)	Chairman
2	Prof.Rajiv Wijayasinghe	Chairman - TVEC	Member
3	Dr.Chandra Embuldeniya	NHRDC Council member	Member
4	Eng.Dr.Lionel Pinto	Chairman – VTA	Member
5	Mr.Buddhika Hewawasam,	DG –SLITHM	Member
6	Mr.Proboth Kulathunga	DDG –SLITHM	Member
7	Mr.Ravindra Magedara	Principal-International Hotel School of Mount Lavinia Hotel	Member
8	Mr.R. Pandithakoralage	Director/ Chief HRO , Aitken Spence	Member
9	Mr.Milinda Hettiarachchi	Faculty of Hospitality / Aquinas College of Higher Studies , Hotel Consultant , Visiting Lecturer & Region Education Counselor / University of Luzern, Guest Lecturer/ Business Faculty University of Colombo.	Member
10	Mr.C. Vidanapathirana	Assistant Director -VTA	Member
11	Mr.Sunil Dissanayake	Chairman -SLITHM	Member
12	Ms. Sarrach Sammon	SCG Group, Global Mobility specialist – Talent Management	Member
13	Mr. K.A. Lalithdheera	Director	NHRDC
14	Mr. S. Thanigaseelan	Assistant Director	NHRDC



5.5 Implement the CSC Approved Strategy to Re-deploy Three Wheeler Drivers into Industry

The objective of this project is to increase the talent supply for critical growth industries. Discussions were held with EFC, SLTDA, National Chamber of Commerce, Three wheelers' Associations and TVEC. TVEC has developed the NVQ module on "Tourist Taxi Driver" collaboration with Police Training School, Hotel Industry, Sector Council of TVEC, NAITA and SLITHM.

Conduct a Survey to Identify Strategies to Redeploy Three Wheeler Drivers into the Industry

The objectives of this survey is;

- ❖ To identify the social- economic status of three wheeler drivers
- ❖ To identify skilled training need and way forward
- ❖ To identify alternative services for transports services
- ❖ To develop strategy for redeploy the three-wheeler drivers into growing sectors

This survey was carried out in six districts namely Colombo, Gampaha, Badulla, Kurunegala, Rathnapura and Galle with the support of NHRDC staff. Drafted the final report and data presentation was done in end of November 2017.



5.6 Foreign Training Programs for Public Sector Officials - 2017

NHRDC has continued to organize more successful programs in the year 2017 for the Public Sector Officials. The main objective of these programs is, to increase the Job-related competencies and individual growth of the public sector officials. Eight foreign training programs for different target groups such as common public sector managerial staff, school principals, university administrative staff and university technical officers were organized successfully. The eight programs conducted are as follows:

5.6.1. Managerial Competency Development Program (MCDP)

We have conducted three programs under the above title. This program was targeted for Middle and Higher Public Sector Managerial Staff. The program was conducted with 4 days local session for each program. The Local session resources person was Mr. Ranil Sugathadasa, Dr. Kasun Nandapala and Mr. Chameera Udawatta. Details of the three programs are given below:

MCDP III

The Local Session of the program was held from 20th April 2017 to 23rd April 2017 at SLIDA and the Foreign Session was held from 30th April 2017 to 06th May 2017 at University of Putra Malaysia. 28 number of officers were participated.

MCDP IV

The Local Session of the program was held from on 31ST August, 1st, 7th and 8th September 2017 at Miloda – The Academy of Finance and the Foreign Session was held from 17th to 23rd September 2017 at University of Putra Malaysia. 21 number of officers were participated.

MCDP V

The Local Session of the program was held from on 14th, 15th, 21st and 22nd September 2017 at Miloda – The Academy of Finance and the Foreign Session was held from 1st to 7th October 2017 at University of Putra Malaysia. 20 number of officers were participated.



5.6.2. Leadership Programs on School based Management (SBM)

This program was organized under the special request made by the Ministry of Education. We have conducted two programs under the above title with 30 participants in each. The target group of this program was School Principals. The details of the two Leadership Program on SBM were given below:

Leadership Program on SBM I - Program held from 8th to 15th November 2017

Leadership Program on SBM II - Program held from 15th to 22nd November 2017

5.6.3. Competency Development Program for Technical Officers (CDP for TOs)

We have conducted two Programs under this title. The Target Group of the program was University Staff Technical Officers. Details of the Two Programs are given below:

CDP for TOs I - Number of Participants – 26

The program was held from 9th July to 15th July 2017

CDP for TOs II - Number of participants - 28

The program was held from 22nd October 2017 to 28th October 2017



5.6.4. Managerial and Administrative Competency Development Program

The program was held from 12th February to 18th February 2017. The Target group of the program was University Administrative Staff. Twenty four officers participated for this program from various institutions.



5.7 Common Competency Framework for Productive and Ethical Public Service Culture

The National Human Resources Development Council of Sri Lanka has undertaken a study to upgrade the skills and competencies of the officers in the Public Sector. Based on the study done by NHRDC with the team of experts, a Common Competency Framework(CFW) was developed for the public sector. This CFW has been approved by the Cabinet Committee on its Meeting held 27th June 2017. Following members were appointed to develop implementation plan for CFW.

Name	Institute	Designation
Prof. Gamini Alwis		Former Senior Lecture
Mr. R.A. Kolitha Ranawaka	NIBM	Head(Management Development)
Mr. A.B.M. Ashraff	SLIDA	Senior Consultant
Mr. Samantha Rathnayake	PIM	Management Consultant

As a next step it is expected to develop a roadmap for implementing above CFW with the views and suggestions of the experts in the field of the Human Resources Development.

5.8 NHRDC Lecture Series

Our council has conducted series of lectures on following topics to uplift the skills of the public servants in the managerial levels and below. Most of the participants representing the various sectors in the public sector have responded positively regarding the series of lectures to be conducted for the betterment of public sector employees. A series of lectures will continue to be conducted by public officers through a distinguished panel of lecturers to cover various aspects.

Summary of the Lectures conducted in the year 2017.

Topic	Name of the Resource Person	Date	No. of Participants
Customer Care	Mr. Dhammika Kalapuge	2017.01.10	185
Human Confidence	Dr. Ruanthi De Silva	2017.03.07	110
Top HR Trends - 2017	Ms. Chiranthi Cooray	2017.05.04	107
Enhancement of Accounting Skills of the Public Sector	Mr. J.M.U.B. Jayasekara	2017.06.22	122
Good governance and Role of the Public Service	Dr. Lloyd Fernando and Mr. Samantha Rathnayake	2017.10.04	120
Cyber Security Talk	Mr. Boshan Dayaratne	2017.11.28	137
Introducing the Productive work Methods for Public Sector	Ms. Arosha Jayasundera	2017.12.14	55

Customer Care



Human Confidence



Top HR Trends – 2017



Enhancement of Accounting Skills



Good governance and Role of Public Service



Cyber Security Talk



5.9 Statistical Bulletin of NHRDC

NHRDC has been decided to publish a Statistical Bulletin annually to fulfill the information gap of relevant stakeholders regarding the education sector in Sri Lanka. Therefore latest bulletin was published in year 2017.

In this bulletin it is included important statistics related with General Education, Tertiary, Vocational and Professional (TV&P) education and Higher education sectors are included. All the data were collected based on the secondary data sources available in the website, Central Bank annual report 2016 of Sri Lanka, University Statistics of University Grant Commission etc. Data of this bulletin may be important to researchers, policy makers who has the interest on Education sector in Sri Lanka.

5.10 Directors Handbook

On the direction of Hon. Prime Minister, NHRDC with the collaboration of the Institute of Chartered Accountants of Sri Lanka (ICASL) has developed a Handbook on Good Governance for Chairmen and Board of Directors of Public enterprises by updating the existing guidelines. This handbook provides guidance and clarity on the best practice areas requiring Boards' attention. This handbook on good governance directed to chairmen and boards of directors of public enterprises would serve as a guide to manage the affairs of those institutions effectively. It is mainly applicable to Commercial Public Enterprises.

This task was carried out by a committee chaired by Mr. V.Kanagasabapathy, President, Public Sector Wing of CA Sri Lanka and former Director General Public Enterprises and Financial Management Advisor, Ministry of Finance and Planning along with representatives from Sri Lanka Institute of Directors, Department of Public Enterprises, Ministry of National Policies and Economic Affairs, Ministry of Public Enterprises Development, and Central Bank of Sri Lanka.

The first copy of the Handbook was handed over to Hon. Prime Minister on 5th December 2017 at the Annual Awards Ceremony of CA Sri Lanka.

CA Sri Lanka partners with NHRDC on a drive to enhance good governance in Audit Committees

NHRDC together with CA Sri Lanka conducted a workshop on the “Role of Audit Committee” on 6th July 2017 at CA Sri Lanka, with the participation of more than 180 senior government officials who are representing Audit Committees of Public Enterprises. Under the direction of Prime-minister, this initiative is to support the government’s goal of enhancing good governance and create a uniform set of skills in Directors of the Public Enterprises in order to widen their scope.

The resource personnel for the workshop comprised of Chairman/NHRDC, Mr. Dinesh Weerakkody, Mr. E.A.G.Ananda, Assistant Auditor General, Mr. Manil Jayasinghe, Partner of Ernst & Young, Mr. V. Kanagasabapathy, President APFASL, Public Sector wing of CA Sri Lanka and Chairman Public Sector Accounting Standards Committee (CA Sri Lanka), Mr. Reyaz Mihular, Managing Partner of KPMG and Mr. Tishan Subasinghe, Partner of BDO Partners. During the workshop, the resource personnel provided guidance and clarity on the best practices and good governance for the benefit of the Audit Committees.

5.11 Report on "New Ways of Working in the Public Sector"

The National Human Resources Development Council has prepared a report on improving New Ways of Working in the Public Sector. This has been forwarded to the President and the Prime Minister, and responses are awaited to take things forward.

The report was prepared by a Committee appointed by the NHRDC, which included representation from the Ministry of Public Administration, the Labour Ministry, the Public Service Commission, the Sri Lanka Institute of Development Administration, the Ceylon Chamber of Commerce, the Jetwing Group, the World Bank and the Asian Development Bank. The committee was chaired by Prof Rajiva Wijesinghe, former Chairman of the Tertiary and Vocational Education Commission and Former Minister of Higher Education.

The Committee benefited from written inputs from distinguished retired members of the Public Service, including Mr Dharmasiri Pieris, Mr H.M.G.S. Palihakkara, Mr Mahinda Madihahewa and Mrs Malini Pieris. Mr Dharmasiri Pieris made a presentation in person, and drew attention to the need for fundamental changes. Amongst the areas addressed in the report are; Ensuring both

the independence of the Public Service and continuation with regard to policies and practices, increasing productivity, in particular through promoting greater professionalism by laying down rationales for any appointments and entrenching accountability mechanisms, including internal adherence to agreed goals.

5.12 NHRDC Continues to conform to the ISO 9001:2015 Certification

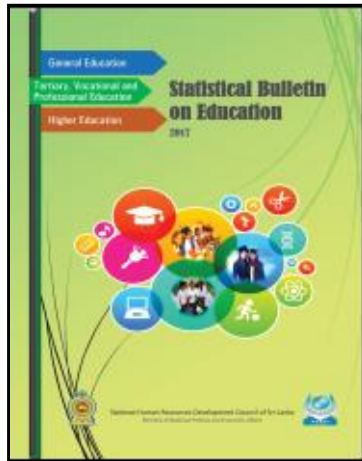
The National Human Resource Development Council with a vision for a future ready workforce was recognized as an organization that complies with the ISO 9001: 2015 International Standards compliance requirements for an efficient and effective service to develop the human resources of the country.

On the basis of the audit conducted by the officers of the Sri Lanka Standards Institute on the 7th of February, 2007, we were again recommended that the institution comply with the ISO 9001: 2015 quality management system. According to the new quality policy, the audit team recommended that all documents required by the organization have been prepared by the organization. In 2017, we also made some changes in the Quality Manual, Procedure Manual and the Internal Audit Plan. We received the Internal Audit Training Programs provided by the Sri Lanka Standards Institution for our officers.

We are committed to providing a quality service in compliance with the ISO 9001: 2015 Quality Management System introduced by the Sri Lanka Standards Institution.

6. Publications of NHRDC during the year 2017

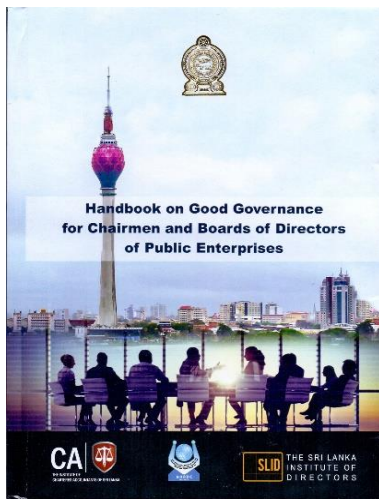
Images of the publications, reports done during the year 2017 are depicted below.



Statistical Bulletin 2017



Female Labour Force Participation



Director's Hand Book

7. Statement of Financial Position
As at December 31.2017

	Note	2017	2016	In LKR Budgeted
ASSETS				
Current assets				
Cash and cash equivalents	1	8,565,644.90	9,877,733.94	8,757,030.58
Receivables	2	71,162.82	71,162.82	71,162.82
Inventories	3	619,970.85	564,975.70	562,000.00
Prepayments	4	164,415.91	-	170,000.00
Other Current assets	5	2,836,874.76	2,668,029.66	2,810,000.00
		12,258,069.24	13,181,902.12	12,370,193.40
Non-current assets				
Infrastructure, plant and equipment	6	14,805,195.29	5,633,698.01	13,000,000.00
Vehicles	6	9,326,611.88	13,183,305.94	11,864,975.35
Other assets	6	582,804.46	779,918.91	900,000.00
		24,714,611.63	19,596,922.86	25,764,975.35
Total assets		36,972,680.87	32,778,824.98	38,135,168.75
Liabilities				
Current Liabilities				
Payables	7	1,192,086.32	846,668.75	254,046.47
Short-term Provisions	8	313,742.82	313,742.82	313,742.82
		1,505,829.14	1,160,411.57	567,789.29
Non-current liabilities				
Employee benefits	9	1,990,089.75	1,509,772.75	1,900,000.00
		1,990,089.75	1,509,772.75	1,900,000.00
Total Liabilities		3,495,918.89	2,670,184.32	2,467,789.29
Net assets		33,476,761.98	30,108,640.66	35,667,379.46

NET ASSESTS/EQUITY

Capital contributed by

Contributed Capital	3,000,000.00	3,000,000.00	3,000,000.00
Revaluation Reserve	13,490,249.80	13,490,249.8	6,000,000.00
Government Grant – Capital	14,636,523.89	15,435,982.49	15,500,000.00
Accumulated Surplus/(Deficit)	<u>2,349,988.29</u>	<u>(1,817,591.63)</u>	<u>2,000,000.00</u>
Total Net assets/equity	<u>33,476,761.98</u>	<u>30,108,640.66</u>	<u>26,500,000.00</u>

Assistant Director (Finance)
Date:

Chairman
Date:

**8.Statement of Financial Performance
for the Year Ended December 31, 2017**

	Note	2017	2016	In LKR Budgeted
Revenue				
Government Grant - Recurrent	10	21,133,114.00	21,500,000.00	22,823,801.00
Government Grant - Capital	11	12,623,137.60	11,389,837.06	15,650,000.00
Other Grant	12	6,861,867.08	1,073,187.14	6,000,000.00
Profit on Disposal of Assets	13	(1,068,524.32)	(5,662.59)	(1,000,000.00)
Other revenue	14	140,792.29	185,137.58	160,000.00
Total Revenue		39,690,386.65	34,142,499.19	43,633,801.00
Expenses				
Wages, salaries and employee benefits	15	17,443,075.49	15,706,158.54	17,279,130.00
Grants and other transfer payment	16	6,727,619.63	6,663,006.94	8,385,000.00
Supplies and consumables used	17	680,040.50	789,950.36	900,000.00
Depreciation and amortization expense	6	5,689,845.88	5,076,989.77	5,700,000.00
Travelling, Subsistence & Allowances	18	336,527.50	189,902.50	347,600.00
Utility and Services	19	2,993,768.87	3,196,272.23	3,124,280.00
Maintenance Expenses	20	1,459,557.36	1,396,272.13	1,240,000.00
Other expenses	21	192,371.50	208,988.00	193,500.00
Total Expenses		35,522,806.73	33,197,495.47	37,169,510.00
Surplus/(deficit)for the period		4,167,579.92	945,003.72	6,464,291.00

**9.Statement of Changes in Net Assets/Equity
for the Year Ended December 31, 2017**

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 January 01, 2016 B/F	3,000,000.00	2,063,777.2	13,148,819.55	(2,762,595.35)	15,450,001.40
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 Deficit/surplus for the period	-	-	13,677,000.00	-	13,677,000.00
De recognition of previous revaluation surplus on revalued assets	-	-	-	-	-
Deffered 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
Balance at December 31, 2016 carried forward	3,000,000.00	13,490,249.80	15,435,982.49	(1,817,591.63)	30,108,640.66
Balance at January 01, 2017 B/F					
Prior year Adjustment	3,000,000.00	13,490,249.80	15,435,982.49	(1,817,591.63)	30,108,640.66
Revalued surplus on disposed assets	-	-	-	-	-
Transfer to government grant-Revenue	-	-	-	-	-
Net revenue recognized directly in net asset/equity Deficit/surplus for the period	-	-	11,823,679.00	-	11,823,679.00
Deffered Income	-	-	(5,689,845.88)	-	(5,689,845.88)
Surplus/Deficit for the period	-	-	-	4,167,579.92	4,167,579.92
Total recognized revenue and expenses for the period	-	-	(799,458.60)	4,167,579.92	3,368,121.32
Balance at December 31, 2017 carried forward	3,000,000.00	13,490,249.80	14,636,523.89	2,349,988.29	33,476,761.98

10. Cash Flow Statement

Consolidated Cash Flow Statement for Year Ended December 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit)	4,167,579.92	945,003.72
<u>Non-cash movements</u>		
Depreciation	5,689,845.88	5,076,989.77
Gratuity Expenses	480,317.00	82,684.87
prior year adjustment	-	-
Differed Income	(5,689,845.88)	(4,732,933.84)
Audit Fee Over Provision	(6,325.00)	(4,481.00)
Interest on Staff Loan	(108,396.55)	(93,554.45)
Audit Fee	80,500.00	80,500.00
(Gains)/losses on sale of property, plant and equipment	1,068,524.32	5,662.59
Increases (Decreases) in Consumable Store	(54,995.15)	(2,781.07)
Increases (Decreases) in Pre payments	(164,415.91)	179,949.64
Increases (Decreases) in Staff Loans	(418,700.60)	(272,566.68)
Increases (Decreases) in Other Advances	(15,000.00)	1,250.00
Increases (Decreases) in Payables	345,417.57	529,967.68
Increase in other current assets	264,855.50	(264,855.50)
Increase / decrease in receivables	-	-
paid audit fee	(74,175.00)	(80,519.00)
Gratuity paid	-	(433,818.00)
Government Grant	4,890,387.28	7,020,096.78
Net cash flows from operating activities	10,455,573.38	8,036,595.20

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Building & Structures	(6,531,265.68)	-
Purchase of Furniture & Fittings	(4,235,272.50)	(164,169.00)
Purchase of Office Equipment	(496,274.65)	(74,750.00)
Purchase of Electricals Fixture	-	-
Purchase of Computers	(527,420.00)	(326,600.00)
Purchase of Vehicles	-	-
Interest on Staff Loan	108,396.55	93,554.45
Purchase of Software	-	-
Purchase of Books	(29,414.84)	(11,883.00)
Purchase of Other Assets	(56,411.30)	-
Proceeds from sale of plant and equipment	-	1,000.00
Net Cash flows from investing activities	(11,767,662.42)	(482,847.55)

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities	-	-
Net increase/(decrease)in cash and cash equivalents	(1,312,089.04)	7,553,747.65
Cash and cash equivalents at beginning of period	9,877,733.94	2,323,986.29
Cash and cash equivalents at end of period	8,565,644.90	9,877,733.94

Notes to the Cash Flow Statement

Cash on hand and balances with banks

People's Bank A/C No 119100120409161	8,375,225.10	487,712.25
Bank of Ceylon A/C 165197	190,419.80	9,390,021.69
	8,565,644.90	9,877,733.94

11. Notes

		2017	2016	Budgeted
<u>Cash and cash equivalents</u>	1			
People's Bank A/C No 119100120409161		8,375,225.10	487,712.25	8,000,000.00
Bank of Ceylon A/C 165197		190,419.80	9,390,021.69	757,030.58
		8,565,644.90	9,877,733.94	8,757,030.58
<u>Receivables</u>	2			
Nimal Bopage (ex-Chairman)		71,162.82	71,162.82	71,162.82
		71,162.82	71,162.82	71,162.82
<u>Inventories</u>	3			
Consumable Stores		619,970.85	564,975.70	562,000.00
		619,970.85	564,975.70	562,000.00
<u>Prepayments</u>	4			
Vehicle Insurance		164,415.91	-	170,000.00
		164,415.91	-	170,000.00
<u>Other Current assets</u>	5			
Staff Loan - Distress		2,811,874.76	2,393,174.16	2,800,000.00
Festival Advances		10,000.00	10,000.00	10,000.00
Refundable Deposit		15,000.00	-	-
Construction WIP		-	264,855.50	-
		2,836,874.76	2,668,029.66	2,810,000.00

Property, Plant & equipment (Note 06)

Reporting Period 01.01.2017 to 31.12.2017	Furniture & Fittings		Office Equipment		Electrical Fixtures		Computers		Software		Vehicles		Books		Other Assets		Building & Structure	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Opening 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	-	-
Additions	4,235,272.50	164,169.00	496,274.65	74,750.00	-	-	527,420.00	326,600.00	-	-	-	14,200,000.00	29,414.84	11,883.00	56,411.30	-	6,531,265.68	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	(1,510,495.62)	-	(53,707.95)	(12,920.00)	-	-	-	(1,400.00)	-	-	-	(18,750,000.00)	-	-	(257,730.00)	-	-	-
Closing Balance	4,964,689.09	2,239,912.21	3,378,042.99	2,935,476.29	66,135.25	66,135.25	5,718,212.98	5,190,792.98	776,556.61	776,556.61	14,200,000.00	14,200,000.00	127,659.99	98,245.15	1,077,505.80	1,278,824.50	6,531,265.68	-
Accumulated Depreciation (year Beginning)	1,044,791.00	833,625.95	1,198,822.90	921,331.07	30,326.33	26,061.90	2,707,675.64	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	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation (As per statement of Financial Performance)	334,120.11	211,165.05	293,842.29	284,672.16	2,915.80	4,264.43	894,837.95	830,718.32	182,280.03	194,139.15	3,856,694.06	3,440,495.43	3,676.74	2,336.07	117,900.12	109,199.16	3,578.78	-
Less Accumulated Depreciation on Disposal	(626,506.18)	-	(30,536.80)	(7,180.33)	-	-	-	(477.08)	-	-	-	-	-	-	(96,366.27)	-	-	-
Accumulated Depreciation on Revalued Assets	-	-	-	-	-	-	-	2,707,675.64	-	-	-	(15,976,472.60)	-	-	-	-	-	-
Closing Balance	752,404.93	1,044,791.00	1,462,128.39	1,198,822.90	33,242.12	30,326.33	3,602,513.59	2,707,675.64	775,839.49	593,559.46	4,873,388.12	1,016,694.06	81,311.82	77,635.08	541,049.51	519,515.66	3,578.78	-
Net Carrying Amount	4,212,284.16	1,195,121.21	1,915,914.60	1,736,653.39	32,893.12	35,808.92	2,115,699.39	2,483,117.34	717.12	182,997.15	9,326,611.88	13,183,305.94	46,346.17	20,610.07	536,456.29	759,308.84	6,527,686.90	-

	Note	2017	2016	Budgeted
<u>Payable</u>	7			
Telephone		46,851.25	21,331.31	21,000.00
Internet		27,380.00	13,690.00	13,690.00
News Paper Bill		1,990.00	-	3,000.00
Janitorial & Security		125,356.47	125,356.47	125,356.47
Local Travelling		1,050.00	2,887.50	2,000.00
Salaries Temporary		19,000.00	-	-
Over Time		17,313.93	13,841.78	-
Holiday Payments		-	-	-
Electricity & Water		2,999.48	46,295.86	50,000.00
Training for School Drop out		-	-	-
SME Programme		-	-	-
Labour Market survey		250,000.00	250,000.00	-
Develop HR strategy		-	-	-
Foreign Training Programme		-	210,925.71	-
MCDP Programme		-	35,154.29	-
Staff Welfare		-	3,675.00	4,000.00
Repair & Maintenance of office		50,290.65	14,662.50	16,000.00
Human Capital Summit		-	27,315.00	-
Acting Salary		-	5,562.08	-
Advertisement Charges		-	76,007.25	-
Building & Structure leema retention		445,837.28	-	-
conduct three wheel survey		60,000.00	-	-
Acting salary		-	5,526.08	6,000.00
Other Advances		1	-	-
Repair & Maintenance of vehicles		60,937.26	-	-
Advertising - MCDP		20,079.00	-	-
		1,192,086.32	846,668.75	254,046.47
<u>Short-term Provisions</u>	8			
Audit Fee – 2014		81,580.00	-	-
Audit Fee – 2015		-	81,580.00	81,580.00
Audit Fee – 2016		80,500.00	80,500.00	80,500.00
Audit Fee - 2017		80,500.00	80,500.00	80,500.00
Provision for doubtful Debt-N.Bopage		71,162.82	71,162.82	71,162.82
		313,742.82	313,742.82	313,742.82

	Note	2017	2016	Budgeted
Employee benefits	9			
Gratuity Provision		1,990,089.75	1,509,772.75	1,900,000.00
		1,990,089.75	1,509,772.75	1,900,000.00
Government Grant - Recurrent	10	21,133,114.00	21,500,000.00	22,823,801.00
Government Grant - Capital	11			
Government Grant – Development Activities		6,933,291.72	6,656,903.22	9,000,000.00
Deffered Grant		5,689,845.88	4,732,933.84	6,650,000.00
		12,623,137.60	11,389,837.06	15,650,000.00
Profit (Loss)on Foreign Training Programs	12	6,861,867.08	1,073,187.14	6,000,000.00
		6,861,867.08	1,073,187.14	6,000,000.00
Profit (Loss) on Disposal of Assets	13	(1,068,524.32)	(5,662.59)	(1,000,000.00)
Other revenue	14			
Miscellaneous income		32,395.74	91,583.13	40,000.00
Distress Loan Interest		108,396.55	93,554.45	120,000.00
		140,792.29	185,137.58	160,000.00
Wages, salaries and employee benefits	15			
Salaries & wages		9,639,681.90	7,190,064.68	9,700,000.00
Acting salary		5,634.93	22,534.12	-
Special Allowance		-	768,331.89	
Cost of Living Allowance		2,530,849.28	2,351,322.58	2,527,200.00
Interim Allowance		-	1,979,677.42	-
Adjustment Allowance		1,972,515.79	1,010,525.71	1,766,930.00
Transport Allowance		600,000.00	400,000.00	600,000.00
Fuel Allowance		210,600.00	210,600.00	800,000.00
EPF		1,348,676.41	1,130,291.11	1,348,000.00
ETF		337,169.47	282,554.24	337,000.00
Over time		199,324.96	117,509.17	192,000.00
Holiday payments		16,805.75	9,918.75	8,000.00
Salaries temporary		29,500.00	150,144.00	-
Gratuity Expenses		480,317.00	82,684.87	-
Professional allowance		72,000.00		-
		17,443,075.49	15,706,158.54	17,279,130.00

	Note	2017	2016	Budgeted
Grants and other transfer payment	16			
News Letter		290,177.70	245,768.00	600,000.00
Labour Market Study		513,512.25	431,733.75	100,000.00
Staff Training & Development		924,031.03	1,802,098.87	1,000,000.00
Matara District Survey		-	81,081.90	-
Quality & Productivity Programe		474,833.32	144,462.00	250,000.00
Develop a HR Strategy to build leadership		497,158.72	228,695.00	760,000.00
Rakiya Aruna Program		-	1,624,177.48	-
Skill gap study technology sector		19,995.00	131,449.25	20,000.00
Strengthening SME Sector		-	529,847.25	-
Skills gap study tourism sector		53,530.60	905,510.49	185,000.00
HRM Award		600	1,310.00	50,000.00
Director Hand Book (KPMG)		1,162,519.39	122,620.70	1,200,000.00
Human Capital Summit		-	126,203.04	-
Develop Mechanism		-	13,165.00	-
NHRDC Starff Development initiatives		-	244,884.16	-
Re-orient Migrant Returnees		461,165.90	-	600,000.00
Follow up on National HR Policy		1,000.00	-	20,000.00
Establish a stakeholder committee		44,911.00	-	100,000.00
Implement Competency Frame Work		6,360.00	-	200,000.00
Strengthen Career guidance units		31,820.00	-	100,000.00
Dengue awareness project		35,980.00	-	70,000.00
MCDP		972,121.80	-	1,100,000.00
Statistical bulletin		49,266.00	-	100,000.00
Three wheeler study		818,399.16	-	1,480,000.00
New ways of working in Public sector		27,591.30	-	50,000.00
Work With The Industry CSE to implement recommendations		342,646.46	-	400,000.00
		6,727,619.63	6,633,006.94	8,385,000.00

	Note	2017	2016	Budgeted
Supplies and consumables used	17			
Stationary & office equipment		102,990.50	327,750.36	300,000.00
Fuel & lubricant		577,050.00	419,555.00	600,000.00
uniforms		-	42,645.00	-
		680,040.50	789,950.36	900,000.00
Depreciation and amortization expense	6	5,689,845.88	5,076,989.77	5,700,000.00
Travelling, Subsistence & Allowances	18			
Local Travelling & Subsistence		16,527.50	15,902.50	27,600.00
Allowance for Audit Members		84,000.00	54,000.00	80,000.00
Board Members Allowances		236,000.00	120,000.00	240,000.00
		336,527.50	189,902.50	347,600.00
Utility and Services	19			
Rates		40,320.00	44,800.00	50,000.00
Electricity		548,083.98	659,644.42	500,000.00
Water		35,247.31	40,409.78	40,000.00
Telephone charges & Rental		432,962.69	311,755.89	500,000.00
Postage & telex charges		7,245.00	17,470.00	100,000.00
Janitorial service		544,433.67	593,927.64	593,930.00
Advertising		48,300.00	202,297.50	50,000.00
Security Service		959,843.97	910,347.50	910,350.00
Internet		164,280.00	164,280.00	180,000.00
Other utility & Other Service		203,052.25	232,517.50	200,000.00
Legal Charges		10,000.00	19,000.00	-
		2,993,768.87	3,196,272.23	3,124,280.00
Maintenance Expenses	20			
Rep. & Main. Of Building & Structures		-	3,600.00	-
Rep. & main. of vehicles		838,150.86	1,003,375.79	760,000.00
Vehicle Insurance		419,869.90	149,949.64	370,000.00
Rep. & main. of Office Equipment		133,180.50	117,268.63	10,000.00
Rep. & main. of computer		20,872.50	57,526.60	50,000.00
Rep. & main. Of Other Assets		47,483.60	64,506.47	50,000.00
		1,459,557.36	1,396,227.13	1,240,000.00
Other expenses	21			
Audit fee		80,500.00	80,500.00	80,500.00
News paper & Periodicals		22,960.00	24,380.00	23,000.00
Staff welfare		23,045.00	47,775.00	25,000.00
Refreshment		65,866.50	56,333.00	65,000.00
		192,371.50	208,988.00	193,500.00

Note No 12 – Illustration

Revenue

Course Fee 38,550,000.00

Less

Expenses

Tickets 7,401,077.00

Visa 953,934.00

University of Putra Malaysia Payment 20,786,167.72

Resource Person Fee (local session) 995,714.28

Hall Reservation 1,125,384.34

Refreshments 19,660.00

Other 75,808.60

Printing & Stationary 101,769.99

Coordinator Subsistence 120,037.99

Awarding ceremony 88,500.00

Advertising 20,079.00

Total Expenses 31,688,132.92

Surplus (Deficit) on Foreign Training Programs 6,861,867.08

12. Notes, comprising a summary of significant Accounting Policies and other explanatory Notes

1. National Human Resources Development Council of Sri Lanka established under the Act No 18 of 1997. Under the power vested in the institution, it gives priority to all activities pertaining to Human Resource Development and implements policies for Human Resources Development.

2. Rendering of Accounts and Authorization to issue Financial Statements

As per the section 14 of Finance Act (No. 38 of 1971), National Human Resources Development Council of Sri Lanka as a public corporation shall, immediately after the end of each financial year of the corporation, prepare a draft annual report on the exercise, discharge and performance by the corporation of its powers, functions and duties during that year and of its policy and programme. Such report shall set out any directions given by the appropriate Minister to the corporation during the year. Copies of such report shall, within four months after the end of that year, be submitted to the appropriate Minister and to the Minister of Finance (if he is not the appropriate Minister), the Minister of Planning and the Auditor-General.

As per the section 14 of Finance Act (No. 38 of 1971), the accounts of a public corporation for each financial year shall be submitted to the Auditor-General for audit within four months after the close of that year along with any report on the accounts which the Auditor-General may require to be submitted in the manner specified by him. Any such corporation which contravenes or fails to comply with the preceding provisions of this sub-section shall be guilty of an offence under this Act and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees.

3. Statement of Compliance

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

4. Measurement Basis

Financial Statements of the Council are prepared under the historical cost conversion, except for the revaluation carried out in year 2008, 2011, 2014 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 systematically distribute the cost of fixed assets over its estimated useful life by periodic charges to expense.

5.3 No depreciation is provided in the year of purchased and full year depreciation is provided in the year of disposal for assets purchased prior to the year 2009 and from year 2009 onwards depreciation is computed based on the date of purchase/ date of disposal of each asset.

5.4 Consumable stocks are measured at the lower of cost and net realizable value.

6. Depreciation

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

Building & Structures	5%
Furniture & Fittings	10%
Office Equipments	10%
Electrical Fixtures & Equipments	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 completed in December. Retention money payable to Leema constructions Limited has been recognized as a payable in the balance sheet and corresponding asset was recognized under building and structure.

8. Assets transfer

Assets such as furniture and fitting, office equipment and other assets have been disposed due to refurbishment. These assets have been transferred to Vocational Training Authority to be

used in their training centers. Necessary approvals were taken from the ministry for the above asset transfer.

9. Accounting for Government Grant

Recurrent Grant and Capital Grant received from the General Treasury are used to meet the recurrent and capital expenditure of the National Human Resources Development Council of Sri Lanka respectively. 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 (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.

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 Accounting Standard on 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 maintenance of capital assets has been charged to revenue. The Deficit/Surplus of the revenue expenditure has been arrived after making provision for all known liabilities and depreciation of assets.

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.

13. Vehicles assigned by the Ministry

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

13. Audit Queries and Replies



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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

VTY/E/NHRDC/1/17/15

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

19 July 2018

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 2017 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 2017 comprising the statement of financial position as at 31 December 2017 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 Auditing 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 2017 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 Payable

The balances payable as at 31 December 2017 valued at Rs.1,192,086 and a balance amounting to Rs.250,000 remained payable for the Labour Market Survey, out of it, remained not being settled for a period of over one year.

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

Even though at least 12 meetings should be conducted for a Financial Year by the Council in terms of the National Human Resources Development Council of Sri Lanka Act, No.18 of 1997, only 04 meetings had been conducted for the year 2017.

3. Financial Review

3.1 Financial Results

The financial result of the Council in the year under review had resulted in a surplus of Rs.4,167,580 as compared with the corresponding surplus of Rs.945,003 in the preceding year. An improvement of Rs.3,222, 577 was observed in the financial result in the year under review as compared with the preceding year. Earning profit amounting to Rs.5,788,680 by foreign training programmes had been the main reason for this improvement.

In analyzing financial results in the year under review and of 04 preceding years, it indicated a deficit in the year 2015 and a financial surplus in other years. In considering personnel emoluments and depreciation for non- current assets, a continuous improvement in the contribution of the Institution indicated, from a sum of Rs.9,634,876 in the year 2013 to a sum of Rs.21,610,655 in the year 2017.



4. Operating Review

4.1 Performance

4.1.1 Function and Review

The following observations are made.

- (a) Even though a sum of Rs.15.65 million had been provisioned for the completion of the 29 projects/ programmes in the year by the Revised Action Plan in the year 2017, a sum of Rs.17.39 million had been spent for the implementation of those programmes/ projects. As such, a sum of Rs.1.74 million had been spent exceeding the amount of money allocated by the Action Plan.
- (b) Projects/ programmes amounting to Rs.2.93 million, planned to be completed as at 31 December 2017 could not be completed and the physical progress of 03 programmes amounting to Rs.0.65 million, out of it remained at a low level of less than 50 per cent.
- (c) Even though it had been targeted to prepare and issue 2 journals annually by the National Human Resources Development Council of Sri Lanka, only one journal out of it had been released in the year 2017.

5. Sustainable Development

5.1 Achieving the Sustainable Development Goals

Every Government Institution should act as per The 2030 Agenda for Sustainable Development, of the United Nations and awareness had not been raised by the National Human Resources Development Council of Sri Lanka as to the way that action should be taken relating to the functions considered under their scope relating to the year under review.



6. Accountability and Good Governance

6.1 Internal Audit

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

6.2 Budgetary Control

The following observations are made.

- (a) Even though the Budget relating to the year under review had been revised in December 2017, the approval of the Council had not been obtained relating thereto.
- (b) A variance ranging from 10 per cent to 65 per cent in the recurrent expenditure and a variance ranging from 15 per cent to 100 per cent in capital expenditure was observed according to the Revised Budget. Expenditure amounting to Rs.527,420 had ben incurred for the purchase of computers, of which provisions had not been allocated by the Budget and the entire provision amounting to Rs.400,000 allocated for the capital expenditure of vehicles had been saved.

6.3 Unresolved Audit Paragraphs

The recommendations in the Inquiry Report dated 19 November 2015 relating to a shortage of 26 Items of Fixed Assets costing Rs.354,332 remaining in the Register of Fixed Assets had not been implemented even by 31 December of the year under review.



7. 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.

Areas of Systems and Controls

Observations

(a) Control of Assets

Not following accurate methodologies in removing assets.

(b) Performance

Not preparing and implementing sufficient programmes for the achievements of the objectives of the Act.

W.P.C Wikramaratne
Auditor General (Acting)

Audit report in terms of the section 14 (2) C of the Financial Act No: 38 of 1971 on the financial statements of the National Human Resource Development Council of Sri Lanka for the year ended 31 December 2017

This refers Auditor report No: VTY/E/NHRDC/1/17/15 and dated 20.04.2017 on the above subject. Accordingly, my explanations are kindly submitted as follows.

2.4 Payable balances

Rs. 250,000/- payable in due state for preparing Labour Market Report is included in payable expenses during the year 2017. Since Dr. Dunusinghe who assumed that duty has not been submitted the study report on due date, this payment was suspended. It has been planned to finalize this report in this year.

2.3 Non-compliance to the laws, rules and regulations and management decisions.

When considering the composition of the Board of Council it is difficult to call those members in every month. As well, when considering the functions of the institute, sometime, there are occasions where there are no matters to be submitted to the control board monthly. It cost Rs. 100,000.00 for holding a control board meeting. Therefore, it is an unnecessary expense to hold board meetings without an aim. So, council board meetings have been hold in the manner that can be made the performance and when it arisen the matters that is necessary the approval of the board. The performance has been submitted in those meetings and it has been mentioned in the board meeting reports. Further, special presentations and discussions are made under policy matters on human resources development in every meeting. Following matters have been subjected to discuss during the year 2017.

- ❖ New Ways of Working in the Public Sector
- ❖ "Resolving the Impending Staff Shortage in the Tourism Industry"
- ❖ Labour Law Reforms
- ❖ Create learning and development opportunities for public sector staff by collaborating with foreign Universities
- ❖ Identify strategies to redeploy three-wheeler drivers into the industry

- ❖ Skilled workers for the technology sector: Partner with industry launch an accelerated training program to generate 1000 young data professionals over 5 years. i.e Data Science program
- ❖ Competency Framework for the Public Sector.
- ❖ Directors` Handbook on Good Governance

4. Operational Review

4.1.1 Functionality and review

(a) Modernization of council office and introduction of 5S is a project that existed in both 2016 and 2017. For this, Rs. 5,937,000/- from the budget 2016 and Rs. 4,200,000/- from the budget 2017 had been allocated. Even though these modernizing activities were started in 2016, that constructions were completed in 2007.

Since this project are remained up to two years, it was used the budget provisions held in that two years. This project was completed under expense limit of Rs. 10.13 Mn., the provision for that period.

(b) Out of the programmes planned during the year, followings are details on 03 programmes which performance was less than 50%.

(c) Strengthening of schools guiding sections

Even though many discussions were held with the Sri Lanka Chamber of Commerce within the project to strength the carrier guidance sections of selected 25 schools, the companies of the private sector have not been presented for that. Therefore, it has been planned to implement career guidance strengthening programmes as a pilot project in 4 selected schools in four districts with the ministry of education by conducting a study on career guidance requirement in 25 schools in the year 2018.

Strategies to uplift of living condition of the three wheelers drivers

It has been analyzed the data related to the survey of strategies to uplift of living condition of the three wheelers drivers and prepared the draft report. It has also been submitted to the management committee meeting. Actions are being taken to print it by now.

HCM Awards

It has been planned to hold this awarding ceremony for both public and private sector separately and private sector ceremony was finished successfully with the cooperation of AHRP Institute. But since only small quantity of officers of the public sector have participated for the awareness programme held in relation to the public sector “**HCM Awards**”, it can be seen that there was no sufficient participation for holding the competition. As well, criteria required for the selections have been prepared and it was stopped due to failure.

- (e) Even though many parties have been informed by requesting letters for preparing the journals, only one journal was prepared for the year 2018 due to non-receiving of sufficient letters and reports.

5. Sustainability Development

5.1 Achieving sustainability development goals.

Even though a register has not been prepared in relation to the achieving sustainability development goals in 2017, projects in relation to the achieving those sustainability development goals have been included in the actions plans in 2017 and 2018.

For example-

- ❖ Solid waste management project.
- ❖ Small and medium scale entrepreneurs uplift project.

Further, relevant documents in relation to the achieving sustainability development goals will be prepared in the future and officers have been made aware on this.

06. Accounting and good governance

6.1 Internal auditing

Even though, the requests have been made from the management department for establishing an internal audit unit in 2016, the approval has not been received. So, requests were further made in the year 2017, the ministry was nominated and sent an officer for that. That officer did not come due to the busyness of that officer.

6.2 Budgetary control

- (a) The budget amended in the month of December 2017 has been submitted to the controlling board meeting held in the month of January 2018 and taken the approval.

- (b) The main reason for capital expenses variance was the expense that had to be incurred for institutional reorganization. For this, Rs.5, 937,000/- has been allocated from the budget 2016 and it was used and made the payment after it was finished in the year 2017.

6.3 Unsolved auditing disputes

The report of the committee appointed in connection with item 26 in the fixed assets register has been submitted to the account section on 20.12.2017. It has been received the instructions of auditing and management committee held 03.02.2018 in relation to implement that committee recommendations and the instructions have been received to write off from the accounts as per the approval of the board meeting after submitting those decisions to that meeting.

K.A. Lalithadheera

Director