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வருடாந்த அறிக்கை
Annual Report

2014



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இலங்கை தொழிற் பயிற்சி அதிகாரசபை
Vocational Training Authority of Sri Lanka



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திறன்கள் அபிவிருத்தி மற்றும் தொழில் பயிற்சி அமைச்சு
Ministry of Skills Development and Vocational Training

Institution - **Vocational Training Authority of Sri Lanka**

Ministry - **Ministry of skills Development and Vocational Training**

Address - **"NipunataPiyasa"**
No.354/2
ElvitigalaMawatha,
Narahenpita
Colombo 05.

E mail address - **info@vtasl.gov.lk**

Web site - **www.vtasl.gov.lk**

Auditors - **Auditor General**
Auditor General's Department

Bankers - **People's Bank**
Bank of Ceylon
Commercial Bank

PRESENTATION

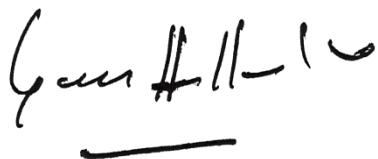
Hon. Minister Mahinda Samarasinghe,
Minister of Skills Development and Vocational Training
"NipunathaPiyasa"
No, 354/2, ElvitigalaMawatha,
Narahenpita,
Colombo 05,

Hon. Minister,

Annual Report - 2014
Vocational Training Authority of Sri Lanka

I submit the Annual Report of the Vocational Training Authority of Sri Lanka for the year 2014 in terms of sec. 25 of Sri Lanka Vocational Training Authority Act No 12 of 1995 and sec.14 (2)C of the Finance Act No.38 of 1971

Yours faithfully



Major General Gamini Hettiarachchi (Retd)
Chairman / CEO
Vocational Training Authority of Sri Lanka

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OUR VISION

To be the pioneer institution in Sri Lanka that provides effective and creative training which fulfill the requirements of the global job market.

OUR MISSION

To make facilities to cater to the demand of global trained labor needs by adopting modern methodologies and technologies. We will achieve this mission targeting the global employment trends by maintaining our services and facilities at highest standards.

FUNCTIONS

- ❖ Offering Vocational training and proficiency to youths by way of arranging Vocational training programs and making arrangement for them to obtain the Vocational proficiency jointly with other Institutions too.
- ❖ Conducting skill based final evaluations, issue of National Vocational qualification certificates, holding trade tests and issue reports.
- ❖ Holding National Vocational tests and final examinations and issue of National vocational qualification certificates.
- ❖ Holding the National Vocational tests & final tests. Issue of National Vocational qualification certificates.
- ❖ Researches relating to Vocational qualifications and conducting Development programs.
- ❖ Implementation of Career Guidance programs and counseling.
- ❖ Giving further training to youths who have achieved Vocational training, finding them employment and afford necessary facilities for self-employment.



INTRODUCTION

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

Structure of the Vocational Training Authority of Sri Lanka

Vocational Training Authority of Sri Lanka consisted of 12 members including and Chairman, Vice Chairman Appointed as per section 5 of the Vocational Training Authority of Sri Lanka Act No.12 of 1995.

The Following Board of control Operated from 01.01.2014 to 31.12.2014

01.	Colonel S.R.P.Rathnayake (RWP , RSP) Vocational Training Authority of Sri Lanka	Chairman
02.	Mr. P.K.Pathirana Vocational Training Authority of Sri Lanka	Vice Chairman
03.	Mr. K.C.A.Arunadeva Silva Chairman, National Apprenticeship and Technical Training Authority	Member
04.	Mr. H.U.Premathileka Additional secretary (Quality Development) Ministry of Education	Member
05.	Mrs.M.C.D.Amarathunge Additional Commissioner General of Labour,Labor secretariat, Labor Department	Member
06.	Mr. W.A.Jayawickrame Additional Secretary (Finance and Administration) Ministry of Youth Affairs and Skills Development	Member
07.	Mrs. Geetha Senarathne Additional Secretary (Commercial) Ministry of Industries and Commerce	Member
08.	Mr. T.A.N.N.Premarathne Director National Planning Department	Member
09.	Dr. Ishantha Siribaddana Chairman, Managing Director Java Institute Technology	Member
10.	Miss. M.F.K.Nissa Asst. Director, Budget Department Ministry of Finance and Planning	Member
11.	Mr. Sena Gamage Co-ordination Division	Member
12.	Mr. C.A.Niroshana Nadun	Member

REPORT OF THE BOARD OF DIRECTORS

Vocational Training Authority of Sri Lanka functioning under the Ministry of Skill Development and Vocational Training Established under the Vocational Training Authority of Sri Lanka Act No.12 of 1995 is Providing Skill training to youths through a network comprising with the establishment of 07 National Vocational Training institutions 22 District Vocational Training centers and 221 Rural Vocational Training centers and a network of centers comprising 14 rehabilitation centers. The successes achieved in accordance with its policies in 2014 are set out below.

- Full time Vocational Training Given to 26,381 Youths who had ended their school education in 250 training centers throughout the country and 415 detainees in prison.
- Offering Vocational Training to 1988 persons who are engaged in different fields through part time Training Programs for apprentices for their professional development and for the Apprentices who hope to approach the professions they wish.
- Provide 2918 local employment opportunities to those trainees who have successfully completed their training, 100 foreign job opportunists and 410 self-employments thereby finding jobs to 3428 trainees.
- Conducting 27 entrepreneurship development training programs and granting a sum of Rs.17.87million through state banks to 74 trainees who have started the enterprises under SEPI system.
- Issue National Vocational qualifications Training certificates to 10514 qualified apprentices and also certificate to 4944 apprentices who have fulfilled qualifications by way of non-National Vocational qualification Courses.
- Making aware 136,663 persons on Vocational training by conducting 3904 vocational guidelines programs.
- Obtaining the approval of the Tertiary and Vocational Education commission for 84 courses in operation under the National Vocational qualification frame work and getting qualifications for another 271 courses. The no of courses approved and overall operations at present are 764.
- Having approved Quality survey Diploma course for National Professional Qualification (NVQ) 5/6 level qualification and implement it in National Professional Training institute Narahenpita.
- Improvement of Computer Appliance Assistant (CAA) course and National Information Communication Technician course (NCICT) to ICT (Level 4)

- Converting NDICT courses to ICT (Level 5) and by way of installing standard management system making necessary requirements to for approval.
- Action has been taken to implement ICT (Level 05) course through LMS (Learning Management System) and thereby to enhance the quality of the above courses.
- Development of planning technician post as NVQ (Level 05) course.
- Evaluation of all Advisors under a proper Evaluation methodology and taking action to pay allowances to advisers under the Skill Development project.
- Invention of programmable logic controller (PLC) whose services are obtained as a training aid in NVQ (Level 04) course worth Rs. 800,000/- in the market by advisors at a cost of Rs. 450,000/- its market price is Rs. 2,300,000/-
- Commencing development work in 08 centers under SSDP and completing four of them.
- In order to start courses expeditiously for the needs of 41 fields were identified and taking action to purchase 351 million worth for 21 of such fields.
- In accordance with the memorandum of understanding signed with Singapore multiplied training for the master trainer's pedagogy program in institute of technical education should give training to 18 trainees.
- Training of 233 officers for the logic computer training under the skill development training program.
- In order to implement technological stream engaging 253 instructors in 75 seconds on part time.
- Taken action to include CISCO – IT ESSENTIAL (A+) in addition to NVQ 4 course to computer hardware course.
- To award authorized instructor qualification to teach CISCO – IT ESSENTIAL (A+) course to all computer hardware instructors.
- By way of training beauty culture instructresses too NVQ Level 05 qualifications updating their knowledge.
- In accordance with the memorandum of understanding uttered with the republic of Singapore polytechnic institute, training 30 persons out of the CISCO networking academies operating in Sri Lanka. It becomes the pioneer in the year 2014.
- With the objective of directing apprentices who have completed course in motor mechanism working in association.

- As the second state of the memorandum of understanding entered with nature's beauty creation private company referring 10 instructresses engaged in beauty culture field to skill development.
- In accordance with the memorandum of understanding entered nature's beauty creation private company provision of training items worth approximately rupees 2 million to the course in the field beauty culture.
- With the intention of restructuring the establishment information management system enter to memorandum of understanding with java higher technological education establishment.



Programs and Objectives for the Year 2015

- With a view of issuing NVQ certificates to 32,260 youth island wide making full time Vocational training and giving training for 5330 non NVQ course.
- Approving 147 courses and implementing all courses through study management system.
- Establishment of quality management system for all courses.
- Commencement of preschool training course and holding training programs for instructors/instructresses.
- Construction of 5 new centers under SSDP project and renovation of 42 centers.
- Establishment of 7 business units in selected vocational training centers.
- Making awareness in 145,440 persons by way of 3888 awareness programs conducted for school children, school leavers, vocational trainees, teachers and other social organization members.
- As an encouragement to trainees who complete the training successfully to commence business, holding 50 entrepreneurship training programs and providing monetary facilities to 256 persons to start businesses and to develop the existing businesses under SEPI loan scheme.
- Referring 7000 trainees who complete for local jobs, 500 for foreign employment and 800 for self-employment.
- With the view of finding employment to the trainees who complete the training and giving them opportunities for further training, holding 15 job markets in 15 selected districts.
- In order to enhance the knowledge and skill of apprentices who are under training holding 60 industry supervision visits and 40 skill development programs.
- Issue of 15000 NVQ certificates 2000 non NVQ certificates and 17,750 RPL (NVQ) 750 certificates.



Engineer Dr. Lionel Pinto
Chairman / Chief Executive officer
Vocational Training Institute of Sri Lanka

HIGH LEVEL AND SENIOR MANAGEMENT STAFF

Chairman	:	Col. S.R.P.Rathnayake (RWP, RSP)
Vice chairman	:	Mr. P.K.Pathirana
Director General	:	Mrs. Chulangani Perera (from 01.07.2014) Mr. K.G.Koralage (Actg) (till30.06.2014)
Directors	:	1. Mr. W.D.Fernando (Actg) 2. Mr. W.A.Ranaweera (Actg) (till30.06.2014) 3. Mr. C.P.Lokugalappaththi (Actg) 4. Miss. L.P. Manoja S.Pathirana(on secondment) 5. Mr. N.S.D.Nawarathna (Actg) (till 31.07.2014) 6. Dr. Mrs.Siddika G. Senaratne (from 01.08.2014) 7. Mr. SamanKulasooriya (from 01.07.2014)
Chief Internal Auditor	:	Mr. H.U.Kariyawasam
Deputy Directors	:	1.Mr. W.A. Ranaweera (till 02.03.2014) 2. Mr. N.S.D. Nawaratne 3. Mr. U.K.Nanda 4. Mr. N.K. Ilesinghe 5. Mr. K. Sarath Ananda (till 05.09.2014) 6. Mr. D.R.S.L. Dassanayake 7. Mr. N.D.P.Dhammika 8. Mr. T.D.S. Sangadasa 9. Mr. A.K.Arachchige 10. Mr. Mr. W.G. Wijeratne 11. Mr. E.A.D.S. Senaratne

12. Mr. G.V.P.N. Perera
13. Mr. R.N.K.M.J. Seneviratne
14. Mr. H.P. Manamperi
15. Mr. A.M.T.S. Attygalle
16. Mr. H.P.W. RohanPriyantha
17. Mr. H.T.S. Wickramaratne
18. Mrs. S.M. Edirisinghe
19. Mr. M.M.N.B. Madurasinghe

Consultants : 1. Mr. D.L.RandunuPremajyantha
2. Mr. K.V.Perera

Assistant Directors : 1. Mr. P.M. Perera
2. Mr. T.Vinodaraja
3. Mr. A.A. Jabir
4. Mr. A.M.A. Jayatissa
5. Mr. G.D. Jayasinghe
6. Mr. H.T.P.R.S. Wijesinghe
7. Mrs. G.R.M.C. Kulathunga
8. Mr. IndikaBandaraWeganthale
9. Mr. K.A.Lalithadeera(till 15.09.2014)
10. Mr. D.A.S.Athukorala
11. Mr. V.G.Nimalsiri
12. Mr.P.N.Abeshinghe
13. Mr. G.L.A.Peiris
14. Mr. Radakrishnan Mayurathan
15. Mr. K.Niranjan
16. Mr. A.A.W.G.R.R.Bandara
17. Mr. R.M.R.Rathnayake
18. Mr. B.H.A.Nelson

19. Mr. S.Meddagoda

45. Mr. H.L. Sisira

20. Mr. C.J.Winadanapathirana

46. Mr. W.K. Sumith Wasantha

21. Mr. H.A.P.Gunawardhana

47. Mr. R. Ahilan

22. Mr. M.G.G.Saman

23. Mr. K.D.N.De silva

24. Mr. D.A.Jayarathna

25. Mrs.G.H.P.Damayanthi

26. Mr. R.Sunil

27.Mrs. H.M.V.K.Herath

28.Mrs. P.J.Jayawardana

29.Mr. S.L.A.Fernando

30.Mr.V.Knagasundaram

31.Mr. K.M.B.Jayathilaka

32.Mr.H.M.Jayantha

33.Mr.M.B.Naleem

34.Mrs. R.Pathirage

35.Mr. P.P. Prasanna

36. Mrs. H. Edirisinghe

37. Mr. A.A.D.T. Shantha

38. Mr. T.V.W. Devapriya

39. Mr. U.G.J. Priyadharshana

40. Mr. G.M.S Perera

41. Mrs. R.D. Pradeepika

42. Miss. J.I.U.P. Gunewardhena

43. Mr. E. J. Wijetunga

44. Mrs. W.M.A.S.L. Wijenayake

DETAILS OF THE STAFF

Approved cadre for the Vocational Training Authority for the year 2014 is 2366 According to the allocations of the Department of Management Services the number in service as at 31.12.2014 was 1905.

	Post	Staff Approved	Staff as at the end of the year	No. of Vacancies/Surplus at the end of the year	Service Segment
01	Director General	1	1	0	HM 2-1
02	Director	6	5	0	HM1-1
03	Chief Internal Auditor	1	1	0	
04	Deputy / Assistant Director	86	64	22	
05	Legal Officer	1	1	0	MM 1-1
06	Internal Auditor	1	0	1	
07	Engineer	1	0	1	
08	Administrative Office	2	0	2	
09	Testing & Evaluation Officer	12	0	12	
10	Investigation Officer	1	0	1	
11	Transport Officer	1	0	1	
12	Supplies Officer	1	1	0	JM 1-1
13	Printing Officer	1	1	0	
14	Internal Auditing Officer	3	1	2	
15	System Analyst	1	0	1	
16	Welfare Officer	1	0	1	
17	Finance Officer	33	31	2	
18	Senior Program Officer	10	0	10	
19	Training Officer	67	59	8	
20	Research Officer	2	2	0	
21	Planning Officer	2	2	0	
22	Personal Assistant to Chairman	1	0	1	
23	Personal Assistant *	7	5	0	

24	Translator (Sinhala/English)	1	0	1	MA 5-2
25	Translator(Sinhala/Tamil)	3	0	3	
26	Senior Advisor	131	17	114	MA 4
27	Programming officer	69	55	14	
28	Audit Assistant *	3	3	0	
29	Project Assistant *	34	28	0	
30	Technical Assistant	3	1	2	MA 2-2
31	Instructor	1364	1209	155	
32	Sports Instructor	31	0	31	
33	Planning Officer	1	0	1	
34	Quantity Surveyor	2	0	2	
35	Technical Officer (Civil)	5	0	5	
36	Management Assistant	191	170	21	
37	Assistant Advisor (LRUC) *	38	36	0	
38	Compositor (Printing)	3	1	2	
39	Hostel Keeper	2	0	2	
40	Supervisor (Printing)	1	0	1	
41	Supervisor (Building)	1	0	1	
42	Driver	64	62	2	PL 3
43	Store Keeper *	2	2	0	PL 2
44	Printing Assistant	3	2	1	
45	Book Binder (Printing)	2	1	1	
46	Machine Operator (Printing)	2	1	1	
47	Peon	8	4	4	PL 1
48	Watchers *	65	53	0	
43	Laborers	95	84	11	
	Total	2366	1905	439	

- These posts have been approved personal to them and they will expire thereafter.

	Designation	Approved Staff	No. of Staff at the end of the year	End of the year surplus
01	HM 2-1 Senior Manager HM 1-1 Senior Manager	08	08	0
02	MM 1-1 Manager	89	65	24
03	JM 1-1 Junior Manager	154	103	40
04	MA 5-2 Management Asst. Translator	04	0	04
05	MA 4 Operational / Counseling Service	203	75	128
06	MA 3 Associated Officer	34	28	0
07	MA 2-2 Management Assistant – Technical	1406	1210	196
08	MA 1-2 Management Assistant Non-Technical	236	207	27
09	PL 3 Primary Artists	64	62	02
10	PL 2 Primary Artists	09	06	03
11	PL 1 Non – Primary Artists	168	141	15
	Total	2366	1905	439

Training of the Staff

In the year 2014 action was taken to develop the knowledge, skills and attitudes of 1963 members in the academic staff and 428 members in the non-academic staff.

Also it was possible to refer 07 instructors to action level 07 of national professional qualification under SSDP Project and 99 instructors in level 5/6 of the national professional qualification.

Further skill development program relating to industrial field could be conducted to 308 instructors.



Overseas Training – 2014 (Non – Academic Staff)

	Scholarship	Country	No. Participated
01	Staff Development Training Program	Singapore	09
02	Financially empowering persons with special needs	India	01
03	Annual Meeting of CISCO members	Singapore	01
04	Training Program for the renovation and improvement of motor mechanism training centers	South Korea	01
05	Vocational education management training program	China	02
06	Identification of the skill development training programs with a demand	India	01
07	Training Program in motor mechanism	China	04
08	Training Program to finding employment to ladies in relation to technical and professional education	India	01
09	Improvement of instructor skills	Singapore	09
10	Program on Beauticulture Training	Thailand	10
11	Capacity Development Training Program	South Korea	06
12	International Program on Industrial electronic and equipment	India	01
13	Study tour regarding German, Malaysian, training institutions	Malaysia	01
14	Advisory Training to grant high technological training	Malaysia	06
	Total		53

Local Training (Non - Academic Staff 2014)

	Training Program	No. Participated
01	Skill Development Program	90
02	Training on Nano Technology (Construction Field)	03
03	Training on Office Management	92
04	Management training on the identification of modern office environment	169
05	Training on Vocational Guidance	74
	Total	428



Local Training (Academic Staff - 2013)

	Training Program	No. Participated
01	Training of new instructors	58
02	Training on trained methodology	204
03	Program for the implementation of NVQ/CBT	788
04	Training Program on gender sociology	23
05	Industrial Training	41
06	Skill Development Training	786
07	Training for the preparation of business plans	37
08	Training program for the preparation of documents for computer diploma	26
	Total	1963

Provision of Youth Vocational Training

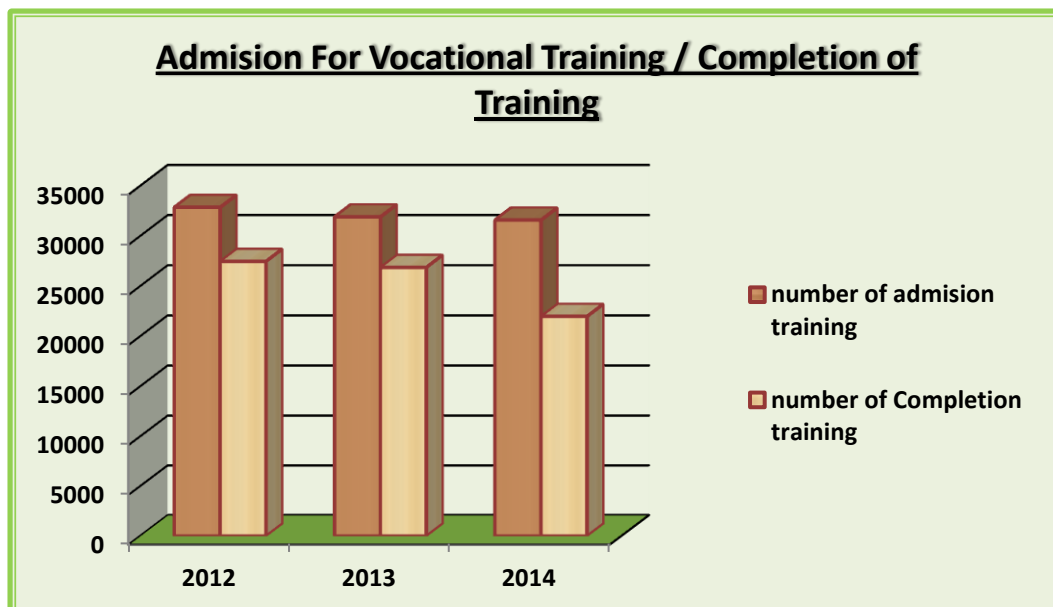
Implement of Vocational Training Programs

By way of 1944 Training programs implemented under 113 training courses which comprised of 18 different fields 28,784 apprentices were admitted to institutional training. In addition 2,235 through the implementation of Skill Development programs and 572 through entrepreneurship development programs were trained accordingly. The total number admitted to training in the year 2014 was 31,591.

Admission for Vocational Training/Completion of Training

Year	2012	2013	2014
No. admitted to training	32,855	31,907	31,591
No. completed training	27,469	26,869	21,976 *

*4494 apprentices who admitted for training are scheduled to complete training in the year 2015

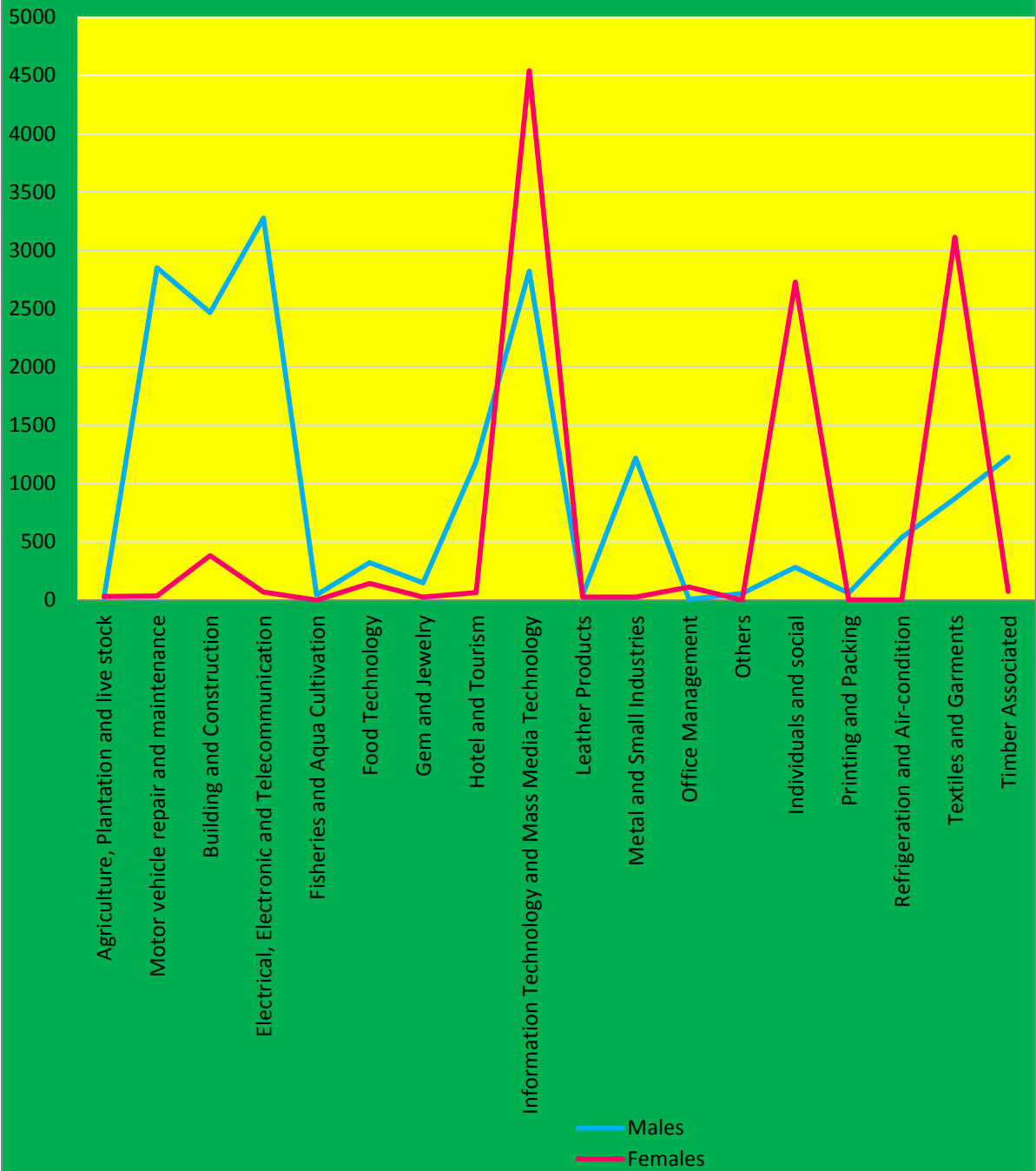


Demand for Training Fields 2014

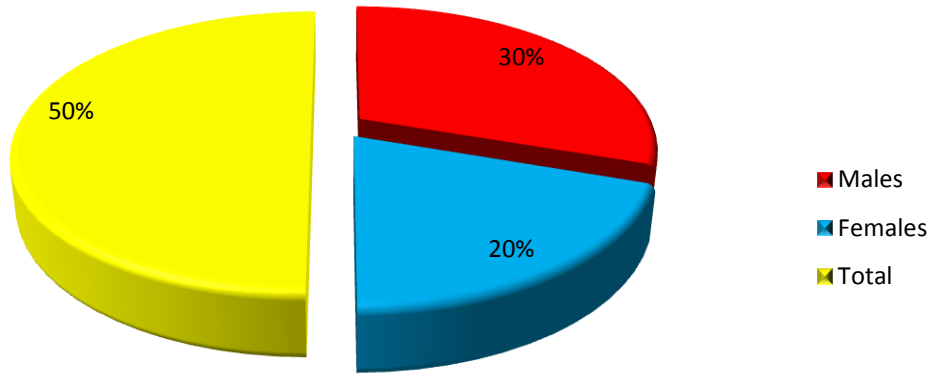
	Fields	No of Apprentices admitted
1	Agriculture, Plantation and livestock	49
2	Motor vehicle repair and maintenance	2883
3	Building and Construction	2847
4	Electrical, Electronic and Telecommunication	3345
5	Fisheries and Aqua Cultivation	44
6	Food Technology	463
7	Gem and Jewelry	173
8	Hotel and Tourism	1250
9	Information Technology and Mass Media Technology	7362
10	Leather Products	68
11	Metal and Small Industries	1243
12	Office Management	116
13	Others	56
14	Individuals and social	3008
15	Printing and Packing	60
16	Refrigeration and Air-conditioning	537
17	Textiles and Garments	3982
18	Timber Associated	1298
	Total	28784



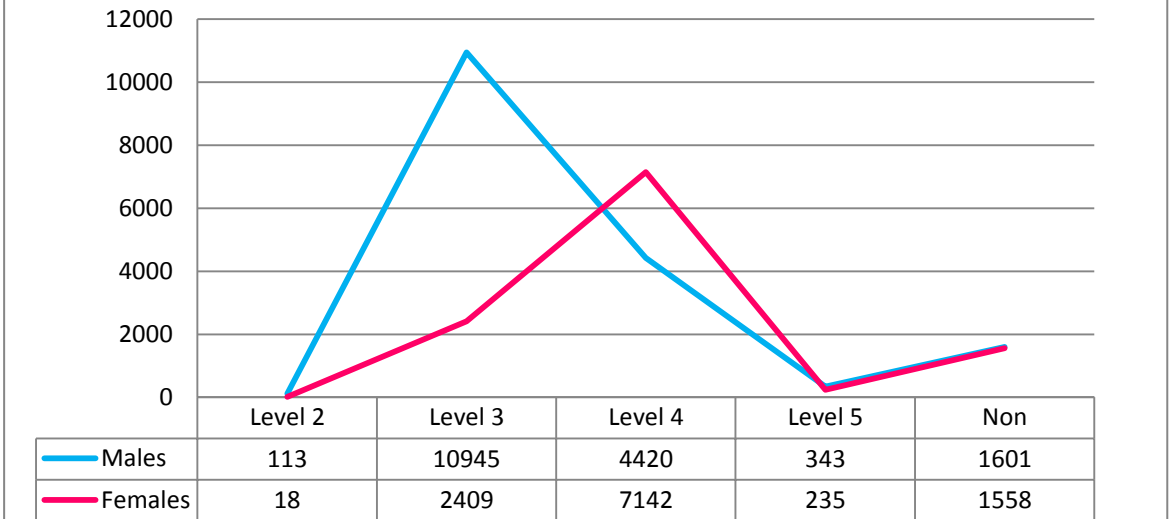
Recruitment Of Trainees - 2014



Total



Recruitment Of Trainees - 2014

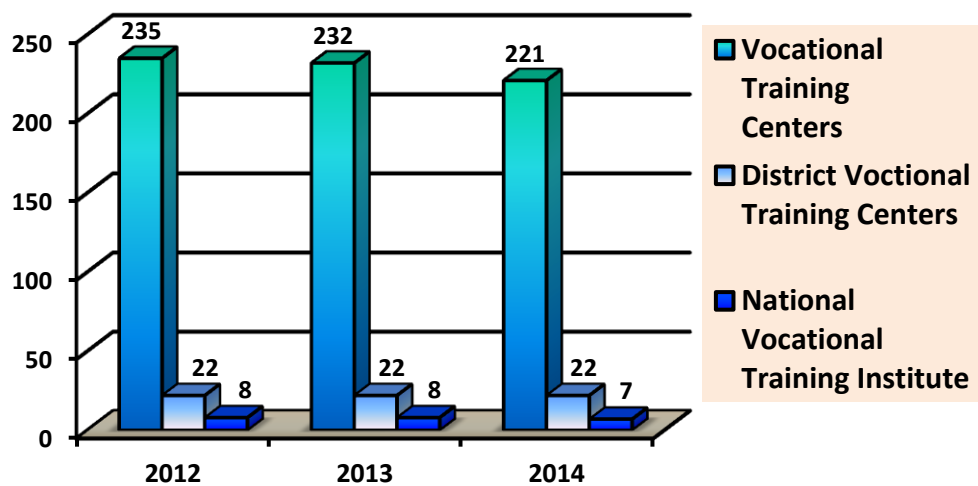


Extension Of Training Centers

The number of training centers operation through the Island in year 2014 is as follows. In addition, vocational Training courses were conducted 12 Prisons and 02 Rehabilitation Centers.

Year	2012	2013	2014
National Vocational Training Institutions	08	08	07
District Vocational Training Centers	22	22	22
Vocational Training Centers	235	232	221
Total	265	262	250

Details Of Training Institutes



Extension Of Vocational Training Center 2014

Province	District	No Of Institutes						
		NVTI	DVTC	VTC	AT	PC	Reh	Total
Western Province	Gampaha	-	1	14	1	1	-	17
	Colombo	2	1	12	1	1	-	17
	Kaluthara	-	1	8	-	1	-	10
North Western Province	Puththalam	-	1	6	-	-	-	7
	Kurunagala	-	1	9	-	-	-	10
Northern Province	Jaffna	-	1	9	-	-	-	10
	Killinochchi	-	1	4	-	-	-	5
	Mulathivu	-	1	2	-	-	-	3
	Mannar	-	-	2	-	-	-	2
	Vavuniya	-	1	9	-	-	-	10
Eastern Province	Trincomalee	-	1	6	-	-	-	7
	Batticalo	1	-	13	-	-	-	14
	Ampara	-	1	15	-	-	-	16
Southern Province	Galle	2	1	12	2	2	-	19
	Matara	1	-	13	1	-	-	15
	Hambantota	1	1	11	-	1	-	14
Sabaragamuwa Province	Kegalle	-	1	9	-	-	1	11
	Rathnapura	-	1	12	-	1	-	14
Uva Province	Badulla	-	1	7	-	1	-	9
	Monaragala	-	1	9	-	1	-	11
Central Province	Kandy	-	1	11	-	2	-	14
	Matale	-	1	6	-	-	-	7
	Nuwaraeliya	-	1	5	-	-	-	6
North Central Province	Anuradhapura	-	1	12	-	-	-	13
	Polonnaruwa	-	1	5	-	1	-	8
	Total	7	22	221	5	12	2	269

NVTI : National Vocational Training Institutes

DVTC: District Vocational Training Institutes

VTC : Vocational Training Institutes

AT :

PC : Prisons Centers

Reh : Rehabilitation Centers

Vocational Guidance and Counseling Program

Vocational Training Authority of Sri Lanka paves the path for youth to select fields of professions according to their choices.

Accordingly in the year 2014, 3904 programs were operated for school children, school leavers, teachers and field officers and 136,663 persons could be made aware of this.

Target Group	Held	No Participater
School children	1194	59512
School leavers	837	30717
Others	1873	46434
Total	3904	136663

Year	2012	2013	2014
No Of Participants	121,452	115,736	136,663

Vocational Evidence and Counseling Program

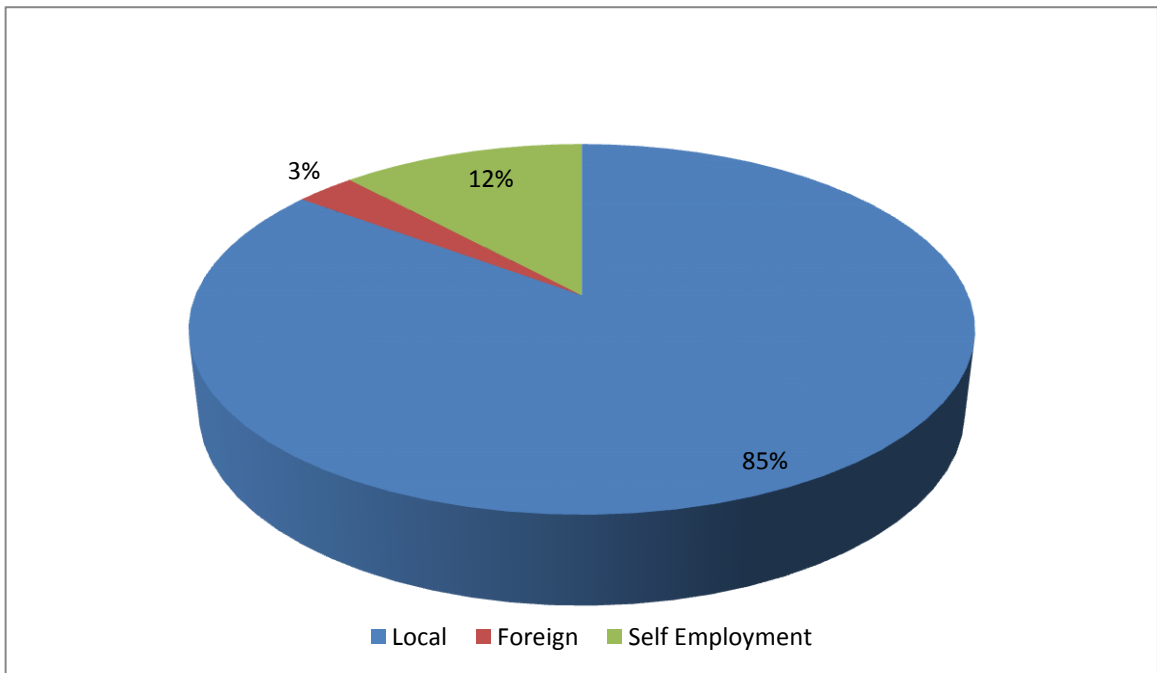
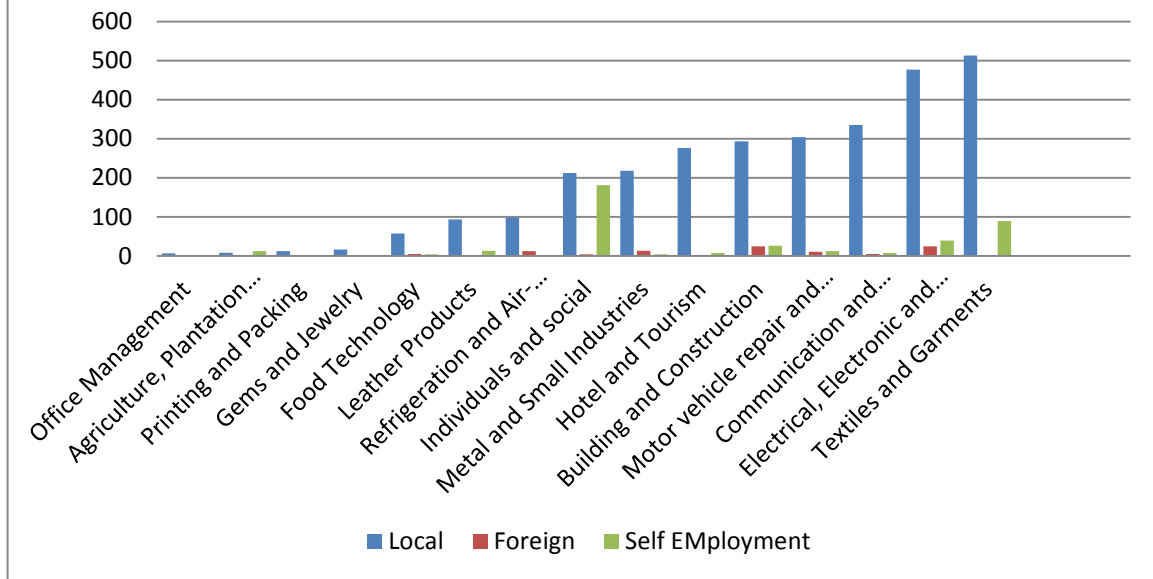


JOB PLACEMENT

Under the job placement program, implemented District level jobs have been provided to 3428 trainees, through foreign and Local Employment Agencies. Out of them 2918 persons were referred to local jobs, 100 persons to foreign employment and 410 for self-employment. In order to implement this program 40 Local and foreign Employment Agencies were registered. By way of this productive job placement, Vocational Training Authority of Sri Lanka was able to contribute to the National Economy in a some of approximately rupees million 5241.

No	Field of Training	No of Job Placements			
		Local	Foreign	Self-Employment	Total
1	Building and Construction	293	24	26	343
2	Motor vehicle repair and maintenance	304	10	12	326
3	Electrical, Electronic and Telecommunication	477	24	39	540
4	Refrigeration and Air-condition	98	12	0	110
5	Food Technology	57	5	4	66
6	Communication and Mass Media Technology	335	5	22	362
7	Hotel and Tourism	276	2	7	285
8	Metal and Small Industries	218	13	4	235
9	Leather Products	93	0	13	106
10	Gems and Jewelry	16	1	1	18
11	Printing and Packing	12	0	0	12
12	Agriculture, Plantation and live stock	8	0	12	20
13	Textiles and Garments	513	0	89	602
14	Individuals and social	212	4	181	397
15	Office Management	6	0	0	6
	Total	2918	100	410	3428

Job Placement



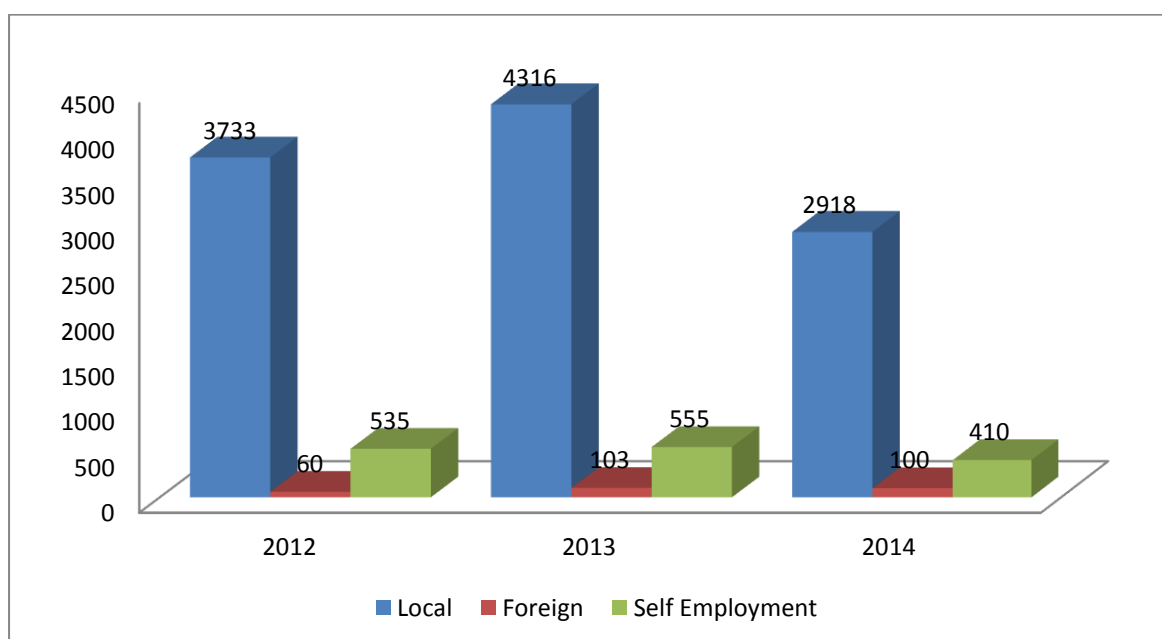
Contribution made to the National Economy through Job Placement

Category	No of Found Employees	Contribution made to the National Economy (Rs. Million)
Local Employment	2918	4716.79
Foreign Employment	100	139.50
Self -Employment	410	384.99
Total	3428	5241.29*

*(On the basis of every Market Magazine of the Tertiary and Vocational Education Commission and data of the employment agencies the Annual Income earned by trainees who found employment in year 2014 has been roughly estimated)

	Local	Foreign	Self-Employment	Total
2012	3733	60	535	4328
2013	4316	103	555	4974
2014	2918	100	410	3428

(These are only information with regard to placement of jobs by the Vocational Training Authority of Sri Lanka)



Holding Workshops on Technical Skills in Collaboration with Government and Private Institutions

These programs are implemented with the aim of developing the knowledge and skills for those who are engaged in the Vocational Training Fields and to provide the modern technical Knowledge in the ever changing world.

Accordingly, in the year 2014 it was possible to hold 29 such programs for 04 fields and thereby it was possible for 2245 persons to develop their skills.

	Programs	No of Programs	No of Participants	Sponsored Institutes
01	Beauty culture	12	1572	Natures Beauty Creations (PVT) Ltd
02	Laying of Tiles	11	430	Lanka Tiles Co.
03	Electrical Technicians	02	126	ACL Cable Co.
04	Aluminum Fabricator	04	117	Swisstech Aluminium Ltd
	Total	29	2245	



Signing of Memorandums of Understanding

With the aim of achieving the objectives of the Vocational Training Authority of Sri Lanka, among various steps taken 07 Memorandums of Understanding with government and private Institute were signed to improve the Vocational Training Opportunities and to develop qualities.

	Memorandums of Understanding	Institution
01	Paying the path for job opportunities to Sri Lankan youths through Vocational Training and guidance.	Berendina Development Service Company
02	Re-development of the information Management System for the Organizational Resources training for trainees of both parties.	Jawa High Technology Institute
03	Implementation of skills development programs to beauty culture instructors.	Natures Beauty Creation Institute
04	Providing modern knowledge in relation to Motor Technicians Field.	Associated Motorway
05	Launching of a pilot project to award a recognized certificates to children who followed courses in Nanasala Centers.	Sri Lanka Information and Communication Technology Agencies
06	Technical Education and Professional Co operational Training.	Dayalbag Academy - India
07	Increasing job opportunities in the hotel field.	German Technical Cooperation Institute and Jet wing Hotels Private Company

Holding of Entrepreneurship Development Programs

Vocational Training Authority of Sri Lanka is conducting programs with the objectives of empowering the young entrepreneurs. In year 2014, 27 programs were conducted and through that 872 individuals were trained.

In the year 2014, 74 apprentices who obtained Entrepreneurship training by planning business using the knowledge received from similar programmers could be obtained sum of Rs.18 Million from State Banks such as Peoples Bank, Bank of Ceylon or Refund Development Bank. Young entrepreneurs' who started small and middle local business are scattered throughout the country.



Challenges

- The Scarcity of instructors who have the capacity to engage in training using modern technology and the difficulty to pay them a high salary.
- To minimize the inconsistency between the training fields and job opportunities.
- Inadequacy of the capital and recurrent provisions allocated by the government as a service providing institution.
- Inability to provide equal facilities to every Vocational Training Centers operating throughout the Island.
- Lack of momentary facilities to provide Infrastructure facilities to Vocational Training Centers.
- Need to launch wide propaganda programs to make aware the society about the importance of Vocational Training
- Need to compete with the private sector institutions that provide Vocational Training.
- Since the facilities provided by the non- governmental organizations and other institution are comparatively high inability to provide the same level of facilities.
- Becoming necessary to make a great effort to attract youths for Vocational Training.
- Youths not showing more tendencies for courses of technical level that have a big demand.



FORWARD
FINANCAIAL STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2014
Vocational Training Authority of Sri Lanka

During the year under review a total grant of Rs. **1,205,438,203.21** was released to the Authority by the Treasury, Ministry, other Institution and Local and foreign donors, the details are given below.

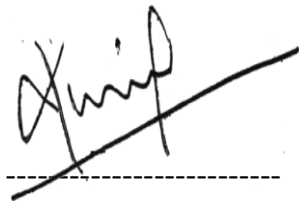
1.1 Government Grant	Allocation (Rs)	Amount Released (Rs)
Treasury Grant - Recurrent	925,246,461.44	925,246,461.44
Treasury Grant – Capital	204,500,000.00	204,500,000.00
Ministry – Grant Recurrent	8,968,566.40	8,968,566.40
TVEC	392,024.88	392,024.88
Regional Fisheries Live hood Program	66,331,150.49	66,331,150.49
Total	1,205,438,203.21	1,205,438,203.21

1.2 Income	Budgeted (Rs)	Income Earned Net(Rs)
Income	150,000,000.00	150,861,992.18

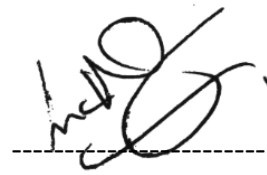
The Financial Statements for the year ended 31st December 2014 are presented herewith for the approval of the Board of Directors.

The following documents are included:

01. Statement of Financial Position as at 31st December 2014
02. Statement of Financial Performance for the year ended 31st Dec.2014
03. Cash flow statement for the year ended 31st December 2014
04. Statement of changes in Net Assets for the year ended 31st December 2014
05. Notes to the Financial Statement



Nimal Bopage
Chairman/CEO




Lalith W.K.Pelige
Director (Finance)

STATEMENT OF THE CHARIMAN ON BEHALF OF THE BOARD

**THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014
VOCATIONAL TRAINING AUTHORITY OF SRI LANKA**

The Financial Statements of the Vocational Training Authority of Sri Lanka for the financial year ended 31st December 2014 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.

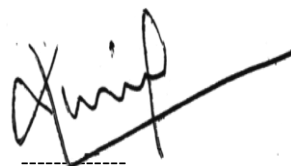
Financial rules and procedures prescribed by the Vocational Training Authority of Sri Lanka have been complied with, and the systems of controls have been maintained as far as practicable to ensure & safeguard the assets and effectiveness and efficiency of the transactions. To best of knowledge, the Financial Statements for the year ended 31st December 2014 have been prepared satisfactorily and exhibits a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka.




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

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2014

	Note	2014 (Rs.)		2013 (Rs.)	
<u>ASSETS</u>					
<u>Non - Current Assets</u>					
Property Plant and Equipment	2	5,269,637,433.01		5,349,052,697.50	
Capital Work in progress	3	112,338,617.22		31,684,035.26	
Other Financial Assets					
Fixed Deposit		25,000.00	5,382,001,050.23	25,000.00	5,380,761,732.76
<u>Current Assets</u>					
Inventories	4	28,088,609.22		25,557,687.92	
Receivables	5	24,230,437.11		23,788,391.94	
Staff Loans	6	47,087,942.80		40,142,375.20	
Cash and Cash equivalent	7	72,814,017.76	172,221,006.89	58,099,799.84	147,588,254.90
TOTAL ASSETS			5,554,222,057.12		5,528,349,987.66
<u>EQUITY & LIABILITIES</u>					
Accumulated Surplus (Deficit)		(686,636,233.28)		(600,399,430.16)	
Revaluation Surplus		2,319,991,544.97		2,319,991,544.97	
Gov. Grant - Capital	8	19,253,677.14		18,807,318.76	
Differed Income Grant	9	3,486,332,412.03	5,138,941,400.86	3,448,693,498.48	5,187,092,932.05
<u>Non - Current Liabilities</u>					
Provision for Gratuity	10	282,918,383.10	282,918,383.10	234,264,486.19	234,264,486.19
<u>Current Liabilities</u>					
Payables	11	115,779,432.29		82,314,599.15	
Accrued expenses	12	16,582,840.87	132,362,273.16	24,677,970.27	106,992,569.42
TOTAL EQUITY & LIABILITIES			5,554,222,057.12		5,528,349,987.66



Nimal Bopage
Chairman/CEO



Lalith W.K. Pelige
Director (Finance)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2014
(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)

Description	Note	2014 (Rs.)	2013 (Rs.)
<u>Operating Revenue</u>			
Recurrent Grant - Treasury		925,246,461.44	836,596,383.50
Recurrent Grant - Ministry			500,000.00
Differed Income Grant		405,788,085.37	423,091,895.50
<u>Other Income</u>			
Other Income	13	136,941,175.97	106,917,360.60
Production Unit Income (Net)	14	13,920,816.21	16,951,706.28
Fund Received For Special projects	15	75,691,741.77	5,367,576.74
Total Revenue		1,557,588,280.76	1,389,424,922.62
<u>Operating Expenses</u>			
Staff Cost	16	735,583,570.08	654,463,671.39
Travelling	17	13,443,233.99	13,530,671.76
Supplies and consumable used	18	32,721,293.52	30,931,792.35
Maintenance	19	28,178,541.54	28,227,751.88
Contractual services	20	135,716,461.52	124,061,410.31
Training material		76,978,188.45	78,764,045.70
Staff Training		10,788,417.67	6,753,779.56
Promotional & Carrier Guidance		22,289,729.35	13,713,290.98
Job placement, Research & Entrepreneurship	21	13,591,114.89	8,295,399.24
Loss on disposal of fixed assets		30,119,556.24	
Depreciation		405,788,085.37	423,091,895.50
Other operating expenses	22	62,750,201.47	55,993,526.83
Expenditure on Special projects	23	75,691,741.77	5,367,576.74
Finance Cost	24	184,948.02	190,226.74
Total Operating expenses		1,643,825,083.88	1,443,385,038.98
Net Surplus /(Deficit) for the period		(86,236,803.12)	(53,960,116.36)
Statements of Accumulated Surplus/Deficit			
As at 1st January as reported previously		(595,665,207.92)	(517,566,571.16)
Prior Year Adjustment	25	(4,734,222.24)	(28,872,742.64)
As at 1st January as Restated		(600,399,430.16)	(546,439,313.80)
Net surplus/(deficit) for the period		(86,236,803.12)	(53,960,116.36)
Balance as at 31st December		(686,636,233.28)	(600,399,430.16)

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2014

	2014 (Rs.)	2013 (Rs.)
<u>Operating Activities</u>		
Surplus /(deficit)for the period	(86,236,803.12)	(53,960,116.36)
Prior year adjustment		
Adjustment for:		
Depreciation	405,788,085.37	423,091,895.50
Amortization of deffered income grant	(405,788,085.37)	(423,091,895.50)
Loss of the Assets Disposal	30,119,556.24	
Gratuity provision	59,613,604.56	38,664,236.27
Gratuity paid	(8,956,685.41)	(4,917,577.26)
Prior year adjustment	(4,734,222.24)	(28,872,742.64)
(Increase) / Decrease in receivables	2,234,154.83	3,216,484.09
(Increase) / Decrease in Staff Loans	(6,890,567.60)	(226,755.87)
Increase/(Decrease) in payable	33,464,833.14	20,110,558.86
Increase/(Decrease) in accrued expenditure	(8,095,129.40)	9,405,433.91
(Increase)/Decrease in inventories	(2,530,921.30)	2,186,296.74
	94,224,622.82	39,565,934.10
Net cash flow from operating activities	7,987,819.70	(14,394,182.26)
<u>Investing Activities</u>		
Purchases of property plant & Equipment	(364,050,182.12)	(173,101,494.83)
Work in Progress	(80,654,581.96)	10,831,068.70
Cash received for Assets Disposal	7,557,805.00	0.00
Net cash flows from investing activities	(437,146,959.08)	(162,270,426.13)
<u>Financing Activities</u>		
Government Grant Capital	204,500,000.00	135,000,000.00
Other Income Grant	239,373,357.30	14,128,247.33
Net cash flow from Financing Activities	443,873,357.30	149,128,247.33
Net increase/decrease in cash & cash Equivalents	14,714,217.92	(27,536,361.08)
Cash & cash equivalents at beginning of period	58,099,799.84	85,636,160.92
Cash & cash equivalents at end of period	72,814,017.76	58,099,799.84

VOCATIONAL TRAINING AUTHORITY OF SRI LANKA
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31st DECEMBER 2014

Description	Accumulated Fund	Government Grant Capital	Differed Income Grant	Revaluation Surplus	Total
Balance as at 1st January 2013	(517,566,571.16)	31,920,731.38	3,713,191,882.99	2,319,991,544.97	5,547,537,588.18
Opening balance Adjustments	(28,872,742.64)				(28,872,742.64)
Opening balance restated	(546,439,313.80)	31,920,731.38	3,713,191,882.99	2,319,991,544.97	5,518,664,845.54
Grant received during the year		135,000,000.00			135,000,000.00
Amount transferred to differed income Grants		(148,113,412.62)	158,593,510.99		10,480,098.37
Amortization for the year			(423,091,895.50)		(423,091,895.50)
Surplus / (Deficit) for the year	(53,960,116.36)				(53,960,116.36)
Balance as at 31st December 2013	(600,399,430.16)	18,807,318.76	3,448,693,498.48	2,319,991,544.97	5,187,092,932.05
Balance as at 1st January 2014	(595,665,207.92)	18,807,318.76	3,451,139,440.87	2,319,991,544.97	5,194,273,096.68
Opening balance Adjustments	(4,734,222.24)		(2,445,942.39)		(7,180,164.63)
Opening balance restated	(600,399,430.16)	18,807,318.76	3,448,693,498.48	2,319,991,544.97	5,187,092,932.05
Grant received during the year		204,500,000.00			204,500,000.00
Amount transferred to differed income Grants		(204,053,641.62)	443,426,998.92		239,373,357.30
Amortization for the year			(405,788,085.37)		(405,788,085.37)
Surplus / (Deficit) for the year	(86,236,803.12)				(86,236,803.12)
Balance as at 31st December 2014	(686,636,233.28)	19,253,677.14	3,486,332,412.03	2,319,991,544.97	5,138,941,400.86

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

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 Sri Lanka Accounting Standards (LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.

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 year's 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 by providing depreciation in the year of purchase. the following depreciation rates are applied.

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

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 2007the 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.

d) 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.

Notes to the Financial Statements

2 Property, Plant & Equipment

in Rs.

	Land	Building & Improvement	Motor Vehicles	Furniture & Fittings	Training Equipment	Office Equipment	Electrical Equipment	Computer Equipment	Plant & Machinery	Total
Cost or Valuation										
At the beginning of the year	1,717,931,186.92	2,864,696,704.20	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	6,947,648,749.24
Additions during the year	5,190,244.09	75,156,937.95	2,552,752.44	10,631,236.26	58,895,549.76	2,238,623.00	5,873,490.00	9,804,838.90	2,432,015.27	172,775,687.67
At the end of the year	1,723,121,431.01	2,939,853,642.15	255,165,437.94	221,808,609.09	1,446,118,887.33	77,960,075.80	7,890,671.81	372,888,540.18	75,617,141.60	7,120,424,436.91
Accumulated Depreciation										
At the beginning of the year		469,132,467.17	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	1,344,957,502.13
Charge for the year		123,536,058.75	35,019,596.83	17,085,029.28	188,090,729.30	5,811,519.70	1,347,539.35	45,385,427.54	7,692,394.14	423,968,294.89
At the end of the year		592,668,525.92	150,106,647.45	68,043,345.52	693,755,960.13	25,656,398.49	2,500,524.41	191,346,830.04	44,847,565.06	1,768,925,797.02
Written Down Value										
As at 31st December 2013	1,723,121,431.01	2,347,185,116.23	105,058,790.49	153,765,263.57	752,362,927.20	52,303,677.31	5,390,147.40	181,541,710.14	30,769,576.54	5,351,498,639.89
As at 31st December 2012	1,717,931,186.92	2,395,564,237.03	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	5,602,691,247.11

2.1 Adjustment to the opening balance

Cost				Depreciation			
Assets Category	Opening Balance before adjustment	Adjustment made	Opening Balance after adjustment	Assets Category	Opening Balance before adjustment	Adjustment made	Opening Balance after adjustment
Building & Improvement	2,864,370,897.02	325,807.18	2,864,696,704.20	Building & Improvement	469,100,700.97	31,766.20	469,132,467.17
Total	2,864,370,897.02	325,807.18	2,864,696,704.20	Total	469,100,700.97	31,766.20	469,132,467.17

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 is ongoing, after getting the values, those value will be accounted in the year 2015

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 included in year 2015

• 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	-	Colomobo

Notes To The Financial Statements

	Note	2014	2013
		Rs.	Rs. (restated)
3	<u>Capital Work in Progress-Buildings</u>		
	Ampara	7,299,086.63	-
	Badulla	3,777,930.55	-
	Colombo	3,644,120.80	-
	Puttalam	27,569,676.77	-
	Hambantota	18,258,018.77	8,522,711.33
	Matara	176,712.00	1,206,093.28
	Trincoalee	4,021,177.70	-
	Rathnapura	158,920.50	1,059,539.25
	Anuradapura	390,637.50	
	Kurunegala	221,247.00	
	Jaffna	450,892.50	
	Matale	34,935,846.55	-
	Kalutara	8,675,858.90	
	Nuwara Eliya	1,994,057.55	968,460.19
	Gampaha	339,733.50	
	Kandy		3,189,321.29
	Narahenpita - H/O		13,917,349.57
	Vauniya		2,820,560.35
	Work in progress plant & machinery	424,700.00	
		112,338,617.22	31,684,035.26
4	<u>Inventories</u>		
	Training Materials	21,040,848.67	19,309,798.56
	Stationary	6,941,957.55	5,945,883.11
	Raw Materials (Printing)	30,105.00	13,690.00
	Other Consumables	75,698.00	288,316.25
		28,088,609.22	25,557,687.92
5	<u>Receivables</u>		
	Advances for programs	120,450.00	46,200.00
	Deposit for compensation		485,778.72
	Deposits	281,000.00	226,000.00
	Ministry of Vocational Training & Rural Industrial	3,930,931.24	4,097,520.24
	Vehicle Service Income Receivables	58,921.00	538,133.73
	Miscellaneous Debtors		10,000.00
	Prepayments	55,714.28	7,451,000.00
	Receivable course fees	16,799,315.10	11,362,771.00
	Receivable Income		148,741.33
	Receivable project fund		2,873,221.56
	Receivable salary	906,172.70	512,073.03
	Shortage of income	11,732.00	151,732.00
	State Organizations	3,035,710.16	4,144,544.97
	Trade & Other receivables	1,028,962.43	501,680.00
	Advance Payment For T-Shirt (Trainee)	4,968,169.60	2,361,442.40
		31,197,078.51	34,910,838.98
	Less:- Provision for Bad Debts	(6,966,641.40)	(11,122,447.04)
		24,230,437.11	23,788,391.94

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
6	<u>Staff Loans</u>		
	Balance at the beginning of the year	40,197,375.20	39,915,619.33
	Less:-Opening balance adjustment balance as reststed	55,000.00 40,142,375.20	 39,915,619.33
	Add: Loans granted during the year	40,908,568.19 81,050,943.39	36,484,874.13 76,400,493.46
	Less: Repayments during the year	(33,963,000.59)	(36,258,118.26)
	Balance at the end of the year	<u>47,087,942.80</u>	<u>40,142,375.20</u>
7	<u>Cash & Cash Equivalent</u>		
	Cash in transit		28,300.00
	Gold coins	104,000.00	104,000.00
	<u>Cash at Banks</u>		
	Peoples Bank	71,362,341.87	36,745,853.60
	Bank of Ceylon	67,165.71	67,165.71
	Commercial Bank	1,249,962.15	11,433,695.72
	Cheque in hand	2,065.03	9,478,768.81
	Cash in hand	28,483.00	242,016.00
		<u>72,814,017.76</u>	<u>58,099,799.84</u>
7.1	Two gold coins have been received by the Authority as rewards from Seylan Bank. Each gold coin weight is 8.02 grams and each gold value is 22.03 karat.		
8	<u>Government Grant - Capital</u>		
	Balance at the beginning of the year	18,807,318.76	31,920,731.38
	Add: Grants received during the year	204,500,000.00 223,307,318.76	135,000,000.00 166,920,731.38
	Less: Transfers to Differed Income Grant	(204,053,641.62)	(148,113,412.62)
	Balance at the end of the year	<u>19,253,677.14</u>	<u>18,807,318.76</u>

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
9	<u>Differed Income Grant</u>		
Balance at the beginning of the year		3,451,139,440.87	3,713,191,882.99
Less:- Opening balance adjustment		(2,445,942.39)	-
balance as reststed		3,448,693,498.48	3,713,191,882.99
Add: Transfers during the year	9.1	443,426,998.92	158,593,510.99
		3,892,120,497.40	3,871,785,393.98
Less: Amortized for the year		(405,788,085.37)	(423,091,895.50)
Balance at the end of the year		3,486,332,412.03	3,448,693,498.48
9.1	Transfers to Differed Income		
Government Grant - Capital		204,053,641.62	144,465,263.66
SSDP Grants		239,373,357.30	14,128,247.33
		443,426,998.92	158,593,510.99
10	<u>Provision for Gratuity</u>		
Balance at the beginning of the year		232,261,463.95	200,517,827.18
Add: Opening balance adjustment		2,003,022.24	-
balance as reststed		234,264,486.19	200,517,827.18
Add: Provision Made During the year		57,610,582.32	38,664,236.27
		291,875,068.51	239,182,063.45
Less: Payments during the year		(8,956,685.41)	(4,917,577.26)
Balance at the end of the year		282,918,383.10	234,264,486.19

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
11 Payables			
Audit Fees		1,424,000.00	1,386,000.00
Cashier Deposit		25,000.00	25,000.00
Course fee payable		616,600.00	203,750.00
Deposit		234,500.00	374,800.00
Employee Provident Fund		7,298,414.76	6,884,798.53
Employee Trust Fund		1,094,762.21	1,032,936.52
Lecture fees		4,877,575.00	3,846,950.00
Ministry youth affairs & Skill		2,150,000.00	
Other Payables		10,354,508.44	3,565,490.05
Project funds Payable		10,427,341.81	13,269,016.67
Received in Advance		1,514,600.00	1,485,550.00
Refundable Tender Deposit		1,763,120.39	775,784.44
Retention Money		11,504,895.06	13,650,102.94
Salary payable		7,259,521.93	10,576,910.06
Staff Incentive payable		69,360.00	363,750.00
Student insurance scheme	11.1	12,309,000.00	-
Trade Creditors		42,769,917.73	24,151,166.58
Vehicle service unit			594,435.00
W & O.P		86,314.96	128,158.36
		115,779,432.29	82,314,599.15

11.1 Student insurance scheme

At the beginning of the year	0
Add :-Contribution during the year	12,337,500.00
	12,337,500.00
Less :- Payments during the year	(28,500.00)
	12,309,000.00
Balance at end of the year	12,309,000.00

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
12 <u>Accrued expenses</u>			
Advertisement			1,279,658.24
Carrier Guidance		270,980.00	65,325.00
Electricity		1,521,854.79	2,158,241.83
Examination & Evaluation		96,659.86	529,765.55
Fuel & Lubricant		58,376.00	4,750.00
Janitorial Services		563,595.00	363,907.65
Maintenance		1,182,972.27	1,370,128.52
Newspapers & periodicals		23,350.00	27,425.00
Other			-
Overtime & Holiday pay		818,410.53	674,060.28
Part Time Expenses Payable		4,437,918.17	2,377,935.00
Promotional Activities		233,743.00	1,884,369.73
Rent, Rates & Taxes		88,476.19	317,521.04
Season tickets		584,351.02	709,060.64
Security Charges		2,705,145.00	7,699,372.50
Special training program			-
Stipend		569,137.00	1,301,263.07
Telephone		1,527,958.36	2,662,770.08
Trade test			-
Transport			11,000.00
Travelling		507,673.54	311,609.20
Water		813,990.14	493,806.94
On The Job Training Payable		578,250.00	436,000.00
		16,582,840.87	24,677,970.27

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
13 Other Income			
Auction Income		3,813,333.75	2,269,834.85
Course fees		109,004,150.00	82,518,000.00
Daily Diary		2,839,700.00	2,728,100.00
Entrepreneur Development program		57,500.00	68,500.00
Fines		217,798.40	150,787.09
Sale Finish goods		184,611.00	256,821.00
Hall Income		1,394,475.00	2,541,755.60
Hostel Fees		366,800.00	242,250.00
Insurance claim			-
Katharagama circuit Bungalow		415,695.00	257,376.00
Loan Interest		1,731,641.17	1,610,094.95
Miscellaneous		3,622,476.10	2,839,185.31
Non Refundable Tender deposit		684,500.00	234,000.00
Record Book		4,652,800.00	3,733,300.00
Registration fees		6,174,600.00	5,997,500.00
Rent Income		260,000.00	120,000.00
Supplier Registration		75,500.00	271,500.00
Savings A/C Interest		1,445,595.55	1,078,355.80
		136,941,175.97	106,917,360.60

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
14	<u>Production Unit Income</u>		
Academy of Hair & Beauty			145,182.05
Exam Fees			227,320.00
Hotel School - Ahangama		5,500.00	86,165.00
Sundry income		113,788.80	701,411.66
Income from Part time courses		10,309,987.47	12,772,398.81
10% earning		781,807.00	-
Printing School -Narahenpita		537,125.75	3,990.00
Sipsala bojun narahenpita		307,073.44	
Recognition of prior learning (RPL)		992,394.00	1,476,213.50
Trade test		331,598.75	388,525.96
Vehicle Service		103,434.00	173,190.00
Ahugamma staff development center		318,162.00	634,372.60
VTA Food Production Income		119,945.00	342,936.70
		13,920,816.21	16,951,706.28

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
15	<u>Funds on Special Projects</u>		-
	Ministry of Youth Affaires & Skills Development - World skill day	2,591,364.65	-
	Skill sector development project	66,331,150.49	-
	Ministry of Youth Affaires & Skills Development - A/L student program	6,377,201.75	2,393,190.50
	TVEC	392,024.88	813,255.74
	UNICEF		697,500.00
	Sri Lanka Mobitel		844,180.00
	Funds On Fisheries Program		619,450.50
		75,691,741.77	5,367,576.74
16	<u>Staff Cost</u>		
	E.P.F. & E.T.F.	63,899,431.23	61,106,534.42
	Other Allowance	232,938,543.56	182,342,328.68
	Pension Contribution	196,971.80	219,511.25
	Salaries & overtime	380,643,973.57	372,131,060.77
	Staff Gratuity	57,610,582.32	38,664,236.27
	Gratuity surcharge	294,067.60	
		735,583,570.08	654,463,671.39

Notes of the Financial Statements

	note	2014	2012
		Rs.	Rs.
17	<u>Travelling</u>		
	Domestic	6,943,162.82	6,333,601.97
	foreign	4,469,131.17	5,035,231.52
	Accommodation Expenses	90,910.00	15,700.00
	Verification expenses	1,940,030.00	2,146,138.27
		<u>13,443,233.99</u>	<u>13,530,671.76</u>
18	<u>Supplies and other consumable</u>		
	Stationary & Office Requisites	12,306,446.88	15,666,283.52
	Fuel & Lubricant	16,385,790.11	12,760,176.03
	Others	4,029,056.53	2,505,332.80
		<u>32,721,293.52</u>	<u>30,931,792.35</u>
19	<u>Maintenance</u>		
	Vehicle	11,436,979.45	10,233,422.03
	Plant & Machinery	6,613,800.55	7,015,395.83
	Building	10,127,761.54	10,978,934.02
		<u>28,178,541.54</u>	<u>28,227,751.88</u>
20	<u>Contractual Services</u>		
	Audit Fees	500,000.00	462,000.00
	Advertisement	6,054,591.36	5,762,473.92
	Consultation & Professional Fees	1,895,094.12	1,415,689.12
	Fees	48,912,656.75	46,392,994.95
	Electricity	405,000.00	243,286.00
	Insurance	3,750,432.00	4,058,311.30
	Hire Charges	7,848,685.02	5,098,937.81
	News Papers & Periodicals	409,561.00	368,163.49
	Postal Charges	1,154,151.26	980,427.29
	Rent	5,539,059.61	5,927,783.48
	Security Charges	29,810,988.75	24,120,087.25
	Staff welfare & Others	668,940.00	1,815,841.58
	Telephone Charges	15,092,851.93	14,514,920.76
	Transport	4,433,434.10	3,446,403.38
	Water	9,241,015.62	8,904,089.98
	Compensation		550,000.00
		<u>135,716,461.52</u>	<u>124,061,410.31</u>

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
21	<u>Job placement, Research & Entrepreneurship</u>		
	Curriculum Development	200,017.50	477,820.00
	On the Job Training & Monitoring	11,394,054.50	5,160,323.00
	Entrepreneurship Programs	935,279.89	928,800.65
	Job Placement	600,813.00	906,499.59
	Research & Tracer study	284,655.00	572,650.00
	Private public partnership	176,295.00	249,306.00
		13,591,114.89	8,295,399.24
22	<u>Other Operating Expenses</u>		
	Tools & Consumables	1,220,538.27	4,452,642.44
	unsettled course fees	4,007,755.00	5,028,900.00
	Examination & Evaluation	4,120,764.09	10,507,386.95
	Honorarium	369,200.00	277,352.00
	Deyata kirula	3,019,567.00	2,749,109.39
	Legal Fees	1,244,566.00	267,500.00
	Miscellaneous	9,217,775.61	6,098,856.62
	Quality Management Accreditation	2,199,848.53	2,100,724.02
	Season Tickets	5,407,931.24	5,924,945.02
	Special Training Program	1,221,715.40	449,694.53
	Stipend Allowance	26,848,035.33	16,001,675.86
	Free Courses Cost	1,372,850.00	1,229,900.00
	10% Discount	36,400.00	110,700.00
	50 % Discount Cost For Training Courses	1,497,255.00	794,140.00
	Unrecovered insurance from students	566,000.00	
	Insurance for free courses	400,000.00	
		62,750,201.47	55,993,526.83

Notes to the Financial Statements

	Note	2014	2013
		Rs.	Rs.
23	<u>Expenditure on Special Projects</u>		
	Ministry of Youth Affaires & Skills Development - World skill day	2,591,364.65	-
	Skill sector development project	66,331,150.49	-
	TVEC	392,024.88	813,255.74
	Ministry of Youth Affaires & Skills Development - A/L student programme	6,377,201.75	2,393,190.50
	Sri lanka Mobitel		844,180.00
	UNICEF		697,500.00
	Regional Fisheries Livelihood Programme		619,450.50
		75,691,741.77	5,367,576.74
		75,691,741.77	5,367,576.74
24	<u>Finance Cost</u>		
	Bank Chages	184,948.02	190,226.74
		184,948.02	190,226.74
		184,948.02	190,226.74

Notes to the Financial Statement

25. Prior Year Adjustment

Following over and under provision of expenses were adjustment as prior year adjustment.

Description	Dr	Cr	+/(-)
Provision for gratuity	(2,642,781.24)	639,759.00	(2,003,022.24)
Funds on Mobitel Company	(844,180.00)	-	(844,180.00)
Expenditure of Mobitel Company	-	844,180.00	844,180.00
Festival Advance	(55,000.00)	-	(55,000.00)
Dropout – Full Time 2013	(1,024,725.00)	-	(1,024,725.00)
Dropout – Full Time 2012	(747,800.00)	-	(747,800.00)
Dropout – Part Time 2013	(903,675.00)	-	(903,675.00)
TOTAL	(6,218,161.24)	1,483,939.00	(4,734,222.24)

As a result of the above adjustments 2013 deficit is Rs. (49,225,894.12) will be increased as a Rs. (53,960,116.36).

26. Commitments and Contingencies

a) **Litigation against the Authority**

The court cases pending were as follows

Court	2014.12.31	2013.12.31
Supreme Court	07	-
Court of Appeal	-	01
High Court	-	02
District Court	02	02
Labour Tribunal	03	04
Labour Department inquiries	-	05
Total	12	14

b) **Capital Commitments**

There was no material capital commitment as at 31.12.2014

27. Adjustment of unusable items cost of property, plant & Equipment

All ready auction items identify in the asset verification held in year 2013/2014, and some of items are Auction & destroyed in 2013/2014, the book value of the above item will be Adjust to properly plant & equipment (Fixed Assets) in the year 2015.

28. Bad debts Provision

Out of the bad debts provision amounting Rs. 6,966,641.40, a sum of Rs. 6,775,037.37 due from Ministry of Youth Affairs & Skills Development and security service receivables for which a decision is expected in 2015

29. TVEC Project Fund Payable

Balance of the TVEC project as at 31st December 2014 Rs. 10,427,341.81 which was granted accreditation to the courses. Up to now related course equipment's already has been purchased, therefore, those equipment value will be adjusted in year 2015.

Vocational Training Authority of Sri Lanka

Trial Balance as at 31 st December 2014

Description	Dr.	Cr.
Acquisition of Capital Assets		
Acquisition of Land & Land improvement	1,750,201,814.06	
Acquisition of Buildings and Improvement	3,004,791,266.98	
Acquisition of Computer Equipment	393,403,812.38	
Acquisition of Electrical Equipment	8,093,123.81	
Acquisition of Furniture & Fittings	237,115,732.83	
Acquisition of Motor Vehicles	291,798,022.58	
Acquisition of Office Equipment	86,080,755.30	
Acquisition of Plant & Machinery	83,541,670.56	
Acquisition of Training Equipment	1,577,438,789.03	
Provision For Depreciation		
Provision for Dep. Buildings and Improvement		702,979,260.87
Provision For Dep. Computer Equipment		231,758,226.51
Provision For Dep. Electrical Equipment		3,619,044.29
Provision For Dep. Furniture & Fittings		84,950,584.25
Provision For Dep. Motor Vehicles		184,742,694.36
Provision For Dep. Office Equipment		31,698,834.17
Provision For Dep. Plant & Machinery		52,586,386.16
Provision For Dep. Training Equipment		870,492,523.91
Capital Work in Progress		
Work in Progress - Building structures	111,913,917.22	
Work in Progress - Plant & Machinery	424,700.00	
Investment		
Fixed Deposit	25,000.00	
Inventories		
Training Material	21,040,848.67	
Stationary	6,941,957.55	
Raw Material	30,105.00	
Other Consumables	75,698.00	
Other Receivables		
Advances For Program	120,450.00	
Deposits	281,000.00	
Ministry of Youth Affairs & Skills Dev.	3,930,931.24	
Vehicle Service Income Receivable	58,921.00	
Prepayments	55,714.28	
Receivable Course Fee	16,799,315.10	
Salary Receivables	906,172.70	
Shortage Of Income	11,732.00	
State Organization	3,035,710.16	
Trade & Other receivables	1,028,962.43	
Advance Payment For T-Shirt	4,968,169.60	
Provision for Bad Debts		6,966,641.40
Staff Loan		
Distress Loan	45,096,142.80	

Festival Advance	1,991,800.00	
Cash & Cash Equivalents		
Gold coin	104,000.00	
Bank Accounts		
Ampara	70,981.01	
Anuradhapura	56,234.63	
Badulla	1,101,219.83	
Batticaloa	658,827.84	
Colombo	385,423.84	
Galle	521,535.50	
Gampaha	56,237.79	
Hambantota	262,026.55	
Head Office	63,846,773.82	
Jaffna	204,795.63	
Kalutara	221,300.49	
Kandy	319,150.06	
Kegalle	41,376.66	
Kurunegala	199,612.85	
Matale	249,158.89	
Matara	207,496.29	
Monaragala	79,365.89	
Nuwaraeliya	283,032.74	
NVTI - Baddegama	292,383.52	
NVTI - Mirijjawila	365,902.36	
NVTI - Narahenpita	1,315,490.22	
NVTI - Niyagama	106,332.07	
NVTI - Orugodawaththa	99,992.52	
NVTI - Rathmalana	447,614.65	
Polonnaruwa	78,085.08	
Puttalam	169,814.02	
Rathnapura	290,817.12	
Trincomalee	45,428.33	
Vavuniya	597,779.39	
THalalla	105,280.14	
Cheque in hand	2,065.03	
Cash-in-hand	28,483.00	
Government Grant Capital		19,253,677.14
Government Grant - Recurrent		925,246,461.44
Differed Income Grant - Recurrent		405,788,085.37
Reserves & Surplus		
Differed Income Grant		3,486,332,412.03
Provision for Gratuity		282,918,383.10
Revaluation Surplus		2,319,991,544.97
Payables		
Audit Fee Payable		1,424,000.00
Cashier Deposit		25,000.00
Course Fee Payable		616,600.00
Deposit		234,500.00
E.P.F Payable		7,298,414.76
E.T.F. Payable		1,094,762.21

Lecture Fees Payable		4,877,575.00
Other Payables		10,354,508.44
Project Funds Payable		10,427,341.81
Ministry of Youth Affairs & Skills Development		2,150,000.00
Received in Advance		1,514,600.00
Refundable Tender Deposit		1,763,120.39
Retention Money		11,504,895.06
Salary Payable		7,259,521.93
Staff Incentive Payable		69,360.00
Trade Creditors		42,769,917.73
W & O P Payable		86,314.96
Student insurance payable		12,309,000.00
Accrued Expenses		
Carrier Guidance Accrued		270,980.00
Electricity Accrued		1,521,854.79
Examination & Evaluation Accrued		96,659.86
Fuel & Lubricant Accrued		58,376.00
Janitorial Service Accrued		563,595.00
Maintenance Accrued		1,182,972.27
News Papers & Periodicals Accrued		23,350.00
Overtime & holiday pay Accrued		818,410.53
Part Time Expenses Accrued		4,437,918.17
Promotional Expenses Accrued		233,743.00
Rent, Rates & Taxes Accrued		88,476.19
Season Tickets Accrued		584,351.02
Security Charges Accrued		2,705,145.00
Stipend Allowance Accrued		569,137.00
Telephone Charges Accrued		1,527,958.36
Traveling Accrued		507,673.54
Water Accrued		813,990.14
On The Job Training Accrued		578,250.00
Other Income		
Auction Income		3,813,333.75
Course fee		109,004,150.00
Daily Diary		2,839,700.00
Entrepreneurship Program		57,500.00
Fines		217,798.40
Finished Good Sales		184,611.00
Hall Income		1,394,475.00
Hostel Fee		366,800.00
Katharagama Circuit Bungalow		415,695.00
Loan Interest		1,731,641.17
Miscellaneous Income		3,622,476.10
Non Refundable Tender Deposit		684,500.00
Record Book		4,652,800.00
Registration Free		6,174,600.00
Canteen Income		260,000.00
Supply Registration		75,500.00
Savings A/C Interest		1,445,595.55
Production Unit Income		

Hotel School Ahangama		5,500.00
Sundry Income		113,788.80
Part Time Courses		10,309,987.47
Printing School - Narahenpita		537,125.75
RPL		992,394.00
Trade Test		331,598.75
Vehicle Service		103,434.00
Ahugamma Academic Staff Development		318,162.00
VTA Food Income		119,945.00
10% Earnings		781,807.00
Sipsala bojun narahenpita		307,073.44
Funds On Special Projects		
Funds Received From Ministry For A/L Student		6,377,201.75
Funds on Skills Competition on TVEC		392,024.88
Funds Received From SSDP Project		66,331,150.49
World Skill Day Expenditure		2,591,364.65
Staff Cost		
E.P.F. Expenses	51,123,107.45	
E.T.F. Expenses	12,776,323.78	
Other Allowance(Staff Cost)	232,938,543.56	
Pension Contribution	196,971.80	
Salaries & Overtime	380,643,973.57	
Staff Gratuity	57,610,582.32	
Surcharge for gratuity	294,067.60	
Travelling		
Travelling - Domestic	6,943,162.82	
Travelling - Foreign	4,469,131.17	
Accommodation Expenses	90,910.00	
Verification Expenses	1,940,030.00	
Supplies and Other Consumables		
Stationary & Office Requisites	12,306,446.88	
Fuel & Lubricant Charges	16,385,790.11	
Other Supplies	4,029,056.53	
Maintenance		
Maintenance of vehicle	11,436,979.45	
Maintenance of Plant & Machinery	6,613,800.55	
Maintenance of Building	10,127,761.54	
Contractual Service		
Audit Fees -1	500,000.00	
Advertisement-1407C	6,054,591.36	
Consultation & Professional Fee	1,895,094.12	
Electricity Charges	48,912,656.75	
Hire Charges	405,000.00	
Insurance	3,750,432.00	
Janitorial Service	7,848,685.02	
News Papers & Periodicals-1	409,561.00	
Postal Charges	1,154,151.26	
Rent, rates & taxes	5,539,059.61	
Security Charges-1	29,810,988.75	
Staff Welfare & Other	668,940.00	

Telephone Charges	15,092,851.93	
Transport-1	4,433,434.10	
Water Bill	9,241,015.62	
Job Placement, Research & Entrepreneurship		
Curriculum Development	200,017.50	
On the Job Training & Monitoring	11,394,054.50	
Entrepreneurship Programs	935,279.89	
Job Placement-1	600,813.00	
Research & Tracer Study	284,655.00	
Private Public Partnership	176,295.00	
Other Operating Expenses		
Tools & Consumables	1,220,538.27	
Approved Dropouts 2014 - Full time	4,007,755.00	
Examination & Evaluation-1	4,120,764.09	
Honorarium	369,200.00	
Deyata Kirula	3,019,567.00	
Legal Fees	1,244,566.00	
Miscellaneous expenses	9,217,775.61	
Quality Management & Accreditation	2,199,848.53	
Season Tickets	5,407,931.24	
Special Training Program	1,221,715.40	
Stipend Allowance	26,848,035.33	
Free Course Charges	1,372,850.00	
10% Discount	36,400.00	
50 % Discount Cost for Training	1,497,255.00	
Insurance for free courses	400,000.00	
Unrecovered insurance	566,000.00	
Expenditure On Special Projects		
Expenditure for Ministry A/L Student	392,024.88	
Expenditure on Skills Competition on TVEC	6,377,201.75	
Expenditure Received From SSDP Project	66,331,150.49	
Expenditure World skill day	2,591,364.65	
Finance Cost		
Bank charges	184,948.02	
Loss of Assets Disposal	30,119,556.24	
Training Materials-1	76,978,188.45	
Staff Training - Capacity Dev.	10,788,417.67	
Promotional Expenses	18,989,277.88	
Carrier Guidance -1	3,300,451.47	
Depreciation	405,788,085.37	
Profit & Loss A/C	595,665,207.92	
Prior Year Adjustment	4,734,222.24	
	9,968,240,767.08	9,968,240,767.08

Sri Lanka Vocational Training Authority
Audit and Management Committee
Performance 2014

Committee Members

- | | | | |
|----|--------------------------|---|-------------|
| 1) | Mr. T.A.D.D. Premarathne | - | Chairperson |
| 2) | Mr. Sena Gamage | - | Committee |
| 3) | Mr. Ishantha Siribaddana | - | Member |

Decisions of Audit and Management committees in year 2014 as below

- ❖ Overcoming the shortcomings in the existing practices and systems pointed out by audit reports and strengthening practices and systems
- ❖ Regularizing the methodology adopted for responding to government audit queries and preparation of draft responses.
- ❖ Providing the guidance necessary to review and implement the audit plan and audit program.
- ❖ Providing the guidance necessary to maintain the accounting policy and other functions of the Authority at an optimum level.



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

JP/E/VTA/1/14/320

මගේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

28 January 2016

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 2014 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 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with 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 22 October 2015.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 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. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 Basis for Qualified Opinion

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



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the Vocational Training Authority of Sri Lanka as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Accounts

2.2.1 Sri Lanka Accounting Standards

The financial statements of the VTA Holdings Company, a fully owned subsidiary company of the Vocational Training Authority of Sri Lanka had not been consolidated with the financial statements of the Authority according to the Sri Lanka Accounting Standard 10. The Chairman informed me that this company had not been established legally and due to the confused state of its legality, the Board of Governors of the Authority do not, at present, take part in the affairs of the Company.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Purchase of fixed assets valued at Rs.337,750 and expenditure on the development of buildings amounting to Rs.315,366 related to the year under review had been written off as expenditure of the year instead of being shown as fixed assets.
- (b) The cost and the depreciation provision relating to 29 items of fixed assets eliminated from the Orugodawatta Centre had not been identified and eliminated from the accounts. Instead of computing the profit / loss on elimination, the sales valued amounting to Rs.2,011,645 had been brought to account as income.



- (c) The arrears of the lease rent amounting to Rs.525,725 payable to a Government institution as the rent of Kurunegala Udagama Vocational Training Centre Building as at 31 December 2014 had not been brought to account.
- (d) According to the records furnished by the Colombo Municipal Council, the lease rent payable up to the year 2013 for the maintenance of the Vocational Training Centre at Narahenpita amounted to Rs.880,238. That amount had not been paid even up to 09 October 2015 while the amount had not been shown as payable in the financial statements.
- (e) Even though equipment valued at Rs.266,687 and the water and electricity facilities had been supplied to the office of the VTA Holdings Company maintained in the premises of the Authority, no charge whatsoever had been recovered in that connection.
- (f) Even though a sum of Rs.2,686,068 had been spent on the preparation of a plan of building, it had not been constructed. Nevertheless, that amount had been capitalized and depreciated by a sum of Rs.383,099 from the year 2012 up to the year 2014.
- (g) The value of 35 motor vehicles received as donations for training equipment, amounting to Rs.11,468,250 had been omitted in the accounts.
- (h) The errors valued at Rs.5,151,423 relating to fixed assets pointed out in the audit report for the preceding year had not been rectified, thus resulting in the overstatement of the capital grants.
- (i) The income receivable from the sale of T shirts had been overstated by a sum of Rs.4,761,400 and the value of the balance stock of 11,796 Tea Shirts had not been taken to stocks.

- (j) A sum of Rs.1,599,724 payable as at the end of the year under review for the purchase of T shirts and a sum of Rs.820,000 payable for the printing of bookmarks for the National Skills Day had not been shown as payable in the financial statements.

2.2.3 Lack of Evidence for Audit

The evidence indicated against the following items appearing in the financial statements were not made available to audit.

Item	Value	Evidence not made available
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	Rs.	
(a) Expenditure of a Festival (Held in a private Hotel)	295,645	Approval and the related file.
(b) Supply of Garments for the Cricket Tournament and Payment made to the Music Group	56,250	Receipts and letters calling for quotations.

2.3 Accounts Receivable and Payable

(a) Accounts Receivable

The following observation are made.

- (i) Out of the debtors balance of Rs.31,197,078 as at the end of the year under review, 12 balances amounting to Rs.3,314,622 had been old between periods exceeding 01 year to 04 years while 21 balances amounting to Rs.7,068,641 had been older than 10 years.
- (ii) Action had not been taken even up to July 2015 for the recovery of a sum of Rs.22,855,368 out of the balances of income receivable.



(b) Accounts Payable

The following observations are made.

- (i) The total of the balances payable of the year under review amounted to Rs.115,799,432 and out of that a sum of Rs.2,436,213 had been older than 05 years while sums of Rs.11,618,111 and Rs.12,439,331 had been old between 03 to 05 years and 01 years to 03 years respectively. But action had not been taken to settle the payables.
- (ii) A sum of Rs.11,427,342 remaining over a long period out of the advances made by the Sri Lanka Tourism Promotion Bureau, the Tertiary and Vocational Education Commission and the Export Development Board for various purposes had not been settled.
- (iii) Three creditors balances amounting to Rs.2,117,976 payable to three private institutions for the purchase of fixed assets in the year 2012 had not been settled even during the year under review.
- (iv) The contract deposits amounting to Rs.715,284 relating to the period from the year 2009 to the year 2013 and the retention money amounting to Rs.6,221,047 relating to the period from the year 2008 to the year 2013 had not been settled even by the end of the year under review.

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) Establishments Code of the Democratic Socialist Republic of Sri Lanka	
(i) Chapter II Section 1.10	Even though an appointment should not be predated without the approval of the appointing authority, contrary to that 12 employees of the Authority had been promoted by predating their appointments.
(ii) Chapter VIII Section 6.1	Even though the overtime computation per hour should be taken as 1/8 of the day's pay or in the case of an officer on monthly pay at 1/240 of the salary. Nevertheless, the Authority had paid overtime on the basis of 1/20 of the monthly salary as day's pay.
(iii) Chapter XV Section 3.2	Even though a temporary officer should not be sent abroad for study or training, contrary to that, the Director (Administration) recruited on secondment basis had been sent to China from 28 March to 15 April 2014 to attend a Training Programme on Education Management and the Authority had spent a sum of Rs.76,284 in that connection.



(iv) Chapter XV Section 4.1

An officer receiving a foreign scholarship for study or training for more than one month prior to leaving the Island, should enter into an agreement to serve for the minimum period. But, without so doing , the Authority had spent a sum of Rs.439,352 on the foreign travel of three officers.

(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulations 104 and 110

A Register of Losses had not been maintained and the reports on losses caused by 02 accidents during the year and 13 accident in the preceding years to motor vehicles had not been furnished to audit.

(ii) Financial Regulation 188(2)

Even though, enquiries should be made in regard to the cheques and money orders deposited but not realized, such action had not been taken on 03 deposits valued at Rs.370,560.

(iii) Financial Regulation 343

When cash receipt books are received and issued by the Institute to the officers, those should be recorded in a Register of Counterfoil Books and issued in the numerical order. But it had not been so done in connection with in the issue of counterfoil books to the Instructors.



- (iv) Financial Regulation 372 Even though the Imprest or the Sub-imprests granted to officers should be checked by a responsible officer at least once in each month, six instances in which such sub-imprests had not been so checked since the grant of sub-imprests and unavailability of a Register of Petty Cash for the petty cash imprests granted were observed.
- (v) Financial Regulation 381 Two Bank Accounts in a private commercial Bank and one Account in a State Bank had been opened without obtaining the approval of the Treasury.
- (vi) Financial Regulations 507, 756 and 757 An Annual Board of Survey had not been conducted while action had not been taken on the excesses and shortages identified by the Boards of Survey in respect of the years 2011, 2012 and 2013.
- (vii) Financial Regulation 1647 (e) A register containing the particulars of the handing over of motor vehicles and the items handed over had not been maintained.
- (c) Paragraphs 05 and 06 of the Public Administration Circular No. 19/89 of 23 March 1989 A Register of Overtime had not been maintained. Even though the Staff Officer should certify the overtime vouchers after satisfying that the work had been completed, there were instances in which it had not been so done.



- (d) Public Administration Circular No. 83 of 01 December 1998
- Even though the allowances for Apprentices should be paid only to the Apprentices who had completed 80 per cent of attendance, allowances had been paid in instances where it had not been so completed.
- (e) Paragraph 1.3.1 (iii) of the Public Administration Circular No. 22/99 of 08 October 1999
- Even though group transport facilities can be provided only for officers holding Deputy level posts approved by the Board of Directors, the Authority had provided transport facilities to 38 officers holding Assistant Director posts and other similar posts.
- (f) Paragraph 07 of the Public Enterprises Circular No. PED 50 of 28 July 2008
- Four officers who were not entitled to group transport facilities had been provided transport facilities exceeding the maximum distance permitted. The charges amounting to Rs.35,400 recoverable from 8 officers who are allowed to use official motor vehicles for private travel, had not been recovered.
- (g) Paragraph 01 of the Public Administration Circular No. 9/2007 of 11 May 2007
- Salaries amounting to Rs.694,594 had been paid to two retired officers recruited. It was observed that one of those officers was in service even by July 2015.



- | | |
|---|--|
| (h) Public Administration Circular No. 12/2000 (iv) of 20 January 2012 | Even though a daily allowance of Rs.500 can be paid to Apprentices under further training, in addition to that the Authority had paid sums totalling Rs.219,000 to the Apprentices who had participated at the Deyata Kirula activities at the rate of Rs.500 per day. |
| (i) Paragraph 3.1 of the Public Finance Circular No. PF/423 of 22 December 2006 | The Insurance Fund had been established without the approval of the General Treasury. |
| (j) Public Enterprises Circular No. PED/12 of 02 June 2003 | |
| (i) Section 6.5.1 | A copy of the Annual Report had not been presented with the financial statements. |
| (ii) Section 9.3.1 (vii) | If an acting appointment is made under exceptional circumstances, it should be limited to a period not exceeding 3 months. Nevertheless, there were 15 instances of action contrary to the requirement. |
| (iii) Section 8.3.8 | Donations and gifts amounting to Rs.328,075 had been made without the prior approval of the Cabinet of Ministers. |



- (k) Public Finance Circular No. 446 of 01 September 2010 Mobile phones had been provided to 437 employees of the Authority and the Authority had paid telephone bills amounting to Rs.3,782,615 and Rs.3,221,090 in respect of the year under review and the preceding year respectively.
- (l) Treasury Circular No.842 of 19 December 1978 Even though the value of the fixed assets according to the financial statements for the year ended 31 December 2014 amounted to Rs.5,269,637,433 , a proper Register of Fixed Assets had not been maintained in the updated manner.
- (m) Letter No. 4-1/2/1/17 dated 19 May 2014 of the Ministry of Skills Development In the payment of Performance Allowance under the Skills Sectoral Development Project, the Authority had made payments contrary to the Circular.
- (n) Chairman's Letter No. ADM/JPE/VTA/AQ/13/38 dated 24 December 2014 Even though 11 officers who had incurred telephone expenses exceeding the approved limit had left the service, a sum of Rs.91,756 recoverable from them had not been recovered.
- (o) Circular No. TVET1/ව.ව.ව.-/2004/01 dated 28 January 2004 of the Secretary to the Ministry Paragraph 1.1 and 1.2 Even though courses should not be started without 70 per cent of the total capacity, 290 courses had been started without that capacity. Even though a minimum of 70 per cent of the capacity should complete the courses at the conclusion, instances which did not satisfy that condition were observed.

2.5 Transactions not supported by Adequate Authority

It was observed during the course of an audit inspection on 25 July 2015 that the Garments School at Koggala had been used for the operations of a private Garments Factory which was under repairs, without obtaining the approval of the Chairman of the Authority. Even though an agreement in this connection had not been entered into with that company, it had been notified by letter No. G/VTA/TRD/GEN dated 01 July 2014 of the Assistant Director, Galle, that the company should pay the electricity bill, water bill, Rs.20,000 for 20 Sewing machines per month, Rs.10,000 for building repairs per month and Rs.200 per overtime hour of an Instructor.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial results of the Authority for the year ended 31 December 2014 amounted to a deficit of Rs.86,236,803 as compared with the corresponding deficit of Rs.53,960,116 for the preceding year, thus indicating a deterioration of Rs.32,276,687 in the financial results for the year under review as compared with the preceding year. The matters such as the increase of Rs.81,119,899 in the cost of staff, increase of the expenditure on contractual services by Rs.11,655,051 as compared with the preceding year and the loss of Rs.30,119,556 from the sale of fixed assets during the year had an impact on the deterioration.

3.2 Legal Action against the Institution and Legal Action instituted by the Institution

Employees had filed 07 cases against the Authority and 05 cases had been filed by external institutions and persons. Lawyers' fees amounting to Rs.2,455,841 had been paid in connection with these cases. A case had been filed for the recovery of salary amounting to Rs.1,711,961 paid without authority to an interdicted officer. Steps had not been taken to conduct an inquiry into the negligence involved in making payments and for follow-up action.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) Even though 31,591 Apprentices had been enrolled for the training programmes during the year under review, only 26,470 had completed the training. Accordingly 5,121 Apprentices or 16 per cent had abandoned the training.
- (b) Even though targets had been set for conducting 149 training programmes for the academic staff, only 64 programmes had been actually conducted. That had been 57 per cent less than the target.
- (c) Targets had been set under the Vocational Guidance and Instructions to conduct 7,350 awareness programmes for the awareness of 215,250 persons of different categories. Nevertheless, 3,904 programmes had been conducted during the year under review for the awareness of 136,663 persons. That had been 47 per cent less than the expected target and 37 per cent less than the expected participants.
- (d) Even though targets had been set for the year under review to provide job placements for 8,270 persons through the registered foreign and local employment agencies and self-employments, the actual number had been 3,428, thus indicating a 59 per cent less than the target.
- (e) Even though targets had been set for the conduct of 45 Entrepreneurial Development Programmes, only 27 programmes had been conducted. That represented a 40 per cent deterioration of the target.
- (f) Even though targets had been set for providing loans to 230 Apprentices, loans had been provided only to 74 Apprentices. That indicated 68 per cent less than the target.



- (g) Out of the 07 programmes targeted by the Planning Research and Development Division only 02 programmes had been conducted.
- (h) Even though targets had been set for the issue of 14,000 National Vocational Qualification Certificates during the year under review, only 10,514 certificates had been issued.

4.2 Management Inefficiencies

The following observations are made.

- (a) The following observations are made in connection with the removal of the buildings of the National Vocational Training Institute at Orugodawatta.
 - (i) The Committee of three persons appointed for the preparation of estimates for the demolition and removal of 14 buildings of about 90,000 square feet had prepared an estimate of Rs.611,690. Nevertheless, the minimum and the maximum quotations submitted for the work ranged between Rs.931,755 and Rs.6,835,000. As such it was observed in audit that the Committee had prepared the estimate without considering the practical and market conditions and devoid of professional acumen.
 - (ii) The bid had been awarded to the third higher quotation of Rs.4,325,000. Four items prior to pricing and another 04 items for which an offer of Rs.150,000 had been made after pricing had not been auctioned. The manner of action taken in this connection could not be observed in audit.
 - (iii) Eight lots had been sold at prices less than the highest quotations offered of Rs.905,720.



- (b) Even though the income from the demolition and removal of a building of the Horana Vocational Training Centre had been estimated at Rs.1,802,263 a maximum quotation of Rs.7,640,000 had been received. The first 04 buyers had rejected the bid and the bid had been awarded to the quotation for Rs.1,777,263 by rejecting the next higher quotation of Rs.4,529,000 , thus depriving an income of Rs.2,751,737 to the Authority.
- (c) The Skills Development Project had provided training equipment valued at Rs.97,753,404 for the purpose of accreditations of the courses. Deficiencies such as the issue of equipment to Centres which had not been listed for issue of equipment, issue of a large number of equipment in excess of requirements, action not taken for the separate identification of equipment, removal of repairable equipment and issue of new equipment, supply of new equipment despite the availability of good quality equipment, equipment issued from the stores not being received by certain centres, non-recording of issue of equipment in the bin cards and the Inventory Registers and the non-use of a large number of equipment were observed during the course of audit inspections carried out in this connection.
- (d) Out of the 248 lands on which Vocational Training Centres are situated, 178 lands belong to the State Sector and 70 lands belong to the Private Sector. The title of only 05 lands of the State Sector had been transferred to the Authority. Even though action had been planned for the transfer of 87 State lands, no steps whatsoever had been taken for the transfer of the titles of the balance 86 lands. Memorandums of Understanding had not been signed for 38 of the 70 lands belonging to the Private Sector. Even though an officer had been recruited from January 2013 to May 2014 a paid sum salary of Rs.870,000, it was observed that the work had not been handled satisfactorily.
- (e) The following observations are made in connection with the examinations held at the conclusion of the courses.



- (i) The number of Apprentices registered from the year 2011 to the year 2014 had been 110,232 and the certificates had not been issued to 44,330 Apprentices even by July 2015.
- (ii) Courses had been conducted without accrediting the courses and the Tertiary and Vocational Education Commission had not issued certificates.
- (iii) The evaluation of the Apprentices had not been done even by June 2015 who had completed the courses during the years 2013 and 2014
- (iv) Even though 26,470 Apprentices had been enrolled in the year 2014 certificates had been issued only to 15,681 and there were instances in which certificates had not been issued to Apprentices who had completed the courses.
- (f) Even though the maintenance of Training Centres giving priority for production and services had been made compulsory with effect from 01 November 2014 these units had not been established in 21 Districts.
- (g) Expenditure on the decoration of the hall and supply of the sound system amounting to Rs.118,000 , supply of food for 1,300 officers amounting to Rs.404,500 and a sum of Rs.148,000 had been spent for 30 visitors without calling for quotations in connection with the conduct of an Awareness Programme on the future plans of action of the Authority held at the Maharagama National Youth Services Centre. But only 1066 had participated in the programme.
- (h) Even though 65 organisers and 50 clocks valued at Rs.201,750 had been purchased, the purchase orders, goods received notes, entries in the stocks records of the Main Stores and particulars of distribution relating to the purchase were not available.



- (i) Instead of purchasing two buses for the Authority in accordance with the required specifications, two small buses had been purchased. A sum of Rs.162,500 had been spent on replacing all seats and carpets of one bus and Rs.306,000 had been spent on replacing all the seats and installing a radio with all facilities, while the 28 seats and the radio removed from the buses had been kept unprotected in the stores.
- (j) The construction of the modernized restaurant of the Narahenpita premises commenced in the year 2010 had been continued under 5 different contracts due to frequent changes in the plans and a sum of Rs.21,118,674 had been spent up to the year 2014. The planned construction of a single floor had been altered to two floors without obtaining the approval of the Municipal Council. Defects appeared in many places due to the failure to construct according to be set standards.
- (k) Two hundred and seventy eight courses conducted half yearly had been conducted only in a single half year and 328 Instructors attached to the courses without adequate number of Apprentices or the courses not conducted had been retained in the respective centres.
- (l) The course fee income for the year 2014 amounted to Rs.109,004,150 and the income receivable as at 31 December 2014 amounted to Rs.16,799,315. Out of that a sum of Rs.8,185,655 and a sum of Rs.3,562,990 receivable in respect of the years 2012 and 2013 respectively had not been recovered even by July 2015. In addition, a sum of Rs.2,676,200 out of the course fees receivable as at the end of the preceding year had been written off on account of abandoning courses in the years 2012 and 2013. Such abandoning courses included a sums of Rs.903,675 receivable from the Apprentices who followed part time courses. According to the circulars such money should be recovered from the Instructors. but it had not been so done.



- (m) The following observations are made in connections with the work-in-progress.
- (i) Even though the contract of Rs.3,843,870 for the constructions of the Staff Hostel of the Nuwara Eliya National Vocational Training Institute should have been completed by 22 February 2015, it had not been completed even by 20 July 2015.
 - (ii) The supply of consultancy services for the constructions of 09 Training Centres had been awarded to a private institution and had paid a sum of Rs.2,402,090 by 31 December 2014. But the work on 06 of those contracts had not been started even by 20 July 2015.
 - (iii) Even though the amount approved for the contract for the supply of consultancy services for the construction of the Kuchchiveli Training Institution amounted to Rs.3,465,000 but a sum of Rs.4,021,178 had been paid up to 31 December 2014.
 - (iv) The contract of Rs.42,613,557 for the construction of the new workshop building of the Mirijjawila National Vocational Training Institute should have been completed on 10 May 2014. The contract period had been extended from time to time up to 31 December 2014 subject to recovery of liquidated damages. As the work had not been completed, the Chairman had issued a notice of termination of the contract to the contractor on 05 January 2015. The total payments made up to 31 December 2014 amounted to Rs.18,258,019. No action had been taken for the completion of the contract or for the recovery of liquidated damages or for the inclusion of the contractor in the register of blacklisted contractors.



- (v) A sum of Rs.2,820,560 had been obtained by the Assistant Director in connection with a construction work of the District Office, Vavuniya and information in that connection had not been furnished to audit. In the absence of any information on the completion of work or expenditure incurred, that amount had been capitalized in the year under review.
- (n) Despite the closing down of the Hotel school, Ahangama for carrying out repairs, three members of the staff had been assigned for duty. Three Instructors of the school had left the service without handing over the inventory goods in their custody to a responsible officer. Certain training equipment of this school had been issued without approval for a dansela held at the Koggala Centre and out of that 05 items of equipment had not been returned. Ten other items of equipment had been taken to the District Office, Galle without approval.
- (o) Even though advances obtained should be settled immediately after the completion of the purpose, the settlement of 75 advances obtained amounting to Rs.1,688,002 had been delayed by 37 days to 245 days.

4.3 Transactions of Contentious Nature

The following observations are made.

- (a) A sum of Rs.264,000 had been spent contrary to the objectives of the Authority for the hire of buses for the transport of employees of District Centres for participation in the May Day celebrations of the year 2014 and for viewing the Expressway. The information on the expenditure incurred on the May Day celebrations relating to 13 District Centres had not been furnished to audit. A sum of Rs.305,230 had been spent for the supply of food and other facilities to 1,000 participants at the May Day celebrations while a sum of Rs.380,000 had been spent on the purchase of 950 T shirts for distribution to the participants.

- (b) A sum of Rs.129,000 had been spent on the construction of a volley ball court for the Ahugammana Staff Development School maintained at a temple.
- (c) Sums of Rs.194,250 and Rs.20,841 had been spent for the supply of food and for printing of greeting cards in connection with the new year celebrations held in April 2014.

4.4 Idle and Underutilised Assets

The following observations are made.

- (a) Out of the 12 items of idle equipment at the District Office, Puttalam the value of 07 items amounted to Rs.633,064 and the value of 05 items had not been furnished. Those included 10 food servers and 04 Guriton trolleys which are not required for the courses. Fourteen computer monitors and a sewing machine remained in the stores without being used while 73 items of equipment of 09 categories sent for the Carpentry Course remained idle without being used.
- (b) Seventeen courses had not been commenced due to the unavailability of Instructors and 679 items of equipment used for those courses had been idling.
- (c) Two items of equipment of the Printing School valued at Rs.5,242,880 which remained in repairable condition after the tsunami remained idle even up to the year 2014.
- (d) Sundry superfluous equipment valued at Rs.337,750 had been purchased for the Chairman's Office.
- (e) Training equipment of the Centres of the Colombo District Office, valued at Rs.1,018,054 remained idle without being used.



- (f) A land nearby the Hotel School, Ahangama, purchased for Rs.7,406,500 had not been utilized for any purpose up to the end of the year.

4.5 Underutilisation of Funds

The following observations are made.

- (a) Sums of Rs.12,577,342 made available for various projects up to the end of the year 2014 remained idle without being used for the intended purposes.
- (b) Sums of Rs.642,785 in 05 Bank Accounts had been idle over a period exceeding one year and sums of Rs.1,652,868 in 05 accounts had been idle over periods ranging from 02 months to 08 months.

4.6 Identified Losses

The following observations are made.

- (a) Sums of Rs.92,076 and Rs.128,858 had been paid as penalty in the year under review and the preceding year respectively due to the failure to obtain revenue licence for motor vehicles on the due dates.
- (b) Even though goods of the Haldanduwana Vocational Training Centre valued at Rs.29,500 had been lost but necessary courses of action had not been taken by carrying out an investigation.
- (c) Penalty of Rs.289,500 had been paid due the non-payment of the semi-luxury dual purpose tax on motor vehicles of the Authority on the due dates.
- (d) An advance of 50 per cent had been paid on 07 May 2014 for the preparation of an Administration Manual for the Authority without obtaining the approval of the Board of Directors, calling for quotations and without entering into an agreement.

The overall expenditure amounted to Rs.512,000. The approval of the Authority had not been given to the draft submitted by the relevant institution on 10 April 2015 even by 30 July 2015.

4.8 Resources of the Authority given to other Government Institution

Nine employees and two motor vehicles had been released to the line Ministry and other institutions contrary to the provisions in Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003. Salaries and overtime amounting to Rs.1,361,727 and Rs.280,032 respectively had been paid to 04 of the released employees contrary to the provisions in Section 9.4 of the above circular. But action had not been taken to obtain reimbursement of the money. Salaries and overtime totalling Rs.16,360,615 had been paid in the preceding years as well.

4.9 Staff Administrations

The following observations are made.

- (a) The approved cadre had been 2,366 while the actual staff stood at 1,905, thus resulting in vacancies in 461 posts.
- (b) The no-pay leave availed of by the employees during the year under review had not been reported to the Auditor General in terms of provisions in the Establishments Code and 35 members of Instructor staff had availed of 954 days of no-pay leave. It was observed in audit that such no-pay leave availed of by the Instructors has an adverse impact on the training activities of the Apprentices.
- (c) Instructor who do not engage in training activities should not be retained in Training Centres and pay their salaries and if they obtain salaries for more than 02 months under such circumstances the prior approval thereto should obtained from the Ministry. Nevertheless, such salaries and allowances had been paid to 88 Instructors without obtaining the required approval.



- (d) Two Instructors and a Training Officer had been attached to the Administration Division and duties had not assigned to those officers. They had not carried out training of Apprentices, the purpose for which they were recruited.
- (e) Persons who did not complete the qualifications specified in the Scheme of Recruitment of the Authority, had been recruited to the posts of Director General, the Director (Training), the Director (Planning, Research and Development) , the Director (Vocational Guidance, Job Placement and Promotion), three Deputy Directors, two Assistant Directors and the Legal Officer. In addition, an officer had been recruited to the post of Assistant Director (Finance) which is not included in the approved staff.
- (f) The following observations are made in connection with the recruitments made to the posts of Instructor of the Authority.
 - (i) Even though a Technical Course not less than the National Vocational Qualification Level 5 should have been followed in an institution approved by the Tertiary and Vocational Education Commission and obtained a certificate, 17 Instructors who did not possess such qualifications had been recruited on contract basis. The file relating to the recruitment of Instructors on contract basis was not produced for audit. It was observed that the educational qualifications of those who were so recruited had been at the minimum level and even those who had not passed the General Certificate of Education (Ordinary Level) had been recruited as Instructors.
 - (ii) The particulars of duties assigned to the 17 Instructors recruited on contract basis on 01 December 2014 and attached to the Ahugammana Staff Training School were not available and they had not engaged in teaching work up to July 2015. Nevertheless, salaries and allowances amounting to Rs.2,776,664 had been paid for that period. In addition, their



contract period had been extended for a further period 06 months up to 16 January 2016 as their services had been satisfactory. The appointments of certain Instructors recruited had been backdated by 38 days. Seven employees recruited as Instructors had served as Security Officers of VTA Holdings up to 30 November 2014.

- (g) A female officer had been recruited by calling for applications, to the post of Assistant Director (Co-ordination) which is not included in the approved cadre and the office attached to and the duties assigned were not available in the personal file. The officer had not undergone a Medical Examination and furnished a Medical Report in terms of sub-paragraph ii of paragraph 15 of the letter of appointment of 16 May 2014 and Section 10 of Chapter II of the Establishments Code even by 15 September 2015.

5. Accountability and Good Governance

5.1 Corporate Plan and Its Operation

The Corporate Plan prepared for the years 2014 to 2018 at a cost of Rs.1,240,000 had been handed over a delay of 06 months and 15 days after the agreed date. Even though an Evaluation Committee consisting of the Chairman and 3 other members should have been appointed in terms of clause 4(c) of the agreement, such Committee had not been appointed. The strategies, policies and the courses of action for the achievement of the target for the year 2018, that is, the training of 50,000 Apprentices, appearing in the Corporate Plan had not been identified and set-out in the plan.

5.2 Budgetary Controls

The budget for the year under review had not been approved by the Board of Directors. Significant variances between the budgeted income and expenditure and the actuals were observed, thus indicating that the budget had not been made use of as an effective instrument of management control.



5.3 Unresolved Audit Paragraphs

The following observations are made.

(a) A double cab motor vehicle belonging to the Authority had met with an accident in the year 2003 and a Committee to inquire into the accident had been appointed after the elapse of 06 years in February 2009. Even though the Committee of Enquiry had recommended the recovery of Rs.185,333 from the Driver, a sum of Rs.235,667 from 04 other officers and a sum of Rs.135,000 from the officers in charge of the motor vehicle for the loss of spare parts of the motor vehicle, it had not been so done. Action on the accident to the motor vehicle in terms of Financial Regulations had not been taken even year 2014 and the motor vehicle was in an irreparable condition.

(b) Fixed Assets

The following observations are made.

(i) Even though the cost and accumulated depreciation of the non-current assets eliminated from use should be eliminated from the accounts through an Assets Elimination Account at the time of eliminating them from use and the resulting profit or loss should be adjusted in the financial statements of the relevant year itself. Nevertheless, the value of none of the assets eliminated from the year 2004 up to the year under review and the accumulated depreciation had not been eliminated from the Assets Accounts and the Accumulated Depreciation Account.

(ii) Action had not been taken to transfer the ownership of 22 motor vehicles out of 129 motor vehicles shown at the value of Rs.105,058,790 to the Authority.



(iii) Even though 18,200 items of computer accessories costing Rs.372,888,540 had been shown in the accounts, 11,588 items out of that valued at Rs.39,624,357 and 461 items valued at Rs.27,638,684 had been balances brought forward prior to the year 2008 and balances brought forward from the year 2009 respectively. None out of these assets had been eliminated from the accounts. Even though most of the assets existing from the periods prior to the year 2009 had been eliminated, it had not been so recorded.

(c) Examination of Accidents to Motor Vehicles

The following observations are made.

- (i) Even though a motor vehicle had met with an accident on 10 June 2011, action in terms of Financial Regulations had not been taken even up to 30 July 2014. A case had been filed in the Courts against the Driver and a fine had been paid dated on 04 May 2012 on pleading guilty to the charges. Even though a letter of demand for the payment the loss of Rs.255,950 caused to the third party had been received no action had been taken thereon upto 31 July 2015.
- (ii) At the time of accident, the motor vehicle had been driven by an employee in the labour grade and the Driving Licence for all motor vehicles had been obtained only on 30 August 2013. Even though he had accepted responsibility action had not been taken to hold an inquiry into the accident to the motor vehicle and recover the loss.



6. Systems and Controls

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

- (a) Assets Management
- (b) Accounting
- (c) Motor Vehicle Control
- (d) Staff Management
- (e) Stock Control

H.M.Gamini Wijesinghe
Auditor General

Report of the Auditor General on the Financial Statements of the Sri Lanka Vocational Training Authority for the year ended in 31 December 2014 in terms of Section 14(2) (c) of the Finance Act No. 38 of 1971.

2.2.2(a) Action will be taken to record this expenditure of Rs. 315,366.00 and the equipment valued Rs.337,750.00 as fixed assets in the accounts in 2015.

- (b) This will be rectified in 2015 accounts.
- (c) Action will be taken to look into the rent expenses as shown in the audit query and enter into accounts in the year 2015.
- (d) Action will be taken to look into the rent expenses as shown in the audit query and enter into accounts in the year 2015.
- (e) This equipment that has a value of Rs. 266,687.00 have been issued temporarily to the VTA Holding Company operating within the premises of the Authority with a view to retain on the formal issuing orders. The Management of the VTA that managed the authority during the year that have been reviewed (2014) has not taken any action to take any charges from the VTA Holding Company for using electricity and water to carry out their activities. However action has been taken by now to charge a certain amount of money for the premises and other facilities that have been given by the Authority. But all the activities of this Company have been stopped from 31.12.2015 and only the security service and the janitorial service are functioning at present. Further action is being take to liquidate the Company.
- (f) Action will be taken to rectify it.
- (g) Ownership of the 4 vehicles that have been shown in the register has not been transferred to the Authority and it has not been entered under fixed assets and the three wheelers and motor cycles have been purchased for the three wheel and motor cycle course and those training equipment have been entered into accounts.

(h) Your observation dated 14.11.2014 and No. JP/E/VTA/AQ/13/37 on fixed asset have been rectified according to the audit query 2 (b) and according to the accounting standards it is not fair to record it in accounts as recurrent expenditure. Further the value of that building has been increased due to that expenditure.

- (i) This will be rectified in 2015 accounts.
- (j) Disagree. This authority did not print book marks to mark the 'Skills Day' and it was done by the Ministry and therefore there was no need for the Authority to record this transaction in its Accounts.

2.2.3 The vocational Training Authority has not made any payment amounting to Rs 295,645/- Action will be taken to avoid such errors in the future.

(a)(i/ii) The receivable balance in the year which was under review was Rs. 31,197,078.23. Accordingly a large part of this balance has been settled by now and necessary action will be taken to settle the remaining balance.

2.3 (b) I

වර්ෂ 1ට අඩු	අත්තිකාරම්	120,450.00	මේ වන විට නිරවුල් වී ඇත.	
	ඉදිරියට කරන ලද ගෙවීම්	55,714.00		
	ලැබිය යුතු අදායම් (වාහන නඩත්තු ඒකකය)	58,921.00		
	වෙනත් ලැබිය යුතු ආදායම්	1,028,962.43		
	තැන්පතු	55,000.00		වතුර බෝතල් මිල දී ගැනීමට කරන ලද තැන්පතු
	විෂ්ට සඳහා ගෙවන ලද අත්තිකාරම් මුදල්	4,968,169.60		2015 වසරේ අදාළ මුදල් ලැබී ඇත.

	ලැබිය යුතු වැටුප්	906,172.70	රු.65,125.20ක් හැර ඉතිරි මුදල් මේ වන විට නිරවුල් වී ඇත.
	ලැබිය යුතු පාඨමාලා ගාස්තු	13,620,425.10	මින් 9,050,195.00 මුදල් මෙවන විට නිරවුල් වී ඇති අතර රු.4570230.10 ඉදිරියේ දී නිරවුල් කරගැනීමට කටයුතු කරනු ඇත.
වර්ෂ 1-4 දක්වා	ලැබිය යුතු පාඨමාලා ගාස්තු	3,178,890.00	මින් රු.522,365.00ක මුදලක් නිරවුල් වී ඇති අතර ඉතිරි මුදල නිරවුල් කිරීමට කටයුතු කරනු ඇත.
	හිඟ අදායම් (ගාල්ල)	11,732.00	නිරවුල් කිරීමට කටයුතු කරනු ඇත.
	තැන්පතු	124,000.00	2013 නොවැම්බර් මස 08 දින කැගල්ල දිස්ත්‍රික්ක මධ්‍යස්ථානයේ විදුලිය ලබා ගැනීමට අදාළව විදුලි බල මණ්ඩලයට කරන ලද තැන්පතුවකි.
වර්ෂ 5ට වැඩි	තැන්පතු	102,000.00	සිලින්ඩර් මිලදී ගැනීම සඳහා කරන ලද තැන්පතුව
	ආරක්ෂක සේවා සැපයුම්	3,035,710.16	2001 වර්ෂයට පෙර ආරක්ෂක සේවා සැපයීම වෙනුවෙන් ලැබිය යුතු මුදල් ය.මේ සම්බන්ධයෙන් අමාත්‍යාංශය මගින් අදාළ ආයතන දැනුවත් කර ඇති බැවින් මෙය ඉදිරියේදී අධ්‍යක්ෂ මණ්ඩලයට ඉදිරිපත් කර තීරණයක් ගැනීමට කටයුතු කරනු ලැබේ.
	අමාත්‍යාංශය	3,930,931.24	මෙම මුදල පොත් වලින් කපා හැරීමට ඉදිරියේ දී කටයුතු කරනු ඇත.
		<u>31,197,078.23</u>	

(b)ii/iii Action will be taken to settle this in 2016.

Description	Amount (Rs.)	Explanation
Audit Fees	1,424,000.00	Action will be taken to make the payment
Cashier Deposit	25,000.00	This is a security kept by the shroff
Course fee-Payables	616,600.00	Settled
Deposit	234,500.00	This is a security kept by the students for the hostel of the Rathmalana National Training Institute
EPF	7,298,414.76	Settled
ETF	1,094,762.21	Settled
Lecture Fees	4,877,575.00	Settled
Other Payables	10,354,508.54	Settled
Received in Advance	1,514,600.00	Settled
Refundable Tender Deposit	1,763,120.39	This is a refundable security and the retained money is released when the relevant parties made a request. The old deposits that have not been claimed have been adjusted to the old income balance.
Retention Money	11,504,895.06	
Staff Incentive payable	69,360.00	Settled
Trade Creditors	42,769,917.73	All the money has been settled other than Rs. 2,117,971.01
W & O. P	86,314.96	Action has been taken to settle
Ministry of youth affairs & skills development	2,150,000.00	
Trainees insurance scheme	12,309,000.00	This is an insurance fund kept with the approval of the Board of Directors for the security of the apprentices.

Salary Payables	7,259,521.93	Action will be taken to settle in 2015
Project Funds Payable	10,427,341.81	Action will be taken to settle this amount.

(b) iv Action will be taken to settle it in 2016

2.4.(a)I As mentioned in the audit query the promotion had not been ante dated and the promotion has been given on the same day the officer was qualified for the promotion. When a promotion is given from one grade to another grade in a particular service it should be done on the day that the relevant person acquired the qualifications that have been mentioned in the scheme of recruitment. If not it becomes a fundamental right issue. Therefore these promotions have been given accordingly.

(a)ii The authority acts according to the provisions in the Shop and Office Ordinance when paying overtime allowances and relevant calculations have been done accordingly.

(a)iii Agree. This officer is a SLAS Officer. She worked on secondment basis as the Director (Control) in this Authority and she has been given a short term foreign scholarship that is related to her duties. The knowledge she obtained through this scholarship will help her in any position she will hold in the public sector and the then management have taken a decision to award this scholarship to this officer.

(a)v Disagree. The following officers who went abroad in 2014 have signed the relevant agreements. The relevant documents have now been submitted for auditing.

Mr. V. G. Nimalsiri

Mrs. R. D. Pradeepika

Mr. C. A.S. Achchi

2.4(b)i A Loss Register has been started and relevant information will be marked there as shown in the auditing. Investigations have been started under FR 104 about the under mentioned vehicle accidents. The relevant information has shown below.

PC 2221- there are 3 accidents related to this vehicle. Investigations have been conducted in this regard.

PE – 1448 – An investigation has been conducted under FR 104

PC – 5371 - An investigation has been conducted under FR 104

PE – 1491 - An investigation has been conducted under FR 104

NB – 3507 - An investigation has been conducted under FR 104

32- 2836 - An investigation has been conducted under FR 104

PE – 1491 - An investigation has been conducted under FR 104

PC- 0997 - An investigation has been conducted under FR 104

In addition to that, investigation will be conducted under FR 104 on the vehicle accidents that have been mentioned in the audit query and relevant reports will be submitted for auditing.

(b)ii Unrealized deposits will be checked and relevant corrections will be made.

(b)iii The relevant officers have been given instructions to maintain a register to enter such information when issuing the receipts.

(b)iv Instructions have been given to update and check the imprest accounts and to maintain the relevant registers.

(b)iv Action will be taken in the future.

(b)iv A register that includes these information is maintained and can be submitted for auditing whenever necessary.

2.4(b) The relevant officers have been given instructions to maintain the overtime registers and to make the overtime payments once the departure time and the completion of the work is checked.

2.4(c) Agree. Instructions have been given not to pay the incentives to the apprentices if they have not got 80% attendance. Payments done by the instructors violating those instructions will be collected from those instructors.

2.4(d) Agree. Transport facilities have been provided on essential service conditions and with a view to improve the efficiency of the service. However approval of the Board of Directors will be obtained for that in the future.

2.4(e) Agree. Action will be taken to rectify this in the future. Action has been taken to charge this from the relevant officers.

2.4(f) The service of those officers were obtained for essential duties in the Authority. One officer was attached to the work with regard to land acquisition and the other officer engaged in investigation activities related to the whole staff. A monthly allowance has been paid for these officers and it was not a salary. Approval of the Board of Directors have been obtained to recruit those officers and to make payments for them.

2.4(g) Apart from the apprentices who are getting further training the apprentices who were studying the courses at that time have to be used for the Deyata Kirula programme. Those apprentices were not provided with food or transport allowances and the Assistant Director (Kurunegala) paid relevant payments with the approval of the then Vice Chairman.

2.4(h) This Insurance Scheme was started with the approval of the Board Directors with a view to provide relief to the apprentices who face accidents and this has been submitted to the Treasury for its approval.

2.4(i) Agree. Action will be taken to submit without any delay.

2.4(j) Agree. This situation affected a limited number of positions because there was a requirement for the experienced officers. Action has been taken to rectify it.

2.4(k) The journalists who are engaged in propaganda activities (Newspaper discussions) on the activities of the authority and foreign visitors including the representatives from various foreign institutions that provide aid and donations to the Sri Lanka Vocational Training Authority have been given those awards.

2.4(l) When the communication network of the Sri Lanka Vocational Training Authority was expanded mobile phones have been issued instead of direct line telephones for 250 centers and bills have been paid accordingly.

2.4(m) Preliminary action has been taken to prepare the fixed asset register.

2.4(n) Disagree. The criteria decided by the Ministry of Skills Development have not been changed. The letter of the Director (Training) intends to further divide the relevant criteria into subsections and operate with a scrutiny.

2.4(o) Agree. Board meetings were conducted on two occasions after the new management was appointed and since some critical facts were taken for discussion there was no time to submit this fact to the Board of Directors. Action will be taken to rectify this in the future.

2.4(p) Special occasions where the courses commenced without the required capacity were the courses which has a high demand in the job market but a low demand in the society. For example courses like masonry, plumbing, carpentry, welding can be shown. All the apprentices who completed these courses get jobs and they can make their livelihood through self-employment.

Anyway, approval of the Secretary to the Ministry has been requested by the letter dated 19th November 2014 and No. VTA/TRD/DDT/SAD- 44 for the courses with less capacity.

According to your audit query in 2013 , 492 courses with fewer capacities have been started and in 2014 that number has been reduced to 290. When facts with regard to the drop outs of the course were checked (drop out papers) the following facts have been revealed.

1. Employment (local / foreign)
2. Further education.
3. Long term illnesses.
4. Economic problems within the family.

But drop out percentage in 2013 was 11% and in 2014 it was reduced to 7.49%. This drop outs can be minimized in the future and efforts have been made to keep the required capacity.

2.5 A preliminary investigation has been conducted in this regard and based on the facts revealed from that investigation a charge sheet was issued to the Assistant Director (Galle district) Mr. V. G. Nimalasiri and a formal investigation is being done against him. At the end of the investigation, action will be taken on the recommendations made by the investigating officer and it will be reported to the auditing.

3.1 The reason that the financial result of the authority for the year ending at 31st December 2014 to show a deficit of Rs. 86 million is the allocation of Rs. 57 for the payment of gratuity and the loss occurred due to the removal of fixed assets (buildings in the Orugodawatta Centre). The loss of removing that centre was Rs. 30 million.

3.2 Details about the lawsuits of the Authority by the end of the year under review is as follows. Number of cases filed by the employees against the authority is 08.

	Name of the employee who filed the case	Case No.	The court in which the case has been filed	Present condition
1.	D. H. Edirisingha	2/218/2010	Labour Tribunal Colombo	Settled
2.	Ananda Herath	2/260/2011	Labour Tribunal Colombo	Settled
3	C. A. Ranasinghe	2/අනි/11/2011	Labour Tribunal Colombo	Settled
4.	S. A. D. J.Chandrakumara	2/අනි/3668/2013	Labour Tribunal Battaramulla	Being litigated
5.	Anura Wijesekara	LT/M/26/32/208	Labour Tribunal Matara	Court has dismissed the case
6.	Five cases on combined matters by the authority	SCFR 141/2014 SCFR 142/2014 SCFR 143/2014 SCFR 144/2014 SCFR 145/2014	Supreme Court	Court has dismissed the case
7.	Manjula Kumari Siyamudali and others	SCFR 161/2014	Supreme Court	Proposed for a settlement
8.	D. A.Yahampath and others	SCFR 309/2014	Supreme Court	Being litigated

The number of cases filed by the external parties against the authority is 2.

The party by which the case was filed	Case No.	The court in which the case is filed	Present condition
Nadun Viduranga	DMR/00050/08	District court- Colombo	Being litigated
Sarasavi Bookshop	DMR 04044/2011	District court - Colombo	Settled.

The number of cases filed by the Authority is 01

The party against whom the case was filed	Case No.	The court in which the case is filed	Present condition
S. A. D. G.Chandrakumara	DMR 1029/2014	District court - Colombo	Being litigated

Details about the cases by September 2015 and the cases filed against the authority

	The party that filed the case	Case No.	The court in which the case is filed	Present condition
1.	S.A.D.J.Chandrakumara	2/අඹ/3668/2015	Labour Tribunal - Battaramulla	Being litigated
2.	P. A. Ranasinghe	2/අඹ/11/2012	Labour Tribunal - Colombo	Settled and the day of last calling day 30.10.2015
3.	Manjula Kumari Siyamudali and others	SCFR 161/2014	Supreme Court	Proposed for a settlement
4.	D. M. Yahampath and others	SCFR 309/2014	Supreme Court	Being litigated
5.	Nadun Viduranga	DMR/00050/08	District Court - Colombo	Being litigated

Cases filed by the Authority

The party against whom the case has been filed	Case No.	The court in which the case has been filed	Present condition
S. A. D. J. Chandrakumara	DMR 1029/2014	District Court - Colombo	Being litigated

The fees paid for the lawyers in 2014 are mentioned below.

	Case No.	The fees paid to the lawyers in 2014
1.	2/218/2011	Rs. 73,000.00
2.	2/260/2011	Rs. 21,750.00
3.	1/අඹ/11/2011	Rs. 73,500.00
4.	2/Ad/3668/2013	Rs.131,250.00
5.	LT/M/26/32/2008	Rs. 14,000.00
6.	SCFR 141/2014,142/2014 143/2014,144/2014,145/2014	Rs.447,750.00
7.	DMR 1029/2014	Rs. 73,500.00
8.	DMR 04044/2011	Rs. 76,500.00
9.	DMR 0050/08	Rs. 81,850.00
10.	The case filed under the gratuity act in the magistrate court bearing no. 12032/5	Rs. 5000.00
11.	Charges paid to the Attorney General's Department for obtaining legal advice.	Rs. 15,750.00
	Total	Rs 1,013,850.00

The following payments have been given in 2014 as compensation and payments as per the settlements reached in the court.

	Case No.	Compensation	Other payments
1.	2/218/2011	Rs. 286,790.00	
2.	2/260/2011	Rs. 87,000.00	
3.	DMR 04044/2011		Rs. 501,041.90
		Rs. 273,790.00	Rs. 501,041.90
		Rs. 774,831.00	

Director (Human Resource and Administration) has been given an order to take further action based on the facts that have been revealed from the preliminary investigation that was conducted to find out whether Mr. S. A. D.J. Chandrakumara who was interdicted when he was serving as the Director (Finance) of the Authority has been paid salaries without any approval and the persons responsible for that.

4.1(a) Training Centres operated by the Sri Lanka Vocational Training Authority are there in urban areas and rural areas as well. 15 apprentices are recruited for one course and in the construction field the number of apprentices recruited is 10. Course dropout is beyond the control of the Authority. The reason for the dropout of apprentices can be sited as getting local and foreign employment as skilled and unskilled workers, enlisting in the security forces, long term illnesses and various other social factors like getting higher education. The course drop out percentage in 2013 was 11% and by the end of 2014 it came down to 7.49%. There is a programme to monitor and provide necessary advice to the relevant sections with regard to the recruitment of students, completion of courses, employment, and planning and research.

4.1(b) Preparation of plans to train the non-academic staff in the year 2014 was done in the last phase of 2013. 149 programmes have been prepared based on identified training needs and the training courses were started accordingly. In addition to that a programme to develop the professional skills of the staff was started from May 2014 with World Bank and the Asian Development Bank aid. Our trainers were also trained under the sectoral skills development and since there were 308 consultants to be participated for 23 programmes, institutional training couldn't be done in those days.

4.1(b) Targets for the guideline programmes were prepared based on the number of programme officers that should be in the districts. But within that year the required number of officers was not there in those districts and the relevant targets couldn't be achieved due to the shortage of officers. But the targets for the year 2015 were set based on the existing number of officers and by the end of 31st August the relevant targets have been achieved.

4.1(c) Agree. The reasons for this were the shortage of officers, shortages in industries in North and Eastern Provinces where employment could be found, Lack of interest in the trainees to go to the places where there are job opportunities, no proper reporting on the employment of the trainees. In this year maximum effort will be taken to achieve the targets.

4.1(d) The plan to conduct 45 entrepreneurship development programs was prepared based on the estimate of Rs. 1.8 million. But the amount received from the Treasury for the year 2014 was 1 million. Expected targets couldn't be achieved due to the lack of provisions.

4.1(e) Agree. The loans given in 2014 were reduced due to the reduction in entrepreneurship programs. But by 31st August loans have been given to 98 persons and the amount of loans that have been issued is 25.7 million.

4.1(f) Agree. 02 programs out of the targeted 07 programs have been completed using the maximum capacity of the planning, research and development sector. The staff of this section is very limited and the targeted programs were very complex. The officers in those sections were promoted and transferred to other sections. These facts have an impact on this.

4.1(g) Agree. Approximately 75% of the targets with regard to the issuing of NVQ certificates have been completed. The balance 25 % couldn't be achieved due to the following reasons.

01. Courses are not accredited.

To accredit a course the training equipment standardized by the Tertiary and Vocational Education Commission, qualifications of the consultants and correct documentation on the course are required. The main problem is the problems faced in getting necessary equipment. Most probably this situation could be rectified in 2015.

02. Drop out of apprentices from the courses during the industrial training.

To minimize the number of drop outs from the industrial training they will be closely monitored and monitoring will be done by National Apprentice and Industrial Training Authority.

4.2(a) i More than a half of those buildings are condemned buildings in 1960s. In addition to that in 1970, three buildings were built with iron walls and wooden appliances with asbestos sheet for the roof. The tri party committee that assessed the value of this building complex has assessed the value taking into consideration the construction of the buildings, decays and the depreciation of the value. Under the project to remove this building both reusable and non usable things have to be removed from the land. There is no legally authorized dumping place within the city limit to dispose the debris. Therefore when the value of the building was assessed the legal disposal of the debris outside the Colombo city limits should be taken into consideration.

But the officers in the contract institutions have submitted bids based on the value of the material that can be taken from the buildings without focusing enough attention to the removal of the debris. At the same time some people have added high values with a view to take this contract anyway. However the two contractors who submitted highest prices have rejected the contract. Therefore Mr. Newton Perera who has submitted the next highest price was awarded the contract for Rs. 4,325,000.00.

(a) The training division informed the District Assistant Directors to further check the lot goods whether there are equipment still usable for training activities. Accordingly the above goods have been removed for district purposes. After that the bidders were informed to mark NA (Not Available) before the numbers that are not there in the premises and to submit the bids. Information with regard to the removal of goods is with the then Assistant Director (Orugodawatta) and Orugodawatta store officers.

(a)ii Lot numbers 7,10,13,32,46,47,49,51 can be thought as bidding prices submitted by the bidders to take bids on competitive bidding. Though these bids were awarded ,purchasing of those goods have been rejected and action has been taken to award the tender to the person who submitted the next highest price.

4.2(b) Horana district VTA building is covered with metal sheets and it has a metal frame. This is an old tea factory. The towers and other things are also in metal. The fractions of the metal cross section of H and I iron bars have been reduced from the standard size due to decay. Therefore the cross sections of these metal bars have no standard cross sections. When the standard cross sections were reduced engineers do not approve such metal to be used for civil constructions. Decayed iron is usually used to get raw iron by heating. At the same time due to various maintenance tasks GI sheets have holes. Some sheets are fractured, and shapes have been changed.

If these materials are to be reused even under such circumstances these things should be removed one by one and store properly. And the parts in the foundation should be removed by digging the earth. We need more labour and high expenses for that. This building was assessed by the tri party committee and that committee considered all the above facts when the value of the building is assessed and it has been done with proper understanding and in a highly professional manner.

But the bidders who submitted bids to demolish and remove this building have not considered all those facts and with an intention to resell those parts to high prices, and to take this tender using any means have become the reason to submit higher prices. This became evident because there were 4 bids higher than the engineers estimates and 6 bids less than those estimates and the bidders who submitted the highest prices refused the contract.

The 4 contractors who have submitted highest bids than the estimate of the engineer were awarded the contract respectively and all the four contractors refused to accept it due to various reasons. The bidder who submitted the fourth maximum bid informed in writing that he cannot accept this due to a sudden economic difficulty. In this occasion according to a request made by the Managing Director of the VTA Holdings Pvt. Ltd the demolishing and the removal of the building was handed over to the VTA Holdings based on the estimate of the engineers.

4.2(b) (i) Providing equipment to the centres that has not been planned earlier.

The audit reports have shown that these facts have been submitted after taking Colombo as an example. In the district of Colombo NVQ Level – 04 bakery course is conducted only in the Narahenpita National Vocational Training Centre. Therefore based on the need of apprentices in the district, NVQ – 03 courses have been graded as NVQ- 04 and these training equipment have been given to Wellawatta training centre with a view to expand those courses further in the district.

(ii) Providing unnecessarily large equipment.

These saucepans have been decided to use to start the production units in NVQ Level 4 course.

(iii) Action has not been taken to separately identify those questions.

This weakness was observed in 2014 and necessary action will be taken to rectify it.

(iv) Providing new equipment by removing repairable equipment.

In Rajagiriya Vocational Training Centre there was no water supply to use the Double bowl sink. The water supply needed to use this double bowl sink is established at a cost of Rs. 80640/-. According to this Audit query the water tap has not been repaired. The cost has been born to establish the water supply and training activities are being conducted using it. 22 chipendisel that have been mentioned in the equipment required for the production units of NVQ Level 4 course have been purchased on the purpose of accreditation. These saucepans are used for the production unit of the NVQ Level 4 course. Inventories have been issued for the relevant Ministries and District Assistant Directors, Trained officers have been given instructions to update those registers.

4.2(c) Disagree. Acquisition of land relevant to 248 training centers that are controlled under this Authority should be done following a complex procedure according to the land act and other procedures in this regard. Accordingly acquisition and transfer of lands have been done after following a long procedure with regard to the lands in which the district centres and rural vocational training centres have been established. At the same time to transfer the lands relevant to the following centers to the Authority the Secretary to the Ministry of Land and Land Development has requested recommendations of the Commissioner General of Land to get the approval of the Hon. Minister of Land and Land Development. The relevant details are mentioned below.

Serial No.	Centre	Divisional Secretariat Division	District
01	Ginimellagaha VTC	Baddegama	Galle
02	Anamaduwa VTC	Anamaduwa	Puttalam
03	Marawala VTC	Dankotuwa	Puttalam
04	Ampara VTC	Ampara	Ampara
05	Yakkalamulla VTC	Yakkalamulla	Galle
06	Mihintale VTC	Mihintale	Anuradhapura
07	Nakkala VTC	Badalkumbura	Moneragala
08	Mawathagama VTC	Mawathagama	Kurunegala

All these things were done by the officer recruited to acquire lands. The action taken with regard to the land in which the Sri Lanka Vocational Training Authority is established , and its present condition. The total number of centers that have been established in the districts is 248. Accordingly the present condition of lands in which those centers are established is as follows.

01	Centers that have been legally acquired through deeds.	05
02	Centers that have been taken under the acquisition act <ul style="list-style-type: none"> Necessary action has been taken to conduct surveys under the acquisition process 	
03	Centers established in the government lands. <ul style="list-style-type: none"> 23 lands out of those government lands have been acquired by the 	120

	<p>Sri Lanka Vocational Training Authority by publishing in the gazette Extraordinary by the Minister in charge of the subject with the consent of the present Minister of Lands and the Minister of Finance under the section 27 (1) of the Vocational Training Authority Act No. 12 of 1995. (Gazette No. 1972/ 16, 2015. 08. 10)</p> <ul style="list-style-type: none"> • Further, plans have been prepared for 08 lands out of those lands and the Secretary to the Ministry of Lands has been informed by a letter dated 07.10.2014 to get the consent of the Minister of Lands to acquire those lands to our Authority. Accordingly, the Secretary to the Ministry of Lands has informed the Commissioner General of Lands by a letter dated 18.11.2014 to get the recommendations to get the approval of the Minister of Lands. Commissioner General of Lands has informed the relevant Divisional Secretaries by a letter dated 01.04.2015. • Requests have been made from the relevant Divisional Secretaries to acquire all the other lands. 	
04.	<p>Centers functioning in the lands that belong to the Land Reforms Commission.</p> <ul style="list-style-type: none"> • Payments have been made for 2 lands and a request has been made by a letter dated 19.11.2014 asking to give deeds to those lands and to transfer other lands to the Sri Lanka Vocations Training Authority. 	
05.	Centers established in the lands that belong to the National Housing Development Authority	01
06	<p>Centers established in the lands that belong to the Sri Lanka Mahaweli Authority.</p> <ul style="list-style-type: none"> • Action has been taken to transfer those lands to the Sri Lanka Vocational Training Authority and to get the recommendations of the relevant residential managers. 	13
07	<p>Centers established in the land that belong to the Cooperative societies –</p> <ul style="list-style-type: none"> • MOUs with regard to 6 vocational training centers that are functioning in the buildings that belong to the Local Authorities/ Cooperative societies have been signed and action are being taken to sign MOUs with regard to other two centers. 	08
08	<p>Centers established in the buildings that belong to the Local Authorities.</p> <ul style="list-style-type: none"> • MOUs with regard to 6 vocational training centers that are functioning in the buildings that belong to the Local Authorities/ Cooperative societies have been signed and MOUs signed for five other centers will be obtained. Among the MOUs that have been signed steps have been taken to acquire two centers at the moment. And letters have been sent to renew the outdated agreements. Action is being taken to sign MOUs with regard to the remaining 7 centers. 	19
09	<p>Centers established in the lands that belong to the temples/ churches.</p> <ul style="list-style-type: none"> • MOUs have been signed with regard to 28 centers that are functioning in the lands that belong to the temples / churches and one center has been informed to send the signed agreement. A tax application has been signed for one center. Action is being taken to sign MOUs for the remaining 5 centers. 	35
10	<p>Centers established in the lands that belong to other organizations.</p> <ul style="list-style-type: none"> • MOUs have been signed for 11 centers that have been functioning in the buildings that belong to other organizations and four centers have been informed to send their MOUs. Action is being taken to sign MOUs for the remaining 3 centers. 	18
11	<p>Centers that are functioning in the lands that belong to persons.</p> <ul style="list-style-type: none"> • MOUs have been signed with regard to 4 centers that are functioning in the lands belong to persons. Action has been taken to acquire two centers. Actions are being taken to sign the MOUs for the remaining six centers. 	10
12	<p>Centers established in other lands.</p> <ul style="list-style-type: none"> • MOUs have been signed with regard to five centers established in 	07

	such lands and action has been taken to acquire four out of those lands. Action is being taken to sign MOUs for the remaining two centers.	
		248

- 4.2(d)i Agree. The reasons for this condition are,
- a. the drop out of the apprentices during the training period of the institution.
 - b. the drop out of the apprentices during the period of industrial training.
 - c. course are not accredited.

To rectify this situation,-

- a. Necessary steps have been taken to establish employment, career guidance and promotion sectors.
- b. Action has been taken to do the monitoring of the apprentices who are getting industrial training through the National Apprentices and Industrial Training Authority.
- c. Steps have been taken to accredit the courses that have not been subject to accreditation.

(d)ii The process of accreditation is to achieve the necessary standards of the courses once the courses are started. Therefore accreditation cannot be obtained before the commencement of a course. That is the reason for not having accreditation for all the courses.

(e)iii Disagree. Most of the apprentices who followed the courses in 2013 and 2014 have been evaluated. The relevant information is as follows.

Year	Number of NVQ certificates that were given
2013	7336
2014	10514

(d)iv Agree. Evaluations are done after the industrial training was completed by the apprentices who have completed the institutional training and the qualified apprentices are given the certificates. The reason for not issuing the certificate is the non-completion of the above mentioned requirements. Anyway the apprentices can face another test and get the certificate.

4.2(e) Such units are functioning in about five districts. Action will be taken to establish such institutions in other district centers.

4.2(f) The officers above the level of Management Assistant in all the districts including the Head office participated in the program on the implementation of future action in this Authority and according to the information of the staff the total number was 1392. Accordingly food has been ordered for 1300 employees.

4.2(g) These equipment have been obtained to give a souvenir to higher officials in the Ministry, members of the director board, directors, audit superintendent and special persons and receipts and issues have been included in the stock book of the chairman's office.

4.2(h) Agree. This vehicle was used for long distance official travels of the Directors and staff officers of the Sri Lanka Vocational Training Authority and a seat has been fixed to suit that. In addition to that carpets have been laid for the protection of the vehicle.

And the seats of the vehicle when it was purchased were not suitable for long distance travels and action has been taken to fix adjustable seats. This vehicle was specially used for the official work of the Chairman's office and new technological communication appliances have been installed to facilitate instant communication with various section heads whenever necessary.

As mentioned in the audit query, if local purchasing procedures were followed under local specifications, it would be a huge cost compared to the local fixings. Therefore once the relevant vehicle was purchased necessary fittings were done locally. The seats that have been removed from

this vehicle are securely kept in the stores with a view to replace the broken seats in the other vehicles used by the Authority.

4.2(i) Agree. The relevant details are shown below.

In the place where the canteen has been built was a half complete building which was used for practical work of the Automobile electrical division before 2012. At that time the cooking section of the VTA was planned to commence at Narahenpita and a decision was taken to use this place which was a canteen at that time for the kitchen that was needed to do the practical. Therefore a decision was taken to develop this half build building as a canteen.

At that time a decision was taken following the advice of the then Chairman to construct this as a two storey building to get the maximum use of the place and the frame of the former plan was there and it was stopped to call quotations for the two storey building to commence it as an amended project.

At that time allocations for the relevant year was taken into consideration and the essential part was to be completed by concreting the first storey enabling it to be used as the cafeteria.

The institution to which that task was awarded extensively delayed the completion of the building and at that time a Ministerial observation of His Excellency the President has been scheduled and action was taken to breach the contract and charge the demurrages from the relevant institution and complete the ground floor by calling new quotations.

After that ground floor was built using the money allocated for 2013 and second floor was built using the allocations made for 2014.

This task was done as a building rehabilitation and allocations were not made as one project and one storey was built in one year and the total building has been completed by now.

Since this is a modernization of an internal building of the National Vocational Training Authority at Narahenpita, action was not taken to get the approval of the Urban Council. However, basic construction requirements like ventilation, distance between the storeys, staircase and access door have been completed. As per the audit query Rs. 18,347,054.24 has been spent for that and for the final phase Rs. 2,771,620.08 and a total amount of Rs. 21,118,674.32 have been spent for that. There are 2366.25 square feet per one storey and there are about 3 similar areas and the total area of 7098.75 square feet has been added to the institution as building spaces. As explained above there were some fractures on the floor close to the pillars of the ground floor and there was a doubt about the security of the building and the structural plan of the building was checked by a chartered engineer and the excavations closer to the pillars were checked. There was an observation that the filling of the foundation has been weakened due to the unnatural pressure that occurred due to the mixing of granite pieces with the soil that was used to fill the base of the building. Therefore the old filling near the pillars were removed and a new filling consisting of cement were used to fill an area of 6x6. In addition to that the bases of the pillars were developed as an additional task. Therefore it has been proved that there won't be problems in the future with regard to the stability of this building.

4.2(j) The Instructors who do not conduct courses have been given training in another field and alternative methods have been introduced to engage in teaching and the training division and all the other district Assistant Directors have been informed in this regard.

4.2(k) Rs. 8,613,660 has been charged out of the course charges of Rs. 16,799,315.00 that should be collected for the years 2012, 2013 and 2014 and the identified school dropouts cost is Rs. 958,900.00. Further the money that should be collected is being collected from the responsible officers. And Rs. 903678.00, the course dropout cost of half term courses in the last year have been removed from the accounts. The charges that should be collected from the instructors have not been included in the course drop outs.

4.2(l) Construction of the staff hostel- Nuwar Eliya project has been completed in 13.07.2015. There was a delay of 141 days than the agreed date and according to the 31.6.4 (page 50) of the contract agreement Rs. 135,496.36 for 141 days should be charged as Rs. 960.96 per one day and the final bill is being checked to get the demurrages in that manner

4.2(m) By the letter dated 03.09.2014 the approval of the Additional Secretary (Sectorial Skills Development) has been requested to carry out the procurement activities since the building plans

have been completed with regard to the Mirijjawila, Thalalla, Nuwara Eliya, Veyangoda, Mapakadawewa, Helboda, Bulnewa, Angunakolapalassa, Karenagar, Bingiriya, and Ahaliyagoda centers which were in the procurement plan 2015 of the Sri Lanka Vocational Training Authority. By that time the relevant plans and estimates for those centers have been completed by the Consultancy institutions who were assigned with that task. The relevant payments were done based on the percentages of each task.

- i. Architectural planning 60%
- ii. Structural planning 60%
- iii. Preparation of engineering estimates 75%

All those tasks have been completed and waiting for procurement and the Additional Secretary Sectorial Skills and Development) by a letter dated 01.10.2014 has informed that procurement for Thalalla, Helboda, Karienagar centers to be completed. Therefore construction of 3 centers out of 9 centers have been started. Since work related to the above 9 centers were completed the payments for the service has been done according to the agreement to get consultancy services.

The reconciliation of the money paid to prepare the plans related to the construction of buildings that should be rehabilitated and the market prices are as follows.

Rehabilitation centers	Total estimate	The amount that should be paid to 3% (according to field prices)	Amount paid as estimated in square feet.	Profit to the authority.
Bulnewa VTC	57,774,750.05	1,733,242.50	390,637.50	1,342,605.00
Ahaliyagoda VTC	34,938,761.95	1,048,162.86	158,921.00	889,241.86
Thalalla VTC	33,790,241.58	1,013,707.25	176,712.00	836,995.25
Mapakadawewa VTC	52,518,976.50	1,575,569.30	334,751.00	1,240,818.30
Helboda VTC	19,023,905.65	5,70,717.17	104,715.00	466,002.17
Bingiriya VTC	34,256,793.00	1,027,703.79	221,247.00	806,456.79
Nuwar Eliya VTC	41,293,983.55	1,238,819.51	224,481.00	1,014,338.51
Kreinagar VTC	53,136,698.00	1,594,100.94	450,892.50	1,143,208.44
Veyangoda VTC	54,951,319.00	1,648,539.57	339,733.50	1,08,806.07
Total		11,450,562.89	2,402,090.50	9,048,472.38

percentage of paid amount from market rate

$$\frac{2,402,090.50}{11,450,562.89} \times 100\% = 20.977\%$$

Accordingly, the Authority has spent only 21 % from the current market price.

4.2(n) Kuchchaweli Vocational Training Center is a training institute in the Hotel field. When the requirements with regard to that center were considered it was observed that it needs around 40,000 square feet.

Based on the need for space the calculations were done taking into consideration the bids agreed by the Consultancy agencies and it was expected that approximately Rs. 3,465,000.00 will be needed for that. But when this building was planned the total square area has increased upto 50,000. This is the minimum square area needed for a construction. Accordingly considering the additional number of square feet Rs. 556.175.00 that should be paid to the designer had to be paid to the Consultancy Institution.

This task has been shown below according to the standard percentage payment system and the authority based payment system.

Rehabilitation centers	Total estimate	The amount that should be paid to 3% (according to field prices)	Amount paid as estimated in square feet.	Profit to the authority.
Kuchchaeweli VTC	422,700,768.80	12,681,023.06	4,021,177.70	8,659,845.36

(o)iv National Vocational Training Authority - The contract work related to the construction of the new working building at Mirijjawila did not come to an end even by 31 December 2014 and the performance bond of Rs. 2,130,677.83 which has been issued by this institute to this Authority was transformed into money on 02 February 2015 and the bond has been cancelled.

After that an order to suspend the contract was issued by the Authority and all the equipment in the workplace were sealed and taken into the custody of the Authority. An independent report on this has been called from an institute that supplies financial and legal consultancy services in the field of building construction and we received that report on 25th August 2015 and it has been submitted to the procurement board of the department to take further action in this regard.

According to that decision demurrages will be charged according to the laws with regard to construction and the goods and equipment that belong to the institution will be released. After that quotations will be called to complete this building and it is expected to finish the construction of this building.

(o)iv Vavuniya district directly got the raw material with the approval of the then Chairman as in the letter dated 10.05.2012 and fulfilled the relevant task and all the documents with regard to the project are maintained by the Vavuniya district office. Construction Unit did only the monitoring of those constructions.

4.2(p) Disagree. The estimate with regard to the repairing of Ahangama Hotel School has exceeded 50 million and that task was directly operated by the Sectoral Skills Development Project.

Accordingly, the contract with regard to this repair was awarded to G.V.M.Silva and Sons on 06th October 2014.

Two out of the three residents that have been mentioned here were labours and one was an Instructor. The courses were not carried out in this center but an instructor in the typing course was attached temporarily to clear the goods that have been entered into the inventories and the other two labourers were attached to clean the center. But those three workers have been transferred as follows.

Name	Date of Transfer	Transferred Place
Mrs. Dilka Deepika	18.08.2014	Thalalla National Vocational Training Institute
Mr. Mahesh Kapila Kumara	14. 11.2014	Matara Disrtrict Office
	02.12.2014	Galle District Office
Mrs. Nelum Kumari	01.08.2014	Galle District Office

Cafeteria employment course consultant Mr. M. H. P. S. Chandralal has handed over the goods that were in his custody to the training officer on 07.08.2014. Mr. Preethi Ruwan Kumara, the Instructor of the Cookery course has handed over in writing the belongings that were with him. The officers in charge of the center have confirmed that documents and goods that were under the custody of Mr. K. G. Ananda Shanthlal have been handed over to Mr. Prabaht Chandralal.

As mentioned in the Audit Report 01 trolley, 01 manual grass cutting machine, 01 big basin which have not been handed over when the goods were handed over have been kept in the Koggala Centre to fulfill the service needs without transferring them to the Ahangama Center. The above equipment are securely kept in the Koggala Centre and following the stores policy, issue orders no. 118374 and dated 17.07.2014 have been issued.

Due to the repairing work at Ahangama Hotel School action has been taken to take the equipment with the advice of the Assistant Director and after making the log entries they have been taken to the district store. Later, based on the training needs those equipment have been formally issued to the Yakkalamulla Training center on 06.01.2014 by issue order no. 16900.

4.2(q) As mentioned in the audit query there have been delays in settling the advances. Action will be taken against the officers who do not settle the advances according to the internal circulars and till the advances are settled the salary of the responsible person will be temporarily suspended. The subject officer was informed to take action without any delay. Therefore in the future settlement of advances will be done without any delay.

4.3

4.3(a) Sri Lanka Vocational Training Institute has a staff of more than two thousand. The authority has not borne any cost for the welfare of the staff. In that context the trade unions made a request to provide transport facilities to participate in the May Day Rally in the year that was under review and the management that was there in that year have taken a decision to provide the transport facilities to the district employees.

The District Assistant Directors who did not supply information for auditing will be inquired and reported to the auditing. The then management has given those T- shirts as a welfare activity.

4.3(b) The 'Soorya Udana' New year festival was organized for the employees in all the institutions under the Ministry and that amount was paid to supply the food to the employees who participated in this event on behalf of our authority. In addition to that the Chairman has spent Rs. 2841.00 to send greeting cards to the employees.

4.4(a) These courses should be accredited. There was a proposal to start a Hotel school in this place and equipment with regard to Cafeteria employment courses has been given. But the Instructor has resigned and the course couldn't be commenced. The paper advertisements were published to recruit instructors and due to the high demand for the skilled employees in the hotel field the attraction to these posts is very low. The reason for the Instructors to leave was the unsatisfactory salaries. An incentive is paid now for the instructors and therefore we will be able to make the recruitments. The equipment mentioned in the audit query can be used after the said courses are commenced.

Based on the decisions given in the survey of the stores, computers, sewing machines and equipment with regard to carpentry will be disposed.

4.4(b) Agree. Action will be taken to rectify this in the future.

4.4(c) These equipment are irreparable.

4.4(d) The said equipment were purchased to give an attraction to the office premises after it was modified.

4.4(e) In the district of Colombo NVQ Level – 04 bakery course is conducted only in the Narahenpita National Vocational Training Centre field. Therefore based on the need of apprentices in the district NVQ – 03 courses have been graded as NVQ- 04 and these training equipment have been given to Wellawatta training center with a view to expand those courses further in the district.

4.4(f) This land was purchased to construct the new hotel school proposed under the Sectorial Skills Development Project. The estimates with architectural and structural plans and specifications have been prepared even by 2013. The construction of buildings in the land has been included in the plan of the Sectorial Skills Development Project. All the documents with regard to the project have been handed over to the procurement section of the Sectorial Skills Development Project to carry out procurement activities.

4.5(a) These funds have been allocated to purchase the equipment needed for the accreditation of the courses and when this money was received equipment and goods required for the accreditation have been purchased using the funds of the Authority. Most of the courses have been accredited by now. Accordingly these funds will be transferred to Treasury Capital allocation fund.

4.5(b) The action that will be taken with regard to this account are mentioned below.

Account Number	District Officer	Action Taken
307 1 001 2 0000007	Matara	This is a project account in the Matara district future transactions will take place
119 100 140 004 520	Orugodawatta NVTI	No courses by now and balance money will be transferred to the main office.
165 199	Narahenpita Printing School	Printing work is being carried out by now and the bank account is functioning.
122 496 500 1	Head office	Action will be taken to suspend in the future with the approval of the Board of Directors.
119 100 183 693 214	Head Office	Action has been taken to suspend the account by now.

Facts with regard to the account can be submitted as follows.

Account No.	Ownership	Description
169 100 131 871 757	Galle Printing school	Accounts are used when commercial activities are taking place in the printing school.
188 100 116 123 72	Ahangama Hotel school	This is now being repaired and the account is not in use and the account will be used in the future.
071 100 113 320 678	Orugodawatta	No courses by now and courses will be started in the future. Then the account can be used.
119 101 448 157 68	Narahenpita Beauty culture courses.	Will be closed in the future.
119 100 280 038 17	Narahenpita with regard to the vehicle maintenance.	Now in a state of defunct but when the maintenance is done the account will start to function.

4.6(a) Agree. Necessary action has been taken to get the revenue licenses in due time.

4.6(b) Agree. Action has been taken to get the insurance claim on the loss of goods in the center but the insurance coverage has not been updated on the due date and the insurance claim couldn't be taken.

However, all the centers that have not supplied with the security service have been insured.

4.6(c) Agree. The authority has not paid such luxury dual purpose taxes until now. The reason for that was that we have not been informed that a tax should be paid for the double cabs. But when the motor traffic department informed that a tax should be paid for the double cabs owned by the authority the taxes including the fines have been paid.

4.6(d) Agree. Sri Lanka Institute of Development Administration is the prime government institute in providing training and consultancy services and training for the staff of this authority and conducting the efficiency bar examinations and in other consultancy services we work together with this institute. And that institute has won the credibility of our institution by performing their duties properly and it has a proper understanding with regard to the circulars and provisions in this authority, preparation of an administration manual to this institute has been given to the Sri Lanka Institute of Development Administration.

Sri Lanka Institute of Development Administration is a government institute and therefore an agreement was not signed and there is no specific time period. The drafts of the administration manual for the Sri Lanka Vocational Training Authority have been handed over to the authority by now.

A committee has been appointed to check the draft administration manual and to submit the recommendations. Once the observations from the committee are received the amendments will be included and the consent of the authority with regard to the provisions of the administration manual will be informed.

4.7(a) In the year 2014 only 8 persons have been released to the line ministries and other external institutions.

But one officer has resigned from the service and other seven officers have reported to the service of the Authority.

Details with regard to the two vehicles are shown below.

XH – 4998- This motor cycle was attached to the Ministry of Youth Affairs and Skills Development and later due to the changes in that Ministry this has been temporarily attached to the Ministry of Youth Affairs. Action will be taken to reclaim the motor cycle and it will be informed for auditing.

PA – 1227- This vehicle has been taken back to the Authority by now.

Large amounts of money from the salaries that have been paid for the employees who have been released to other institutions have been recovered by now and necessary action has been taken to recover the remaining balance of Rs. 1,226,678.00.

4.8(a) Disagree. Approved staff as at 31. 12.2014 is 2438.

The actual cadre – 1905

The details of the cadre are as follows.

Cadre Details as at 31.08.2015

No	Designation	Approved Cadre	Existing Cadre	Vacancies	Remarks
1	Director General	1	1	0	
2	Director	6	5	1	01 Act.
3	Chief Internal Auditor	1	1	0	
4	Assistant/ Deputy Director	86	73	13	
5	Legal Officer	1	1	0	
6	Internal Auditor	1	1	0	
7	Engineer	1	0	1	
8	Administrative Officer	2	2	0	
9	Testing & Evaluation Officer	12	6	6	
10	Investigation Officer	1	1	0	
11	Transport Officer	1	0	1	01 Act.
12	Supplies Officer	1	0	1	
13	Printing Officer	1	1	0	
14	Internal Audit Officer	3	1	2	
15	System Analyst	1	0	1	
16	Welfare Officer	1	1	0	
17	Accounts Officer	33	30	3	

18	Senior Program Officer	10	5	5	
19	Training Officer	74	56	18	
20	Research Officer	2	0	2	
21	Planning Officer	2	2	0	
22	Personal Assistant to Chairman	1	0	1	
23	Personal Assistant	7	5	0	Personal
24	Language Translator (Sinhala/English)	1	0	1	
25	Language Translator (Sinhala/Tamil)	3	0	3	
26	Senior Instructor	146	17	129	
27	Program Officer	69	64	5	
28	Audit Assistant	3	2	0	Personal
29	Project Assistant	34	15	0	Personal
30	Technical Assistant	3	1	2	
31	Instructor	1414	1222	192	
32	Sports Instructor	31	0	31	
33	Draughtsman	1	0	1	
34	Quantity Surveyor	2	0	2	
35	Technical Officer (Civil)	5	0	5	
36	Management Assistant	191	189	2	
37	Assistant Instructor (LRUC)	38	33	0	Personal
38	Type Setter (Printing)	3	1	2	
39	Warden	2	1	1	
40	Supervisor (Printing)	1	0	1	
41	Supervisor (Building)	1	0	1	
42	Driver	64	64	0	
43	Store man	2	2	0	Personal
44	Printing Assistant	3	2	1	
45	Book Binder (Printing)	2	1	1	
46	Machine Operator (Printing)	2	1	1	
47	Office Aide	8	5	3	
48	Watcher	65	53	0	Personal
49	Labor	95	92	3	
	Total	2438	1957	442	

4.8(b) Details of the employees who have taken no pay leave have been reported to the Auditor General. Action has been taken to improve the quality of the service by not awarding salary increments and promotions to the Instructors who have taken no pay leave.

4.8(c) Instructors who are not engaged in training are not deployed in training centers. Two instructors have been attached to match the number of apprentices in the courses where the capacity of the course can be increased.

When the new courses are started deploying the female instructors who are supposed to take maternity leave within a period of three months from the date of the commencement of the course creates a practical problem because it is very difficult to find an instructor for the remaining period of time. Therefore in such situations those female instructors are attached to other courses. If not, courses are started using additional instructors.

There were some courses conducted by instructors that do not have much demand (less than 05 apprentices) and such courses were not started. Action has been taken to give training to those instructors in the fields where there is a shortage of instructors.

4.8(d) Agree. One instructor out of this three has been attached to the duties with regard to transport. Another instructor is attached to the administration section and work as a mechanic in the vehicle maintenance unit in the Authority.

At the same time another trained officer monitors the maintenance activities and distribution of the goods from the stores.

Accordingly the relevant two instructors and the trained officer serve in a field relevant to their positions.

4.8(e) The following facts are presented based on the answers submitted to the audit queries that have been submitted to this Authority with regard to the appointment to the post of Director General.

The officer who was recruited to the post of Director General has the required education qualifications as mentioned in the SOR. But the fact that whether she has post graduate qualifications is considered by the interview board of the structural interview conducted for that post. And the service experience expected by the SOR has also been considered by the same interview board. And the interview board who conducted the structural interview has recommended the two applicants who have obtained the highest marks for a second interview and the second interview has not been conducted. In that context the then management has taken a decision to appoint the aforesaid officer to the post of Director General.

At the same time, the following facts are presented based on the answers submitted to the audit queries that have been submitted to this Authority with regard to the appointment to the posts of Director (Training) , Director (Planning Research and Development), Director (career guidance, employment and promotion).

The recommendations with regard to the recruitments to all those posts have been done by the interview board who conducted the structural interview. The management at that time has taken a decision to recruit those officers to the relevant posts.

Recruitment of Deputy Directors.

Management Services Circular No.30 has categorized the previous salary structures and based on the criteria introduced by it the following posts that were there have been included in to the MM1-1 management services category.

- Administrative Officer
- Board Secretary / Legal officer
- Training Manager
- Accountant
- Assistant Director

The officers in the list who have been promoted to the post of Deputy Director were the officers who have been appointed to the Grade II of the post of Training Manager.

Mrs. S. M. Edirisinghe	-	1998.03.10
Mr. H. W. Rohan Priyantha	-	2000.08.01
Mr. H. T. S. Wickramarathna	-	1999.05.27
Mr. M. M. N. B. Madurasingha	-	1999.06.14
Mr. K. A. Arachchige	-	1995.12.07
Mr. R. N. K. M. J. Senevirathna	-	2000.08.01
Mr. N. K. Ilesinghe	-	1998.03.23
Mr. J. V. P. N. Perera	-	1999.05.17
Mr. E. A. D.S. Senarathna	-	1999.06.17

The post of Training Manager belongs to the Management Services category. Even before the restructuring of the Authority this post of Training Manger was in the Management Services category and they were entitled to the vehicle permits when the required service period is completed. At the same time the Salary and Cadre Commission gave the approval to suppress the post of Training Manager and to absorb them to the post of Assistant Director. Training Managers post were in the Management Services category and promotions have been given based on the date of appointment for the post of Training Manager.

Recruitment for the post of Assistant Director.

The relevant recruitments have been done based on the recommendations of the board of the structural interview conducted to recruit the officers.

Post of legal officer

I agree that the officer did not possess the service experience required by the SOR at that time.

In the approved cadre the post of Director (Finance) is an approved post. Accordingly, the relevant recruitments have been done.

4.8(e)i Agree. These officers have been recruited by the management of the year under review.

(e)ii Agree. By now no instructor is deployed for the security of the VTA Holdings.

4.8(f) Agree. These recruitments have been done by the management of the year under review. By now this officer is attached to the Narahenpita National Vocational Training Institute.

The relevant officer has been informed that the medical report should be submitted without any delay.

5/5.1 I agree that Rs. 1,240,000 has been paid to prepare the Corporate plan.

I agree that the preparation of the Corporate plan was delayed due to the following reasons.

1. The Assistant Directors in all the districts and National Centers were summoned on several occasions to get data and information that is necessary to prepare the Corporate plan and there were delays in allocating dates for the workshops.

2. There were some delays in collecting basic data for the corporate plan.

3. NIBM gave a draft of the corporate plan to us and there were delays in obtaining the recommendations of the Board of Directors.

An evaluation committee has not been appointed but facts with regard to the relevant payments have been reviewed and all the facts have been informed to the Board of Directors. There was a target to enroll 50,000 apprentices for the year 2018 and the following strategies have been identified in the corporate plan.

1. Increase the number of apprentices through the development of the existing centers using the Skills Development Fund and by constructing new centers.

2. Increase the attraction of the apprentices by signing agreements with international companies to create international job opportunities in the field of vocational training.

3. Get more attraction to the courses by developing the knowledge of English, Software skills and computer knowledge of the apprentices throughout the island and by improving the quality of the courses.

4. Promotion and propaganda on vocational training through social media.

5.2 In the month of December 2014 additional provisions have been approved by the Treasury and the budget was amended after that. But the budget couldn't be submitted to the Board of Directors because the Board of Directors did not meet until the mid of this year. There is no considerable difference between the amended budget and the real budget.

5.3(a) This accident occurred in 2003 and after 06 years in February 2009 an investigation has been conducted. The reason for that was the negligence of duties by the former management. The file that consist information on the accident is misplaced by now and there is no provision to check the credibility of the facts that have been mentioned in the audit. Therefore further action cannot be taken about this loss. Anyway as shown in the audit a tripartite committee has been appointed to investigate about the loss incurred to the Authority and further action will be taken based on the recommendations given by the committee.

5.3(b)i Action will be taken to rectify it.

(b)ii Action will be taken to transfer the ownership of those vehicles to the Authority.

(b) The remaining assets and the disposed assets after the Board of Survey in 2015 can be identified in the fixed assets register and relevant adjustments will be done accordingly'

5.3(b)i An investigation has not been conducted with regard to the accident that occurred in 2011. But the court has decided that the driver has committed an offence and a specific procedure should be followed to compensate the third party and a committee has been appointed under FR 04 on 22 July 2014. The recommendations submitted by the investigating committee are –

(i) Take disciplinary action against the relevant driver.

(ii) Take action to pay the fines using the insurance coverage.

The steps that will be taken in the future will be reported for auditing.

(b)ii Therefore action will be taken to take disciplinary action against the driver and the relevant fines will be taken from the insurance coverage.

6.

a	Asset management	Basic activities with regard to the formulation of the fixed asset register are in progress.
b	Accounting	An accounting system that update day today transactions on the same day has been implemented.
c	Control of vehicles	There is a formal procedure with regard to the control of vehicles. There is a format introduced in 2013 on requisition of official vehicles, obtaining batteries, tyres and servicing of vehicles and issuing vehicles to the drivers and taking vehicles out. To monitor the activities in the transport section it has brought under the control of a Deputy Director.
d	Staff Management.	A SOR has been prepared for the approved posts under the new restructuring and the approval of the Director General of Management Services has been obtained. Most of the vacancies have been filled by now. A disciplinary procedure should be drafted and presented to the Board of Directors. Activities with regard to the formulation of administration manual has achieved its final phase.
e	Stock control	There is a computer system to update the stocks daily.
f	Training of Apprentices	It is expected to train about 35,000 apprentices in 2015. Necessary action will be taken for accreditation of courses and to issue the certificates.