

National Human Resources Development Council

VISION

To achieve national acceptance and eminence in human resources development policy and activity coordination for the overall economic and social advancement of the country.

MISSION

To contribute to the development process of Sri Lanka by initiating and promoting national human resources development policy and plan of action, and participating its implementation, emphasizing an integrated approach, and ensuring rationalization and co-ordination of such policies, plans and programmes for the enhancement of productive human resources to meet the development challenges of the 21st century.

OBJECTIVES

1. To advise the Government on national human resources development policy and plan of action.
2. Rationalization and co-ordination of sectoral human resources development plans and programmes relating to employment, training, and education, application of science and technology, enhancement of the quality of life, governance, entitlements and population.
3. To review such policies and programmes and to monitor their implementation.
4. To initiate implementation of projects in consultation with relevant authorities.

FUNCTIONS

In order to carry out the objectives of NHRDC functions are divided in to 4 broad areas as follows,

1. Studies, surveys, investigations, research
2. Seminars and workshops
3. HRD projects
4. Publications

Administration

The new board of management was nominated in June 2002 after the Council was brought under the Ministry of HR Development, Education & Cultural Affairs and it is consisted as follows:

NAME & ADDRESSES OF COUNCIL MEMBERS

Mr. P. D. Amarasinghe	Additional Secretary, Ministry of Human Resources Development, Education & Cultural Affairs. "Isurupaya" Battaramulla.
Mr. Aijith Colonne	Chairman, NAITA, No 971, Sri Jayawardanepura Mawatha Welikada, Rajagiriya.
Mr. Dickson Nilaweera	Secretary, Ministry of Agriculture & Livestock Resources, No 80/5, Govijana Mandiraya, Rajamalwatte , Battaramulla.
Mr. P. M. Leelaratna	Director General, TVEC, No 32/475, Kotte Road, Rajagiriya
Mr. G. Hewagama	Secretary, Ministry of Economic Reforms, Science & Technology, No 561/3 , Alvitigala Mawatha. Colombo 05.
Dr. Reggie Perera	Secretary, Ministry of Health, Nutrition & Welfare, "Suwasiripaya" No 385, Baddegama Wimalavansa Mawatha, Colombo 10.
Mr. Armyne Wirasinha	Chairman, TVEC, No 32/475, Kotte Road, Rajagiriya.
Mr. Charitha Ratwatte	Secretary, Ministry of Finance, The Secretariat, Colombo 01.
Dr. Sunanda Maddum Bandara	Department of Economics, University of Kelaniya, Kelaniya.

Prof. S. S. Colombege	No 18, Jayawardena Place, Off Hill Street, Dehiwela.
Prof. R. P. Gunawardana	Chairman, National Education Commission, No 223C, Nawala Road, Narahenpita, Colombo 05.
Ms. Deeta Wimalasiri	Secretary, Ministry of Public Administration, Management & Reforms, Independence Square, Colombo 07
Mr. N. G. Punchihewa	Secretary, Ministry of Youth Affairs & Sports, No 420, Baudhaloka Mawatha, Colombo 07.
Dr. U. Vidanapathirana	Secretary, Ministry of Industries, 16 th Floor, West Tower World Trade Centre, Colombo 01.
Mr. D. Mahinda Gammanpila	Secretary, Ministry of Labour & Employment Labour Secretariat, Kirula Road, Narahenpita, Colombo 05.
Prof. B. R. R. N. Mendis	Chairman, University Grants Commission, No 20, Ward Place, Colombo 07.
Mr. Sydney Gajanayake	No 673/ N3, 6 th Lane, Kandewatta Road, Battaramulla.
Prof. Gunapala Nanayakkara	Director, Post Graduate Institute of Management, Lesli Ranagala Mawatha, Colombo 08.
Mr. V. K. Nanayakkara	Secretary Ministry of Human Resources Development, Education & Cultural Affairs, "Isurupaya" Battaramulla.

The newly appointed Council met on 17th September 2002, and it was the first as well as the last meeting for the year.

Several significant changes were taken place in the administration during the year. Mr. Anura Dissanayake of the Sri Lanka Administrative service was appointed to the post of Secretary / Director of the Council and Mr. Austin Perera , the Chairman who held the post for a period about four years, retired on 14th September 2002 . He was succeeded by Mr. P. Dias Amarasinghe, the Additional Secretary of the Ministry of Education, with effect from 7th November 2002.

Mr. S.M. Somasiri who joined the Council as a consultant left the service in December 2001, and no successor could be found in the year 2002. In the meantime Mr. K.H. Amaradasa, also a consultant who had been serving since 16th February 2001 also resigned on 1st June 2002. Miss. Monika Dilrukshi, one of the Stenographers of the Council, has been attached to the office of the Ministry of Education, Isurupaya since the end of December 2002.

Although several appeals were made to fill the vacancies of the Professionals of the Council, permission has not been granted. This has adversely affected implementation of the development activities of the Council.

Work Plan

Though an implementation plan was prepared expecting Rs. 2.5 Million for the year, only Rs. 750,000 was granted for the development programme. Therefore Council had to face the challenge of investing it effectively to gain the maximum possible activity coverage. The allocation given was planned to invest as follows,

Research Studies

- (a) Evaluation of the Effectiveness of Vocational Training Activities carried out by Non-Governmental Organization in Hambanthota District. Rs. 100,000.00

- (b) Evaluation of Vocational Training Requirements in the North and East
Rs. 250,000.00

Workshops and Seminars

- (a) Integration of General Education with the Technical Education Rs. 100,000.00
- (b) Development of Human Resources in Local Government Authorities
Rs. 50,000,00

Information on Indigenous Medicine
Private Sector Health developments
Statistics relevant to Cancer

The publication consists of 28 data tables, 10 graphs and 5 maps. Undoubtedly, this publication would be useful to persons who are interested in information on Health Services in pursuit of Human Resources Development.

Human Resources Profile is a work, compiled by the Council making use of past experiences obtained relating to the subject.

By this time, it was possible to prepare a set of questionnaire so as to collect all data and on a request made; a profile was prepared for the Divisional Secretariat of Dodangoda.

Information required for the Resources Profile in respect to Dodangoda was obtained through Grama Seva Niladaries after an awareness programme conducted for them. Thereafter collection of data was commenced. It was completed within the target period and after the particulars were computerized, the Resources Profile was prepared.

The prepared Resources Profile ranges from Topographic information on to Natural Resources and Human Resources of the Dodangoda Division. It could be viewed as an effective instrument for sectoral development planning. A floppy diskette, which contains data of Human Resources Profile, was handed over to the Divisional Secretariat office and we believe that this could be used for a longer period by updating the data.

Promotion of business activities of small and medium scale entrepreneurs is one responsibility of the Council listed under the mandate given to it. In pursuit of this, from the year 2000 onwards, the Council has been launching a programme to make awareness among selected business entrepreneurs on new technology and to communicate issues they face to the relevant Government Authorities. Under this, during the Hundred Days Programme, a workshop on maintenance of mechanized boats and repairs was held for selected fishermen in Tangalle area. In this, the Fisheries and Naval Engineering School of Tangalle gave the technical information and lecturing related to the subject.

Research Studies

Initial planning on research was carried in the year 2001 when the Council was attached to the Ministry of Technical Education and Vocational Training. Therefore the studies undertaken, has a bias on training. The Studies were implemented as planned, under the Ministry of HR Development, Education and Cultural Affairs as no new direction was received. Brief descriptions of said studies are given below.

Evaluation of the Effectiveness of Vocational Training Activities Conducted by non-Governmental Organizations

In the recent times non-governmental organizations are increasingly emerged in vocational training activities. The objective of this activity was to carry out a study in a selected district to evaluate the effectiveness of these. Further it is assumed that matters arising from the study would be helpful to make vocational training activities of nongovernmental organization more effective with the help of the Public Sector.

Hambantota district that experiences relatively extreme poverty and two youths uprising was selected for studies.

Besides, the other factor that led to select the district was the experience, which was gained from implementing projects with active non-government organizations.

Studies commenced in May 2002 and it included collecting information of 10 non-government organizations and obtaining information of trained youths through a questionnaire.

We are glad to report that the study report has been completed at the time of preparation of this report.

Evaluation of Vocational Training Requirements in the North and East.

The objective of this study was identification of training requirement of labour force that is assumed necessary to initiate the North and East development activities under the rehabilitation programmes with the cessation of hostilities. Further it was assumed that the information obtained from the study would be useful to the Public Sector as well as the Donor Agencies.

Ampara district was excluded from the study and permission was not granted to cover areas that are under the control of the LTTE. Therefore, Jaffna, Mannar, Vavuniya, Trincomalee and Batticaloa can be highlighted as districts that were covered by the study. Relevant information on Vocational Training Centers of the government and non-government sectors of these districts and also information on unemployed youth, were collected for the study through a questionnaire. Data collection was much supported by the National Youth Services Council.

Services of a Co-coordinating Officer who had contacts with in the divisions were obtained for activities to be coordinated on contract basis. Details of this study have been computerized and preparation of this report is in progress.

Workshops and Seminars

Workshop to Transfer the New Technology to Dry Fish Production and Coir based Industries.

A workshop was held at the auditorium of Beliaththa Technical College in April 2002 for selected entrepreneurs of small and medium scale who engaged in coir industry in the Southern Area. This was launched by the Council with the aims of identifying problems they face and inducing of new technologies.

23 persons who are engaged in manufacturing coir and coir by products in Tangalle, Beliaththa, Walasmulla, Ambalanthota and Tissamaharama participated in this workshop held at Southern Regional Office of the Industrial Development Board. Workshop consisted of lectures and discussions. The topics of the lectures centered on scientific aspect of coconut coir industry and coir based new production. Messers P. Ranasinghe of Coconut Development Authority and Nanda Hewage of Industrial Development Board delivered lectures respectively. That was followed a discussion focused on problems faced by the participant.

The Council has taken steps to forward the report of this workshop to the Coconut Development Authority, Industrial Development Board as well as to the Southern Development Authority.

The programme on dry fish production was held at Kalpitiya in August 2002 with the assistance of the Divisional Secretariat of the area who identified appropriate fishermen's and invited them.

Technical assistance for the workshop was obtained from the Institute of Technological Industry and they made awareness on preservation of fish under warm conditions and different fish production techniques.

A practical session on processing of row fish up to the drying process was held and they were practically explained. Processing of dry fish in a furnace instead of sun drying was lectured to be more effective and the Lecturers exhibited a special furnace developed for the purpose. Lecturers pointed out that this kind of furnace is economically viable as easily found materials such as dry coconut husks could be used as fuel.

24 participants attended this programme and the Institute of Technological Industry agreed to carry out follow up activities. That task is scheduled to be carried out by the Food Technology Division of the Institute. The kind assistance of Dr Yasmitha Sulthanbhawa and Mrs. Sriyani Rajapaksha was received of this programme.

Workshop on Human Resources Development for Local Government Authorities.

A workshop for Central Province was held at the Local Government Training Center at Katugastota in June 2002 by the Council under the awareness creation programme for the preparation of HRD plans in local Government Authorities. 34 members of Local Government Authorities in Kandy, Matale and Nuwaraeliya Districts participated in this workshop, which was held with the collaboration of Department of Local Government of the Central Province. This workshop consisted of two lectures and group discussions. Lectures were delivered under the following topics.

- The significance of Human Resources Development in Local Governance
S.O.Z Moulana, Consultant, Institute of local government.
- Requirement of a Human Resources plan in Local Governance
K.A.D. Gunasinghe, Senior Consultant, SLIDA.

Discussions were held under the themes of 'What should be the contents of a HRD Plan' and resources that could be accessed in the preparation and implementation of such plans.

It is pleasure to state that there has been an enthusiasm on the Human Resources Development after the workshop held at Southern and Uva provinces in the previous

year. As it is reported 22 and 5 local Government Authorities in the Southern and Uva Provinces have respectfully prepared HRD plans with copies forwarded to this Council.

Other

Information on HRD data publication carried out under this and the follow up action on Fishermen Training were included under the Hundred Days Programme.

In addition to that, a one-day workshop to obtain advice for the planed studies of the year beginning was held in March 2002 and it was outsourced as follows who were competent in respective fields.

Dr. Amal Harsha de Silva -Director, Private Sector Health Development,
Ministry of Health and Nutrition

Dr. Sarath Jayanethi -Institute of Policy Studies

Mr. D M D Jayaneththi - H R D Division, Ministry of Education

Mrs. M H Vehalle - - do -

Miss. S M Karunaratne - ADG, Policy Planning, Ministry of Finance

Prof. S T Hettige - Department of Sociology, University of Colombo

The Objective of this meeting was to obtain views that should be included in the scope of the study that was to be launched by the Council. The brain storming secession served an opportunity to sharpen the coverage of the study.

Even though actions were taken to strengthen the database of the Council, it was not successful due to the restriction on financial provisions and non-availability of the services of a Research Assistant to attend to fieldwork.

A technical committee meeting on HRD in SARRC region was held November 2002 in Colombo with the participation of all member countries and the SARRC Secretariat. National Human Resources Development Council represented this event. The Council contributed its assistance immensely by preparing reports on behalf of Sri Lanka.

The above meeting which organized for planning, implementing and exchanging views on HRD activities in the SARRC region was the second meeting of this nature. The proceedings covered the following themes,

- a. Human Resources Development
- b. Education
- c. Youth Development
- d. Cultural
- e. Sports
- f. Providing Employment

Conclusion

Shortage of provisions and experienced professionals is not a new problem to the Council, but the problem surfaced in acute manner during the year 2002. Although the Council should have four full time Consultants, it had only one full time and two part time Consultants. Implementation of all development work was entrusted to them and therefore delays were inevitable. Further due to insufficiency of funds for development work, many activities planned had to be lopped.

In average an investment of Rs. 350,000/- is necessary to complete a study. How ever, two successful studies could be carried out during the year as the Council itself planned them. In spite of the shortage of professionals, the Council is pleased to note that it could carry out the entire project planned during the year except only one workshop. This workshop was planned in relation to amalgamation of Technical and General Education and the funds of this workshop had to be spent on the partitioning of the new office.

NATIONAL HUMAN RESOURCES DEVELOPMENT COUNCIL OF SRI LANKA

BALANCE		SHEET			
		As at 31.12.02		As at 31.12.01	
		Rs	Cts	Rs	Cts
(1) 1 Fixed Assets			1833108.19		2396702.30
(2) 2 Current Assets					
Stock			19587.50		
Other Advances			45825.00		56259.30
Fuel Advance			2500.00		10500.00
Pre Payments			15327.19		16685.00
Staff Loans			68631.00		51236.00
Receivables			20000.00		20000.00
Petty Cash			1849.76		2229.76
Cash Balance			514469.50		338537.85
(3) 3 Total Current Assets			688189.95		495447.91
(4) 4 Total Current Liabilities					
Deposits payable			25905.73		26705.73
Accrued Expences			362639.85		590054.61
(5) 5 Total Current Liabilities			388545.58		616760.34
(6) 6 Net Current Assets (3) - (5)			299644.37		(121312.43)
Total	(1) + (6)		2132752.56		2275389.87
Financed by					
Accumulated Fund					
Balance at the beginning of the year			2263274.87		3259698.12
Net Adjustment			(8392.00)		
Government Grant -Capital			2254882.87		3259698.12
Income & Expenditure A/c			52795.90		1305000.00
			(220175.55)		(2301423.25)
Balance at the end of the year			2087503.22		2263274.87
Other Funds			1449.34		
Gratuity Provision			43800.00		12115.00
			2132752.56		2275389.87

**NATIONAL HUMAN RESOURCES DEVELOPMENT COUNCIL OF
SRI LANKA
INCOME & EXPENDITURE ACCOUNT**

	Year Ended 31.12.02		Year Ended 31.12.01	
	Rs	Cts	Rs	Cts
Income				
Government Grant- Recurrent		6300000.00		5045000.00
Other Income		17150.00		1500.75
Other Recurrent		497204.10		
Interest from Loans				1844.80
(1) Total Income		6814354.10		5048345.55
Less Expendes				
Personal Emoluments		2231611.99		2683303.48
Staff Welfare		27130.00		12700.00
Entertainment		2348.50		11810.46
Travelling, Subsistence & Allowance		47457.50		167888.00
Utility and Other Services		2882279.12		2030169.44
Maintenance Expenditure		1055972.26		1014026.64
Supplies and Requisites		228387.74		168528.20
Financial Charges		33422.79		30279.00
Library Services		26901.60		23061.50
NHRDC Activities		497204.10		1158556.76
(2) Total Expenditure		7032715.60		7300323.48
Surplus (Deficit) for the year (1)- (2)		(218361.50)		(2251977.93)
Add				
Adjustment in respect of previous years		(1814.05)		(49445.32)
Balance transferred to the Accumulated Fund		(220175.55)		(2301423.25)

Cash Flow Statement

	Year Ended 31.12.02		Year Ended 31.12.01	
	Rs	Cts	Rs	Cts
Cash flows from operating activities				
Net Surplus for the year		(220175.55)		(2301423.00)
Adjustment for items which have no effect on movements of funds				
Depreciation & Gratuity		661541.11		611745.00
Adjustment		(8392.00)		
Operating Surplus before working capital changes		432973.56		(1689678.00)
Decreases (Increases) in Stocks		(19587.50)		
Decreases (Increases) in Pre Payments		1358.42		24445.00
Decreases (Increases) in Staff Loans		(17395.00)		565380.00
Decreases (Increases) in Receivables				
Decreases (Increases) Other Advances		18434.30		(2259.00)
Increases (Decreases) in Deposits Payable		(800.00)		5210.00
Increases (Decreases) in Accrued Expenses		(227414.76)		204062.00
Funds generated from operating activities		187569.02		(892840.00)
Cash flows from investing activities				
Acquisition of structures		(57062.00)		
Acquisition of Furniture & Fittings				
Acquisition of Office Equipment				
Acquisition of Electrical Fixtures				
Acquisition of Computers				(101582.00)
Acquisition of Vehicles				
Acquisition of Books		(2210.00)		(3330.00)
Acquisition of Other Assets		(6990.00)		(765.00)
Funds generated from investing activities		(66262.00)		(105677.00)
Cash flows from financing activities				
Government Grant- Capital		52795.90		1305000.00
Other funds		1449.34		
Net increase in cash and cash equivalent		175552.26		306483.00
Cash & cash equivalent at the beginning of the period		340767.00		34284.00
Cash & cash equivalent at the end of the period		516319.26		340767.00

Accounting Policies

General Policies

Financial statements of the Council are prepared under the historical cost convention in accordance with the GAAP's and Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

Valuation of Assets

Inventories

Inventories are valued either the lower of costs or estimated net realizable value.

2.2 Fixed Assets

The cost of Fixed Assets is the cost purchase together with any incidental expenses therein.

Valuation

Fixed Assets are recorded at cost less accumulated depreciation.

Depreciation

The provision of depreciation is as follows on straight line method.

Building & Structures	2.5%
Furniture & Fittings	10%
Office Equipment	10%
Electrical Fixtures	20%
Computers	20%
Vehicles	20%
Books	10%
Other Assets	10%

No depreciation is charged in the year of purchase and a full year's depreciation is charged in the year of disposal.

Liabilities and Provisions

Gratuity

Provision is made in the accounts for gratuities under the payment of Gratuity Act No 12 of 1983 and SLAS 16.

Income & Expenditure Account

Accounts are prepared on accrual basis. Expenses incurred up to the mid of February in the next year for the previous year are considered Accrued.

The Chairman
National Human Resources Development Council of Sri Lanka

Report of the Auditor General on the Accounts of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2002 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of accounts of the National Human Resources Development Council of Sri Lanka for the year ended 31 December 2002 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 24 of the National Human Resources Development Council of Sri Lanka Act No. 18 of 1997 and Section 13(1) of the Finance Act, No.38 of 1971. My observations which I consider should be published with the annual report of the Council in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act will be furnished in due course.

1:2 Scope of Audit

Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards, methods and practices to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examination of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles and significant estimates and judgements made in the preparation of financial statements, evaluation of their overall presentation and determining whether accounting policies adopted were appropriate, consistently applied and adequately disclosed. 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.

1:3 Name of Council

According to Section 2(1) of the National Human Resources Development Council of Sri Lanka Act No. 18 of 1997, the name of the Council is designated as the "National Human Resources Development Council of Sri Lanka". However the name used by the Council is "National Human Resources Development Council".

2. Accounts

2:1 Audit Opinion

Except for the effects of the adjustments arising from the matters referred to in paragraph 2:3 of this report, I am of opinion that the financial statements have been satisfactorily prepared to present fairly in all material respects, the financial position of the Council as at 31 December 2002 and the results of its operations for the year then ended in accordance with the Sri Lanka Accounting Standards.

2:2 Financial Results

According to the accounts presented the working of the Council for the year ended 31 December 2002 had resulted in a deficit of Rs.218,362 as compared with the corresponding deficit of Rs.2,251,978 for the preceding year.

2:3 Comments on Accounts

2:3:1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) The value of the balance stock of 350 copies of the Newsletter published by the Council, amounting to Rs.8,167 had been omitted from the accounts.
- (b) A sum of Rs. 4,650 had been paid for workshops without authority.
- (c) The telephone installed at a cost of Rs.15,000 in the office of the Council located in a private building in Kollupitiya had been installed at a cost of Rs.3,008 in the residence of the Administration Officer recruited on secondment basis, when the Council vacated that office. The officer who was not entitled to residential telephone facility had left the Council in January 2003.
- (d) The service of a consultant over the age of 60 years had been extended without the approval of the Cabinet and the salaries paid to him amounted to Rs.300,000.

- (e) The expenditure on the News Letter for the year under review had been overstated by Rs,3,250.
- (f) A sum of Rs.1,200 recovered from the Chairman and a sum of Rs. 400 recovered from the Director during the year under review on account of private use of motor vehicles had been credited to the Prior year Adjustment Account, thus understating the income for the year under review by Rs. 1,600.

2:3:2 Lack of Documentary Evidence for Audit

Evidence such as verification reports on fixed assets valued at Rs.1,833,108, confirmations and age analysis in respect of deposits payable amounting to Rs.24,905, confirmations on the security deposit of Rs.20,000 with the Ceylon Electricity Board and other advances amounting to Rs.45,825, Attendance Register in respect of labour charges on workshops amounting to Rs.400 confirmations of accrued house rent of Rs.75,463, reports in respect of expenditure amounting to Rs.268,224 on studies/ surveys/investigations/ researches and acknowledgements in respect of News Bulletins and News Letters valued at Rs.91,833 had not been made available for audit.

2:3:3 Non-compliance with Laws, Rules, Regulations and Management Decisions

- (a) Provisions in Sections 12, 13(5)(c), 13(6), 13(8) and 14(1) of the Finance Act, No. 38 of 1971 had not been complied with.
- (b) Action in terms of Financial Regulations 104(2), 110, 315, 371(a), 757(2) and 1645 had not been taken.
- (c) The State Crest and the name of the Council had not been stenciled on the motor vehicles of the Council in terms of Treasury Circular No. 803 of 18 October 1970.

3. Financial and Operating Review

3:1 Financial Results

The financial result for the year under review had been a deficit of Rs.218,362 as compared with the deficit of Rs.2,251,978 for the preceding year, thus disclosing an improvement of Rs.2,033,616 in the financial results.

3:2 Personnel

The staff of the Council during the year had been 25. There were 6 vacancies in the management grades and 2 vacancies in the other grades.

3:3 Performances

(a) A sum of Rs 497,204 had been spent on the activities of the Council during the year under review as compared with Rs.1,158,557 during the preceding year. The expenditure on studies/ surveys/investigations/ researches/seminars, workshops, human resources projects and printing of publications, etc. as compared with the total expenditure of Rs.7,032,716 for the year under review, represented of 7.07 per cent as compared with 15.87% during the preceding year. The expenditure on administration, supplies, financial and general services of the Council represented 92.93% of the total expenditure as compared with 84.13% for the preceding year. Therefore, a paucity in the utilisation of resources for the achievement of objectives of the Council is evident. According to the provisions in the Act, the Council should launch a long term programme for the achievement of its objectives. A summary of expenditure incurred on each of the activities during the year under review and the preceding year is given below.

Activities	Expenditue	
	2002	2001
	-----	-----
	%	%
Studies/Surveys/ Investigations and Researches	53.95	72.90
Seminars and Workshops	19.99	11.15
Human Resources Development Projects	1.93	4.22
Publications	24.13	11.73
	-----	-----
	100.00	100.00
	=====	=====

162 probationers had participated in the seminars and workshops during the year under review and the expenditure incurred in that connection amounted to Rs.108,980. The expenditure incurred per probationer amounted to Rs.673.

There was no evidence that the Council had taken follow up action on the success of the training provided.

(b) Board Meetings

The Board had met only once during the year under review. Ten out of the 18 members of the Board had attended that meeting while 8 members had not participated. A large Board had been appointed with a view to obtaining the knowledge and experience of persons in different fields. However, in view of holding only one meeting of the Board where most of the members were not present, it is evident that the objective had not been achieved.

3:4 Uneconomic Transactions

(a) One of the motor vehicles of the Council used for traveling 627 kilometers during the year had been repaired at a cost of Rs.102,820 during the year under review.

(b) The office of the Council which was located in a private building at an annual rental of Rs.1,527,908 during the year 2001 had been shifted to a Government building during the year 2002. The annual rental of the new premises amounted to Rs.2,428,742.

3:5 Identified Losses

Although a sum of Rs.147,668 had been spent on repairing the damages to a motor vehicle caused by an accident, the insurance indemnity received amounted to Rs.134,262, resulting in a loss of Rs.13,406.

3:6 Cost of Personnel

The average salary cost during the year under review for an officer of the executive grades, an officer of the clerical and allied grades and a minor employee had been Rs.240,489, Rs.102,828 and Rs.83,962 respectively. The average overtime allowance of an officer of the clerical and allied grades and a minor employee for the year under review had been Rs.3,293 and Rs.135 respectively.

3:7 Budgetary Controls

Significant variances were observed between the budget and the actuals thus disclosing that the budget had not been made use of as an effective instrument of management control.

3:8 Corporate Plan

A Corporate Plan had not been prepared.

4. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Advances
- (b) Motor Vehicle Utilization
- (c) Journal
- (d) Accounting
- (e) Financial Control
- (f) Cash Book

(S.C. MAYADUNNE)
AUDITOR GENERAL

-/dk.