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இளைஞர் அலுவல்கள் மற்றும் திறன்கள் அபிவிருத்தி அமைச்சு
MINISTRY OF YOUTH AFFAIRS & SKILLS DEVELOPMENT



ශ්‍රී ලංකා වෘත්තීය පුහුණු අධිකාරිය
இலங்கை தொழிற்பயிற்சி அதிகாரசபை
Vocational Training Authority of Sri Lanka



වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை
ANNUAL REPORT
2012

“නිපුණතා පියස”

අංක 354/2, ඇල්විටිගල මාවත,
නාරාහේන්පිට, කොළඹ 05.

Nipunatha Piyasa"

No. 354/2" Elvitigala Mawatha"
Narahenpita" Colombo 05.

நிபுணதா பியச,"

இல.354/2 எல்விட்டிகல மாவத்தை.
நாராஹேன்பிட, கொழும்பு .05

Annual Report 2012



Sri Lanka Vocational Training Authority
Ministry of Youth Affairs and Skills Development

About Sri Lanka Vocational Training Authority

Institution	- Sri Lanka Vocational Training Authority
Ministry	- Ministry of Youth Affairs and Skills Development
Address	- “Nipunatha Piyasa” No. 354/2, Elvitigala Road, Narahenpita, Colombo 05.
E-mail address	- info@vtasl.gov.lk
Web Site	- www.vta.lk
Auditors	- Auditor General Auditor General’s Department
Bankers	- Peoples’ Bank - Bank of Ceylon - Commercial Bank

Dedication

To: Hon. Dullas Alahapperuma

Minister of Youth Affairs and Skills Development

Ministry of Youth Affairs and Skills Development

“Nipunatha Piyasa”

No. 354/2, Elvitigala Mawtha,

Colombo 05.

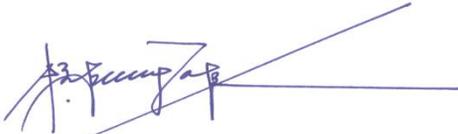
Hon. Minister,

Annual Report - 2012

Sri Lanka Vocational Training Authority

I submit the Annual Report of the Sri Lanka Vocational Training Authority as per sections 14 (2) c and 25 of Finance Act No. 48 of 1971 and Sri Lanka Vocational Training Authority Act No. 12 of 1995 respectively.

Yours faithfully,



Colonel, S. R. D. Rathnayake (RWP, RSP)

The Chairman,

Sri Lanka Vocational Training Authority

2013.02.08

Our Vision

To become the leader of providing technical, vocational education and training to the nation.

Our Mission

To function as an Organization that produces skilled personnel to the level of national and international skills standards.

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01. Report of the Board of Management

Sri Lanka Vocational Training Authority, which was established under Sri Lanka Vocational Training Authority Act No. 12 of 1995, is a leading organization in the state sector that functions at districts levels as a network of 274 centers as 08 national vocational training institutions, 22 district vocational training institutions and 244 divisional secretariat division level training centers. Around 30,000 young persons are added to the national labor force every year implementing 1692 programs under 117 courses in 18 fields.

This organization which is under the purview of the Ministry of Youth Affairs and Skills Development undertook the following activities in the year 2012 in achieving its objectives and the progress of these activities are described below.

- Providing vocational training to young persons through the formulation of vocational training programs and providing the necessary training directly or through other institutions in order that the vocational skills could be obtained.
- Conducting skill based assessments, conducting final examinations, issuing vocational qualification certificates and issuing other vocational certificates.
- Implementation of research and development programs on vocational training
- Vocational guidance and counseling
- Implementation of training programs for trainers in order that vocational training programs could be conducted in an efficient and productive manner.
- Providing further training to the youth who obtained vocational training, job orientation and providing facilities to commence self – employment.
- Conducting workshops for improving vocational skills by making liaison with state and private institutions.
- Taking vocational training to rural areas by making vocational training centers spread into those areas.
- Offering national vocational qualification to the persons with uncertificated skills by introducing prior learning programs.
- Conducting vocational examinations upon the request of outside persons / institutions and issuing reports of vocational examinations.

Achievements made by Sri Lanka Vocational Training Authority in the year 2012

- 130 vocational training programs which are conducted under National Vocational Qualification framework have obtained accreditation from the Tertiary and Vocational Education Commission in the year 2012.
- The total number of courses which have obtained accreditation by now is 516.
- Commencement of 14 hotel schools in 12 districts across the island.
- 370 National Vocation Qualification Certificates have been offered under Prior Learning system. The total number of certificates that have been offered by now is 584.
- Training 126 trainers for Canadian World University Service through 6 trainer training programs meant for outside institutions.
- Inauguration of the vocational training centre of “Wenchulai” in Vavuniya District.
- The Vocational Training Centre at Mullativu has been rehabilitated under UNICEF aid and it is scheduled to be opened shortly.
- 18 Beauty Culture and Information Technology Courses were planned to be conducted in 9 Youth Corp Centers as per the memorandum of understanding made by Youth Corps and Sri Lanka Vocational Training Authority. Several of them have been commenced by now.
- As per the memorandum of understanding which was entered into with the Construction Industries Board and the Construction Association, a program was implemented to offer the National Vocational Qualification to those employed in the construction field under the recognition of Prior Learning System.
- As per the memorandum of understanding which was entered into with the Sri Lanka Tourist Hotel Owners’ Association, opportunities were provided to the apprentices of the Vocational Training Authority to obtain further training.
- 7920 students who completed their training in the year 2012 were sent for on the job training.

- 4328 persons who completed their training were directed to jobs in the year 2012 as 60 persons for foreign employment, 535 persons for self employment and 3733 persons for local jobs. 30 short term workshops were conducted for 3083 craftsmen in various fields with leading companies such as Alumex (Pvt.) Company, A. B. Mauri Company, Lanka Tiles Company, David Peris Company, Natures' Beauty Creations Company, Phonex Floor Guard Company with a view to building relationship with state and private sectors.
- Vocational guidance and counseling services were provided to 121,452 persons such as school children, school leavers, members of youth clubs, trainees in vocational training courses, field officers, teachers and trainees in youth corps through 2441 workshops conducted throughout the island.
- 27 Entrepreneurship Development Programs and 16 Business Education programs were conducted with the participation of 708 young persons.
- Necessary facilities were provided to 78 persons who had completed training and chosen self employment to obtain loans up to an amount of approximately 17 million rupees from State banks such as People's Bank, Bank of Ceylon and Regional Development Banks.
- National Vocational Qualification Certificates were awarded to 9351 apprentices who had obtained that qualification and 6601 apprentices who completed other courses which do not come within the category of National Vocational Qualification were awarded relevant certificates.
- Two district vocational training centers namely the training centre at Thalalla Matara and the training centre at Wandaramulla Batticaloa were developed and promoted to the status of a National Vocational Training Center..

Proposed programs for the year 2013 and the targets expected to be achieved.

- Contributing to the national economy by providing training to 33887 trainees through full time and part time courses in different fields whilst giving priority to the fields of hotels and tourism, information and communication technology, personal and community development , motor vehicle repairing and maintenance in order that the demand of local and foreign labor market could be met.
- Commencement of a school to train trainers.
- Making arrangements to commence one course in the field of welding, one course in the field of motor mechanics, one course in the field of mechatronics and 07 courses in the field of communication technology as diploma courses of NVQ level 05.
- Making arrangements for the job orientation of 8025 persons who completed their vocational training in the year 2012.
- Obtaining the accreditation of the Tertiary and Vocational Education Commission for 170 courses which are conducted under skill based training methodology for National Vocational Qualification.
- Developing the National Vocational Training Institution at Orugodawatta as a Centre of Excellence under loan grants provided by the government of Korea.
- Commencement of a new Vocational Training centre in Mannar under UNICEF aid.
- Conducting nearly 2500 vocational guidance and counseling programs.
- Conducting 50 Entrepreneurship Development Programs.
- Conducting 40 Skill Development Programs for Craftsmen in collaboration with the leading companies in the private sector.
- Training 60 trainers on problem based training methodology through 2 programs conducted for training of trainers under the sponsorship of Polytechnic International Institution of the Republic of Singapore.
- Commencement of a Vocational Training Centre and conducting training programs for disabled war heroes in collaboration with the Ranaviru Seva Authority.

- Awarding 11500 NVQ certificates in the year 2013.
- Providing loan facilities through state banks to 200 apprentices who expected to engage in self employment having participated in entrepreneurship development programs.
- Conducting 31 training programs for the academic staff and 45 training programs for the non academic staff under human resources development program.

Colonel S. R. P. Rathnayake (RWP, RSP)
Chairman,
Sri Lanka Vocational Training Authority.

02. Introduction

Sri Lanka Vocational Training Authority was established under Sri Lanka Vocational Training Authority Act No. 12 of 1995.

03. Structure of the Sri Lanka Vocational Training Authority

The Board of Management of the Sri Lanka Vocational Training Authority is comprised of 12 members including a chairman and a vice Chairman who are appointed as per section 05 of the Sri Lanka Vocational Training Authority Act No. 12 of 1995.

The following board of management functioned during the period from 01.01.2012 up to 30.08.2012

1	Mr. Dhammika Hewapathirana, Attorney-at-Law Sri Lanka Vocational Training Authority	Chairman
2	Mr. Leslie Weeramanthri Sri Lanka Vocational Training Authority	Vice Chairman
3	Mr. Ranepura Additional Secretary, Ministry of Higher Education	Member

4	Mrs. H. N. N. Gunasekara Director (Planning), Ministry of Industries and Commerce	Member
5	Mr. K. M. M. Siriwardana Director General State Fiscal Policy Department	Member
6	Dr. Tissa Jinasena, Chairman, National Apprenticeship and Industrial Training Authority	Member
7	Mr. A. R. Deshapriya, Additional Secretary (Vocational Training) Ministry of Youth Affairs and Skills Development	Member

8	Mr. Nimal Weeratunga Media Secretary Ministry of Youth Affairs and Skills Development	Member
9	Mr. K. C. A. Arunadeva Co-ordinating Secretary, Ministry of Youth Affairs and Skills Development	Member
10	Mr. Uday Hiththatiyage Managing Director, O. E. Technologies	Member
11	Mr. Keerthi Kaluarachchi Attorney-at-Law and Notary Public	Member
12	Mr. M. C. D. Amaratunga Additional Labour Commissioner General, Labor Department	Member

Number meetings of the Board of Directors held in the year 2012- 06

Audit and Management Committee Members

1	Mr. K. M. M. Siriwardena	Chairman
2	Mr. Herath Yapa	Member
3	Mr. Nimal Weerathunga	Member

The number of audit and management committee meetings held in the year 2012 - 02

The Chairman of the Sri Lanka Vocational Training Authority functions as its Chief Executive Officer and there is a staff of 1740 officers including a vice Chairman and 5 directors to assist him. The staff that served in the year 2012 is as follows up to the Senior and Middle Management Level.

Chairman : Colonel S. R. P. Rathnayake (RWP, RSP) (From 07.09.2012)
Mr. Dammika Hewapathirana (Up to 30.08.2012)

Vice Chairman : Lesli Weeramanthri (Attorney at Law) (Up to 03.09.2012)

Directors:

1. Mr. K. J. Koralage
2. Mr. W. D. Fernando (Acting) (From 01.06.2012)
3. Mr. W. A. Ranaweera (Acting) (From 01.01.2012)
4. Mr. C. P. Lokugallapaththi (Acting) (From 11.09.2012)
5. Miss. L. P. Manoja S Pathirana (Acting) (From 19.02.2012)
6. Mr. C. Vidanapathirana (Retired on 25.04.2012)
7. Mr. G. M. P. A. Gallaba (Retired on 01.03.2012)
8. Mr. N. K. J. de Silva (Retired on 05.11.2012)

Deputy Directors

1. Mr. K. Sarath Ananda
2. Mr. N. S. D. Navaratne (Acting) (From 05.07.2012)

3. Mr. N. K. Illesinghe (Acting) (From 17.05.2012)
4. Mr. Mahinda Jayathilaka (Retired on 01.06.2012)
5. Mr. Sampath Abeygunasekara (Acting)
(Resigned from service on 12.03.2012)

Chief Internal Auditor 1. Mr. H. U. Kariyawasam

Project Co-ordinator 1. Mr. C. R. Samaraweera (Up to 2012.04.12)

- Consultant Instructor**
1. Mr. G. Balachandran (Information Technology)
(From 02.01.2012 up to 12.11.2012)
 2. Mr. D. G. L. R. H. Magedara (From 16.04.2012 up to 12.11.2012)

Assistant Directors

1. Mr. N. D. P. Dhammika
2. Mr. W. W. Soyza (Retired on 05.08.2012)
3. Mr. D. R. S. L. Dassanayake
4. Mr. U. K. Nanda
5. Mr. H. W. R. P. Wijesekara
6. Mr. G. M. Perera
7. Mr. T. D. S. Sangadasa
8. Mr. A. K. Arachchi
9. Mr. W. G. Wijeratne
10. Mr. T. Vinodaraja
11. Mr. A. A. Jabeer
12. Mr. G. V. P. N. Perera
13. Mr. E. A. D. S. Senarath
14. Mr. H. W. Rohan Priyantha (Acting)
15. Mr. A. M. A. Jayathissa
16. Mr. G. D. Jayasinghe
17. Mr. R. N. K. M. J. Seneviratne
18. Mr. V. P. Nimalsiri (Acting)
19. Mr. M. P. J. Rathnayake (Contact Basis)
(Resigned on 01.04.2012)
20. Mr. P. R. M. C. Kulatunga (Acting)

21. Mr. K. A. Lalithadheera (Acting)
22. Mr. H. P. Manamperi (Acting)
23. Mr. R. M. R. Rathnayake (Acting) from 01.06.2012
24. Mr. D. A. S. Athukorala (Acting) from 17.05.2012
25. Mr. H. T. D. R. S. Wijesinghe (Acting) from 15.05.2012
26. Mr. H. T. S. Wickreematne
27. Mr. P. N. Abeysinghe
28. Mr. P. L. A. Peiris

Secretary to the Board of Directors / Legal Officer

1. Mrs. A. A. H.I. Amaratunga

Details of the Staff up to 31.12.2012

The approved cadre of the Sri Lanka Vocational Training Authority for the year 2012 is 1928. As per the provisions of the Management Services Department ,the number of persons employed up to 31.12.2012 is 1740.

	Post	Approved cadre	Cadre by the end of the year	Vacancies / Extra employees by the end of the year
1.	Director General	1	1	0
2.	Director	5	4	1
3.	Deputy Director	5	3	2
4.	Chief Internal Auditor	1	1	0
5.	Assistant Director	25	17	8
6.	Senior Training Manager	10	4	6
7.	Secretary to the Board of Directors / Legal Officer	1	1	0
8.	Accountant	2	0	2
9.	Training Manager	38	26	12
10.	Administrative Officer	1	1	0

11.	Secretary	5	6	-1
12.	Manager (Transport)	1	0	1
13.	Manager (Supply)	1	1	0
14.	Manager (Printing)	1	1	0
15.	Audit Officer	1	1	0
16.	Systems Analyst	1	0	1
17.	Training Officer	33	25	8
18.	Research Officer	2	2	0
19.	Planning Officer	2	2	0
20.	Testing and Evaluation Officer	3	0	3
21.	Investigation Officer	1	1	0
22.	Accounts Assistant	22	27	-5
23.	Audit Assistant	4	3	1
24.	Program Officer	42	27	15
25.	Vocational Guidance Officer	13	10	3

	Post	Approved cadre	Cadre by the end of the year	Vacancies / Extra employees by the end of the year
26.	Career Direction Officer	24	17	7
27.	Senior Instructor	26	24	2
28.	Project Assistant	115	34	81
29.	Chief Store Keeper	1	1	0
30.	Chief Clerk	2	2	0
31.	Supervisor (Printing)	1	1	0
32.	Building Supervisor	1	0	1
33.	Warden of Hostels	2	1	1
34.	Instructor	1179	1159	20
35.	Stenographer / Typist	5	4	1
36.	Store Keeper	24	22	2
37.	Clerk / Typist	88	76	12
38.	Accounts Clerk	23	24	-1
39.	Audit Clerk	3	1	2
40.	Cashier	1	1	0

41.	Computer Operator	5	5	0
42.	Letter setters (Printing)	1	1	0
43.	Receptionist / Telephone Operator	2	2	0
44.	Machine Operator (Printing)	1	1	0
45.	Book Binder (Printing)	1	1	0
46.	Printing Assistant	3	2	1
47.	Driver	32	32	0
48.	K.K.S.	3	4	-1
49.	Watcher	72	64	8
50.	Store Keeper	3	2	1
51.	Laborer + Sanitary Laborer	89	95	-6
	Total	1928	1740	188

	Assistant Instructor		39	
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The staff that was employed on Acting or Contract Basis

The following contract basis or acting basis appointments were included within the staff of 1740 persons.

Post	Number of positions	Nature of the post
Director	04	Acting
Deputy Director	02	Acting
Assistant Director	08	Acting
Training Manager	07	Acting
Senior Training Manager	01	Acting
Investigation Officer	01	Assignment Basis
Transport Manager	01	Acting
Chief Store Keeper	01	Acting
Career Direction Officer	01	Acting
Accountant	01	Acting
Assistant Accountant	01	Contract basis
Instructor	587	Contract basis

Clerk / Typist	05	Contract basis
Watcher	15	Contract basis
Laborer	38	Contract basis

04. Training the Staff.

Special attention was paid to the task of training the staff within the year 2012 and 27 officers were provided with the opportunity to participate in a foreign training program while 1234 officers were provided with the opportunity of participating in local training programs, all of which were organized with a view to developing the knowledge, attitudes and the skills of the staff. Officer of each category participated in more than two programs. 1151 officers out of the aforesaid officers belonged to the academic staff while 83 officers belonged to the non-academic staff.

Foreign Training - 2012

	Scholarship	Country	No. of participants
1	P B L International Seminar	Singapore	01
2	Skill Development Strategy Exchange Program between Malaysia and Sri Lanka	Malaysia	01
3	International Skill Member Program	South Korea	01
4	Program for the Development of the staff in the field of Management Training	Singapore	05
5	Program for the development of the staff in the field of vocational training	Singapore	05

6	Specialist Training for each field under HMTI Project	India	10
7	Program for approving Training qualification for Asian countries	South Korea	01
8	Training program for the visually handicapped	Sweden	01

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4	Program for the Development of the staff in the field of Management Training	Singapore	05
5	Program for the development of the staff in the field of vocational training	Singapore	05
6	Specialist Training for each field under HMTI Project	India	10
7	Program for approving Training qualification for Asian countries	South Korea	01
8	Training program for the visually handicapped	Sweden	01

9	Training program for Vocational guidance	South Korea	02
	Total		27

Local Training (Academic Staff) – 2012

	Field of Training	No. of participants
01	Training trainers on training methodology	692
02	Program on Attitude Development	77
03	Demonstration program on electronic teaching aid	10
04	Problem based training program	209
05	Training program for new institutions	110
06	Training program on CNC machines	07
07	Program on Quality Controlling	46
	Total	1,151

Local Training (Non Academic Staff) - 2012

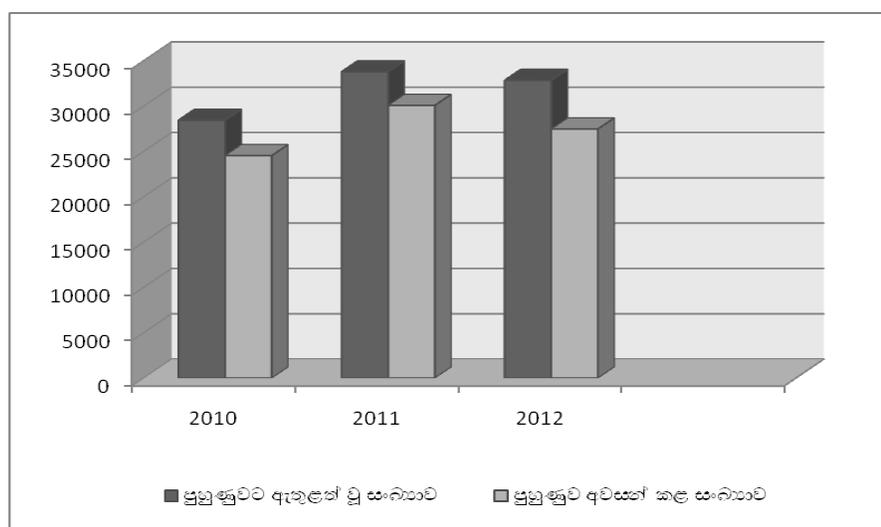
	Training Program	No. of applicants
01	Development of positive attitudes for the creation of a proud public service	27
02	Human Resources Development policies	02
03	Management of Human Resources	01
04	The Responsibility and Role of the Cashier	01
05	Computer pictures	02
06	Fashion ornament production industry	01
07	Tai Ichi Ona's seven wastes	01
08	Introduction of green productivity	01
09	Training on the management of pay sheets	01
10	Public Accounting	06
11	National Conference on Evaluation and Standards	02
12	Discipline Management	02
13	Management of stress in professions	01
14	Training on Task Management	15
15	Training for the enhancement of the abilities of public servants	05
16	Training for Management Assistants	15
	Total	83

5. Providing training to young persons by the implementation of Vocational Training Programmes

112 training programs were conducted in 274 training centers under 15 fields in vocational training. Accordingly 32855 trainees were enrolled for training in the year 2012 and 27469 trainees out of the aforesaid number of trainees completed their training. Those who were enrolled for entrepreneurship development programs and skills development programs are also included in this number.

Enrollment of trainees for vocational training / completion of the training

Year	2010	2011	2012
Number of trainees enrolled	28,445	33,792	32,855
Number of trainees who completed the training	24,537	30,077	27,469



The number of trainees enrolled for the training

The number of trainees who completed the training

**Full time and Part time Courses conducted by Sri Lanka
Vocational Training Authority**

Field	Name of the Course and Duration	No. of trainees enrolled	No. of trainees who completed the training
1. Building and Construction	1. Construction worker (06 months)	833	741
	2. Construction technician	23	18
	3. Diploma in Quantity Surveying	94	86
	4. Draftsman	218	193
	5. Water Plumber (6 months)	501	437
	6. Quantity Surveyor	18	16
	7. Auto cad	19	19
		1706	1510
2. Electronic Communication	1. Equipment Technician (12 months)	22	13
	2. Mobile Phone Repair Technician	67	66
	3. Office Equipment Technician	13	12
	4. Radio and Television Equipment Repair Technician (12 months)	225	172

	5.Electric Motor Controller	13	13
	6.Electrical Technician	68	68
	7.Domestic Electrician	12	12
		420	356
3.Agriculture and Animal Husbandry	1.Flowers and Ornamental Plants	43	36
	2.Plant Nursery Management Plant Budding (06 months)	12	12
		55	48

4. Automobile (Motor Mechanism)	1. Agricultural Equipment Technician (06 months)	83	72
	2. Automobile Air -Conditioning Technician (06 months)	161	142
	3. Automobile Electrician (12 months)	187	153
	4. Automobile Technician (06 months)	697	597
	5. Automobile Painter (06 months)	137	126
	6. Automobile Welder (06 months)	114	103
	7. Driver – heavy vehicles (Three months)	350	330
	8. Farming Equipment Technician	15	15
	9. Motorcycle Technician	732	605
	10. Automobile Technician	16	16
	11. Three Wheeler Technician (06 months)	589	555
	3081	2714	

5. Information Communication and Multi Media	1. National Certificate in Information Technology	1627	1499
	2. Vocational Certificate Course (Adobe) (Six months)	23	21
	3. National Diploma in Information and Communication (12 months)	411	352
	4. CISCO Computer Network Course (12 months)	72	64
	5. Computer Graphic Designer (Disabled) (6 months)	72	70
	6. Computer Hardware Technician A+ (06 months)	293	265
	7. Computer Hardware Technician (06 months)	718	633
	8. Information Communication Technician (Disabled) (06 months)	13	11
	9. Computer Applications Assistant	12	12
	10. Computer based software	878	870
	11. Basic Computer Knowledge for Beginners	43	43
	12. Special Computer Training for public servants	74	74
	13. Special Computer Literacy program	121	121
	14. IC3	365	355
	15. MS Office	13	12
	16. Information Communication Technician	2358	2180
	7093	6582	
6. Printing	1. Litho Machine Operator (2 months)	36	31
	2. Computer Graphic Designer (06 months)	249	231

		285	262	
7. Hotel and Tourism Industry	1. Cook (06 months)	1035	902	
	2. Room Boy (six months)	357	320	
	3. Restaurant Employee (Six months)	294	259	
		1686	1481	
8. Metal Industries	Related	1. Brass Foundry / Carving Technician	11	11
		2. Metal Fabricator (12 months)	57	51
		3. Welder (General) (12 months)	37	36
		4. Machinist (General) (12 months)	240	189
		5. Welder (12 months)	29	26
		6. Welder (6 months)	861	755
		7. Aluminum Fabrication Technician	768	655
		8. CNC Milling	23	23
			2026	1746

9. Gems and Jewelry	1. Gem Cutter (6 months)	16	14
	2. Jewelry Technician (12 months)	79	66
	3. Stone studding in Jewelry (6 months)	24	20
		119	100
10. Wood products	1. Wood Carving Technician (06 months)	36	22
	2. Carpenter (Furniture)	776	674
	3. Carpenter (Buildings)	114	78
	4. Manufacturing wood products (12 months)	184	144
		1110	918

11. Textile and Apparel Industry	1. Fabric Cutter (03 months)	11	11
	2. Apparel Production Supervisor (06 months)	52	43
	3. Apparel Quality Controller (06 months)	253	217
	4. High Speed Sewing Machine Technician (06 months)	262	230
	5. High Speed Sewing Machine Operator (03 months)	987	962
	6. Fashion Designer (6 months)	195	173
	7. Curtain Printer (06 months)	193	157
	8. Dress maker (Male) 06 months	289	255
	9. Dress Maker (Female) 06 months	2165	1844
	10. Work Study Assistant (06 months)	38	31
		4445	3923
12. Electrical Industry	1. Refrigerator and Air-condition Technician	542	448
	2. Household Electrical Equipment Repairer	79	54
	3. Electric Motor Winder	385	322
	4. Electrician (06 months, 12 months)	2391	1987
		3397	2811

13. Industrial Management	1. Diploma in Industrial Management (06 months)	20	20
		20	20
14. Rubber, plastic and leather products	1. Leather Products Manufacturer (Bags) 06 months	16	14
	2. Leather shoe manufacturer	54	50

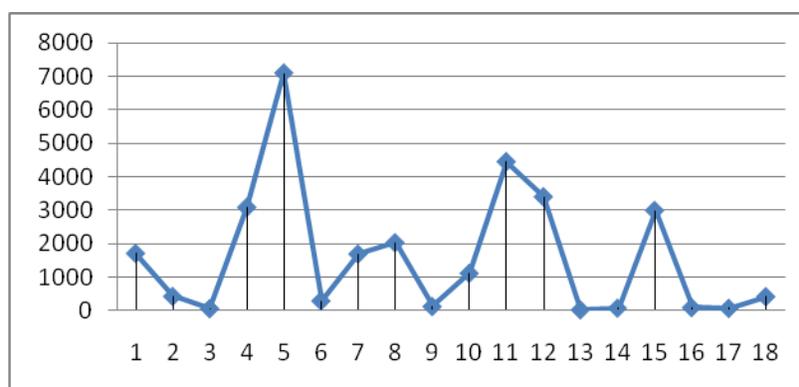
		70	64
15. Personal and Social Development	1. Beauty culture (03 months)	1477	1360
	2. Hair cutter(Male) (06 months)	29	22
	3. Hair Dresser (03 months)	1147	1089
	4. Confectionary Production	8	8
	5. Mushroom cultivator	10	10
	6. English Language	76	76
	7. Garden Beautification Technician	241	211
		2988	2776
16. Fisheries Industry	1. Motor Boat Technician	86	79
		86	79
17. Office Management	1. Secretarial Practice	64	56
		64	56
18. Food Technology	1. Bakery Technician	362	305
	2. Fruit and Vegetable Product Maker	51	48
		413	353
	Total	29,064	25,799

Demand for the field of Vocational Training - 2012

Field	No. of trainees enrolled
1. Building and Construction	1706
2. Electronic Communication	420

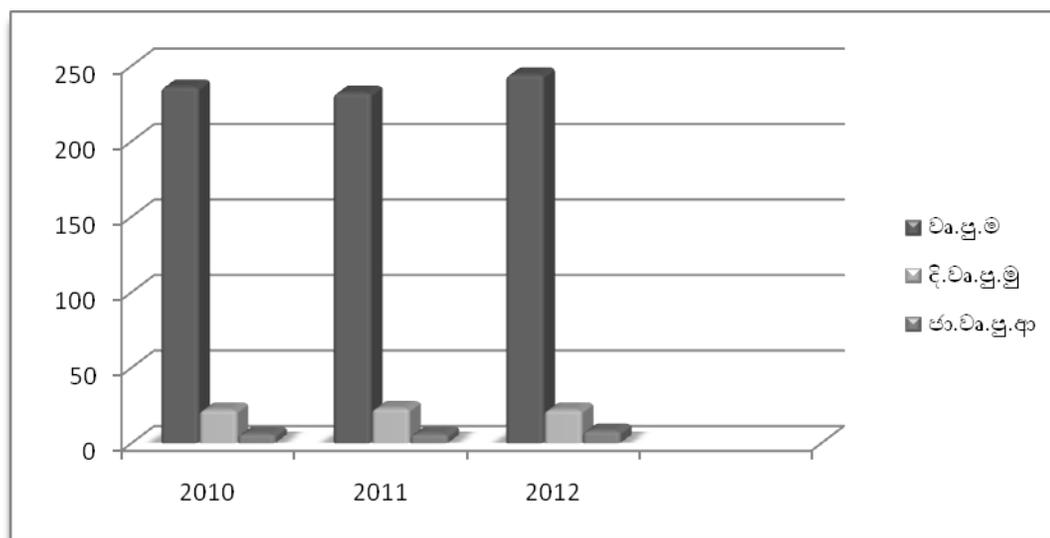
3.Agriculture and Animal Husbandry	55
4.Automobile (Motor Mechanic)	3081
5.Information Communication and Multi Media	7093
6.Printing	285
7.Hotel and Tourism Industry	1686
8.Metal Related Industries	2026
9.Gem and Jewelry	119
10.Wood Products	1110
11.Textile and Apparel	4445
12.Electrical	3397
13.Industrial Management	20
14.Rubber, Plastic and Leather Related Products	70
15.Personal and Social Development	2988
16.Fisheries	86
17.Office Management	64
18.Food Technology	413
Total	29,064

Demand for Various fields - 2012

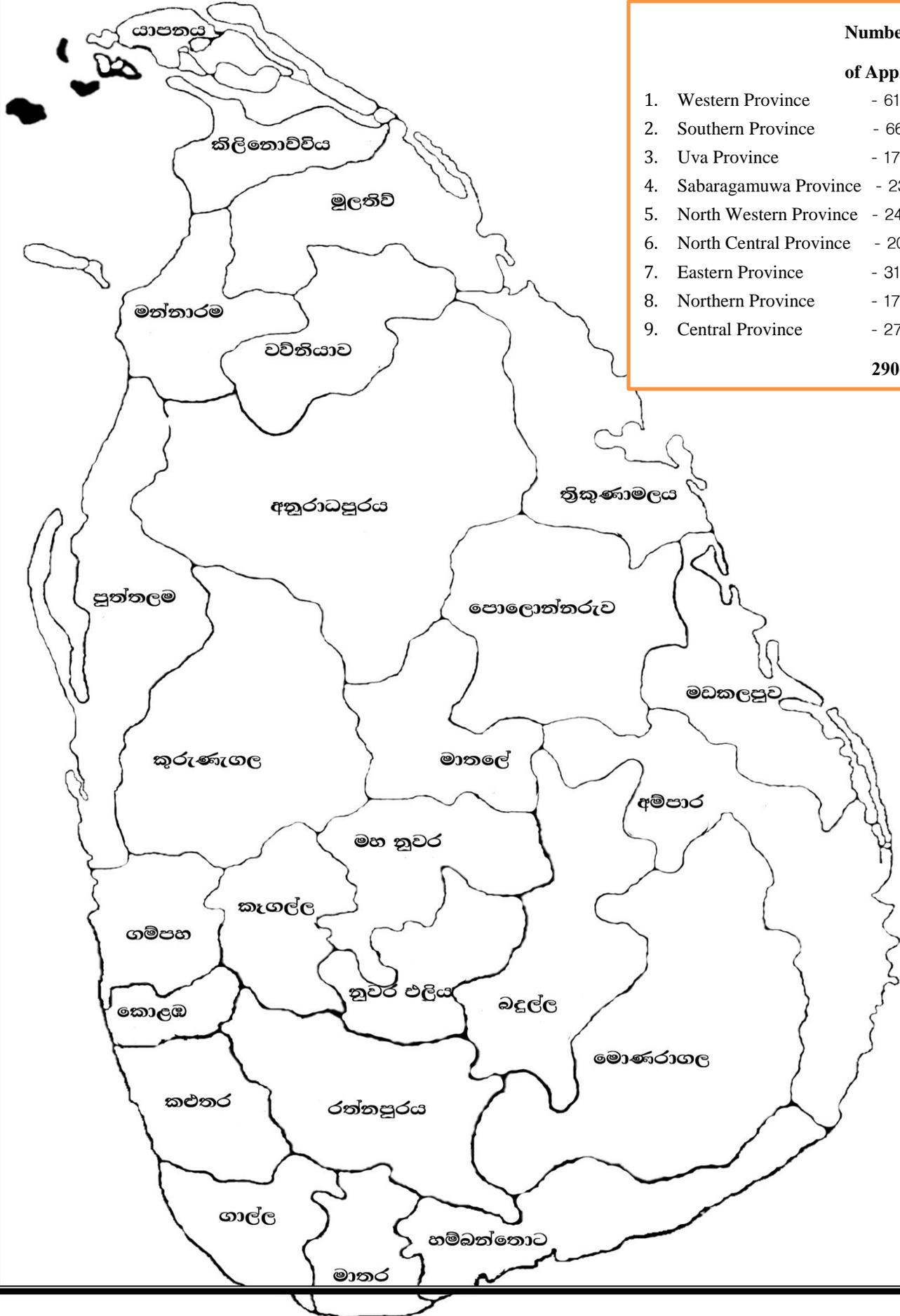


Details about centers

Year	2010	2011	2012
Vocational Training Centers	236	232	244
District vocational Training	22	23	22
National Vocational Training Centers	06	06	08
Total	264	261	274



06.- Training Center Projector Trainees Percentage -



	Number	Percentage
of Apprentices		
1. Western Province	- 6131	21%
2. Southern Province	- 6601	23%
3. Uva Province	- 1774	6%
4. Sabaragamuwa Province	- 2330	8%
5. North Western Province	- 2483	9%
6. North Central Province	- 2076	7%
7. Eastern Province	- 3183	11%
8. Northern Province	- 1733	6%
9. Central Province	- 2753	9%
	29064	

07. Conducting Vocational Guidance and Counseling Programmes.

Sri Lanka Vocational Training Authority guides young persons to select the vocational field which suits their desire and qualifications through vocational guidance and counseling units established island-wide.

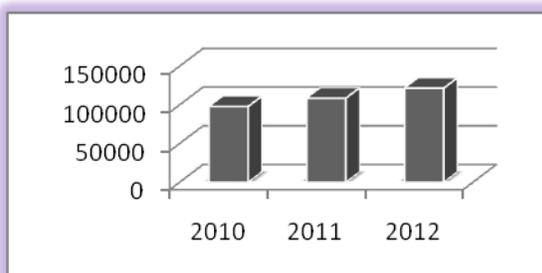
121,452 persons such as school students, school leavers, members of youth clubs, field officers, teachers, students of youth corps and students of skills force were educated through 2441 programs in the year 2012.

Conducting Vocational Guidance Programs - 2012

Target group	No. of programs conducted	No. of participants
School students	464	32456
School leavers	307	13087
Students of Youth clubs	139	9293
Trainees	415	14878
Field Officers	662	29009
Teachers	54	2227
Students of Youth Corps	50	3492
Students of Skills Force	22	1926
Prior -training programs	328	15081
Total	2,441	121,452

Conducting Vocational Guidance Programs

Year	2010	2011	2012
No. of participants	97,736	108,607	121,452



08. Job Placement

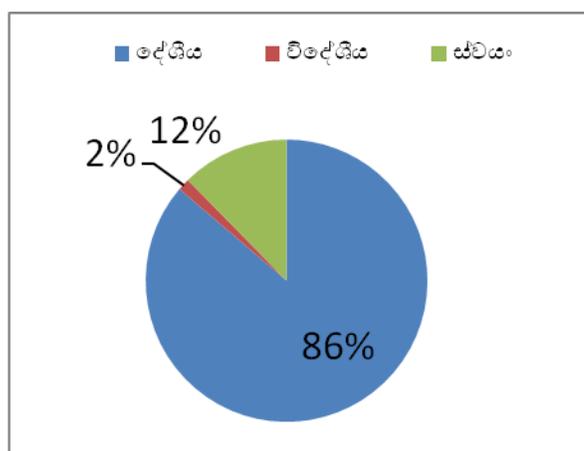
4328 trainees were placed on jobs by local and foreign institutions under the job placement program conducted on district basis. Out of the aforesaid number of persons 3733 persons were provided with local jobs while 60 persons were provided foreign jobs and 535 persons were guided to be self employed.

62 local and foreign job placement institutions were registered to implement this program Sri Lanka Vocational Training Authority was able to contribute 681 million rupees to the national economy through effective job placement carried out in this manner.

Details regarding Job Placement

	District / National Vocational Training Institution	Local	Foreign	Self Employment	Total
1.	Head Office	58	0	0	58
2.	N.V.T.A. – Narahenpita	144	3	10	157
3.	N.V.T.A. – Orugodawatta	10	0	0	10
4.	N.V.T.A. – Ratmalana	70	0	0	70
5.	N.V.T.A. – Niyagama	148	10	09	167
6.	N.V.T.A. – Baddegama	55	2	9	66
7.	N.V.T.A. – Mirijjawila	31	0	0	31
8.	Colombo	404	6	35	445
9.	Gamapaha	121	0	57	178
10.	Kalutara	201	1	35	237
11.	Galle	315	0	42	357
12.	Matara	225	0	21	246
13.	Hambantota	290	0	88	378

14.	Badulla	177	0	8	185
15.	Moneragala	102	1	16	119
16.	Ratnapura	128	0	10	138
17.	Kegalle	267	16	6	289
18.	Kandy	222	8	58	288
19.	Matale	10	0	0	10
20.	Nuwara Eliya	103	0	0	103
21.	Polonnaruwa	133	0	13	146
22.	Anuradhapura	139	4	5	148
23.	Kurunegala	87	4	67	158
24.	Puttalam	182	0	9	191
25.	Ampara	36	1	37	74
26.	Trincomalee	75	5	0	80
	Total	3,733	60	535	4,328



Contribution made to the national economy through job placement

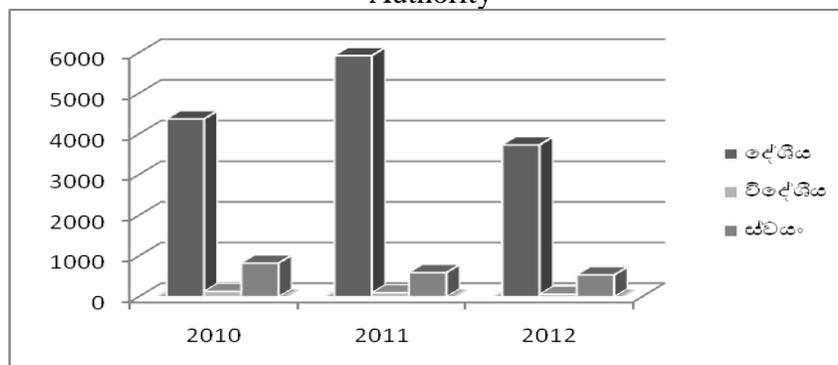
Category	Job placement	Contribution to the national economy (Rs. Million)
Local	3733	542.26
Foreign	60	31.47
Self Employment	535	107.38
Total	4328	681.11

- ❖ The annual income received by the trainees who were placed on jobs in the year 2012 has been roughly estimated.

The number of persons who were placed on jobs

Year	Local	Foreign	Self Employment	Total
2010	4,370	130	826	5,326
2011	5,927	98	593	6,618
2012	3,733	60	535	4,328

This information is only about the job placements made by Sri Lanka Vocational Training Authority



Local Foreign Self Employment

09. Conducting Workshops in order to enhance vocational skills by creating private public partnerships.

These programs are conducted with the objective of providing the new technological knowledge available in the changing world and also with the objective of enhancing the knowledge and skills of the persons in the field of vocational training. Accordingly 30 such programs were able to be conducted for 06 fields in the year 2012 with the co-operation of 06 institutions in private and public sectors and 3083 persons obtained the opportunity of enhancing their skills.

The progress of skills development Programs

	Programme	No. of programmes	No. of participants	Sponsor Institutions
1	Laying tiles	10	360	Lanka Tiles Company
2	Beauty-culture	16	2336	<ul style="list-style-type: none"> • Natures Beauty Creations (Pvt) Company • Oriflame (Pvt.) Company
3	Bakery	01	80	A. B. Mayuri Company
4	Carpentry	01	45	• Macberten Ltd.
5	Plumber	01	68	• Phoenix Floor Guard
6	Electrician	02	194	• ACL Cable s(Pvt.) Company
Total		31	3,083	

10. Signing Memoranda of Understanding

Five memoranda of understanding were signed in the year 2012 with various public and private educational institutions with the objective of enhancing the opportunities for vocational training and improving the quality of it in order to achieve the objective of the Sri Lanka Vocational Training Authority.

The aforesaid memoranda of understanding are mentioned below.

	Memorandum of understanding	Institution
1	Establishment of a vocational training centre at Van-su-Lan Madauvaithakulam; Munrimuruppu in Vavuniya District	The Chief Incumbent of Sri Dharmapalaramaya at Kudumulla and Sri Maliyadeva Arahantha Rajamaha Vharaya at Kapuwarala
2	Conducting a beauty culture program for those who follow or have followed vocational training courses or for those who are employed in various vocational fields	Nature's Beauty Creations (Pvt.) Ltd.
3	Providing vocational training and the relevant training equipment to Sri Lankan youth and sending them for jobs in Malaysia	Malaysian (Sri Lanka) Association
4	Running the vocational training centre at Gothatuwa Baddegama	Pixphone Foundation
5	Running the Vocational Training centre at Ahugammana Delgoda	Sri Jayanthi Maha Karuna Youth Centre

11. Conducting Entrepreneurship Development Programmes

Entrepreneurship Development Programs are conducted for those who obtain vocational training in order to guide them to commence small and medium scale enterprises. 548 persons were provided with this service through 27 programs conducted island wide in the year 2012.

Further more, 160 persons were provided with knowledge and skills in regard to business through 16 programs conducted during the period in which they were undergoing training under the theme “Know About Business”.

Sri Lanka Vocational Training Authority was able to strengthen young entrepreneurs by making arrangements to provide through state banks such as People’s Bank, Bank of Ceylon and Regional Development Banks nearly 17 million rupees as loan facilities to 78 trainees who had prepared business plans with the use of the knowledge obtained from such programs having completed the vocational training in the year 2012.

12. Challenges

- Lack of instructors who could provide training with the use of modern technology and the difficulty in paying a higher salary to them.
- Minimizing the gap between the fields of training and the employment opportunities available.
- The fact that the capital and recurrent allocations made by the government to this institution, which is a service provider, are not sufficient.
- Not being able to provide equal facilities to all vocational training centers which operate island-wide.
- Non-availability of adequate financial facilities to provide infrastructure facilities to vocational training centers.
- The fact that a wide publicity campaign has to be made to educate people on the importance of vocational training.
- Competition with the private institutions which provide vocational training.
- Not being able to provide facilities which are at equal level to the facilities provided by non-governmental organizations and other institutions that provide vocational training.
- The fact that a big effort has to be made to get the youth attracted to vocational training.
- The fact that the youth do not create much interest for skill training courses which have a big labor demand.

FORWARD
FINANCIAL STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2012
Vocational Training Authority of Sri Lanka

During the year under review a total grant of Rs. **1,363,838,143.33** was released to the Authority by the Treasury, Ministry, Local and foreign donors, the details are given below.

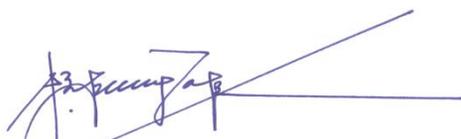
1.1 Government Grant	Allocation (Rs)	Amount Released (Rs)
Treasury Grant – Recurrent	850,000,000.00	850,000,000.00
Treasury Grant – Capital	591,500,000.00	475,900,000.00
Ministry - Grant Recurrent	25,074,000.00	25,074,000.00
UNICEF	3,854,143.33	3,854,143.33
HMTI	7,600,000.00	7,600,000.00
Regional Fisheries Live hood Programme	1,410,000.00	1,410,000.00
Total	1,479,438,143.33	1,363,838,143.33

1.2 Income	Budgeted (Rs)	Income Earned Net(Rs)
Income	80,000,000.00	125,951,193.21

The Financial Statements for the year ended 31st December 2012 are presented herewith for the approval of the Board of Directors.

The following documents are included:

01. Statement of Financial Position as at 31st December 2012
02. Statement of Financial Performance for the year ended 31st Dec.2012
03. Cash flow statement for the year ended 31st December 2012
04. Statement of changes in Net Assets for the year ended 31st December 2012
05. Notes to the Financial Statement



Colonel S.R.P. Rathnayaka(RWP,RSP)
Chairman

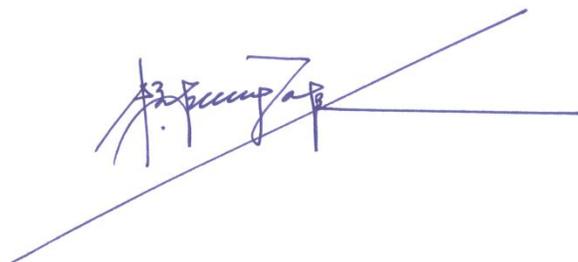


Prasad Lokugalappaththi
Director (Finance)

**STATEMENT OF THE CHARIMAN ON BEHALF OF THE BOARD
THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2012
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December have been prepared in accordance with the Sri Lanka Accounting Standards and in the form and manner specified by the Vocational Training Authority of Sri Lanka Act No. 12 of 1995 and the Finance Act. No. 38 of 1971.

Financial rules and procedures prescribed by the Vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of knowledge, the Financial Statements for the year ended 31st December 2012 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.



Chairman
On behalf of the Board of Directors
Vocational Training Authority of Sri Lanka

42
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2012

	No te	2012 (Rs.)		2011 (Rs.)	
<u>ASSETS</u>					
Non - Current Assets					
Property plant and equipment	2	5,602,397,206.13		4,955,516,007.34	
Capital Work in progress	3	42,515,103.96		70,945,141.57	
Other Financial Assets					
Fixed Deposit		<u>25,000.00</u>	5,644,937,310.09	25,000.00	5,026,486,148.91
Current Assets					
Inventories	4	27,743,984.66		22,466,182.82	
Receivables	5	27,004,876.03		32,431,994.51	
Staff Loans	6	39,915,619.33		38,871,607.32	
Cash and cash equivalent	7	<u>85,636,160.92</u>	<u>180,300,640.94</u>	89,181,574.70	<u>182,951,359.35</u>
TOTAL ASSETS			<u>5,825,237,951.03</u>		<u>5,209,437,508.26</u>
<u>EQUITY & LIABILITIES</u>					
Accumulated Surplus (Deficit)		-517,566,571.16		(517,459,890.91)	
Gov. Grant - Capital	8	<u>31,920,731.38</u>	-485,645,839.78	36,642,549.71	-480,817,341.20
Non - Current Liabilities					
Differed Income Grant	9	3,712,897,842.01		3,094,396,681.23	
Revaluation Surplus		2,319,991,544.97		2,319,991,544.97	
Provision for Gratuity	10	<u>200,517,827.18</u>	6,233,407,214.16	172,574,957.88	5,586,963,184.08

Current Liabilities					
Payables	11	62,204,040.29		93,255,700.26	
Accrued expenses	12	<u>15,272,536.36</u>	77,476,576.65	10,035,965.12	103,291,665.38
TOTAL EQUITY & LIABILITIES			<u>5,825,237,951.03</u>		<u>5,209,437,508.26</u>

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2012
(ILLUSTRATING THE CLASSIFICATION OF EXPENCES BY NATURE)

Description	Note	2012 (Rs.)	2011 (Rs.)
<u>Operating Revenue</u>			
Recurrent Grant - Treasury		850,000,000.00	807,600,000.00
Recurrent Grant - Ministry		25,074,000.00	
Differed Income Grant		479,812,995.76	335,897,669.71
<u>Other Income</u>			
Other Income	13	107,921,111.72	81,157,916.70
Production Unit Income (Net)	14	18,030,081.49	16,819,918.21
Fund Received For Special projects	15	8,428,127.65	74,810,730.81
		1,489,266,316.62	1,316,286,235.43
<u>Operating Expenses</u>			
Staff Cost	16	648,243,805.20	563,088,826.34
Travelling	17	10,672,082.97	12,528,714.28
Supplies and consumable used	18	27,483,115.97	24,880,653.31
Maintenance	19	27,248,877.41	35,122,467.68
Contractual services	20	111,039,274.14	88,965,576.24
Staff Training		2,179,196.87	7,481,327.92
Promotional & Carrier Guidance		32,206,844.62	38,151,727.94
Job placement, Research & Entrepreneurship	21	2,641,071.25	3,276,942.25
Depreciation		479,812,995.76	335,897,669.71
Other operating expenses	22	122,819,399.07	150,008,639.90
Expenditure on Special projects	23	8,428,127.65	74,810,730.81
Finance Cost	24	460,665.95	406,625.17
Total operating expenses		1,473,235,456.86	1,334,619,901.55
Net Surplus /(Deficit) for the period		16,030,859.76	(18,333,666.12)
Statements of Accumulated Surplus/Deficit Balance as at 1st January		(517,459,890.91)	(493,129,667.33)
Prior Year Adjustment	25	(16,137,540.01)	(5,996,557.46)
As Restated		(533,597,430.92)	(499,126,224.79)
Net surplus/(deficit) for the period		16,030,859.76	(18,333,666.12)
Balance as at 31st December		(517,566,571.16)	(517,459,890.91)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2012

	2012 (Rs.)		2011 (Rs.)	
<u>Operating Activities</u>	-	-		
surplus (deficit)for the period		16,030,859.76		(18,333,666.12)
Prior year adjustment				
Adjustmebt for:				
Depriciation	479,812,995.76		335,897,669.71	
Amortization of differed income grant	(479,812,995.76)		(335,897,669.71)	
Gratuity provision	36,206,831.95		28,488,585.04	
Gratuity paid	(8,263,962.65)		(6,823,470.21)	
Prior year adjustment	(16,137,540.01)		(5,996,557.46)	
(Increase) / Decrease in receivables	5,427,118.48		17,193,217.79	
(Increase) / Decrease in Staff Loans	(1,044,012.01)		(1,058,096.70)	
Increase/(Decrease) in payable	(31,051,659.97)		(14,215,782.11)	
Increase/(Decrease) in accrued expenditure	5,236,571.24		(277,678.07)	
(Increase)/Decrease in inventories	<u>(5,277,801.84)</u>	<u>(14,904,454.81)</u>	<u>(4,210,271.05)</u>	<u>13,099,947.23</u>
Net cash flow from operating activities		1,126,404.95		(5,233,718.89)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA

<u>Investing Activities</u>	-	-		
Purchases of property plant & Equipment	(1,126,694,194.55)		(466,691,907.37)	
Work in Progress	<u>28,430,037.61</u>		<u>(45,663,610.85)</u>	
Net cash flows from investing activities		(1,098,264,156.94)		(512,355,518.22)
<u>Financing Activities</u>	-	-		
Government Grant Capital	475,900,000.00		457,500,000.00	
Other Income Grant	<u>617,692,338.21</u>		<u>36,375,490.81</u>	
Net cash flow from Financing Activities		1,093,592,338.21		493,875,490.81
Net increase/decrease in cash & cash Equivalents		(3,545,413.80)		(23,713,746.30)
Cash & cash equivalents at beginning of period		89,181,574.70		112,895,321.00
Cash & cash equivalents at end of period		85,636,160.90		89,181,574.70

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2012

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Gratuity Provision	Total
Balance as at 1st January 2011	<u>(493,129,667.33)</u>	<u>56,466,698.12</u>	<u>2,898,412,747.24</u>	<u>2,319,991,544.97</u>	<u>150,909,843.05</u>	<u>4,932,651,166.05</u>
Prior year Adjustmet	(5,996,557.46)					(5,996,557.46)
Grant received during the year		457,500,000.00			28,488,585.04	485,988,585.04
Amount transferred to differed income Grants		(477,780,027.41)	514,155,518.22			36,375,490.81
Amortization for the year			(335,897,669.71)			(335,897,669.71)
Surplus / (Deficit) for the year	(18,333,666.12)					(18,333,666.12)

Payment for the year					(6,823,470.21)	(6,823,470.21)
Accrued for the year						
Balance as at 31st December 2011	<u>(517,459,890.91)</u>	<u>36,186,670.71</u>	<u>3,076,670,595.75</u>	<u>2,319,991,544.97</u>	<u>172,574,957.88</u>	<u>5,087,963,878.40</u>
Balance as at 1st January 2012	(517,459,890.91)	36,186,670.71	3,076,670,595.75	2,319,991,544.97	172,574,957.88	5,087,963,878.40
Opening balance Adjustments	(16,137,540.01)	455,879.00	17,726,085.48			2,044,424.47
Adjusted Opening balance			3,094,396,681.23			3,094,396,681.23
Grant received during the year		475,900,000.00			36,206,831.95	512,106,831.95
Amount transferred to differed income Grants		(480,621,818.33)	1,098,314,156.54			617,692,338.21

Amortization for the year			(479,812,995.76)			(479,812,995.76)
Surplus / (Deficit) for the year	16,030,859.76					16,030,859.76
Payment for the year				(8,263,962.65)		(8,263,962.65)
Opening balance Adjustments						
Balance as at 31st December 2012	<u>(517,566,571.16)</u>	<u>31,920,731.38</u>	<u>3,712,897,842.01</u>	<u>2,319,991,544.97</u>	<u>200,517,827.18</u>	<u>5,747,761,374.38</u>

01 - ACCOUNTING POLICIES

1.0 Corporate Information

1.1 Vocational Training Authority of Sri Lanka (VTASL) is a Statutory Board Incorporated in Sri Lanka under the Act No. 12 of 1995 of Vocational Training Authority of Sri Lanka.

1.2 The notes to the financial statements on pages **04** to **25** form an integral part of the financial statements.

1.3 The value presented in the financial statements are in Sri Lanka Rupees unless otherwise indicated. The significant accounting policies are shown below.

1.4 General Policies

1.4.1 Statement of Compliance

The Statement of financial position, statement of financial performance, statement of changes in net asset and cash flow statement, together with the accounting policies and notes (the financial statements) have been prepared in compliance with the general accepted accounting principles.

1.4.2 Basis of preparation

The financial statements, presented in Sri Lanka rupees, have been prepared on an accrual basis and under the historical cost convention unless stated otherwise.

1.4.3 Comparative Information

The accounting policies applied by the authority are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current years presentation.

1.4.4 Events after the balance sheet date

No circumstances have arisen since the Balance Sheet date which requires adjustments to or disclosure in the accounts.

1.5 Taxation

No provisions for income tax is made as the Authority is not expected to earn profits which operate on Government funds.

1.5.1 Deferred tax

The tax effect for timing difference has not occurred according to the taxation policy of the Authority. Therefore, the deferred taxation is not provided.

1.6 Valuation of Assets and Their Measurement Bases

1.6.1 Recognition of Fixed Assets

Cost of an item of fixed assets should be recognized when,

- a) It is probable that future economic benefits associated with the asset will flow to the Vocational Training Authority.
- b) Cost of the asset to the Vocational Training Authority can be measured reliably

The capitalization threshold of Vocational Training Authority is Rs. 2,000/-. However, identification of fixed assets not only depends on the capitalization threshold but the following facts should also be considered .

- (i) Expected useful life time of the asset
- (ii) Intended purpose of the asset
- (iii) Durability of the asset
- (iv) Whether the asset is a consumable or not

1.6.2 Inventories

Inventories are valued at lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. The costs incurred in bringing inventories to its present location and condition are accounted on FIFO basis as follows:

- | | |
|-----------------------------|----------|
| 1. Training materials | -at cost |
| 2. Stationeries | -at cost |
| 3. Raw materials (printing) | -at cost |
| 4. Other consumables | -at cost |

1.6.3. Property , Plant and Equipment

- a) Property, plant and equipment is stated at cost or valuation less

accumulated depreciation. Items of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of the asset is included in the income statement in the year the asset is derecognized

- b) Deprecation

Provision for depreciation has been calculated on reducing balance method by providing depreciation in the year of purchase. The following depreciation rates are applied.

Category	%
Building & Improvements	5%
Office equipments	10%
Motor vehicles	25%
Furniture & Fittings	10%
Training equipments	20%
Plant & Machinery	20%
Computer equipments	20%
Electrical equipments	20%

- c) Capital Work-in progress

Projects are valued at cost of work completed.

1.6.4 Receivables

Receivables are stated at the amounts they are estimated to realize, net of provisions for bad and doubtful receivables. A provision for doubtful debt is made when the debt exceed 365 days and collection of the full amount is doubtful.

1.6.5. Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand net of outstanding bank overdrafts.

1.7 Liabilities and provisions

1.7.1 All known liabilities have been accounted for in preparing the Financial Statements.

1.7.2 Staff Gratuity

Up to year 2007 the VTASL had making a provision for gratuity only for employees who completed 5 (five) years of service. This policy has been changed from the year 2008 to be in conformity with SLAS 16. The backlog of the provision for past year has been debited to a prior year adjustment account.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of five(05) year continued service.

The Gratuity liability is not assessed on Projected Unit Credit Method as the Gratuity liability is funded by General Treasury. No fund has been created in respect of this liability.

1.7.3 Defined Contribution Plans

Employees Provident Fund & Employees Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respecting statutes and regulations.

1.7.4. Government Grants and Subsidies.

a) Government grant on which the organization depends for its expenditure are being accounted on receipt basis. Grant related to recurrent expenditure are being presented as a credit to the income and expenditure account whereas the grant related to capital expenditure are being credited to Capital Grant Account up to 2004. Capital Grants have been credited to the Differed Income Grant account from year 2005 in terms of Guidelines issued by the Department of Public Enterprises.

b) Initially grants received form donor agencies related to the assets are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to the Differed Income Grant and subsequently amortized during the useful life time of the asset.

1.7.5 Provisions and Contingent Liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed under note 27 to the financial statements unless the outflow of resources is remote.

1.8 Income & Expenditure Statement

1.8.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

a) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.8.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

1.9 Income & Expenditure Statement

1.9.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

b) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.9.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

1.10 Income & Expenditure Statement**1.10.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

c) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.10.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

1.11 Income & Expenditure Statement**1.11.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

d) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.11.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

1.12 Income & Expenditure Statement**1.12.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

e) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.12.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

1.13 Income & Expenditure Statement

1.13.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific criteria are used for recognition of revenue.

f) Grants received for recurrent expenditure

Grants received from General Treasury for recurrent expenditure is recognized as income.

b)Initially the grants received from donor agencies are recognized as a liability until it is utilized. The amount utilized from the grant is transferred to income.

c)Income from training courses

Students fees for training courses are recognized on an accrual basis.

d)Income from student production units

The income of student production units are recognized on an accrual basis.

e)Rental Income

Rental income is recognized on an accrual basis over the term of the lease.

f)Other income is recognized on an accrual basis

1.13.2 Expenditure Recognition

a)Expenses are recognized in the Income & Expenditure Statement on the basis of direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the VTASL and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the net surplus or deficit for the year.

Notes to the Financial Statements

2 Property, Plant & Equipment	in Rs.									
	Land	Building & Improvement	Motor Vehicles	Furniture & Fittings	Training Equipments	Office Equipments	Electrical Equipments	Computer Equipments	Plant & Machinery	Total
Cost or Valuation										
At the beginning of the year	1,715,757,703.98	2,623,597,726.54	140,283,508.12	162,280,477.87	786,652,891.75	69,344,282.13	2,017,181.81	257,723,887.27	62,971,088.04	5,820,628,747.51
Additions during the year	2,173,482.94	240,773,170.48	112,329,177.38	48,896,894.96	600,570,445.82	6,377,170.67		105,359,814.01	10,214,038.29	1,126,694,194.55
At the end of the year	1,717,931,186.92	2,864,370,897.02	252,612,685.50	211,177,372.83	1,387,223,337.57	75,721,452.80	2,017,181.81	363,083,701.28	73,185,126.33	6,947,322,942.06
Accumulated Depreciation										
At the beginning of the year		343,033,848.55	69,245,172.33	33,156,198.84	285,275,704.14	13,636,370.57	936,935.87	91,680,827.80	28,147,682.07	865,112,740.17
Charge for the year		126,066,852.42	45,841,878.29	17,802,117.40	220,389,526.69	6,208,508.22	216,049.19	54,280,574.70	9,007,488.85	479,812,995.76
At the end of the year		469,100,700.97	115,087,050.62	50,958,316.24	505,665,230.83	19,844,878.79	1,152,985.06	145,961,402.50	37,155,170.92	1,344,925,735.93
Written Down Value										
As at 31st December 2012	1,717,931,186.92	2,395,270,196.05	137,525,634.88	160,219,056.59	881,558,106.74	55,876,574.01	864,196.75	217,122,298.78	36,029,955.41	5,602,397,206.13
As at 31st December 2011	1,715,757,703.98	2,280,563,877.99	71,038,335.79	129,124,279.03	501,377,187.61	55,707,911.56	1,080,245.94	166,043,059.47	34,823,405.97	4,955,516,007.34

2.1 Adjustment to the opening balance

<u>Assets category</u>	<u>Opening Balance before adjustment</u>	<u>Adjustment made</u>	<u>Opening Balance after adjustment</u>
Building & Improvement	2,622,643,799.54	953,927.00	2,623,597,726.54
Motor Vehicles	141,456,658.12	(1,173,150.00)	140,283,508.12
Training Equipments	785,181,547.75	1,471,344.00	786,652,891.75
Computer Equipments	231,480,258.94	26,243,628.33	257,723,887.27
Total	3,780,762,264.35	27,495,749.33	3,808,258,013.68

<u>Assets category</u>	<u>Opening Balance before adjustment</u>	<u>Adjustment made</u>	<u>Opening Balance after adjustment</u>
Building & Improvement	342,986,152.20	47,696.35	343,033,848.55
Motor Vehicles	69,538,459.83	(293,287.50)	69,245,172.33
Training Equipments	284,716,635.34	559,068.80	285,275,704.14
Computer Equipments	82,224,641.60	9,456,186.20	91,680,827.80
Total	779,465,888.97	9,769,663.85	789,235,552.82

Notes to the Financial Statements

2.2 Unvalued Land & Buildings

1. The Land and Buildings at Following Vocational Training Centers has not been included in the annual A/C as it was not been valued.

- Vocational Training Center Matale - Matale
- Vocational Training Center Yakkalamulla - Galle
- Vocational Training Center Ginimellagaha - Galle
- Vocational Training Center Akmimana - Galle
- Vocational Training Center Wathurawila - Galle
- Vocational Training Center Katana - Gampaha
- Vocational Training Center Kirinda - Hambantota
- Vocational Training Center Siribopura - Hambantota

The valuation of the above Land & buildings will be accounted as early as possible.

2. The following Buildings are constructed on funds from skill Development Project at lands which are not belongs to VTA . The valuation of the above land & building will be accounted in 2013.

- Vocational Training Center Bingiriya - Kurunegala
- Vocational Training Center Veyangoda - Gampaha
- Vocational Training Center Yakkalamulla - Galle
- Vocational Training Center Niyagama - Galle
- Vocational Training Center Ruwanwella - Kegalle
- Vocational Training Center Kantale - Trincomale
- Vocational Training Center Hambanthota - Hambanthota
- Vocational Training Center Waskaduwa - Kalutara
- Vocational Training Center Haldumulla - Badulla
- Vocational Training Center Welimada - Badulla
- Vocational Training Center Wellawaya - Monaragala
- Vocational Training Center Bibila - Monaragala
- Vocational Training Center Mihinthale - Anuradhapura
- Vocational Training Center Galnewa - Anuradhapura
- Vocational Training Center Thabuththegama - Anuradhapura
- Vocational Training Center Rajanganaya - Anuradhapura
- Vocational Training Center Minneriya - Polonnaruwa
- Vocational Training Center Yatiyanthota - Kegalle
- Vocational Training Center Kilinochchi - Jaffa
- Vocational Training Center Rathmalana - Colomo

3. The following Motor Vehicle used by VTA which are not belongs to the ownership for VTA. But following vehicle are used by VTA. there for these vehicles accounted at the insurance values.

- 56-4622
- 56-4644
- 56-4647
- 53-0490
- 32-2836
- 64-1602
- 62-4815
- 26-8167
- 32-2835
- 32-2837
- 64-9724
- 64-3186
- 31-6449
- 62-2015
- WP QD-3612

4. The following motor vehicles allocated to the training purposes.

- 18-5640
- 301-872

Notes to the Financial Statements	Note	2012 Rs.	2011 Rs.
3	<u>Capital Work in Progress</u>		
	Ampara	5,326,588.42	2,608,871.13
	Anuradhapura		1,859,269.65
	Badulla	3,661,609.30	545,783.72
	Batticaloa		16,015,975.70
	Colombo	1,818,015.75	
	Galle	2,525,829.30	927,000.00
	Gampaha		2,142,680.30
	Hambantota		3,584,998.45
	Kandy	1,528,035.29	4,943,829.74
	Marawila		444,010.90
	Matale		2,280,440.00
	Matara	2,431,370.26	5,920,982.72
	Monaragala	4,196,314.41	896,702.08
	Mulathive		6,995,532.70
	Narahenpita		14,717,968.64
	Niyagama	9,535,986.47	4,883,721.05
	Nuwara Eliya	8,670,794.41	2,177,374.79
	Vauniya	2,820,560.35	
		42,515,103.96	70,945,141.57
4	<u>Inventories</u>		
	Training Materials	21,603,608.01	15,844,619.33
	Stationary	5,736,652.93	6,240,638.26
	Raw Materials (Printing)	308,544.72	265,741.48
	Other Consumables	95,179.00	115,183.75
		27,743,984.66	22,466,182.82
5	<u>Receivables</u>		
	Advances for programs	313,494.92	918,038.18
	Deposit for compensation	485,778.72	485,778.72
	Deposits	102,000.00	202,000.00

Ministry of Vocational Training & Rural Industrial	4,097,520.24	4,097,520.24
Ministry of yourth affirs	93,614.73	-
Miscellanious Debtors	10,000.00	10,000.00
Prepayments	9,076,745.41	1,600,000.00
Receivable course fees	16,055,145.02	25,491,261.38
Receivable Income	10,200.00	100,200.00
Receivable project fund	2,873,221.56	3,264,079.82
Receivable salary	285,809.04	-
Shortage of income	166,000.00	260,500.00
State Organizations	4,144,544.97	4,144,544.97
Trade & Other receivables	413,248.46	2,980,518.24
	<u>38,127,323.07</u>	<u>43,554,441.55</u>
Less:- Provision for Bad Debts	11,122,447.04	11,122,447.04
	<u>27,004,876.03</u>	<u>32,431,994.51</u>

Notes to the Financial Statements

	<u>Note</u>	2012 Rs.	2011 Rs.
6	<u>Staff Loans</u>		
	Balance at the beginning of the year	38,871,607.32	37,813,510.62
	Add: Loans granted during the year	34,093,589.30	30,470,826.04
		72,965,196.62	68,284,336.66
	Less: Repayments during the year	<u>33,049,577.29</u>	<u>29,412,729.34</u>
	Balance at the end of the year	<u>39,915,619.33</u>	<u>38,871,607.32</u>
7	<u>Cash & Cash Equivalent</u>		
	Cash in transit	15,994.20	3,113,743.31
	Gold coins	104,000.00	104,000.00
	<u>Cash at Banks</u>		
	Peoples Bank	62,551,319.11	62,073,135.45
	Bank of Ceylon	10,615,674.52	6,608,490.56
	Commercial Bank	12,337,819.05	14,290,732.50
	Petty Cash Imprest		
	Cheque in hand	4,850.00	2,985,932.88
	Cash in hand	<u>6,504.04</u>	<u>5,540.00</u>
		<u>85,636,160.92</u>	<u>89,181,574.70</u>
7.1	Two gold coins has received as rewards from Seylan Bank. Each gold weight is 8.02 gram and each gold value is 22.03 karat.		
8	<u>Government Grant - Capital</u>		
	Balance at the beginning of the year	36,642,549.71	56,466,698.12
	Add: Grants received during the year	<u>475,900,000.00</u>	<u>457,500,000.00</u>
		512,542,549.71	513,966,698.12
	Less: Transfers to Differed Income Grant	<u>480,621,818.33</u>	<u>477,780,027.41</u>
	Balance at the end of the year	31,920,731.38	36,186,670.71
	Add:-Opening balance adjustment	-	455,879.00
		31,920,731.38	36,642,549.71

Notes to the Financial Statements

	<u>Note</u>	2012 Rs.	2011 Rs.
9			
<u>Differed Income Grant</u>			
Balance at the beginning of the year		3,094,396,681.23	2,898,412,747.24
Add: Transfers during the year	9.1	<u>1,098,314,156.54</u>	<u>514,155,518.22</u>
		<u>4,192,710,837.77</u>	<u>3,412,568,265.46</u>
Less: Amortized for the year		479,812,995.76	335,897,669.71
Balance at the end of the year		3,712,897,842.01	3,076,670,595.75
Add: Opening balance adjustment	-		17,726,085.48
		3,712,897,842.01	3,094,396,681.23
9.1			
Transfers to Differed Income			
Government Grant - Capital		480,621,818.33	477,780,027.41
Other Grants		<u>617,692,338.21</u>	<u>36,375,490.81</u>
		<u>1,098,314,156.54</u>	<u>514,155,518.22</u>
10			
<u>Provision for Gratuity</u>			
Balance at the beginning of the year		172,574,957.88	150,909,843.05
Add: Charge for the year		<u>36,206,831.95</u>	<u>28,488,585.04</u>
		208,781,789.83	179,398,428.09
Less: Payments during the year		<u>8,263,962.65</u>	<u>6,823,470.21</u>
		200,517,827.18	172,574,957.88
Balance at the end of the year		<u>200,517,827.18</u>	<u>172,574,957.88</u>

Notes to the Financial Statements

	Note	2012 Rs.	2011 Rs.
11 Payables			
Audit Fees		500,000.00	750,000.00
Cashier Deposit		25,000.00	25,000.00
Course fee payable		70,300.00	
Deposit		371,500.00	235,250.00
Employee Provident Fund			6,394,005.10
Employee Trust Fund			959,100.77
Grauity surcharge		109,908.80	
Lecture fees		2,456,100.00	870,050.00
Other Creditors		19,754,603.35	10,446,472.06
Project funds Payable		11,792,407.24	15,469,865.30
Received in Advance		585,150.00	1,060,100.00
Refundable Tender Deposit		799,784.44	1,918,832.04
Retention Money		18,398,224.90	10,436,234.71
Salary payable		290,021.31	680,585.23
Staff Incentive payable		197,384.00	94,280.00
Stationary		41,626.00	33,430.00
Trade Creditors		6,051,315.59	43,867,601.01
Vehicle service uint		626,370.00	
W & O.P		134,344.66	14,894.04
		62,204,040.29	93,255,700.26

Notes to the Financial Statements

	Note	2012 Rs.	2011 Rs.
12 Accrued expenses			
Advertisement		308,000.00	
Carrier Guidance		9,340.00	58,554.00
Electricity		3,114,560.70	863,842.18
Examination & Evaluation		300,961.56	411,313.15
Fuel & Lubricant		36,672.76	257,195.00
Janitorial Services		201,186.62	147,087.50
Maintenance		704,438.52	906,431.82
News papers & periodicals		8,405.00	23,240.00
Other		250,170.00	552,545.36
Other Allowance			70,202.00
Overtime & Holidaypay		262,883.95	680,517.72
Part Time Expenses Payable		2,876,909.60	1,452,892.15
Postage			400.00
Promotional Activities		203,863.88	1,640,611.20
Quality Management Payable			3,034.00
Rent, Rates & Taxes		131,760.00	96,503.55
Season tickets		1,020,201.34	687,373.77
Security Charges		1,293,605.00	
Special training programme		20,000.00	
Staff Traing			8,260.00
Stipend		1,657,855.33	1,424,755.59
Telephone		1,723,203.61	56,486.52
Trade test		43,644.00	
Transport		72,400.00	14,400.00
Travelling		500,563.13	384,055.75
Vehicle hire charges			40,000.00
Water		531,911.36	256,263.86
		15,272,536.36	10,035,965.12

Notes to the Financial Statements

	Note	2012	2011
		Rs.	Rs.
13	<u>Other Income</u>		
Auction Income		247,496.25	381,603.26
Course fees		85,553,118.65	69,878,707.50
Daily Diary		2,456,700.00	
Enterprenure Development programmes			9,000.00
Exam fees			32,050.00
Fines		118,564.89	179,195.74
Finish goods			33,507.00
Gold Coin Income			30,800.00
Hall Income		892,000.00	615,981.52
Hostel Fees		68,800.00	205,900.00
Insurance claim		670,673.88	33,917.00
Katharagama circuit Bangalow		211,045.00	115,600.00
Loan Interest		1,145,245.69	1,139,915.15
Miscellaneous		7,571,167.36	1,420,739.53
Non Refundable Tender deposit		300,000.00	1,044,000.00
Record Book		2,419,100.00	
Registration fees		5,759,200.00	5,499,850.00
Rent		448,000.00	490,150.00
Supply Registration		60,000.00	47,000.00
		107,921,111.72	81,157,916.70
		107,921,111.72	81,157,916.70

Notes to the Financial Statements

	Note	2012	2011 Rs.
14			
<u>Production Unit Income</u>			
Academy of Hair & Beauty		2,106,181.32	218,308.69
Aluminium Partition			26,041.40
Carpenter			57,821.50
Exam Fees			150,511.90
Hotel School - Ahangama		505,150.16	717,149.32
Koggala			37,500.00
Maintanace			262,960.40
Other		482,893.87	288,878.83
Part time		12,740,339.26	13,510,664.98
Printing School -Galle		673,160.00	
Printing School -Narahenpita		12,006.74	(147,599.46)
Record Book income			714,740.40
Restaurant - Thalalla		109,017.00	
RPL		649,122.00	222,068.00
Trade test		589,508.14	576,774.00
Vehicle Service		162,703.00	184,098.25
		18,030,081.49	16,819,918.21
		18,030,081.49	16,819,918.21

Notes to the Financial Statements

	Note	2012 Rs.	2011 Rs.
15	<u>Funds on Special Projects</u>		
	Eastern Provincial Service	92,000.00	
	Forut		4,097,848.24
	HMTI Project	2,803,595.26	
	Inter Labour Organization	1,140,386.15	364,434.12
	Ministry of Youth Affaires		55,551,357.86
	Regional Fisheries Livelihood Programme	1,412,170.00	121,042.50
	TVEC	109,774.00	168,191.39
	UNICEF	2,505,069.74	4,454,483.68
	USAID		1,756,113.00
	World Vision	199,900.00	655,019.83
	WUSC	165,232.50	7,642,240.19
		8,428,127.65	74,810,730.81
16	<u>Staff Cost</u>		
	E.P.F. & E.T.F.	62,141,663.14	54,391,200.39
	Other Allowance		15,092.44
	Pension Contribution		34,058.69
	Salaries & overtime	550,546,161.30	480,159,889.78
	Staff Gratuity	35,555,980.76	28,488,585.04
		648,243,805.20	563,088,826.34

	Note	2012 Rs.	2011 Rs.
17	<u>Travelling</u>		
	Domestic	7,106,938.93	6,936,946.60
	Foreign	3,565,144.04	5,591,767.68
		10,672,082.97	12,528,714.28
18	<u>Supplies and Other Consumables</u>		
	Stationary & Office Requisites	12,161,567.51	10,402,960.74
	Fuel & Lubricant	13,826,299.94	13,180,278.39
	Others	1,495,248.52	1,297,414.18
		27,483,115.97	24,880,653.31
19	<u>Maintenance</u>		
	Vehicle	8,970,381.51	7,986,251.69
	Plant & Machinery	6,007,231.62	8,386,224.71
	Building	12,271,264.28	18,749,991.28
		27,248,877.41	35,122,467.68
20	<u>Contractual Services</u>		
	Audit Fees	556,064.00	350,000.00
	Advertisement	1,169,794.08	2,125,898.08
	Consultation and Professional Fees	2,607,000.00	
	Electricity	44,429,668.09	36,029,878.56
	Hire Charges	1,009,950.00	3,668,156.33
	Insurance	4,530,342.39	2,603,184.61
	Janitorial service	4,529,682.74	4,885,123.35
	News Papers & Periodicals	369,259.00	471,315.00
	Postal Charges	720,206.55	1,002,367.15
	Rent	6,165,960.81	2,970,063.79
	Security Charges	18,715,260.21	14,054,549.93
	Staff Welfare & Other	123,690.00	1,282,331.94
	Telephone Charges	13,281,222.73	9,239,880.53
	Transport	4,385,635.10	2,822,633.20
	Water	8,445,538.44	7,460,193.77
		111,039,274.14	88,965,576.24

Notes to the Financial Statements

	Note	2012 Rs.	2011 Rs.
21	<u>Job placement, Research & Entrepreneurship</u>		
	Curriculum Development	556,922.00	521,447.00
	On the Job Training & Monitoring	919,600.00	219,295.00
	Entrepreneurship Programs	732,787.75	1,130,630.00
	Job Placement	190,742.50	887,275.00
	Private public partnership	241,019.00	518,295.25
		2,641,071.25	3,276,942.25
22	<u>Other Operating Expenses</u>		
	Tools & Consumables	10,522,573.87	18,206,602.96
	unsettled course fees	5,320,410.00	4,999,600.00
	Examination & Evaluation	10,926,749.70	11,389,262.76
	Honorarium	1,106,127.30	1,434,996.65
	Deyata kirula	3,649,031.06	-
	Legal Fees	1,104,242.00	43,975.04
	Miscellaneous	2,993,903.13	2,721,726.82
	Quality Management Accreditation	873,021.00	653,989.50
	Season Tickets	6,600,710.05	7,401,705.78
	Special Training Programme	550,955.60	817,117.00
	Stipend Allowance	20,621,684.97	16,528,957.91
	Training Materials	58,549,990.39	85,810,705.48
		122,819,399.07	150,008,639.90
	Promotional Expences		33,087,536.94
	Carrier Guidance		5,064,191.00
			38,151,727.94

Notes to the Financial Statements

	Note	2012	2011
		Rs.	Rs.
23	<u>Expenditure on Special Projects</u>		
	Inter Labour Organization	1,140,386.15	364,434.12
	Eastern provincial service	92,000.00	
	TVEC	109,774.00	168,191.39
	World Vision	199,900.00	655,019.83
	HMTI	2,803,595.26	
	WUSC	165,232.50	7,642,240.19
	USAID		1,756,113.00
	UNICEF	2,505,069.74	4,454,483.68
	Forut		4,097,848.24
	Ministry of Youth Affairs		55,551,357.86
	Regional Fisheries Livelihood Programme	1,412,170.00	121,042.50
		<u>8,428,127.65</u>	<u>74,810,730.81</u>
24	<u>Finance Cost</u>		
	Grauity surchage	186,727.55	
	Bank Chages	273,938.40	406,625.17
		<u>460,665.95</u>	<u>406,625.17</u>

25. Prior Year Adjustment

25.1 Course fees of the students who terminate the courses during the period 2010 to 2012 1st batch amounting Rs 15,754,160.00 was adjusted as prior year adjustment in the statement of accounts.

25.2 Changes of recognition capital and recurrent expenditure adjusted Rs 126,264.01 as prior year adjustment.

25.3 under provision of gratuity for the 2012 was charged amounting Rs 476,336.00 as prior year adjustment.

26. Commitments and Contingencies

- a) Litigation against the Authority

The court cases pending were as follows

	<u>31.12.2012</u>	<u>31.12.2011</u>
Provincial High Court of Appeal	02	02
Appeal Court	01	01
District Court	01	01
Labour Tribunal	06	03
	<u>10</u>	<u>07</u>

- b) Capital Commitments

There were no material capital commitments as at 31.12.2012

**Sri Lanka Vocational Training Authority
Audit and Management Committee
Performance 2012**

1. Members of the Committee

1. Mr. K.M.M. Siriwardana-	Chairman	}	Up to march 2012
2. Mr. Herath Yapa	- Member		
3. Nimal Weerathunga	- Member		

1. Mr. K.M.M. Siriwardana-	Chairman	}	After March 2012
2. Nimal Weerathunga -	Member		

2. Decisions

- ❖ Subjecting the financial progress of the Authority to timely and regular review and providing recommendations to overcome shortcomings

- ❖ Providing instructions necessary to the Internal Audit Unit to conduct its activities in line with the approved annual audit plan

- ❖ Subjecting government audit queries and corresponding draft responses to regular reviews of the audit and management committee

- ❖ Taking action necessary to respond without delay to government audit queries



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கணக்காய்வாளர் தலைமை அநிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. }
My No. }

JP/VTA/FA/12

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

13 May 2014

The Chairman,
Vocational Training Authority of Sri Lanka.

Report of the Auditor General on the Financial Statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2012 comprising statement of financial position as at 31 December 2012 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 Section 13(1) of the Finance Act, No.38 of 1971 and Section 25 of the Vocational Training Authority of Sri Lanka Act, No. 12 of 1995. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Authority on 11 November 2013.

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 Generally Accepted Accounting Principles 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.



කො 30672, පොල්ලි මාර්, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல 30672, பால்முல்லை வீதி, பட்டரமுல்லை, இலங்கை. - No. 30672, Palduma Road, Battaramulla, Sri Lanka

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www.auditorgeneral.gov.lk

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. 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 judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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. Subsections (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 qualified audit opinion.

1.4 Basis for Qualified Audit Opinion

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



2. **Financial Statements**

2.1 **Qualified Opinion**

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2.2 **Comments on Financial Statements**

2.2.1 **Accounting Deficiencies**

The following accounting deficiencies were observed.

- (a) The expenditure on repairs to the motor vehicles of the Authority incurred in the year under review amounting to Rs.1,447,739 had been brought to account as purchase of motor vehicles. As such the depreciation for the year and the fixed assets had been overstated by Rs.361,935 and Rs.1,447,739 respectively.
- (b) The provision for gratuity had been understated by a sum of Rs.916,697 due to computation errors and a sum of Rs.112,227 provided for an employee who had been paid the gratuity had been brought forward in the accounts.
- (c) A sum of Rs.171,206 recoverable on account of no-pay leave and a sum of Rs.151,437 recoverable from the officers of the Authority as telephone charges in respect of the year under review had not been brought to account.
- (d) Action had not been taken to compute and account for the value of library books of the Authority.



- (e) The fixed assets and depreciation had been understated as constructions completed and paid for valued at Rs.8,802,937 had been shown as work-in-progress.
- (f) The Audit fees payable had been understated by a sum of Rs.350,000.

2.2.2 Accounts Receivable and Payable

The following observations are made.

- (a) A sum of Rs.11,122,147 had been written off as bad debts during the year under review. Out of that, sums of Rs.1,102,185 and Rs.10,020,262 had been receivable from institutions under the control of the Authority and from external institutions respectively.
- (b) Even though 37 debtors balances totaling Rs.4,727,992 and 18 balances totaling Rs.6,665,228 had been older than 06 years and 10 years respectively action had been taken for the recovery.
- (c) An advance balance of Rs.129,773 older than 9 years had not been settled.
- (d) Three officers who had proceeded abroad on scholarships had not reported for service. The sum of Rs.7,582,956 spent in that connection by Skills Development Authority and the sum of Rs.581,748 paid by the Authority as salaries and allowances had not been recovered. Bonds had not been entered into in this connection.
- (e) Even though an advance of Rs.9,076,745 had been paid in December 2012 for the purchase of training equipment, those goods had not been received even by June 2013.



- (f) The creditors balances amounting to Rs.6,375,042 relating to the years 2008 to 2010 had not been settled.

2.2.3 Lack of Evidence for Audit

The evidence indicated against the following items shown in the financial statements had not been furnished to audit.

Item	Value	Evidence not made available
-----	-----	-----
	Rs.	
Lands	1,703,131,187	Title Deeds, Documents in support of ownership
Stock	27,743,985	Detailed Schedules / Bin Cards with Receipts and Issues
Balances Receivable	27,004,876	Detailed Schedules and Confirmations
Promotion Expenses	340,272	Commemorative Publications, Newspaper Notices and files with details on payments made
Expenditure (Selacine)	6,500,000	Files with information
World Tourism Day Expenses	1,000,000	Files with particulars of expenditure
Fuel	13,826,300	Daily Running Charts of 141 Motor Vehicles and Monthly Performance Summaries of 17 Motor Vehicles
Deyata Kirula Expenses	3,649,031	Information on handover of Goods and Documents in support of Payments
Deyata Kirula Travelling Advances	400,000	Advance Vouchers and Settlement Vouchers.

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

The following non-compliances were observed.

Reference to Laws, Rules and Regulations	Non-compliances
<hr/>	<hr/>
(a) Finance Act, No. 38 of 1971 <hr/> Section 13 (5) (d)	The Internal Audit Reports for the first and second half years of the year under review had not been furnished to audit.
(b) Establishments Code <hr/>	Even though the overtime per hour should be 1/8 of days and the day's pay should be 1/30 of the monthly salary, the Authority had paid overtime considering 1/20 as the salary per day.
(ii) Chapter IX Section 2.2	Even though 10 per cent of the allowances paid for duty performed after the office hours should be recovered and credited to revenue that had not been so recovered in the payment of lecture fees and other allowances for part time courses.

(c) Financial Regulations

(i) Financial Regulation 104

Reports on Losses and Damage relating to 13 accidents to motor vehicles had not been furnished to the Auditor General.

(ii) Financial Regulation 188 (2)

Even though deposits made to the Bank Account amounting to Rs.387,883 had not been credited to the Bank Account it had not been investigated.

(d) Treasury Circulars

(i) Public Enterprises Circular No.
58/02 of 15 September 2011
Paragraph 3.1

Even though 10 per cent of the allowances paid to the Chairman and the Vice Chairman and the allowances paid for attending the meetings should be recovered as Withholding Tax a sum of Rs.81,417 recoverable in 20 instances had not been recovered and remitted to the Commissioner General of Inland Revenue.

(ii) Section 9.3.1 (b) of the
Procurement Guidelines

Even though the approval of the Secretary to the Ministry should be obtained for motor vehicles repairs costing more than Rs.200,000 a sum of Rs.3,082,265 had been paid in 07 instances contrary to those provisions.

(iii) Circular No. 810 of 26 July 1971

Even though recoveries on no-pay leave should be made in the same month or the subsequent month, it had not been so done.

(c) Public Administration Circulars

(i) Circular No. 41/90 of 10 October 1990

Even though the fuel consumption of motor vehicles should be tested once in every 06 months, it had not been so done.

(ii) Circular No.13/2008 of 26 June 2008 Paragraph 3

Even though the overtime claims of Drivers attached to official motor vehicles should be made according to Annexure 01 of the Circular it had not been so done.

(f) Public Enterprises Circular No. PED/12 of 02 June 2003

(i) Section 6.5.1

A draft copy of the Annual Report had not been prepared and presented to the Auditor General with the financial statements.

(ii) Section 6.6

The Annual Report for the year 2011 had not been tabled in Parliament.

(iii) Section 9.3.1

Acting appointments should not be made but, if made, should not be made for long periods. Nevertheless, there were 18 instances of acting appointments made for periods from 06 months and exceeding one year contrary to the provisions.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2012 had resulted in a surplus of Rs.16,030,860 as against the deficit of Rs.18,333,666 for the preceding year. The financial results for the year under review as compared with the preceding year indicated an improvement of Rs.34,364,526. The increase of the Government grant, increase of sundry income, increase of deferred income and the decrease of the other operating expenditure as compared with the preceding year had affected the improvement of the financial results.

3.2 Legal Action instituted against the Institution

Ten cases against the Authority by the employees and 02 cases against the Authority by outside parties had been filed as at the end of the year under review.

3.3 Increase in Expenditure

The changes in the net assets and the current assets and the liquidity ratios in respect of the year under review are given below.

	2012 ----- Rs. Millions	2011 ----- Rs. Millions	
Net Assets	(485.64)	(481.05)	
Net Current Assets	102.82	79.42	
	Standard -----	Actual -----	Actual -----
Current Ratio	2:1	1:2.33	1.77
Quick Ratio	1:1	1:1.97	1.55

4. Operating Review

4.1 Performance

The following observations are made.

(a) Training Activities

According to the information furnished the enrolment of 28,335 apprentices for 98 courses in 27 fields in the year 2012 had been expected while 29,064 apprentices had been enrolled. Even though 2,775 had been enrolled for the National Vocational Training Centres, 230 out of that had abandoned the courses. Even though 26,289 had been enrolled for the District Training Centres, 3,035 out of that had abandoned the Training in 101 courses under 15 fields provided in the year 2011 for 29,251 apprentices.

- (b) According to the information furnished, the estimated position and the actual performance relating to the enrollment of apprentices for the courses and the award of certificates in the year under review are given below.

Activity	Number of Apprentices			
	Estimated Number	Actual Number	Increase / (Decrease)	Increase / (Decrease) as a Percentage
i. Enrollment	28,335	29,064	729	2.57
ii. Award of Certificates NVQ	11,200	7,999	(3,201)	(28.58)
iii. Award of Certificates Non-NVQ	6,400	6,601	201	3.14

(c) Courses abandoned by Apprentices

The particulars of the enrollment of apprentices and the apprentices abandoning the courses during the year under review and the 05 preceding years had been as shown below.

Year	Number Enrolled	Number abandoned Courses	Number abandoned Courses as a Percentage of the Number Enrolled
2007	24,302	3,884	15.98
2008	25,362	4,507	17.77
2009	27,752	5,721	20.60
2010	Information not furnished		
2011	29,251	3,635	12.43
2012	29,064	3,265	11.23

The number abandoning the courses annually had been considerable and there was no evidence of any courses of action taken even during the year under review to minimize that number. Out of the apprentices enrolled for the courses of the first half year of 2012, action had been taken as 1,493 apprentices had abandoned the courses. The course fees receivable from them amounting to Rs.5,320,000 had been written off as expenditure for the year under review. Course-wise 03 instances of 100 per cent abandoning courses, 29 instances of over 50 per cent abandoning courses and 149 instances of 50 per cent to 20 per cent abandoning courses existed.

(d) Even though referring 5,500 apprentice for jobs after the completion of training in the year under review had been expected only 4,328 had been referred for jobs. That represented a decrease of 1,172 or 21.30 per cent of the number expected. Even though 6,618 apprentices completing training annually had been provided with jobs in the year 2011 only 4,328 had been provided with jobs in the year 2012 and as compared with the year 2011, and providing jobs in the year 2012 had decreased by 35 per cent.

(e) The conduct of 08 researches comprising 03 researches and 05 Tracer studies had been planned for the year under review by allocating a sum of Rs.500,000 to the Research and Development Division. None of the researches had been conducted. As such as it was observed in audit that the Authority had failed to achieved the objectives of the establishment of that Division and that the officers attached to the Division had been idling.

(f) The conduct of Recognition of Prior Learning had not been targeted while 383 had participated in the programmes conducted under 12 areas. Even though the conduct of 40 programmes for the improvement of the knowledge and skills of those engaged in training areas had been targeted only 31 programmes had been conducted.

(g) Vocational Guidance and Counselling Programmes

The vocational Guidance and Counselling Unit had conducted 2,441 Vocational Guidance Programmes in the year under review. The following matters were observed in this connection.

(i) The number of Vocational Guidance Programmes conducted and the number of participants as compared with year 2011 had increased. Even though 319 Awareness Programmes for parents with the participation of 15,997 had been conducted in the year 2011, such programes had not been conducted in the year 2012.

- (ii) Even though 22 Awareness Programmes for the students of the Skills Force had been conducted, that was less than the expected level by 50 per cent and the participation had decreased by 2,474 or 56 per cent of the expected number.
- (iii) Even though the conduct of 76 Awareness Programmes for the Youth Corps had been targeted only 50 had been conducted and that represented a decrease of 34 per cent of the expected number. Out of the Youth Corps only 3,492 had participated in the Vocational Guidance Programmes and that represented a decrease of 54.05 per cent from the expected number.
- (iv) Even though the conduct of 552 Awareness Programmes for Trainees had been targeted only 415 programmes had been conducted and that represented a decrease of 24 per cent of the expected number. Even though the participation of 24,840 persons in the Programmes had been expected only 14,878 persons had participated.
- (v) Even though the conduct of 390 Pre-training Programmes had been expected only 328 Programmes had been conducted and indicated a decrease of 15.89 per cent of the expected number. Even though the participation of 23,400 persons for the Programmes had been expected only 15,081 persons had participated in the Programme and that indicated a decrease of 35.55 per cent of the expected number.
- (h) Even though the participation of 750 persons for the conduct of 3 Entrepreneurial Development Programmes in the year under review had been expected only 27 Programmes with the participation of 548 persons had been conducted.

- (i) Even though creating an awareness among 500 persons through the conduct of 20 Programmes under the name "Know your Business" had been expected, awareness had been created among only 160 persons through 16 programmes. According to the target, creation of awareness among 25 persons per programme had been expected, creation of awareness among 10 persons per programme only had been achieved.
- (j) Even though the supply of loans amounting to Rs.37.5 million to 150 apprentices who received vocational training in the year under review had been expected, loans amounting to Rs.17 million only had been granted to 78 apprentices. This representing a decrease of 55 per cent of the expected amount.
- (k) Unavailability of the minimum number of apprentices for 135 courses out of the 168 part-time courses conducted in the year under review, different fees charged for the same course, non-recovery of the course fees on one-off basis and action not taken for the recovery of the arrears of course fees amounting to Rs.5,874,000 were observed.
- (l) The certificates of 231 courses at 26 Centres for the year 2011 and the certificates of 152 courses at 23 Centres for the year 2012 had not been issued even by August 2013.
- (m) A sum of Rs.10,229,081 given by the Tertiary and Vocational Education Commission in the preceding years as aid for the Accreditation of Courses had been shown as a payable and the purchase of training equipment had not been done even by August 2013. Even though equipment should be purchased from the money given within one month and submit the documents to the Commission, it had not been so done.

4.2 Management Inefficiencies

(a) Conduct of Training Courses

The following observations are made.

- (i) According to the provisions in the Circular No. TVET/1/Cir/2004/1 dated 28 January 2004 of the Secretary to the Ministry of Tertiary Education and Training, 70 per cent of the total capacity should be available at the commencement of the courses. In instances where it is not so, the approval of the Secretary to the Ministry should be obtained. During the year under review 312 courses had been commenced without 70 per cent capacity while the capacity of 92 courses had been less than 50 per cent.
- (ii) The number of apprentices had decreased at the end of the courses due to reasons such as the lack of capacity at the commencement, failure to take alternative courses of action in terms of the Circular instructions in instances of low capacity and the failure to pay attention to the circular provisions. There were 182 courses in which abandoning courses had exceeded 30 per cent due the failure to follow the methodology specified in circular while the number in respect of the preceding year had been 87.

(b) Recruitment of Specialist Instructors

Two Instructors had been recruited to the Computer and Hotels Sectors on the basis of payment of a monthly allowance of Rs.150,000. The approval of the Board of Directors only had been obtained in that connection. Any information on the achievement of the expectations of the Authority through the recruitment of Instructors such as the improvement of the quality of the courses, the increase in the number of apprentices, improvement of the income, etc had not been furnished. Nevertheless, their services had been terminated at present.

(c) Conduct of Training Courses for the Staff

According to the decision No. 125/09 dated 26 March 2009, allowances can be paid to the trainees only when breakfast and dinner are not provided. Despite the supply of food and accommodation, a sum of Rs.205,100 had been paid as allowances.

(d) Financial and equipment aid amounting to Rs.502,949,307 had been supplied from the Hindusthan Machine Tool International Project for the Strengthening the courses in the Puttalam, Batticaloa and Nuwara Eliya Districts, introduction of new courses and updating the knowledge of the Instructors and Officers. The following observations and made in that connection.

(i) The equipment valued at Rs.29,921,663 supplied to the Batticaloa and Nuwara Eliya Districts had not been recorded in the Board of Survey Reports. Even though the goods issued to the Vantharamullai Batticaloa had been misplaced, the required courses of action had not been taken in that connection.

(ii) A decrease in the number of apprentices trained by the Courses for which resources had been supplied by the Project was observed.

(iii) Even though an officer provided foreign training by the Project had resigned, action had not been taken for the cost of the scholarships amounting to Rs.1,064,492 for the breach of agreement.

(e) Orders for the purchase of equipment valued at Rs.83,857,040 for the Motor Mechanics Course had been placed in February and May 2012. The following matters were observed in that connection.

- (i) Action in terms of the provisions in the Procurement Guidelines had not been taken and periods of 04 to 06 months had been taken for inviting quotations and placing orders.
- (ii) Goods for the orders placed in February and May 2012 had not been supplied even by May and August 2013.
- (iii) In view of the non-supply of goods for the Purchase Order No.18 placed in February 2012 on the due date, the supplier was informed by the Authority in June 2012 that the order will be cancelled and the supplier had agreed to supply the equipment between 10 to 15 July 2012. Nevertheless, the equipment had not been supplied even during that period. Action had not been taken in accordance with the decision of the Procurement Committee to cancel the guarantee bond.
- (iv) Even though the Report of the Technical Evaluation Committee for one item valued at Rs.6,840,673 had not been received up to July 2013, eight items valued at Rs.6,090,768 rejected by the Technical Evaluation Committee in July 2012 had not been resupplied even up to 31 July 2013.
- (v) Even though the Procurement Committee had decided on 04 October 2012 to cancel the Purchase Order No. 66 valued at Rs.47,322,040 , the Chairman had informed on 16 October 2012 to take action considering as if such decision had not been taken. It was observed in audit that the Chairman had taken action contrary to the decision of the Procurement Committee and that out of 19 categories of equipment ordered only 03 categories of equipment only had been received. The goods supplied had not confirmed to the specifications and certain equipment had defects. As such the Instructors had been instructed to use those subject to certain limitations. In view of the greater possibility damaging the equipment due to lapses and errors made by apprentices it was observed in audit that the use of defective equipment could be risky.

- (vi) Sixteen categories of rejected equipment valued at Rs.1,938,313 and 05 categories of equipment under item No. 1 valued at Rs.4,099,323 rejected by the Technical Evaluation Committee had not been resupplied even up to July 2013.
- (vii) Action had not been taken to include the name of this institution, which had failed to supply goods over a period exceeding one year in the black list. It was observed that the training activities had been delayed over a period exceeding one year due to the non-receipts of the required equipment.

(f) Work-in-progress

- (i) The final payment on the repairs carried out to the Bakery Unit of Thalalla Vocational Training Centre completed and handed order on 13 March 2011 had not been made even by December 2013 due to the failure to reach consensus on the sum of Rs.386,632 spent over and above the contract value amounting to Rs.2,171,788.
- (ii) Even though the construction work of the Mapakadawewa Centre valued at Rs.3,661,609 should have been completed 05 January 2012 the work had been completed only on 28 December 2012. A period of 05 months had been taken to inspect the work Site and point out defects.
- (iii) The work on 05 contracts valued at Rs.23,112,752 commenced in the years 2011 and 2012 had been delayed over periods ranging from 2 ½ to 13 ½ months. But the Authority had not taken action to recover the liquidated damages or take other courses of action on the works not completed within the specified periods.

(g) Purchase of Training Equipment

The Authority commences training courses in January and July and the training equipment required for the courses should be purchased during a period close to those months. The following observations are made in that connection.

- (i) Periods ranging from 53 to 366 day had been taken from the date of orders for the supply.
 - (ii) After the supply of equipment by the supplier, those should be referred to a Technical Evaluation Committee and only the equipment approved by the Committee should be purchased. Nevertheless, certain items of equipment had been taken over by the stores without referring those to the Technical Evaluation Committee. Delays ranging from 12 days to 334 days had been taken to obtain the reports of conformity of equipment to specifications from the Technical Evaluation Committee. Even though the equipment should not be issued prior to obtaining such reports, action contrary to that had been taken in certain instances and had obtained recommendations from the Instructors that such goods are in good condition.
 - (iii) Agreements in terms of the provisions in Section 8.9.3 of the Procurement Guidelines had not been entered into with the suppliers.
- (h) Instances of recording a lesser number of goods in the bin cards of the stores as well as non-recording of goods were observed. Action had not been taken on shortages amounting to Rs.4,742,905 and excesses amounting to Rs.2,304,837 identified at the stock verification of the main stores carried out in the year 2011. The value of shortages of 10 items of goods amounting to Rs.324,202 had been eliminated from the books without approval. Four items of goods valued at Rs.154,080 had not been produced for verification and the value of those items had not been included in the accounts.

- (i) The District Office at Anuradhapura had spent a sum of Rs.2,828,711 for the Deyata Kirula Exhibition. Even though sum of Rs.563,000 and Rs.613,915 had been spent on providing accommodation and food respectively for the officers who were on exhibition duty, a sum of Rs.424,500 had also been paid as a special allowance.

4.3 Transactions of Contentious Nature

The following observations are made.

- (a) The Value Added Tax had not been recovered from the payment made to a private institution for the preparation of the Register of Fixed Assets of the Authority and remitted to the Commissioner General of Inland Revenue. Despite the failure of the institution to carry out the work in accordance with the agreement a further sum payable amounting to Rs.1,762,076 had been shown in the accounts.
- (b) Even though 04 officers during the years 2008 to 2011 and 12 officers in the year 2012 had left the service, the gratuity payable to them amounting to Rs.3,843,139 had not been paid even up to 31 December 2012. A surcharge of Rs.109,908 had to be paid in connection with a case filed in the Labour Tribunal by one of the officers. It was observed in audit that surcharges will become payable in the future due to the failure to make payments on the due dates in terms of the Payment of Gratuity Act.
- (c) Even though an advance of Rs.40,000 had been obtained for the supply of food and accommodation to the Vice Chairman and spent a sum of Rs.40,505 in that connection, a further sum of Rs.44,000 had been paid to an institution for the same purpose.

4.4 Idle and Underutilised Assets

Five hundred and thirty two items of goods purchased in the year 2011 and prior years had been retained in the stores even up to February 2013 without being used.

4.5 Identified Losses

The following matters were observed.

- (a) Overpayments of salaries amounting to Rs.6,079,090 had been made in 80 instances due to the payment of salaries at steps higher than the initial step in making appointments.
- (b) Telephone charges amounting to Rs.10,934 recoverable from a retired employee had not been recovered.
- (c) A surcharge of Rs.8,100 had been paid for 07 official vehicles due to the failure to obtain the revenue licences on the due dates.

4.6 Contract Administration

The following matters were observed in connection with the contract of Rs.32,095,280 relating to the outer cladding work of the main three – storeyed building of the National Vocational Training Institutes, Narahenpita.

- (a) A total cost estimate in terms of the provisions in Section 4.3 of the Procurement Guidelines had not been prepared for this contract while only one quotation had been obtained.
- (b) According to Section 5.4.2 of the Procurement Guidelines, price variations can be considered only in respect of works exceeding 13 months. Nevertheless, price variations amounting to Rs.4,206,825 had been paid on this contract of a period of 45 days. That represented 13.11 per cent of the agreed contract value.
- (c) Even though the work should have been completed on 14 January 2012 in terms of the agreement, the work had been completed after a delay of 333 days.

- (d) Expenditure exceeding Rs.35 million incurred on this work is observed in audit as an uneconomic expenditure as the cladding work only improves the outward appearances of the building without any improvements to the office space which would improve productivity.

4.7 Resources of the Authority given to Other Institutions

The following observations are made.

- (a) Contrary to the provisions in the Public Enterprises Circular No. PED/12 of 02 June 2003, the Authority had released 25 of its employees to the Ministry and several other institutions. The Authority had paid a sum of Rs.4,446,919 as the salaries and allowances of 20 of those employees who had not performed any service of the Authority. It was observed in audit that some of those employees had been released for periods ranging from 01 year to 17 years and that there were 17 instances of release of employees from the date of recruitment.
- (b) Nine Instructors had been released without taking action in terms of objectives of recruitment and the conditions in the letters of appointment. As such it had not been possible to recruit the Instructors required for the courses.
- (c) An officer had been released before the recovery of a sum of Rs.135,744 recoverable from him in connection with an accident to a motor vehicle.
- (d) Contrary to the provisions in the Public Enterprises Circular No. PED/12 of 02 June 2003, three motor vehicles had been released to other institutions and the Authority had spent a sum of Rs.299,466 as repair and maintenance expenditure.

4.8 Staff Administration

The particulars of the approved staff and the actual staff of the year under review compared with the preceding year are given below.

Category of Employees	2012			2011		
	Approved	Actual	Excess / (Shortage)	Approved	Actual	Excess / (Shortage)
Executive Grades	11	08	(03)	11	09	(02)
Staff Grades	87	59	(28)	78	54	(24)
Others	1,830	1,673	(157)	1,842	1,691	(151)

The following matters were observed in this connection.

- (a) Thirty seven employees had been recruited in the year under review on casual, contract and permanent basis without a scheme of Recruitment while 43 employees had been so recruited in the preceding year. Action had not been taken to call for applications and to obtain the approval required for recruitment.
- (b) The Director General had been released to the Samurdhi Authority of Sri Lanka from the year 2008 and an officer had not been appointed to act in that post from the year 2011.
- (c) According to the approved staff of the Authority, there are 02 posts of Accountants and those two posts remain vacant from September 2010 and August 2011.
- (d) The academic staff and the non-academic staff of 33 District Offices and the National Vocational Training Centres had been 1,110 and 601 respectively. The non-academic staff in the ranges of 04 to 51 had been attached to each Centre and academic staff additional to the courses conducted had also been attached. As such it was observed that 234 members of the academic staff had been idle.

- (e) Forty nine members of the Instructors Service had been engaged in duties extraneous to the main objective of the Authority.
- (f) Instructors had been attached to Centres where the particular course is not conducted while in certain instances more than one Instructor had been attached for certain subjects.
- (g) The no-pay leave obtained by the employees in the year under review had not been reported to the Auditor General and 25 Instructors had obtained 214 days of no-pay leave. It was observed during the course of audit that excessive leave availed of by the Instructors had adversely affected training work of the apprentices.
- (h) Even though the Secretary to the Ministry had issued instructions that the Instructors who do not participate in training work should not be retained in the Centres and pay salaries to them and if salaries are so obtained for more than 02 months, the prior approval of the Ministry should be obtained in that connection. But salaries and allowances had been paid without taking such action.

4.9 Motor Vehicles Utilisation

The following matters were observed in this connection.

- (a) According to the Public Administrative Circular No. 11/2009 of 14 July 2006, the fuel allowance entitled to the officers should be paid as a monthly one off payment and it had not been so done in the payment of fuel allowance to the former Chairman and the former Vice Chairman. Instead fuel had been supplied to them from the fuel imprest. Accordingly, the former Chairman had obtained fuel valued at Rs.107,984 exceeding his monthly fuel entitlement.

- (b) Five officers of the B Grade Public Corporation who cannot be allocated official motor vehicles in terms of the provision in the Public Enterprises Circular No. PED/12 of 02 June 2003 had been allocated official motor vehicles and expenditure on fuel amounting to Rs.563,360 and Rs.537,480 had been incurred in the years 2012 and 2011 respectively.
- (c) The motor vehicle No. 19-9958 had met with an accident on Sunday 07 September 2008 and the information whatsoever regarding the duty for which the motor vehicle had been used had not been furnished to audit. Action had not been taken for the recovery of the sum of Rs.198,724 spent in repairing the motor vehicle exceeding the insurance indemnity from the officers responsible for the accident. A period of 58 months had been taken for carrying out repairs and taking over of the motor vehicle by the Authority and the motor vehicles had not been used for duty up to September 2013.
- (d) Deficiencies, such as the failures to take action on the recommendations of the Technical Evaluation Committee for the payment for repairs and repairs not carried out properly were observed.

5. Accountability and Good Governance

5.1 Corporate Plan

According to the provisions in the Public Enterprises Circular No. PED/12 of 02 June 2003, the updated Corporate Plan approved by the Board of Directors together with the updated budget should be furnished to the Auditor General 15 days before the commencement of the financial year. Nevertheless, the Corporate Plan prepared from the year 2012 onwards and the Action Plan approved by the Board of Directors had been presented only on 02 March 2012.

5.2 Budgetary Control

Significant variances were observed between the estimated income and expenditure in the revised budget and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Fixed Assets
- (b) Cash and Bank
- (c) Accounting
- (d) Motor Vehicles Control
- (e) Advances and Purchases
- (f) Debtors and Creditors
- (g) Staff Management
- (h) Stores Control
- (i) Apprentice Training

H.A.S.Samaraweera
Auditor General

Auditor General,

Replies to the Report of the Auditor General as per section 14 (2)(c) of the Finance Act No. 38 of 1971 with regard to the financial statements of the Vocational Training Authority of Sri Lanka for the year ended 31 December 2012.

2.2.1 Not agreed.

Items below the value of Rs.2000 have not been capitalized in the final accounts that were submitted. Despite been entered so in the list of items received under HMTI foreign aid, items below the value of Rs.2000 that were represented there have been entered as revenue expenditure.

2.2.2 (a). Not agreed.

As the value of the vehicles increases consequent to the expenses incurred in this manner, this has been entered in accounts as capital expenditure.

(b). Agreed.

Action was taken to calculate the gratuity allocations correctly as at 31.12.2013 and correct the situation.

(c). Although these employees have left the service, they have not been paid the salary that was due for the last month of their service and they have not been released from service. Accordingly, the amounts of the loans that were due from some of those employees were recovered from the gratuity paid to them when they were released from service paying the salary for the last month of their service. Action will be taken during year 2014 to settle the matters related to the balances that have to be recovered further.

(d). Allocations had not been made for the payment of gratuity to those 07 employees in year 2011 due to an oversight. However allocations were made for that in year 2012.

An amount of Rs.112,227.00 of which the payment had been completed had been brought forward in the accounts due to an oversight and this was corrected in year 2013.

(e). Not agreed.

The amount of Rs.9,669,450/- which is relevant to year 2011 is related to approved leaving of courses and that amount has been adjusted to accounts since it cannot be brought forward as balances receivable.

- (f). This amount is an advance paid out of a guarantee deposit and the goods had been received and all the payments had been settled by 30.04.2013.
- (g). It is admitted. Action has been taken to enter leave without pay into each year's accounts within the relevant year since 2013.
- (h). This salary that is to be recovered has been entered into accounts in year 2012 as receivables.
- (i). Action has been taken to calculate and enter into accounts the value of these library books and to submit a report to the Auditor General
- (j). i) Not recovering a sum of Rs.942,783.00 that is receivable as telephone charges during the year under review.

I admit that the telephone charges that have exceeded the specified limits have to be recovered from the salary of the officers who are in-charge-of the relevant telephones in terms of Circular No, 2010/01 issued by the Authority. The limit of monthly telephone usage for the official residential telephone of the following officers is Rs.2000/-.

Mr. K.J. Koralage - Director
Mr. Mahinda Jayatilake - Deputy Director

But the Audit has made calculations considering the limit of their monthly official residential telephone usage to be Rs.1000/-. Accordingly they have not exceeded the limits specified on monthly telephone usage. Similarly, details related to other officers have been attached hereto (Annexe 01).

According to this list, the approved monthly official telephone usage is Rs.4000/-. When each month is considered separately, it seems that the specified limits have been exceeded, but when the full year is considered as a whole, most of the District Centres have not exceeded their limits. As per Annexe 01 which contains the relevant information, only the following duty stations have actually exceeded the specified limits of telephone usage.

1. Assistant Director - Narahenpita Vocational Training Centre

- | | | |
|----|------------|-------------------|
| 2. | Puttalam | - District Office |
| 3. | Gampaha | - District Office |
| 4. | Kalutara | - District Office |
| 5. | Ratnapura | - District Office |
| 6. | Batticaloa | - District Office |
| 7. | Galle | - District Office |

Action will be taken to recover the amounts that are relevant to telephone usage exceeding specified limits from the officers-in-charge of those telephones.

- ii) The amount of Rs. 151,437.00 that is receivable for year 2009 will be recovered from the relevant officers as per the limits specified in the Circular and the details with regard to the same will be submitted to the Auditor General.

Telephone charges amounting to Rs.1,334,385.00 had been written off as expenses of the year under review due to an omission and action will be taken to prevent the occurrence of oversights of this nature

- (k). As the payments related to the construction of these buildings had not been completed and the buildings had not been examined and received by the Construction Department, it had been entered under work in progress in year 2012. As payments have been completed by now, adjustments have been made to the buildings account.
- (l). The amount of Rs.54,468.00 which had been recovered from the gratuity allocations as overseas leave without pay has been credited to the gratuity account.
- (m). Agreed. Action has been taken to prevent the occurrence such errors in future.
- (n). Not agreed.
Allocations have been made for audit fees in year 2013 and it has been shown under expenses in the final accounts.
- (o). The whole of the registration fees charged from the newly enrolled apprentices is credited to the relevant accounts and the number of apprentices that has been mentioned here has been calculated to be 2399 based on the performance report. An internal arrangement is in effect to collate the information related to the numbers of students shown the in performance reports and those in the final accounts since year 2013.

Action will be taken in future to complete the payments related newspaper advertisements and to enter them in accounts within the year in which they are published itself.

2.2.3

(a),(b).

These balances are receivable from institutes coming under the Authority and the line ministry and there has been difficulty in recovering these amounts. Director (Finance) submitted a report regarding this matter to the Board of Directors for their attention and the Board of Directors asked the Chief Internal Auditor to submit a comprehensive report of this matter. Considering the facts contained in the report submitted to the Board of Directors by the Chief Internal Auditor, the Board of Directors has advised on the action that should be taken and future action will be taken accordingly.

(c). A Board Paper containing detailed descriptions of these balances has been submitted to the Board of Directors by Director (Finance) seeking advice and action is being taken at present to settle this matter as per the directives of the Board of Directors.

(d). Enquiries were made from the embassy, Controller of Immigration and Emigration and the relevant Divisional Secretaries and Grama Niladharis about these three officers, but sufficient information could not be obtained about those officers. The Secretary to the Ministry was kept informed regarding this matter and instructions were received to call explanations from the responsible officers and action is being taken accordingly.

Description	Amount	Explanation
Piyawardane and Company	1,762,076.00	Allocations had been made in the previous year for the same task which was carried out in year 2009, and as payments are not made for this task action will be taken to write off from accounts.
Refundable tender deposits	293,064.44	Refundable tender deposits and retained money are released only after the relevant parties have made requests and action has been taken to credit these amounts to the revenue accounts in year 2013 if the suppliers are not responding to this.
Retained money	4,319,901.16	

2.2.4 Lands

The ownership of the lands belonging to the 26 Centres where the buildings that are mentioned in the audit inquiry have been constructed is as follows:

No. of Centres in state lands 22

No. of Centres in lands belonging to the Land Reforms Commission 02

No. of Centres belonging to Mahaweli Authority of Sri Lanka

The action that has been taken to acquire the lands in which each Centre is situated to the VTA is mentioned under No. 02 of the schedule to this report.

In addition to that, a discussion was held at the Ministry of Land and Land Development on 10.11.2013 chaired by the Additional Secretary (Land), Ministry of Land and Land Development, to discuss the acquisition of state lands in which Vocational Training Centres are established to the VTA and at this discussion the Additional Secretary (Land) stated that action can be taken to transfer to the VTA the lands in which the VTA has already constructed buildings first and those in which buildings have not been constructed second. The Additional Secretary (Land) has instructed the VTA to prepare separate lists of the lands in which the VTA has constructed buildings and those in which buildings have not been constructed, to select surveyors to survey those lands and to submit those lists along with the names and addresses of the surveyors. Action is being taken accordingly.

Subject	Value	Reply
Stock	27,743,985	All the documents have been submitted to audit.
Balance receivable	28,737,083	As these balances are those prior to 2006, it has been practically difficult to obtain verifications of these balances.
Expenditure on promotion	340,272	Sponsor advertisement for the souvenir – Rs.50,000/- Publishing a newspaper advertisement – Rs. 200,000/- Publishing an advertisement in the gazette for enrolling apprentices – Rs.90,272/- A separate file is not maintained for this and the relevant documents have been attached to the vouchers.
Expenditure on promotion	256,000	This voucher was submitted to audit and has been examined by the audit.
Expenses (Salacine)	6,500,000	A properly maintained file related to this could not be found and a file had been made using the information obtained from the communications that had been exchanged. The bills in that file had been attached as annexes. VTA has not made payments for this purpose and as Salacine continues to make requests for payment, these balances have been entered in accounts in this way
Expenditure on World Tourism Day.	1,000,000	

2.2.4

Fuel : 13,826,300 : Although the number of vehicles is stated as 141 here, the number to vehicles belonging to the Authority is 135.

It is kindly informed that the vehicles bearing the following numbers do not belong to the VTA.

59-0097 250-0663 58-1310 64-7724
 NB-6110 YQ-8756

Daily running charts of the following vehicles have been submitted to audit.

JQ-2949	XH-5247	63-0316	PC-0994
XH-4974	XH-4991	XH-4980	XH-5109
XH -5239	PC-0997	XH -4970	XH -5112
32-2836	LF-8828	XH -4957	XH -5188
56-4647	YI-8351	PE-1488	XH -5181
XH -5103	54-9655	NB-3507	WL-0915
64-9724	32-2837	UK-7814	YV-5649
YI-8327	PC-1086	PE-0195	UL-4371
XH -5011	XH -4964	YV-5648	QM-5038
XH -5099	XH -5193	31-6020	NA-9803
QD-3612	YV-5650	XH -5003	PB-6243
NA-7309	301-8723	PC-2213	
KR-1063	PC-2221	19-9959	KI-2558
PC-5371	KI-3601	PC-2217	251-7985
YI-8345	56-4644	64-1602	51-6016
LF-8829	59-0271	19-6176	LF-8827
PE-1491	32-2835	56-4622	64-3186

LF-7340 should be corrected as LE-7340.

VI-8343 should be corrected as YI-8343.

LF-7345 should be corrected as LE-7345.

The running charts of the following vehicles were not submitted to audit. Explanations have been called from the officers who are responsible for that and soon after receiving the running charts they will be submitted to audit without delay. (Relevant details are given in Annexe 03)

WL-0889	PC – 5376	XH -5129	62-5483
31-6015	XH -4985	YV-5639	62-4814

YK-9746 should be corrected as WK-9746.

The vehicles bearing the following numbers have not been used by the Authority during the past years. Details relevant to those vehicles are as follows:

- PA-1227 - Has been given to Ministry of Indigenous Medicine.
- 18-5640 - Has been given for the use of practical training for the apprentices.
- 300 - 2814 - Has removed from use due to high fuel consumption and unroadworthy condition.
- KI-2563 - Has been given for official use of the Hon. Minister.
- 19-9958 - Had been sent for repairs.
- 59-0267 - This is a cab. It has had an accident in year 2002.
- 31-6018 - It is not being used at the moment. A decision has been made to give it for practical training of the apprentices.
- 62-2015 - It was not being used at that time because it had been sent for repairs. Repairs have been completed at present and it has been given for the use of driving training at National Vocational Training Centre at Mirijjawila.
- 15-5323 - Was not in running condition during the past period and it is due to be given for practical training of the apprentices.
- 60-8860 - Not being used as it has had an accident. (It is due to be given for practical training of the apprentices.)

- KI-2565 - It had been given to the Ministry of Sports. It has now been taken back by the Authority.
- 31-6019 - This is a jeep. It was not used as it was not in running condition. This vehicle, too, is due to be given for practical training of the apprentices.
- 40-7898 - Has been given for practical training of the apprentices.
- MO-3381 - Has been given for driving training, but has not been used.
- QM-5039 - Has been given for practical training of the apprentices.
- YV-5653 - Due to be used for driving training. Has not been used at present.
- 53-0490 - Has been sent for repairs.
- QM-5040 - Has been given for driving training, but has not been used.
- YV-8010 - Has been given for driving training, but has not been used.
- 62-6616 - Has been given for driving training, but has not been used.
- YV-5651 - Has been given for driving training, but has not been used.

The running charts of the vehicles mentioned in Annexe 03 have been submitted to audit by now. The relevant officers have been instructed to submit the other running charts which have not been submitted so far.

The reasons for not submitting the running charts of the following vehicles to Audit have been stated against the number of each vehicle.

- | | | | |
|---------|---|---|--|
| 26 8167 | - | } | Had been sent for engine repairs. |
| 42-5521 | - | | |
| 59-0289 | - | | |
| 63-3436 | - | | Had been sent for repairs. |
| PE-6521 | - | | This vehicle was obtained from the Ministry as a temporary arrangement. It was returned in 2012. |

17 vehicles - Admit the failure to submit the relevant monthly summaries to Audit. Action will be taken to correct this situation in future.

Deyata Kirula - Expenditure – Rs.3,646,031/-. The relevant file and the documents verifying that the equipment were provided.

Action will be taken to submit the relevant file and the documents that verify that the equipment was provided.

Settling the advance payment of Rs.400,000/- for travelling.

Rs.400,000/- was paid as advance for Deyata Kirula Exhibition and the vouchers related to settling this advance payment are submitted to Audit.

- 2.2.5 (a). There was no possibility of carrying out audit activities according to the annual audit plan during the first two quarters of year 2012 due to the special duties and investigations, which were of timely importance, assigned outside the annual audit plan by the then Chairman. 41 activities of this nature had been carried out during that period working outside the audit plan.

In addition to these special programmes, 11 special audit programmes were implemented in the districts and the relevant 11 audit reports were submitted during the first two quarters following the instructions of the then Chairman. Accordingly, audit investigations were not carried out as per the audit plan during the first 03 quarters of year 2012 and audit reports were not submitted to audit. From the third quarter of 2012 and onwards, 09 audit investigations were carried out as per the audit plan and the relevant reports have been submitted to the Auditor General. Details of the same are as follows:

Audit investigations carried out as per the Annual Audit Plan of year 2012

<u>Details</u>	<u>Date of submitting audit report</u>
District Audit - Polonnaruwa	19.10.2012
District Audit - Trincomalee	19.10.2012
Courses that were not commenced during year 2012	06.11.2012
District Audit - Puttalam	22.11.2012
Auditing the transport activities	05.12.2012
Audit at National Vocational Training Centre, Narahenpita	12.12.2012
District Audit - Anuradhapura	-
District Audit - Kurunegala	06.02.2013
District Audit - Moneragala	06.02.2013
District Audit - Niyagama	06.02.2013
Auditing the Finance Division	13.02.2013

b.

- i. These payments have been calculated as in terms of the Shop and Office Employees Act.
- ii. It is admitted. Action was taken to issue a circular related to this so that the necessary action relevant to this be taken in year 2014.

c.

- i. It is admitted. Action has been taken to correct this situation from year 2013.
- ii. As these balances had been coming over several years they cannot be verified.

d.

- i. Action will be taken in future to charge the 10% retention tax and to remit it to the Commissioner General of Inland Revenue.
- ii. It is admitted. Action will be taken in future to get the approval of the Secretary to the Ministry for expenses of this nature.
- iii. It is admitted. Every effort is made to get the monthly leave reports of the staff of the Authority who are employed in the 253 Centres of the Authority throughout the country in the following month itself when the relevant month has elapsed, but there are occasions where additional time has to be taken due to the delays caused by practical difficulties. However, arrangements have been made to recover the relevant amounts within the relevant year itself since 2013.

- iv. Fuel consumption of the vehicles was checked through a committee headed by a staff-grade officer of the Authority and the required standards have been established. Balancing related to the fuel consumption of vehicles is carried out as per these standards.
- v. It is admitted. The necessary instructions for claiming overtime allowances have been given through the relevant format.

e.

- i. The performance part of the 2012 annual report has been completed by now and a copy of that is submitted to the Auditor General for auditing. As the Auditor General's report has not been received in all the three languages in terms of Section 14.2 of the Finance Act, the complete annual report is not submitted.
- ii. It is admitted. The 2011 Annual Report has been referred to the Cabinet of Ministers seeking approval for presenting it to Parliament.
- iii. The funds for year 2012 which were in excess have not been invested.
- iv. It is admitted. This appointment was made on acting basis due to urgent service requirements. However, action will be taken to recruit staff for all the vacant positions after the proposals for restructuring have been implemented. The number officers working on acting basis which used to be 44 has now been reduced to 18.

f.

- i. It is admitted. The numbers related to attaching of apprentices to various Divisions of the Authority for training were determined in year 2007, but numbers of apprentices exceeding the numbers approved in year 2007 have to be attached now as the functions of the Authority have now widely expanded. Arrangements will be made to carry out a comprehensive review on this and to determine the number of apprentices required for each Division of the Authority.

3.1 Agreed.

3.2 By now, the number of cases that have been filed against the Authority is 09 out of which 02 have been withdrawn by the complainant parties. One case has been settled and the necessary action has been taken regarding the remaining 06 cases. (The relevant report is attached as Annexe 04)

3.3

The amount of money that will be spent during a particular year is determined based on the amount of the provisions received from the Treasury. Therefore, it is not practical to compare the expenses with those of the previous year.

3.4

4.1 Performance

- (a). The number of apprentices that have been enrolled has exceeded the estimated number by 2.57%. It is done so in order to meet the targets of producing trained apprentices after making adjustments with the numbers of course dropouts.
- (b). Certificates are issued to apprentices who have completed further training by the relevant year only if they have passed the final examination. The number of apprentices attending the final evaluation has reduced as the apprentices find jobs during the period they have been sent for further training. In addition, the required amount of equipment necessary for course accreditation could not be provided as the provisions received were less than the expected amounts. Accordingly the courses were not accredited and as a result the Tertiary and Vocational Education Commission had not granted permission to carry out the evaluation activities of the courses. Accordingly, the number of apprentices who passed the examination has reduced by 28.58%.
- (c). The number of course dropouts has reduced to 11.23% by year 2012. This has reached a minimum level when compared with the previous years. The relevant Assistant Directors have been informed of this situation and they have been given instructions on preventing this situation. A proper programme has been implemented effective from year 2014 to improve the quality of the courses up to the expected standards considering the recommendations of the committee that was appointed for that.

- (d) The number of those who were placed in jobs has reduced by 21.3% of the target. The number of those who are placed in jobs has reduced due to various reasons like leaving the workplaces after placing for employment, leaving the workplaces due to environmental and cultural factors, lack of willingness of the apprentices coming from outside areas to engage in employment in Colombo, lack of sufficient job opportunities as most of the trained persons belong to the field of computers, female Muslim apprentices not willing to be placed in jobs, those who were trained in the fields of beauty culture and garments not accepting job placements, poor placement in jobs in the Northern and Eastern areas due to the shortage of officers and the members of the security forces joining the courses.
- (e). The above reasons contributed to the decrease of placement in jobs by 35% in year 2011.
- (f). An amount of Rs.500,000/- had been allocated for the Research and Development Division for the year under review and plans had been made to carry out 03 researches and 05 search studies. It is admitted that the relevant researches were not carried out and the relevant funds were not spent during that year. Transferring of officers from time to time (engaging in other duties in Districts) and limited provisions contributed to this situation. Action has been taken by now to attach the relevant officers to the Research and Development Division and to provide as much allocations as possible.
- (g). Recognition of Prior Learning (RPL) programmes are conducted in every district in order to recognize prior learning and qualified technicians who take part in those programmes are selected for that. In every district, programmes are conducted based on the minimum number of applicants in different fields. Accordingly, the courses mentioned here were conducted on the request of the technicians.
- (h).
I The programmes of the Field Officers were combined and awareness programmes for parents were carried out under that. Accordingly, although 132 programmes had been targeted by the Field Officers, 662 programmes were conducted combining two categories of programmes.

- II When conducting certain programmes, a decrease can be noticed in the whole expected number. This could be due to the busy schedule caused by the activities of the skills corps. There is a decline in conducting programmes due to the lack of transport facilities for the skills corps to travel to the difficult areas in the Northern and Eastern provinces in order to carry out awareness programmes for students by the skills corps.
- III When conducting programmes at Youth Corps Centres, it is difficult to carry out these programmes due to the difficulty in finding opportunities at Youth Corps Centres for implementing these programmes because of the various activities carried out in those Centres. Further, it is difficult to find opportunities for these programmes because of the passing out functions and various other events.
- IV The participation in the Northern and Eastern areas is poor because a sufficient number of awareness programmes had not been conducted for trainees.
- V It is also noticed that the number of pre-training programmes that had been conducted is not sufficient as above. There is a decrease in the number of programmes conducted because programmes were conducted combining the Centres.
- (i). The number of entrepreneurship programmes conducted has reduced because of the engaging of resource persons in other duties. Action has been taken by now to correct this situation.
- (j). The target number of students for participating in “Know Your Business” programmes is selected based on the number of students enrolled in the courses. Accordingly there can be occasions where planned targets cannot be met. Apart from that, the poor student demand for entrepreneurship skills has also led to poor participation in those courses.
- (k). The progress of giving SEPI loans is very poor because of the strict rules and regulations in effect at commercial banks and also due to the difficulty in giving guarantee bonds. Therefore attention has been drawn towards other loan facilities parallel to this loan scheme.

4.2

- (a).
- (i) It has been decided to revise the number retaining for courses which have a demand in the job market, but which do not have social demand, to a minimum of 10 for each course. (Eg: Carpentry, masonry, welding, plumbing etc.) In addition to this, action will be taken to get the approval of the Secretary to the Ministry on occasions where the number enrolled for courses which have high social demand is less than 10.
 - (ii) Although the number of apprentices enrolled for a course is 15, more apprentices were enrolled in the past years as there is a tendency leaving courses before finishing them. In such situations there is a high percentage of course dropouts. Therefore instructions have been given to enroll only the target numbers for the courses in future.
- (b). Registration fee for apprentices.
- According to the number of enrollments, registration fees have been correctly entered in accounts and arrangements have been made to reconcile the details given in other reports and those given through final accounts.
- (c). Action was not taken to terminate the payment of this officer's salary as the then legal officer pointed out that a legal issue could arise with regard to terminating his salary since he had filed a case in the Supreme Court against interdicting him. But, after the appointment of the new Board of Directors, his salary was terminated with effect from May 2013. A charge sheet was issued against him based on the preliminary investigation report, a formal disciplinary inquiry was made and action was taken to sack him as per the recommendations of the investigation report. Accordingly he has been informed to repay the salary that had been paid to him in full, but, as he has refused repaying the salary, advice has been sought from the Attorney General regarding this.
- (d). Accordingly, one meeting was conducted in each of the quarters during the first half of the year. The Board of Directors of the Authority was dissolved in September 2012, but the new Board of Directors was appointed in 2013 and therefore, audit and management committee meetings were not held during the 3rd and the 4th quarters of the year.

- (e). The service of these two specialist consultants has been terminated with effect from 12.11.2011. The detailed information with regard to this was submitted to audit relevant to year 2011.
- (f).
- I It is admitted. As this training programme was continued until 10.00 p.m., the participants could not get meals from outside and therefore action was taken to provide them with dinner with the prior approval of the then Chairman. Arrangements have been made to prevent the occurrence of incidents of this nature in future.
- II Action has been taken to conduct training programmes at National Co-operative Council of Sri Lanka without calling for quotations since it is a government affiliated institute and as residential facilities are available there.
- (g).
- (i) The items provided to Batticaloa and Nuwara Eliya Districts have been listed separately and have been entered in registers. Action is due to be taken regarding the lost items which had been provided to the Vandaramulai Centre.
- (ii) The number of apprentices decreased due to the shortages that had existed at the commencement of the project, but this situation has been corrected with the receipt of training equipment and with proper arrangements. In addition to that, the minimum qualification that apprentices should possess for enrollment in CNC (Computer Numerical Control) was decided as passing Machineman Level 03. The lack of sufficient number of apprentices with this minimum qualification in that area also has contributed to this situation.
- (iii) The relevant amount could not be recovered from this officer at his resignation as per the agreement he had entered into with the Authority as he was appointed to a permanent and pensionable post at the Department of Technical Education and Training, which is an institute coming under this line Ministry. Action has been taken to transfer that agreement to the relevant department as per the instructions of the Secretary to the Ministry.

(h).

- I. A considerable delay has occurred as the suppliers had not submitted samples and therefore the technical evaluation reports for most of the equipment in the order had to be issued after carrying out a long study of the descriptions that the suppliers had submitted. It is also admitted that there has been a delay due to the fact that the members of the technical evaluation committee are the officers who are engaged in teaching and administrative affairs of the District Centres and therefore, they had to work so that their usual duty was not affected. Attention has been paid to this matter and arrangements will be made to prevent the occurrence of situations of this nature in future.
- II. This equipment was purchased for further improvement of the courses and most of such equipment is not commonly available in the market. They have to be designed to suit training activities and are used only for training purposes. Further, it also takes some time for the production of the equipment. They also have to be imported from other countries and because of these reasons, such a long delay has occurred. Although this caused some delay for the trainees, this situation could be minimized as the equipment was received before the end of their courses.
- III. Out of the equipment the supplier had supplied related to Order No. 18, the Technical Evaluation Committee had recommended the acceptance of equipment of 44.5% of the value of the order to the stores (Page No.851) and 07 items which were supplied later were rejected by the Technical Evaluation Committee. The tender board had been informed of this matter and the tender board decided on 25.07.2013 (Page Nos. 857-858) that the bank guarantee be extended up to 15.09.2012 and the balance amount be paid to the supplier after reducing the amount that had been paid as advance and retaining 5% of the value of the items that had been supplied. Accordingly, the supplier had extended the bank guarantee up to 15.10.2012 (Page No.863).
- IV. Equipment worth Rs. 6,840,673/- was supplied and the final evaluation report was submitted on 03.10.2012. Although equipment worth Rs. 6,090,768/- had been supplied, the relevant equipment was rejected by the Technical Evaluation Committee due some issue related to the country of production of the equipment, and the same equipment was not supplied again.

- V. The requirement of the relevant equipment for the training was discussed again by the Tender Committee which decided to cancel the decision that had been taken earlier and to update the tender again. Accordingly, the decision was communicated to the Supplies Manager as the President of the Tender Committee and the relevant decision together with the signatures of the members of the Tender Board has been attached hereto. The instructors had not been kept informed of this engine and therefore certain issues arose. Later the instructors were called and a workshop was conducted for them to educate them on the function of this engine and the relevant parent company had provided DVDs containing videos on the function of this machine and arrangements have thus been made to carry out the training programmes without difficulty. Out of the 19 items related to this order, 03 items were supplied by the supplier and it was 83.32% of the total value of the tender.
- VI. The supplier had not submitted 16 items related to Order No.66.
- VII. It is admitted. This company has not been blacklisted considering the facts that there are only a very limited number of suppliers of such equipment and only a few tenders are received.
- (i)
- i. Since this task had exceeded the contingency expenses limit by 10%, the then chairman had submitted this for approval of the Secretary to the Ministry. As we have not received the relevant approval, provisions have not been allocated and based on the ministerial decision, action will be taken to do the adjustments of the accounts.
- ii. Although the construction activities of this building have been terminated on 31.12.2012, as a long time was consumed by the construction division to conduct the inspections, to do recommendations and to make the payments, action has been taken to transfer the relevant value to the building account in the year 2013 as work further continued from the year 2012.
- iii. Action has been taken to recover delay charges from the relevant contractors and amounts of money equivalent to the performance bonds as they have not been extended in relation to these projects which have been delayed.

iv. A time extension has been provided by the procurement board in relation to the projects where reasonable reasons have been provided for the inability to terminate within the contracted period, and action has been taken to recover charges for the delays which have not been supported with reasonable reason in accordance with the agreement.

(j)

(I). These payments have been delayed owing to reasons like mistakes in the final evaluation reports, incomplete supply of equipment by the suppliers relevant to the order placed, and mistakes in the invoices submitted by the suppliers. Arrangements are being made to make the payments while rectifying the mistakes mentioned above. Several payments out of these have been concluded even by now. I will take action to complete the payments of the remaining payments in the future.

(II) It has been delayed to make these payments owing to the displacement of the final technical assessment reports pertaining to these equipment and the mistakes in the invoices. The payments were made in the year 2013 after obtaining a report from the regional centres which have issued the relevant equipment and from the instructors who utilize the relevant equipment.

(III) Action will be taken to rectify the situation in the future.

Mrs.U.G.S.C. Kariyawasam bearing the salary number 809 has applied for no pay foreign leave for a period of 6 months from 2012.06.01 to 2012.12.01 on a personal reason . Accordingly she has signed for a service agreement of 01 year which is two times than the no pay foreign leave period that she has applied for.

But only a period of 03 months was approved as the no pay foreign leave period by the ministry. From 31.08.2012 onwards, i.e. from the date on which the no pay foreign leave period expired, she resigned from the post.

Although she has signed for a compulsory service contract period of one year in order to obtain foreign leave for a period of 06 months, and since only 03 months foreign leave was approved on behalf of her, half of the agreed amount of money for the compulsory service period that she signed for was charged from her, considering the compulsory service period as 06 months.

- (k) As per the inspection report submitted by the internal auditor with relevance to the deficiencies and the surplus of the stores, deficiency value revealed was Rs.159301527. When the 25% of institutional charges are added to this the total value to be recovered is Rs.1981177.83. Arrangements have been made to take disciplinary action against the relevant officer in relation to this deficiency.
- (l) Combined allowances have not been paid for the officers who participated in the Deyata Kirula exhibition in Anuradhapura, and a sum of Rs.424.500 has been paid as special allowances paid for exhibition duties.
- (m) As per the estimates prepared for all these half term courses, the courses are started even if the minimum numbers of learners are not available. In order to popularize and recruit more learners to these courses payments are obtained in two installments. There are several instances where the learners have deserted the courses after paying the first installment. The second installment can not be recovered in such instances. However when making the payments for the instructors of these courses the estimates have been re-amended in order that the authority does not incur any loss.
- (n) The evaluations of the first groups of students of the six months courses of the year 2011 are conducted after January 2012 and the evaluations for the second groups of students are conducted after June 2012. Most of the certificates have been issued by now and owing to accredited issues of the courses arrangements are underway to issue certificates with relevance to the results that have been sent to the Tertiary and Vocational Education Commission.

- (o) The attention of the supply section has been drawn to purchase equipment using the allocations made by the Tertiary and Vocational Education Commission in order to accredit the courses during the past years.

4.3

- (a) In the year 2009 on which this task was accomplished ,allocations were made for the total task and as payments were not made in this regard, action was taken to write this off from the accounts in 2013.
- (b) As per the Payment of Gratuity Act, gratuity money should be paid to an employee within 30 days from the date of service termination, but it is problematic to make these payments until the particular individual who terminates service provides an accurate list of company owned equipment and documents in his possession. Especially as far as the officers like instructors of the academic staff of the Authority are concerned, their payments are delayed until they hand over the training materials and training equipment which are in their possession. Similarly most of these officers are serving in District and village level training centres located in different areas of the island. Delays occur when collecting information on the amounts to be recovered from such officers. Hence, owing to this type of practical problems and unavoidable circumstances that occur in this process, there have been instances where payments could not be made within 30 days. But every attempt possible is made in order to make the payments within the given time. However, when there are delays in making the gratuity payments, arrangements will be made to make the particular employee aware of the reason for the delay.
- (c) An advance of Rs.40000 has been obtained for food and accommodation facilities of the vice president and RS.44000 has been paid for providing accommodation facilities for the officers who took part in the Deyata Kirula Exhibition.

4.4

- (a) Action was taken to close down al the dormant accounts in the year 2013.
- (b) A large amount of the relevant goods have been issued by now .Action will be taken to issue the balance after identifying the requirements.

4.5

Action will be taken not to sponsor for concerts and for sponsorship banners in the future.

4.6

- (a) Action has been taken to place these officers in the relevant salary grades already.
- (b) Accepted.
- (c) The computer software which provided internet facilities has been disconnected.
- (d) Accepted. Disciplinary actions have been taken regarding the particular officer who is related to this.

4.7

- (a) This contract has been entered into under the “Design and Build” Procurement method. The said procurement method has been selected owing to the impossibility of finding staff within the Authority for such a creation and for preparing such an estimate. Arrangements were made to obtain bids for this purpose by advertising in the news papers following the National procurement method. Accordingly only a single bid was received for this.
- (b) Price fluctuations have not been paid for this contract .But payments have been made as extra payments for exceeding amounts and certain substitutes of certain items.

(c)

As a result of the changes and additions done from time to time based on the productivity of this creation when this activity was carried out, and as a result of the abundance of certain raw materials, this activity consumed more time than it was planned.

- (d) Owing to the fact that this building was a building with an ancient outer appearance, fixing external coverings and illuminating were the most simple alternatives that could be materialized under the conditions of maintaining the attraction of the learners and the arrogance of the institution. Through this the National Vocational Training Institution has become a landmark building in Colombo town and as a result the institution has received more social attraction than earlier.

- 4.8 (a) It has been informed that, following the audit inquiry, 25 officers of this Authority have been released to external institutions on a long term basis. But out of the particular 25 officers, only 13 officers have been released to external institutions including the line ministry by now. The relevant details are indicated below.

1)	Number of employees no longer in service in the Authority	07
	Number of officers who reported back for duty in the Authority	05
	Number of officers who have been attached to the Ministry of Youth Affairs and Skills development	08
2)	Number of officers released to external institutions	05
		<u>25</u>

Officers have been released to the Line Ministry, Presidential Secretariat, and Parliament of Sri Lanka in the above manner on the basis of the service requirements. As the service of the aforesaid officers was further required by the relevant institutions during the past period, it was not possible to summon them back to the Authority.

- (b) Only four instructors are attached to the Ministry of Youth Affairs and skills Development at present. These instructors have been attached to the Ministry to provide assistance with relevance to the policy principles taken when planning technical courses. Accordingly, there will not be any inconsistency with the conditions mentioned in their letters of appointment.

- (c) This officer is entitled to a sum of Rs.40,865.00 as the salary and allowances of her permanent post. This officer who has been appointed as the coordinating secretary to the secretary of the Ministry of Child Development and Women's Affairs with effect from 17.07.2012, and has been released from the Ministry under salary reimbursement. A salary of Rs.40865.00 has to be paid for her if she continued serving in her permanent post and some other person will have be appointed for the post of coordinating secretary to the secretary of the Ministry and the salary for that post will also have to be borne by the government. Therefore when considering overall aspect of the matter, this method has been more financially advantageous to the government and due to that reason action has been taken not to recover the sum of Rs.99167.50 which has not been reimbursed from her considering it unfair to do so. It is necessary to mention that this has not incurred any loss for the government as well
- (d) Mr. G.M.P.A. Gallaba bearing employee number 294 has informed that he intends to resign with effect from 03/03/2012. This resignation has been accepted by now. Action has been taken to pay his gratuity money. A committee has been reappointed with the leadership of the present vice president in order to inspect all the details owing to the shortcomings of the report of the earlier committee appointed in relation to this vehicle accident and the present director board has decided to forward the recommendations of the said committee to the secretary to the ministry and to get instructions. Accordingly, a decision will be taken in relation to recovering money from the responsible parties.
- (e) Both these officers have been appointed to these posts on the contract basis and their service contract periods have expired as follows and their service contracts have not been extended after the particular dates.

Name	Date of terminating the contract
Mr.D.M.R.C.A.K. Bandara	- 2012.10.31
Mr .R.M.N.D. Rajaguru	- 2012.12.31

- (f) KI – 2563 - Attached to the ministry on the basis of the service requirement
- KI – 2565 - This vehicle has been handed over to the Authority again.
- PA –1227 - This cab is used by the Ministry of Indigenous Medicine and they have been informed to hand it over. But it was not responded.

4.9

- (a) These recruitments have been made on the basis of the service requirements. But with relevance to the restructuring process of the institution , the approval of the salary and Cadre Commission has been received for the staff by now. Recruitment procedures for all the posts have been formulated and submitted to Director General-management services for approval.
- (b) This officer has been informed to report back for duty in the Authority. By now, an acting officer has been appointed to cover the duties of the particular post
- (c) Necessary action has been taken to fill the vacancies of these posts.
- (d) On the basis of the Cabinet decision bearing number /11/1203/539/021 of 2012.12.20 the staff of this Authority has been divided into two sections as academic and non academic staffs and the approval in that regard has been provided by the letter number DMS/1680 of 2013.12.17 of the managing Director General. Accordingly, Action will be taken to attach the officers of the academic staff to the duties of their permanent posts. In addition, a committee has been appointed to identify the non academic staff serving in the District and Training centres and to attach them to other districts and future action will be taken on the basis of the recommendations of the said committee.
- (e) Particular officers have been appointed to undertake compulsory duties relevant to conducting courses. The particular officers have been appointed in order to provide guidance and to monitor related to accreditation required for maintaining the NVQ level of the courses when conducting courses.

- (f) Action has been taken to provide the learners with a quality training by taking the assistance of additional instructors in addition to the relevant instructor for certain courses which consist of more than 15 learners.

(Ex-Quantity Surveying courses)

- (g) The relevant assistant directors have been provided with the instructions in view of obtaining a quality service at least in the future by not making recommendations to cut off the increments of the instructors who attend their duties on no pay leave and to deprive them with promotions and new posts.
- (h) .Action will be taken in the future not to keep the instructors who do not engage in training work, within the centres and the approval of the secretary to the ministry will be obtained if they happen to keep such instructors due to an urgent circumstances.

4.10

- (a) Accepted. Action has been taken by the former chairman in the relevant manner owing to urgent special duty requirements.
- (b) Action will be taken to obtain the approval of the line ministry after obtaining the approval of the Director board as per the provisions of the relevant circular.
- (c) Service of this officer has been terminated with effect from 2012.10.24.
- (d) Fuel allowances for the Director (control) have not been paid for two separate officers. Since another officer has been appointed to cover the duties of the post of Director –control with effect from 2012.09.20 , fuel allowance has been paid for this officer considering as the director-control during the months of October and November 2012. Due to the officer who was serving as the Director control being appointed as the Director (Vocational Guidance and employment), fuel allowances from October to 05th November (date on which he got his retirement) has been paid with relevance to the said post.
- (e) Accepted. Necessary steps have been taken to act as per the provisions of FR104 which is enforced in relation to vehicle accidents.

- (f) Action will be taken to issue the disciplinary order based on the recommendations of the investigating officer after conducting a formal disciplinary inquiry against the officer who is responsible for the said accident.
- (g) Necessary action has been taken in order to avoid repetitions of this type of shortcomings.

5.

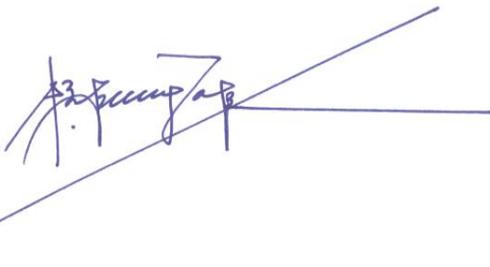
- (i) Accepted. I kindly inform that the corporate plan and action plan for 2012 have been approved by the control board on 2012.02.17 and on 2012.03.02 they have been directed to the Auditor General, Department of National Budget and the Department of Public Enterprises.
- (ii) There is no considerable difference between the amended budget and the actual expenses in the year 2012

6. Systems and control

(අ)	Fixed Assets	An updated fixed assets register which reconciles with the final accounts, is maintained.
(ආ)	Monetary and banking affairs	Bank reconciliations related to the bank accounts of all the district banks island wide have been prepared on the very same date by now.
(ඇ)	Accounting	An accounting system where day today transactions are updated on the same day is implemented

(42)	Control of vehicles	A medical system has been adopted in relation to the control of vehicles in 2013 Under the control of vehicles, formats have been introduced related to applying for official vehicles, obtaining batteries, using tyres, service of vehicles, handing over the vehicles to the drivers and obtaining them back and Sending vehicles for outside purposes and control orders have been issued in relation to matters like attaching drivers for vehicles, checking the use of fuel, giving instructions to the security division pertaining to sending vehicles outside, inquiring the good condition of the Milo meters of each vehicle .
(43)	Advances and purchases	.Internal circulars have been issued and the internal system of control has been strengthened by now with a view to regulating these functions
(44)	Debtors and lenders	Action is being taken to rectify very old lender and borrower balances and the present balances are maintained methodically.
(45)	Staff management	The approval of the Department of Management services has been received for a new staff after restructuring the staff of the Authority and recruitment procedures have been prepared for the said new staff and submitted for approval.
(46)	Stores control	Internal Control has been strengthened for this purpose.

(ඒ)	Learner training activities	Based on the recommendations of the committee, a programme is implemented from 2014 in view of regulating these matters.
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C.I.S.R.P. Ratnayake (RWP.RSP),
Chairman,
Vocational Training Authority of Sri Lanka
02nd of January, 2014.