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வருடாந்த அறிக்கை
Annual Report

2012

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Sri Lanka Institute of Tourism & Hotel Management

ANNUAL REPORT 2012

SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT
MINISTRY OF ECONOMIC DEVELOPMENT



SLITHM |

Contents

Message from the Hon. Minister of Economic Development	03
Message from the Director General/ CEO	04
Introduction	06
Our Vision, Mission and Targets	06
Proposed Organizational Structure for SLITHM	10
Board Meetings and Audit & Management Meetings held in 2012	11
Extracurricular activities and Routine Programmes	12
Annual Accounts	41
Observations of Auditor General	



Message from the Hon. Minister of Economic Development

The tourism industry in Sri Lanka is gathering momentum after the cessation of the 30 year long conflict in the North and East of the country. According to the Government's Mahinda Chinthana Policy Document, promoting tourism in the country is a major objective. In order to achieve this objective a target of foreign tourist arrivals of 2.5 million by 2016 and an increase of guest room stock from the present 12,500 to 45000 by 2016 to accommodate the tourists has been set.



The increase in new hotel accommodation and other facilities for tourists has resulted in a high demand for craft Level and hospitality management trained professionals for the tourism and hospitality industry.

Therefore the SLITHM being the only government approved premier institute to train young persons in the field of Hospitality and Tourism Industry, has a challenging task of producing more than 60,000 high quality craft level, intermediate level and managerial level professionals in keeping with the ever changing and challenging trends in the industry. The annual report 2012 shows that this difficult task is being addressed by the SLITHM with available resources. However this task requires concerted efforts and innovative strategies to fulfill the industry's demand for human resources within the stipulated time frame.

In order to reduce the poverty among rural population in the country, our government has to provide the benefits of the tourism and hospitality industry by allowing the value change activities to trickle down to the rural community, particularly to the low income families. Giving the training opportunities in the field of tourism and hospitality industry to rural youth will enable them to seek lucrative employment in the tourist industry. The SLITHM has initiated action by increasing the intake of trainees in 2012 and expanding its capacity by establishing partnerships with local and international education institutes.

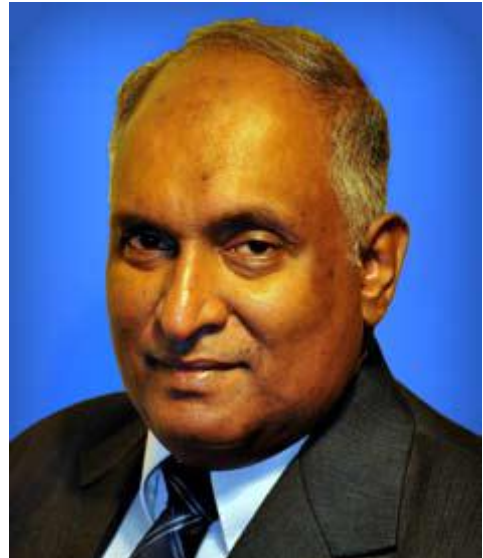
I hope that the youth entering this field will have a secure and economically sound future. I wish SLITHM all the best and success in its present and future endeavors to be the Centre of Excellence for Training and Education of Human Resource for Tourism and Hospitality Industry in Asia.

Hon. Basil Rajapaksa (MP)
Minister of Economic Development



Message from the Director General/ CEO

With properties bearing renowned international hospitality brands fast becoming a feature of the Colombo skyline and the rapid expansion of resort destinations such as Kalpitiya, Trincomalee, Pasikudah and Kalkudah, The Sri Lanka Institute of Tourism and Hotel Management is constantly exploring new avenues to provide our graduates with a competitive edge in an industry which is enjoying unprecedented growth. With His Excellency the President's vision for 2.5 million tourists by the year 2016 and the guidance of the Minister of Economic Development Hon. Basil Rajapakse, Deputy Minister Hon. Laxman Yapa Abeywardene and Secretary to the Ministry Dr. P.B.



Jayasundara the SLITHM continues to devote all its energy towards meeting the manpower requirement at both the managerial and the skilled levels.

Our main campus in Colombo and our 5 provincial colleges situated in Kandy, Anuradhapura, Rathnapura, Bandarawela, and Koggala produce around 1200 students per year. The recently commissioned state-of-the-art training facility in Palkelele built under the Tourism Resources Improvement Project (TRIP) of the Ministry of Economic Development has enabled us to conduct Management Level Training outside Colombo for the first time in the history of the SLITHM.

The SLITHM strives hard to add value to our study programs in order to provide our students the up to date knowledge & skills that are required by the hospitality trade both locally and internationally. Our faculty regularly receives pedagogy training to ensure that our course content and teaching methodology meets the evolving requirements of the industry. Our curriculum is periodically reviewed in order that our training remains current and on par with global standards.

In keeping with the government's vision of providing underprivileged youth with gainful employment in the tourism sector, we have introduced new craft level courses alongside our flagship 3 year and 4 year management diplomas. We have already secured National Vocational Qualification (NVQ) accreditation for our Craft and Certificate Level courses and we are presently working towards obtaining this accreditation for our Management Diploma programmes. New courses targeting emerging niches in the local and international markets are being introduced into our training portfolio.



We are currently conducting a needs assessment programme in partnership with industry professionals to match the present industry requirements with our training programmes. We have also established strategic partnerships with organizations such as the British Council to provide specialized training in key areas. We are also presently taking steps to transform the Samudra Hotel into a fully-fledged training hotel operated entirely by the students with faculty supervision. We have also introduced courses in pastry and bakery as well as laundry. We hope to establish a launderette and pastry shop within the SLITHM Colombo premises to be run as commercial ventures. It is our hope that these efforts will enable the SLITHM to make greater strides as the premier national training body for tourism and hospitality.

Seneka Wijewardene FCHSGA
Director General / CEO
SLITHM



Introduction

The Tourism industry in Sri Lanka is expected to receive 2.5 million tourists by the year 2016. A tourist influx of this magnitude would demand an estimated workforce around 600,000 personnel serving in the industry. A definite dearth of manpower is evident as the prevailing mechanism generates only 1500 trained personnel annually.

The SLITHM as the national tourism training institute of the country, with the vision of benchmarking the Hospitality and Tourism training in Asia is enthusiastic in bridging the gap by offering a market oriented, quality proven range of hotel and tourism training products to a wider target segment.

SLITHM Colombo is housed at a purpose built hotel school with 12 standard rooms and a suite. Public Restaurant and Bar are added features of the training hotel named 'Hotel Samudra' at 78, Galle Road Colombo 03. This is the same premises where the former hostel 'Saffton' was situated.

The Thahir Auditorium at SLITHM Colombo offers facilities for Conferences and Business Meeting in the City. The Auditorium offers theatre style, tiered seating for up to 250 participants in air conditioned comfort, large stage, excellent acoustics, Audio visual equipment.

Provincial Colleges were set up in Kandy, Anuradhapura, Koggala, Bandarawela and Rathnapura in order to take Tourism training to the provincial level.

SLITHM Colombo is equipped with two modern state-of-the-art practical kitchens. Two training restaurants with modern equipment and a Public restaurant with an operating bar are available for practical sessions.

Students have access to computer lab in order to enhance their IT knowledge & skills. SLITHM also possesses the tourism library in Sri Lanka.

Our Vision:

"To be the Center for Excellence in Training and Education for Human Resource Development of Tourism and Hospitality Industry in Asia"



Our Mission:

- To identify, design and deliver training and education programmes in travel, tourism and hospitality management to produce high quality tourism professionals for the industry
- To train the required manpower to meet the demand of the tourism and hospitality industry by addressing changing industry trends.
- To deliver tourism and hospitality education and training on par with national and international standards while promoting Sri Lankan hospitality and its values to global heights
- To provide equal opportunities and create an equitable working environment for all youth living in different parts of the country while ensuring sustainable growth in the tourism and hospitality industry.
- To expand the capacity of delivering tourism and hospitality education by creating partnerships with local and international education entities in a mutually beneficial manner.
- To demonstrate excellence through research in tourism and hospitality.

Our Targets:

- To train around 600,000 Sri Lankan to meet the required manpower for travel, tourism and hospitality industry by 2016
- To prepare well-rounded, high quality graduates for employment in hospitality, tourism and hotel management nationally and internationally.
- To develop programmes and related courses focusing on hotel operational skills, management practices in the tourism and hospitality industry and the skills needed for continued learning in a changing global business environment.



- To develop new tourism education programmes by addressing the human resource requirement of the local and global tourism industry.
- To produce dedicated professionals with qualifications which are highly recognized and regarded nationally and internationally.
- To provide students an educational experience that is distinctive and develops and encourages excellence in life-long learning.
- To obtain the World Tourism Organization Standard (Ted. Qual.) within the next three years.
- To achieve wider expansion and presence through strategic alliances, franchising and accreditation within a local and international partner network within two years.
- To develop a dedicated human resource development unit in order to facilitate career development and capacity building for staff within one year.
- To elevate the present tourism education programmes of SLITHM to meet global standards through curriculum development and periodic revision of training methodology.
- To address the national tourism education policy demands outlined in the National Tourism Act of 2005 through developing standards and a monitoring framework for all tourism education facilities in Sri Lanka within next three years.

Our Theme:

“Taking Sri Lanka to Global Heights - A Journey Towards Excellence in Sri Lankan Hospitality”

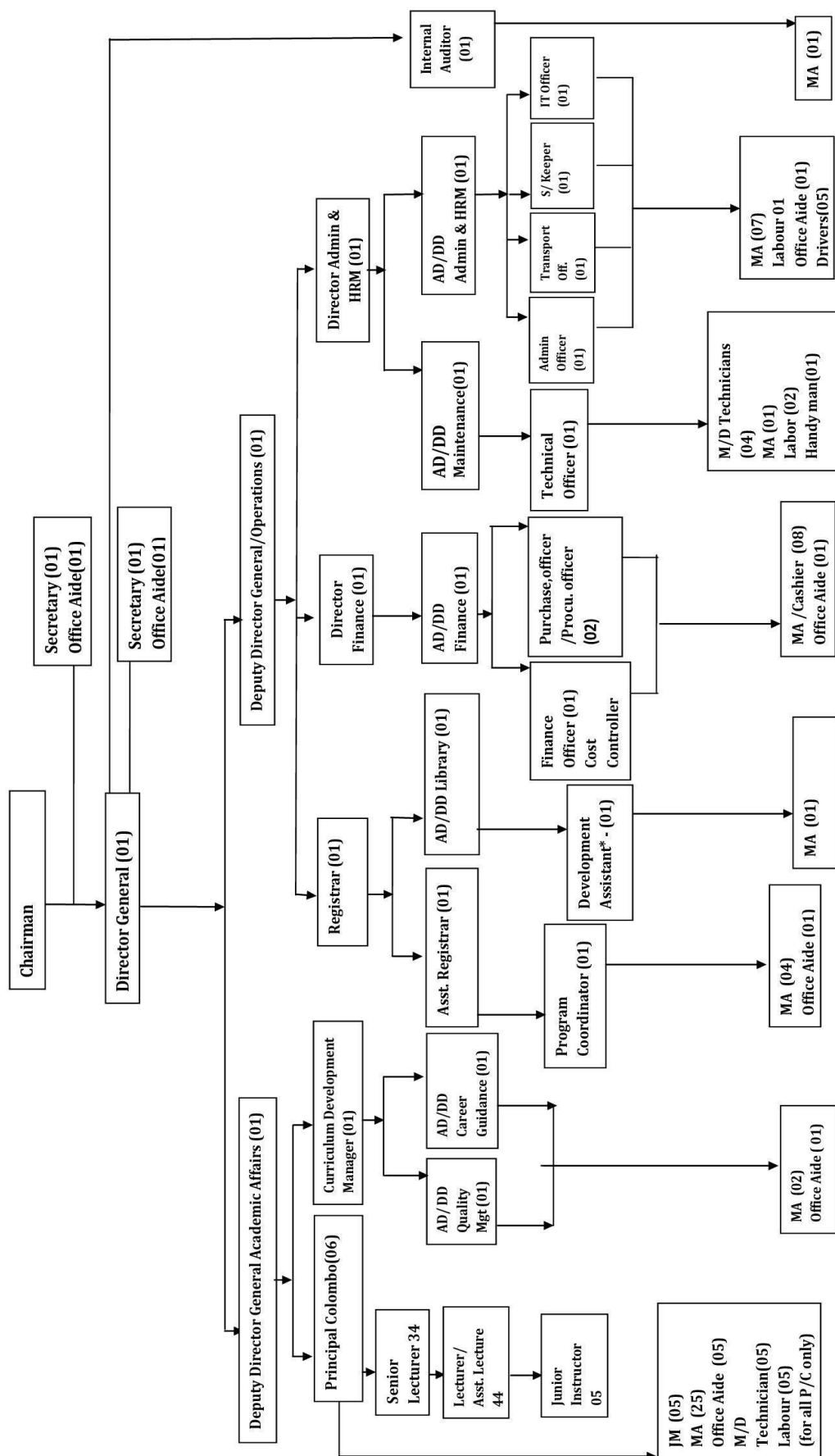


Our Values:

- **Quality** -We provide first class training and education programmes delivering premium value to our students.
- **Equity** - We ensure equal opportunities for every student, regardless of race, religion, gender, or economic status to meet the required standards for the highest achievement and growth.
- **Integrity** -We strive to uphold the highest standards of professional ethics and discipline to meet the training requirements of tourism and hospitality services



Proposed Organizational Structure For SLITHM



Number of Board meetings held on 2012

Board meeting No.	Date
38	Thursday, 26 th January 2012
39	Thursday, 1 st March 2012
40	Wednesday 28 th March 2012
41	Friday, 11 th May 2012
42	Thursday, 2 nd August 2012
43	Friday, 7 th September 2012
44	Tuesday, 16 th October 2012
45	Monday, 19 th November 2012

Number of Audit & Management meetings held on 2012

Meeting No.	Date
01	Friday, 30 th December 2011
01 Adjourned meeting	Wednesday, 18 th January 2012
02	Wednesday, 28 th February 2012
03	Friday, 30 th March 2012
04	Friday, 11 th May 2012
05	Tuesday, 5 th June 2012
06	Thursday, 16 th August 2012
07	Wednesday, 24 th October 2012



SLITHM- COLOMBO

□ Extracurricular Activities conducted for students



Details of the routine programmes conducted

Programme	2011		2012	
	Students registered	Out put	Students registered	Out put
Craft Level - Housekeeping	47	27	32	25
Craft Level - F&B	44	34	45	37
Craft Level - Cookery	60	49	59	44
Craft Level - Total	151	110	136	106
Certificate Level - Housekeeping	68	61	82	75
Certificate Level - F&B	111	109	101	98
Certificate Level - Cookery	91	87	78	76
Certificate Level – Front Office	59	50	71	61
Certificate Level - Total	329	307	332	310
Intermediate Level - Housekeeping	-	-	8	8
Intermediate Level - F&B	15	14	19	19
Intermediate Level - Cookery	17	16	24	24
Intermediate Level – Front Office	-	-	21	19
Intermediate Level - Total	32	30	72	70
Advanced Level – Accommodation Operation	-	-	24	23
Advanced Level - F&B	14	14	19	19
Advanced Level - Cookery	16	16	23	22
Advanced Level - Total	30	30	66	64
National Tourist Guide			192	144
Chauffer Tourist Guide	223	166	-	-
Area Tourist Guide			70	68
Tourist Guide training - Total	223	166	262	212

Number of new entries to hotel industry through SLITHM – year 2012

Student Intake	2011		2012	
	Craft level	Certificate level	Craft level	Certificate level
Total Number of students	157	353	106	338
Number of Re-entries	-	174	-	119
Number of New Entries	157	179	106	219



Programmes conducted for the betterment of Tourism & Hospitality Sector– year 2012

No	Area focused	Organization	Duration	No.of Beneficiaries
1	F& B Service for Office Assistants	Ministry of Cooperative & Internal Trade	25 th Feb.	19
2	Training of Bungalow Keepers	Dept. of Wildlife Conservation	20 th , 21 st and 22 nd March	20
3	F& B Service for Office Assistants	Ministry of Foreign Employment & Welfare	21 st July	10
4	F& B Service for Office Assistants	Ministry of Industries & Commerce	12 th May	10
5	Training of Bungalow Keepers - FB, HK, Cookery	Land Commissioner General's Department	29 th July	08
6	F& B Service for Office Assistants	Department of External Resources	2 nd Sep.	17
7	Housekeeping & Front Office Operation	Keells Hotel Group		
8	Training of Bungalow Keepers - FB, HK, Cookery, FO	National Housing development Authority	24/25 Nov 2012	20
9	Training programme for tourist interpreters	University Grant Commission		200 graduates



Extracurricular Activities of the year 2012

-  Wesak Lantern Competition
-  Inter-class Cricket tournaments
-  Dengue prevention Campaign
-  Bartender competition

Demand of the programmes awarded by SLITHM

Programme	2011			2012		
	No.of applicants	Eligible applicants	Selected	No.of applicants	Eligible applicants	Selected
Craft Level - Housekeeping		55	45		44	26
Craft Level - F&B		48	43		50	38
Craft Level - Cookery		186	69		142	42
Craft Level - Total		289	157		236	106
Certificate Level - Housekeeping		85	83		92	87
Certificate Level - F&B		124	114		166	101
Certificate Level - Cookery		380	95		279	80
Certificate Level - Front Office		90	61		125	70
Certificate Level - Total		679	353		662	338
Intermediate Level - Housekeeping		7	-		9	9
Intermediate Level - F&B		23	14		28	19
Intermediate Level - Cookery		25	16		29	24
Intermediate Level - Front Office		15	-		32	21
Intermediate Level - Total		70	30		117	73
Advanced Level - Accommodation Operation	-	-	-	-	-	30
Advanced Level - F&B		-	14		-	19
Advanced Level -		-	16		-	24



Cookery						
Advanced Level - Total		-	30		-	73
National Tourist Guide	-	-	-	-	-	-
Chauffer Tourist Guide	516	360	218	372	279	192
Area Tourist Guide	-	-	-	-	-	-
Tourist Guide training - Total						

Development strategies implemented during year 2012.

- ✚ Twenty nine faculty members successfully completed the Five day NVQ Assessor Training conducted by UNIVOTEC at Rathmalana.
- ✚ Curriculum development was completed for 12 subject areas with the aid of Tourism Resource Improvement Project (TRIP)
- ✚ New brochures for SLITHM Training and Study Programmes were developed
- ✚ Career Guidance and Curriculum Development Unit was established
- ✚ Bakery and Laundry amended operations

Development strategies for year 2013 in brief

- ✚ Double the number of certificate level intake
- ✚ Provision of training for academic and non academic staff to enhance productivity
- ✚ Increase students' participation in extracurricular activities

Academic Staff of SLITHM Colombo



SLITHM- ANURADHAPURA**Extracurricular Activities conducted for students****Inter-class Cricket tournaments**

- ✚ Illumination of the College Building & wesak lanterns
- ✚ Ice cream dansala celebrating Wesak
- ✚ Inter-class Cricket tournaments (1st & 2nd Intake)
- ✚ Shramadana Campaign Organized at the Abhayagiri to commemorate the World's Tourism Day

Details of the routine programmes conducted

Programme	2011				2012			
	Students registered		Out put		Students registered		Out put	
Craft Level - Housekeeping	-		-		32		32	
Craft Level - F&B	39		36		-		-	
Craft Level - Cookery	16		09		14		13	
Craft Level - Total	55		45		46		45	
Certificate Level - Housekeeping	-		-		-		-	
Certificate Level - F&B	08		06		23		23	
Certificate Level - Cookery	21		19		55		51	
Certificate Level - Front Office	09		06		-		-	
Certificate Level - Total	38	-	31	-	76	02	72	02



New entries Introduced to hotel industry through Anuradhapura- SLITHM – year 2012

Students Intake	2011		2012	
	Craft Level	Certificate Level	Craft Level	Certificate Level
Total number of students	55	38	46	78
Number of Re-entries	-	05	-	22
Number of New Entries	55	33	46	56

Programmes conducted for the betterment of tourism & hospitality sector– year 2012

No	Area focused	Organization	Duration	No.of Beneficiaries
01	Awareness Programme	District Samurdhi Office	01 Day	150
		Provincial Education Department	01 Day	28
		Provincial Samurdhai Office	01 Day	75
02	School Awareness	A/Kalaththewa Vidyalaya	01 Day	12
		A/Maha Bulankulama Vidyalaya	01 Day	09
		A/Thambuththegama Central College	01 Day	350
		Vocational Training Authority	01 Day	60
		A/Kebithigollawa M.M.V.	01 Day	300
		A/Vidya Darshi M.V.	01 Day	200
		A/Mihinthal M.V.	01 Day	250
		A/Kahatagasdigiliya M.V.	01 Day	40
03	Kitchen Demonstrations with a lecture for SLITHM Anuradhapura Students	Conducted by the Senior Sous Chef of Cinnamon Lodge Habarana	-	-
04	Awareness Programme	Education Development Center	01 Day	60
05	Benefits of Hospitality industry – National Youth Corps – Paladikulama, Anuradhapura	Sri Lanka Institute of Tourism & Hotel Management - Anuradhapura	03 Days	12 Teachers & 48 Students
06	How EKSP can be beneficial to the Hotel industry – Provincial Education Department -	Sri Lanka Institute of Tourism & Hotel Management - Anuradhapura	01 Day	4 staff members



	Anuradhapura Awareness of the courses held at SLITHM / Lunch (Practical Restaurant Service)	Provincial Department of Education - Anuradhapura	01 Day	10 Staff Members
	Awareness of the courses held at SLITHM / Lunch (Practical Restaurant Service)	Additional District Secretary, Deputy Commissioner of Samurdhi - Anuradhapura	01 Day	03 Staff Members
07	An Introduction to Hotel Industry – University of Rajarata, Mihinthale	Sri Lanka Institute of Tourism & Hotel Management - Anuradhapura	03 Days	54 Students
	Table manners & etiquette Programme – University of Rajarata, Mihinthale	Sri Lanka Institute of Tourism & Hotel Management - Anuradhapura	04 Days	58 Students

Training provisions for Academic / Non Academic staff – Year 2012

No	Area focused	Training provider	Duration	No. of Beneficiaries
01	Purchasing Management	Purchasing & Storekeeping	03 Months	01

Development strategies for year 2013 in brief.

1. Conducting demonstrations on preparation of sandwiches, pastries & short eats, bakery items, ethnic dishes, mixed drinks (non-alcoholic) for 'Siri Liya' Housewives Association
2. Conducting demand driven training programmes for existing staff in hotels, guesthouses, rest houses & holiday bungalows in the Province.
3. Providing in-house awareness sessions for the home science teachers & students on the programmes & on institutional activities.
4. Table Manners & Etiquette programmes.



Academic staff of the Anuradhapura-SLITHM

SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT
ANURADHAPURA PROVINCIAL COLLEGE



Seated from left - Mr. W.M.S.P.Weerakoon – Assistant Lecturer (Front Office Operations), Mr. C.Lasitha De Silva – Assistant Lecturer (Food & Beverage Operations), Mr. G.L.B.Ramesh Perera – Senior Lecturer-in-Charge, Mr. M.B.J.M.I.B. Jayasekara – Assistant Lecturer (Accommodation Operations), Mr. M.Gunaratne - Assistant Lecturer (Professional Cookery), Mr. N.P.M.Randeniya - Junior Instructor (Professional Cookery)

SLITHM-BANDARAWELA

Extracurricular Activities conducted for students

✚ Drug awareness programme.



✚ AIDS awareness programme.



✚ Shramadana Campaign.



✚ New Year Festival.

✚ Hospitality management exhibition (conducted by Uva Wellassa University).



- First aid Programme
&
Carrom Tournament



- Parents' Meeting



- Inter School Cricket Tournament



- Community Support Programme



- Students' Welfare Get-together



Details of the routine programmes conducted

Programme	2011		2012	
	Students registered	Out put	Students registered	Out put 1 st intake only
Craft Level - Housekeeping	20	19	13	12
Craft Level - F&B	-	-	-	-
Craft Level - Cookery	-	-	-	-
Craft Level - Total	20	19	13	12
Certificate Level - Housekeeping	35	25	38	18
Certificate Level- F&B	38	29	39	18
Certificate Level- Cookery	50	42	48	24
Certificate Level - Front Office	32	24	29	11
Certificate Level- Total	154	120	154	71

New entries Introduced to hotel industry through Bandarawela-SLITHM – year 2012

Students Intake	2011		2012	
	Craft Level	Certificate Level	Craft Level	Certificate Level
Total number of students	19	154	12	154
Number of Re-entries	-	30	-	30
Number of New Entries	19	124	12	124

Programmes conducted for the betterment of tourism & hospitality sector– year 2012

No	Area focused	Organization	Duration	No. of Beneficiaries
1	Hotel school Awareness programme	B/ Meegahakiwla National School	1 day	23nos
2	Training programme for the Bungalow keepers	Bungalow keepers in chief Ministers house.	3 days	37nos
3	Hotel school Awareness programme	Bandarawela divisional secretariat job seekers	1 day	32nos
4	Hotel school Awareness programme	Bd/Tamil Girls High School Badulla	1 day	15nos



5	Training programme Methods of Food & Beverage and Housekeeping services	for selected staff that provide the service at the chief minister's meeting	1 day	15nos
6	Hotel school Awareness programme	Bd/ Central Collage Bandarawela	1 day	25nos
7	Hotel school Awareness programme	Mo/ Rajakeeya Collage Monaragala.	1 day	15nos
8	Training in business etiquette, table manners and personal & professional qualifications	Sabaragamuwa University	1 day	06nos
9	Crash Level Cookery course	Unqualified youths in Uva Province	3 months	25nos
10	Hotel School Awareness programme	Sri ChandrajothiMahaVidyalayaYakkala	1 day	28nos
11	Hotel School Awareness programme	Am/ Uskiripura Vidyalaya, Ampara	1 day	27nos
12	Hotel School Awareness programme	B/ Udawela MadyaMaha Vidyalaya, Badulla	1 day	25nos
13	Hotel School Awareness programme	Nanasala Balangoda	1 day	21nos
14	Hotel School Awareness programme	B/ Udayaraja Maha Vidyalaya, Badulla	1 day	27nos
15	Hotel School Awareness programme	B/ KandakapuUlpothaMahaVidyalaya, Badulla	1 day	23nos
16	Hotel School Awareness programme	Home science teachers of Ampara District	1 day	26nos
17	HotelSchool Awareness programme	Home science teachers of Ampara District	1 day	25nos
18	Hotel School Awareness programme	B/ Dharmashoka Maha Vidyalaya. Bandarawela	1 day	25nos
19	Hotel School Awareness programme	B/ Dharmashoka Maha Vidyalaya. Bandarawela	1 day	18nos



20	Hotel School Awareness programme	Students of technical Collage Bandarawela	1 day	28nos
21	Training programme for Tour guides	In Uva Province	10 days	37nos
22	Hotel school Awareness programme	Students of Uva Wellassa university	1 day	23nos
23	National Olympic Academic Sessions	By the National Olympic Committee	4 days	60nos

Training provisions for Academic / Non Academic staff – Year 2012

No	Area focused	Training provider	Duration	No. of Beneficiaries
01	Human Resource Management	JMC Bandarawela	06 months	01

Development strategies for year 2013 in brief.

1. To conduct more hotel awareness programmes for school students and students in youth centers in order to maximize intakes.
2. To conduct more short training courses for the unemployed youth and hotel employees to enhance their knowledge in the industry.
3. To conduct seminars in the school hall to generate extra income to the institute while providing practical training for the hotel school students by creating an actual working environment.
4. To build up a good rapport and cooperation with Uva Provincial Council to conduct training courses such as area tour guide course from their allocated budgets.
5. To contact private and public establishments and organizations to conduct required training programmes such as table etiquette and manners.

Academic staff of the Bandarawela-SLITHM



Demand of the programmes awarded by SLITHM

Programme	2011			2012		
	No.of applicants	Eligible applicants	Selected	No.of applicants	Eligible applicants	Selected
Craft Level - Housekeeping	25	22	20	22	20	12
Craft Level - F&B	15	15	-	10	10	-
Craft Level - Cookery	10	10	-	30	25	-
Craft Level - Total	50	40	20	62	55	12
Certificate Level - Housekeeping	45	40	35	42	35	30
Certificate Level - F&B	30	28	25	32	28	19
Certificate Level - Cookery	88	40	21	90	60	22
Certificate Level - Front Office	35	28	22	30	26	25
Certificate Level - Total						



SLITHM-KANDY

Extra-curricular Activities conducted for students

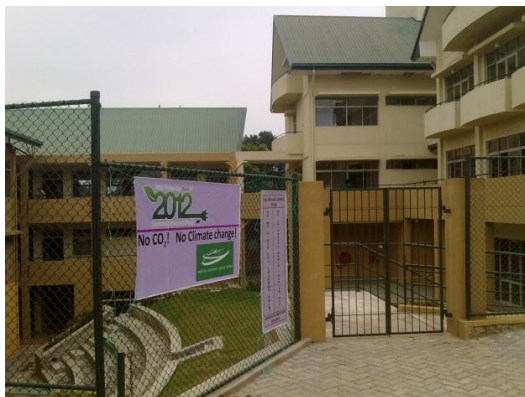


Fire Fighting training at 64, Sangaraja Mawatha, Kandy

- ✚ Avurudhu Festival - 28th April 2012
- ✚ Wesak Lantern competition - 05th May 2012
- ✚ Blood Donation Programme - 04th May 2012



Banking Practices



AIDS Awareness Programme



'World Tourism Day' with Department of Trade, Commerce & Tourism of Central Province - 27th September 2012



Shramadana Campaign at Cancer ward – General Hospital Kandy. – 26th October 2012

Decorative huts for Final examination Cookery Practical



Students Get-together - 07th November 2012

Details of the routine programmes conducted

Programme	2011				2012			
	Students registered		Out put		Students registered		Out put	
Craft Level - Housekeeping	-	-	-	-	-	-	-	-
Craft Level - F&B	-	-	-	-	-	-	-	-
Craft Level - Cookery	-	-	-	-	24	20		
Craft Level - Total	-	-	-	-	24	20		
Certificate Level - Housekeeping	46	35			63	58		
Certificate Level - F&B	72	69			63	57		
Certificate Level - Cookery	77	68			65	64		
Certificate Level - Front Office	46	36			54	47		
Certificate Level - Total	220	19	194	14	279	14	243	12



New Entries Introduced to hotel industry through Kandy- SLITHM – year 2012

Students Intake	2011		2012	
	Craft level	Certificate level	Craft level	Certificate level
Total number of students	-	239	24	247
Number of Re-entries	-	36	-	82
Number of New Entries	-	228	-	165

Programmes conducted for the betterment of tourism & hospitality sector– year 2012

No	Area focused	Organization	Duration	No.of Beneficiaries
1	Accelerated Skills Deve. Programme - Cookery	Students without O/Ls	03 months	26
2	Pastry & Bakery Course	Students without O/Ls	04 weeks	22
3	Accelerated Skills Deve. Programme - Cookery	Students without O/Ls	01 month	25
4	Skills Devel. Programme	Bungalow keepers of Botanical Gardens	04 days	06
5	EKSP Programme	Students with A/Ls	01 month	28
6	School Awareness programme	Sirimalwatte Vidyalaya - Wattegama	01 Day	43
7	Table Etiquette & Flower Arrangements	Arangala Junior School	01 Day	21
8	Table Etiquette & Manners	Sangabodhi Central College, Teldeniya.	01 Day	15
9	Table Etiquette & Manners	Atharagalla Junior College	01 Day	27
10	Table Etiquette & Flower Arrangements	Hiriwadunna Central College	01 Day	30
11	Table Etiquette & Flower arrangements	Menikhinna Maha Vidyalaya	01 Day	22
12	Table Etiquette & Manners	Mahamaya Girls College	01 Day programme for 03 Days	130
13	Table Etiquette & Flower arrangements programme	Hillwood College	01 Day programme for 02 Days	25



14	Table Etiquette & Manners	St. Anthonys Convent	01 Day	25
15	Business Etiquette & General Etiquette	Rajarata University	02 Days	15
16	Table Manners & Etiquette	Department of Wild Life	01 Day programme for 02 Days	40
17	Bread Demonstration East West Marketing	Kandy Hoteliers Association	01 Day	100
18	Cookery Practical – Training Session	Rajarata University	05 Days	15

Training provisions for Academic / Non Academic staff – Year 2012

No	Area focused	Training provider	Duration	No. of Beneficiaries
1	Overall Hotel Operation	Heritage Ahungalle	03 Days	01

Development strategies for year 2013 in brief:

1. Official opening of SLITHM, Kandy at Kundasale
2. Conduct 3 year Management Diploma Programme
3. Develop the Home Garden Project

Academic Staff of the SLITHM- Kandy



Demand of the programmes awarded by SLITHM

Programme	2011			2012		
	No. of applicants	Eligible applicants	Selected	No. of applicants	Eligible applicants	Selected
Craft Level - Housekeeping	-	-	-	-	-	-
Craft Level - F&B	-	-	-	-	-	-
Craft Level - Cookery	-	-	-	20	20	20
Craft Level - Total				20	20	20
Certificate Level - Housekeeping	39	34	29	37	32	36
Certificate Level - F&B	68	61	59	68	59	63
Certificate Level - Cookery	210	186	180	220	200	87
Certificate Level - Front Office	45	42	39	60	56	33
Certificate Level - Total	362	323	307	405	367	239



SLITHM-KOGGALA**Extra-curricular Activities conducted for students****Details of the routine programmes conducted**

Programme	2011		2012	
	Students registered	Out put	Students registered	Out put
Craft Level - Housekeeping	28	18	10	08
Craft Level - F&B	35	24	13	11
Craft Level - Cookery	42	32	16	16
Craft Level - Total				
Certificate Level - Housekeeping	41	41	51	51
Certificate Level - F&B	51	49	45	41
Certificate Level - Cookery	60	56	62	56
Certificate Level - Front Office	53	54	69	71
Certificate Level - Total	205	201		225

New Entries Introduced to hotel industry through SLITHM – Kandy - year 2012

Students Intake	2011		2012	
	Craft Level	Certificate Level	Craft Level	Certificate Level
Total Number of Students				
Number of Re-entries				
Number of New Entries				



Programmes conducted for the betterment of tourism & hospitality sector– year 2012

No	Area focused	Organization	Duration	No. of Beneficiaries
	Galle	EKSP	17.12.2012 21.01.2013	- 37
		John Keells	23.05.2011 23.09.2011	- 70

Academic staff of the Koggala - SLITHM



SLITHM- RATNAPURA

Extra-curricular Activities conducted for students

New Year celebrations



Plant campaign



Vesak festival



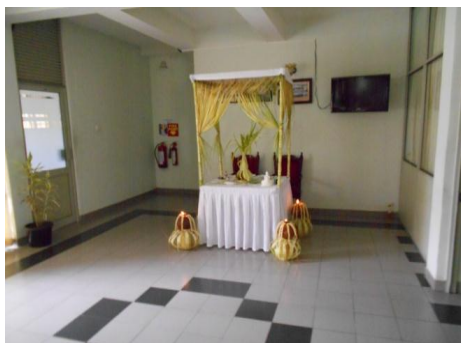
Inter Cricket tournament



Carrom Tournament



Second Anniversary celebrations with unveiling of Buddha statue



Special Training programmes held



Student's performance appraisal (Colours)



TB Awareness programme



Other activities conducted by SLITHM- Rathnapura

No.	Title	Location	Date
01	Road Safety Programme	SLITHM Rathnapura	22.02.2012
02	Special Training Programme For Nivithigala Youth Crop	Youth Crop Training Center in Nivithigala	29.02.2012
03	R/ Darmaloka Novodya College School Students	SLITHM Rathnapura	21.03.2012
04	Mocktails Competition	SLITHM Rathnapura	20.03.2012
05	Special Training Programme For Aloysius College School Students	Aloysius College, Rathnapura	23.03.2012
06	First Aid Programme	SLITHM Rathnapura	26.03.2012
07	New Year Festival	SLITHM Rathnapura	05.04.2012
08	Cricket Tournament	Sivali Ground Rathnapura	24.04.2012
09	Blood Donation Programme	SLITHM Rathnapura	26.04.2012
10	First aid Programme	SLITHM Rathnapura	30.08.2012
11	Special Training For Home Science Student's About Table Manner Programme (Sri Sumana Vidyalaya)	SLITHM Rathnapura	12.09.2012
12	Special Training Programme for Home Science Teachers	SLITHM Rathnapura	15.09.2012
13	Special Training For Home Science Student's About Table Manner Programme (Sivali Central College)	SLITHM Rathnapura	19.09.2012
14	Special Training For Home Science Student's About Table Manner Programme (Dehiowita Vidyalaya)	SLITHM Rathnapura	26.09.2012
15	Special Training For Home Science Student's About Table Manner Programme (Ellawa Paranagama Vidyalaya)	SLITHM Rathnapura	03.10.2012
16	Parents Meeting For Reception & Housekeeping Students	SLITHM Rathnapura	04.10.2012
17	Cricket Tournament	Sivali Ground Rathnapura	10.10.2012



18	Parents Meeting For Professional Cookery Students	SLITHM Ratnapura	11.10.2012
19	Parents Meeting For Food & Beverage	SLITHM Ratnapura	12.10.2012
20	Special Training For Home Science Student's About Table Manner Programme (Boodhimluwa Maha Vidyalaya)	SLITHM Ratnapura	17.10.2012
20	Job Fair For the Ayagama Division	Ayagama	19.10.2012
21	Special Training For Home Science Student's About Table Manner Programme (Ratnapura Mihindu Vidyalaya)	SLITHM Ratnapura	24.10.2012
22	Job Fair	Shantha Lucks Collage	03/11/2012
23	Graduates Interview	SLITHM, Ratnapura	06/11/2012
24	Job Fair	Vocational Training Collage	08/11/2012
25	Job Fair	Kuruvita Divisional Secretarial Office	09/11/2012
26	Job Fair	Kegalle	10/11/2012

Details of the routine programmes conducted

Programme	2011		2012	
	Students registered	Out put	Students registered	Out put
Craft Level - Housekeeping	31	28	15	13
Craft Level - F&B	36	34	18	16
Craft Level - Cookery	39	36	19	19
Craft Level - Total	106	98	52	48
Certificate Level - Housekeeping	44	36	45	40
Certificate Level - F&B	45	39	61	48
Certificate Level - Cookery	55	46	68	56
Certificate Level - Front Office	48	38	36	32
Certificate Level - Total	192	159	210	176



New Entries Introduced to hotel industry through Ratnapura - SLITHM – year 2012

Students Intake	2011		2012	
	Craft Level	Certificate Level	Craft Level	Certificate Level (est)
Total number of students	53	106	34	141
Number of Re-entries	-	13	-	62
Number of New Entries	53	93	34	79

Programmes conducted for the betterment of tourism & hospitality sector – year 2012

No	Area focused	Organization	Duration	No.of Beneficiaries
	UvaWellassa University Students	Cocktails& Serving Practical Sessions	07.01.2012	45
	SLITHM Ratnapura Students	Carrier Guides Programme	13.01.2012	35
	Mahawali Training Programme	Udawalawa Mahawali Zone	30.06.2012	25
	Mahawali Training Programme	Udawalawa Mahawali Zone	04 days	25
	Home Science Teacher Training Programme	SLITHM Ratnapura	06 days	25
	Home Science Teacher & students Training Programme	SLITHM, Ratnapura	03 days	30
	Home Science Teacher Training Programme	SLITHM, Ratnapura	04 days	25

Training provisions for Academic / Non Academic staff – Year 2012

No	Area focused	Training provider	Duration	No.of Beneficiaries
01	Qualify as a NVQ Assessor	UNIVOTEC,Rathmalana	05 Days	03



Development strategies for year 2013 in brief.

1. Will continue all 2012 programmes
2. Special courses to small scale hotel Owners.

Academic staff of the Ratnapura-SLITHM**Demand of the programmes awarded by SLITHM**

Programme	2011			2012		
	No. of applicants	Eligible applicants	Selected	No. of applicants	Eligible applicants	Selected
Craft Level - Housekeeping	58	53	34	17	15	15
Craft Level - F&B	53	48	48	20	18	18
Craft Level - Cookery	56	52	52	20	19	19
Craft Level - Total	167	153	134	57	52	52
Certificate Level – Housekeeping	63	55	55	75	45	45
Certificate Level - F&B	103	59	59	98	58	58
Certificate Level - Cookery	199	53	53	128	55	55
Certificate Level – Front Office	65	54	54	63	38	38
Certificate Level - Total	430	172	221	364	196	196



***Sri Lanka Institute of Tourism & Hotel Management
Fundamental Accounting Assumptions & Accounting Policies for the
year ended 31st December 2012***

01. 01 Accounting Requirements:

The Financial statements of the Sri Lanka Institute of Tourism & Hotel Management have been prepared in conformity with the generally accepted accounting principles and the applied consistently on historical cost basis. Income and cost have been accrued and recorded in the financial statements of the period to which they relate. Where appropriate, significant accounting policies are explained in the succeeding notes. No adjustments have been made for inflationary factors affecting the accounts.

01. 02 Inventory / Stocks

Stocks have generally valued at cost or net realizable value whichever is lower.

01. 03 Depreciation.

Depreciation has been provided on cost or valuation of the assets on straight line method as follows, according to the SLAS 18 (Revised).

<i>Building</i>	- 4%
<i>Electrical Installation</i>	- 5%
<i>Telecommunication Installation</i>	- 5%
<i>Fixtures & Fittings</i>	- 7.5%
<i>Furniture</i>	- 7.5%
<i>Miscellaneous Equipment</i>	- 7.5%
<i>Plant & Machinery</i>	- 25%
<i>Motor Vehicle</i>	- 25%
<i>Computer & Data processing Equipment</i>	- 25%
<i>Computer programme & Software</i>	- 33.33%
<i>Office Equipment</i>	- 10%
<i>Glassware & Crockery</i>	- 33.33%
<i>Cutlery & Siverware</i>	- 25%
<i>Linen</i>	- 50%
<i>Kitechen & Bakery Equipment</i>	- 7.5%

01. 04 Taxation.

The Tourist Board was exempted from income tax under section 8(A) (XX) of the Inland Revenue Act No 28 of 1979. However, as per the Inland Revenue Act No. 10 of 2002 (amended) returns should be furnished to the Inland Revenue Department by 20th of each month following the end of each quarter.

01. 05 Implementation of Tourism Act No.38 of 2005

a. Tourism Act No. 38 of 2005 was implemented with effect from 01st October 2007 in terms of the Tourism Act No. 38 of 2005 former Ceylon Tourist Board was repealed and



new establishments have been formed with effect from 01st October 2007 in the following manner.

Sri Lanka Tourism Development Authority.

Sri Lanka Tourism Promotion Bureau.

Sri Lanka Institute of Tourism & Hotel Management.

Sri Lanka Convention Bureau.

b .Distribution of the Tourism Development Fund

According to the section 23(1) of Tourism Act ,Tourism Development Fund to be utilized for the promotion and marketing of tourism and it is managed and administered by Sri Lanka Tourism Development Authority. The fund to be distributed as per section 24(8) of Tourism Act in the following manner.

<i>Sri Lanka Tourism Development Authority.</i>	<i>14 %</i>
<i>Sri Lanka Tourism Promotion Bureau.</i>	<i>70 %</i>
<i>Sri Lanka Institute of Tourism & Hotel Management.</i>	<i>12 %</i>
<i>Sri Lanka Convention Bureau.</i>	<i>04 %</i>

01. 06 Work in Progress.

Projects under construction were representing the value of work in progress amounting to Rs.22,465,177.64

01. 07 Gratuity.

Provision has been made in the accounts for retiring gratuity payable under the payment of Gratuity Act No. 12 of 1983 for all the employees from the year of employment.



SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT
Cash Flow Statement
as at 31 December 2012

	Amount/Rs.	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus /(Deficit)	53,580,402.43	55,649,409.72
Non-cash movement		
Depreciation	32,530,065.75	36,780,515.83
Losses /Write-offs	(772,218.70)	(772,218.70)
Provision for Gratuity	1,422,227.00	1,353,002.60
Cash flow from operating activities before working capital Changes	86,760,476.48	93,010,709.45
Changes In working capital		
(Increase)/Decrease in Inventory	(259,839.04)	(51,030.08)
(Increase)/Decrease in Trade Debtors	(2,066,156.01)	(7,339,763.71)
(Increase)/Decrease in Deposits & Other Receivables	(440,000.00)	
(Increase)/Decrease in Receivables SLTDA & SLTPB	(10,282,119.64)	(17,814,904.32)
(Increase)/Decrease in Pre payments	(6,953,129.82)	535,572.70
(Increase)/Decrease in Loans & Advances	524,782.46	(228,518.80)
Increase/(Decrease) in Deposit payables	911,438.84	(1,253,196.77)
Increase/(Decrease) in Other payables	2,723,062.07	1,089,895.48
Increase/(Decrease) in Accrued Expenses	11,567,369.00	4,595,197.95
	(4,274,592.14)	(20,466,747.55)
Net Cash flow from operating activities	82,485,884.34	72,543,961.90
CASH FLOWS FROM INVESTING ACTIVITIES		
Gratuity Paid	(425,272.50)	(391,022.58)
Purchase of Property , Plant & Equipment	(47,046,598.29)	(68,442,854.59)
Net cash used in Investing Activities	(47,471,870.79)	(68,833,877.17)
Net Increase in cash and cash equivalents	35,014,013.55	3,710,084.73
Cash and Cash equivalents at beginning of the period	99,902,034.36	96,191,949.63
Cash and Cash equivalents at end of the Period	134,916,047.91	99,902,034.36



SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT
Statement of Financial Performance
For the year ended 31st December 2012

		Amount/Rs.	
	Note	2012	2011
Revenue			
Tourism Development Levy		95,659,228.62	71,296,539.38
Embarkation Levy		139,402,278.85	142,431,777.82
School Fees & Other	14	40,546,566.75	37,098,776.07
Other Income	15	3,194,240.48	2,358,948.58
Hotel Income		15,567,669.63	11,841,591.52
Total Revenue		294,369,984.33	265,027,633.37
Expenses			
Wages , Salaries & Employee benefits	16	85,151,942.97	73,937,040.01
Supplies & Consumables used	17	122,499,676.80	98,232,659.95
Depreciation & Amortization expenses	18	32,530,065.75	36,780,515.83
Other expenses	19	530,000.00	275,474.70
Finance cost	20	77,896.38	152,533.16
Total Expenses		240,789,581.90	209,378,223.65
Surplus/ (Deficit)		53,580,402.43	55,649,409.72



SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT**Statement of Changes in Net Assets/ Equity
For the year ended December 31, 2012****Amount/Rs.**

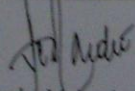
	Note	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
Balance at December 31, 2011		454,850,951.89	94,717,014.65	549,567,966.54
Previous Year adjustment			(8,838,872.50)	(8,838,872.50)
Restated Balance		454,850,951.89	85,878,142.15	540,729,094.04
Surplus /(Deficit) for the period			53,580,402.43	53,580,402.43
Balance at December 31, 2012 Carried Forward		454,850,951.89	139,458,544.58	594,309,496.47

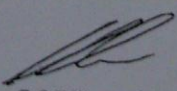


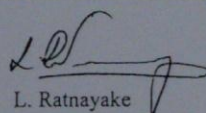
SRI LANKA INSTITUTE OF TOURISM & HOTEL MANAGEMENT
Statement of Financial Position
as at 31 December 2012

Amount/Rs.

	Note	2012	2011 Restated
ASSETS			
Current Assets			
Inventories	03	1,963,578.97	1,703,739.93
Trade Debtors	04	14,581,666.42	12,515,510.41
Deposits & Other Receivables	05	3,737,313.93	3,297,313.93
Receivables SLTDA & SLTPB	06	61,381,826.86	51,099,707.22
Loans & Other	07	8,063,816.66	8,363,079.62
Advances	08	449,851.00	675,370.50
Pre payments	09	7,062,769.29	109,639.47
Cash in Hand and at Bank	10	134,916,047.90	99,902,034.36
Total Current Assets		232,156,871.03	177,666,395.44
Non- Current Assets			
Property, Plant & Equipment	02	572,308,458.33	491,837,152.47
Less : Provisions for Depreciation		170,084,601.32	137,554,535.58
Written down value		402,223,857.01	354,282,616.89
Add : Work in progress		22,465,177.65	55,889,885.22
Total Non- Current Assets		424,689,034.66	410,172,502.11
Total Assets		656,845,905.69	587,838,897.55
LIABILITIES			
Current Liabilities			
Deposits / Other payables	11	2,526,810.73	1,615,371.89
Payables to SLTDA & SLTPB	12	6,657,304.26	3,934,242.19
Accrued expenses	13	27,672,133.63	16,104,764.63
Provisions for Retirement Gratuity	14	11,910,882.00	10,913,927.50
Total Current Liabilities		48,767,130.62	32,568,306.21
Net Assets		608,078,775.07	555,270,591.34
NET ASSETS/EQUITY			
Capital Contribution		454,850,951.89	454,850,951.89
Revenue Account		139,458,544.58	85,878,142.15
JABIC & UNDP Grant		13,769,278.60	14,541,497.30
Total Net Assets/Equity		608,078,775.07	555,270,591.34


Chandra Mohotti
Chairman


G.S. Wijewardane
Director General


L. Ratnayake
Director Finance



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கணக்காய்வாளர் தலைமை அபிபுதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல
My No

TM/K/SLITHM/FA/2012

ඔබේ අංකය
உமது இல
Your No.

දිනය
திகதி
Date

31 December 2013

The Chairman
Sri Lanka Institute of Tourism and Hotel Management

Report of the Auditor General on the Financial Statements of the Sri Lanka Institute of Tourism and Hotel Management 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 Sri Lanka Institute of Tourism and Hotel Management for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 20 of the Tourism Act No. 38 of 2005. My comments and observations which I consider should be published with the Annual report of the Institute 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 issued to the Chairman of the Institute on 15 July 2013.

1:2 Responsibility of the Management 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.

අංක 306/72 පොල්දූව පාර,
බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය
தொலைபேசி
Telephone. } 2887028 -34

இல. 306/72, பொல்துவ வீதி,
பத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය
பக்ஸ் இல
Fax No. } 2887223

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#- மெயில்
E-mail. } oaggov@slitnet.lk



SLITHM |

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 judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the 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 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 Sri Lanka Institute of Tourism and Hotel Management 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 Policies

The following observations are made.

- (a) Fully depreciated assets, assets not being used and assets eliminated in usage had not been separately identified. Instead, a sum of Rs.32,530,066 had been identified as expenditure on depreciation for the year under review.
- (b) Separate income statements had been prepared for each hotel school branch. However, the accounting policy of apportioning the head office expenditure to hotel schools had not been disclosed with the accounts. In addition, the accounting policy of apportioning direct and indirect overheads to the Samudra Hotel too had not been disclosed with the financial statements.

2:2:2 Accounts Receivable and Payable

The following observations are made.

- (a) A sum of Rs.9,555,378 existed among trade debtors for over 01 year. Meanwhile, arrears of Rs.5,092,956 was due from the Sri Lanka Tourist Promotion Authority for over 01 year.
- (b) Out of the sundry creditors, a sum of Rs.3,934,242 remained unsettled since 2007 as a result of not identifying the actual liability.
- (c) Advances amounting to Rs.404,851 granted to the employees remained unsettled even as at end of the year under review.



2:2:3 Lack of Evidence for Audit

The evidence indicated against each item of accounts below had not been furnished.

Details	Value	Evidence not Furnished
	Rs.	
Debtors	14,581,666	Letters confirming balances
Canteen Sales	4,593,426	Sales documents
Property, Plant and Equipment	572,308,458	i. Physical verification reports ii. Register of fixed assets
Sales Cost (Samudra Hotel)	6,987,145	Details of stock adjustments
Deposits Receivable	2,234,312	Letters confirming balances
Other Balances of Receivable	1,503,002	Letters confirming balances
Balances receivable from Sri Lanka Tourist Authority	61,337,343	Letters confirming balances
Balances receivable from Sri Lanka Tourist Promotion Bureau	4,417,949	Letters confirming balances
Balances payable to Sri Lanka Tourist Development Authority	6,657,304	Letters confirming balances

2:2:4 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Finance Act, No. 38 of 1971	
Section 14(10)	A draft annual report for the year under review showing the performance of the Institute had not been prepared.



- (b) Public Finance Circular No. PED/12 dated 02 June 2003.

(i) Section 4.2.2

Monthly performance reports, operating statements, value of materials procured, human resources reports and reports relating to debtors, creditors and stocks, age analysis and reports relating to non moving, slow moving and stock not in usage had not been furnished to the Board of Control.

(ii) Section 9.12

Approval from the General Treasury had not been obtained for the Employees' Medical Scheme.

(iii) Section 9.14.1

A manual of procedure consisting of a paragraph relating to human resources management including the rules and regulations pertaining to human resources management had not been prepared with the consent of the Secretary to the Treasury.

- (c) National Procurement Guideline 4.2.1(a) and (c)

A detailed procurement plan for at least three ensuing years had not been prepared.

- (d) Treasury Circular No. IAI/2002/2 dated 28 November 2002.

A register of fixed assets for computers, computer accessories and software belonging to the Institute had not been prepared.

2:2:5 Transactions without Authority

A sum of Rs.3,551,640 had been paid since 2010 as transport and fuel allowances to 3 officers who were not entitled for allocated vehicle facilities, without the approval of the Cabinet of Ministers.



3. Financial Review

3:1 Financial Results

According to the financial statements presented, the surplus resulted from the activities of the Institute for the year ended 31 December 2012 was Rs.53,580,403 as compared with the surplus of the previous year amounting to Rs.55,649,410 showing a decrease in financial results by Rs.2,069,007. The increase in expenditure by Rs.31,411,357 as compared with the previous year had affected the decrease in financial results.

3:2 Analytical Financial Review

The income of the Institute for the year under review was Rs.294 million. It shows an improvement of 10.9 per cent as compared with the previous year's Rs. 265 million. Meanwhile, the expenditure on academic, training and development activities of the previous year amounted to 209 million whereas it was Rs.241 million during the year under review showing an increase of 14.8 per cent.

4. Operating Review

4:1 Performance of Hotel Schools

The following observations were made while comparing the performance relating to training of students (Internal) with that of the previous year.

- (a) Out of the total number of registered students for the year 2012, the number of students who had completed the course were 551 representing 94 per cent. Out of the number of students registered during the year 2011, 96 per cent had completed the course.
- (b) The cost per student for the year under review was Rs.437,005 whereas it was Rs.147,242 during the previous year.



- (c) According to the Corporate Plan of the Sri Lanka Tourist Development Authority, it was expected to increase the tourist arrival by 2.5 million by the year 2016 compared with the present tourist arrival of 1.005 million. However, the Sri Lanka Institute of Tourism and Hotel Management had not prepared strategic plans to fulfill the needs for human resources in order to achieve the overall objective of the industry.

4:2 Under utilization of Funds

Due to weak financial management, bank balances ranging from Rs. 99 million to Rs.134 million remained idle during the entire year.

4:3 Idle Assets

Hotel equipment valued at Rs.11,929,385 purchased during January 2008 under the Tourist Resources Improvement Project remained idle even as at end of the year under review.

4:4 Uneconomic Transactions

The rooms of Hotel Samudra had been renovated without feasibility studies, preparation of cost estimate and without following tender procedures. The construction work had been entrusted to a private firm quoting Rs. 51 million. The constructions were not upto standard.

4:5 Quality and Reliability of the Management Information System

A sum of Rs. 30 million had been spent during the year under review and the previous year to purchase computers and computer software. However, a proper information system had not been established even by end of the year under review by identifying the needs of management information of the Institute.

4:6 Human Resources Management

The academic and non academic staff of the Institute for the year under review, including the staff of the Samudra Hotel was 117. There were 48 vacancies including 6 vacancies for lecturers. Adequate action had not been taken to fill the vacancies.

4:7 Transport Fleet

The following observations are made.

- (a) A sum of Rs.4,142,205 had been spent for fuel, maintenance and repairs of 2 vehicles during the year under review. However, the particulars of distance travelled by those vehicles had not been furnished to audit.
- (b) A sum of Rs.10,532,634 had been spent on hired vehicles during the year under review. Further, the information relating to distance travelled by hired vehicles had not been furnished to audit.

5. Accountability and Good Governance

5:1 Corporate Plan

The Institute had prepared a corporate plan for the period 2011 to 2016. However, the manpower development, production development and sales strategies had not been implemented according to annual programems with reference to the year under review.

5:2 Action Plan

The Action Plan prepared for the year under review had not been furnished to audit.

5:3 Internal Audit

An internal audit unit had not been established at the Institute.



5:4 Budgetary Control

A comparison of the budgeted income and expenditure with the actual income and expenditure showed variations in 28 objects ranging from 52 to 981 per cent. Accordingly, it was observed that the budget had not been utilized as an efficient 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 Institute from time to time. Special attention is needed in respect of the following areas of control.

- (a) Implementation of Training Programmes
- (b) Budgetary Control
- (c) Human Resources Management
- (d) Assets Management
- (e) Procurement
- (f) Payment of Advances
- (g) Accounting

H.A.S. Samaraweera
Auditor General

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