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ஆண்டறிக்கை

Annual Report

2024

Shrama Vasana Fund
No. 97, Jawaththa Road,
Colombo 5.
Tel :- 0112 588 936 Fax :- 0112 588 937
Email :- infor@svf.gov.lk
Web :- svf.gov.lk

Annual Report

2024

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சிரமவாசனாநிதியம

ShramaVasana Fund

Contents

Chapter One

1.1. Shrama Vasana Fund

The Shrama Vasana Fund established under the Act No. 12 of 1998 (Amended Act No 2019 no 15) is an institution established for labour welfare under the Ministry of Labour and Trade Union Relations. The Shrama Vasana Fund has been implemented various welfare programs under 6 objectives from its initial stage and thereby arrangements have been made to upgrade the Sri Lankan employees.

The main source of funding for the Shrama Vasana Fund is proceeds from the Luckey 7 Lottery, which is implemented on Saturday & Sundays by the National Lotteries Board. This revenue is determined by the sales of lotteries and the number of programs implemented will increase in yearly manner, according to the status of revenue of the fund.

1.2. Vision and Mission

Vision

"Contented Sri Lankan Workforce"

Mission

"To facilitate in creating a work environment enriched with welfare and assisted with relief, by carefully assessing the gaps and filling the same"

1.3. Objectives of the Fund

1) To promote the welfare of the employees

2) To provide financial aid and other assistance to employees when a place of work is closed without prior notice

3) To provide medical and other facilities to employees in times of emergency

4) To provide temporary assistance to employees when inquiries are instituted against them

5) To provide financial assistance and other benefits to employees or their dependents in times of distress

6) To give awards to persons who have rendered out excellent services to employee welfare

1.4. Core values & code of conduct

- Ensuring the ethical commitment to provide an efficient and effective service to the clients benefiting from the Shrama Vasana Fund.

- Providing advanced qualitative service subject to the rules, regulations and methodologies of the Shrama Vasana Fund while providing services to the clients.

- Creating better awareness among the clients regarding the services provided by the Shrama Vasana Fund.

1.5. Administrative Structure

The Shrama Vasana Fund established under the Shrama Vasana Fund Act No. 12 of 1998 (as amended by 07 of 2019) is coming under the purview of the Ministry of Finance and the Fund is chaired by the Secretary to the Line Ministry which owns the Fund. According to the Shrama Vasana Fund Act, the entire responsibility of administration process of Fund has been entrusted to the Board of Directors and the fund management and all the related matters has been entrusted to the Board of Directors. The Board of Directors consists of Ex-officio members and members appointed by the minister of labour.

Board Of Directors 2024

Ex-officio Members

Mr. R.P.A. Wimalaweera	Chairman
Mr. H.K.K.A. Jayasundara	Member
Mr. J.H.S.P. Jayamaha	Member
Mr. J.M.H.N.G. Jayasekara	Member

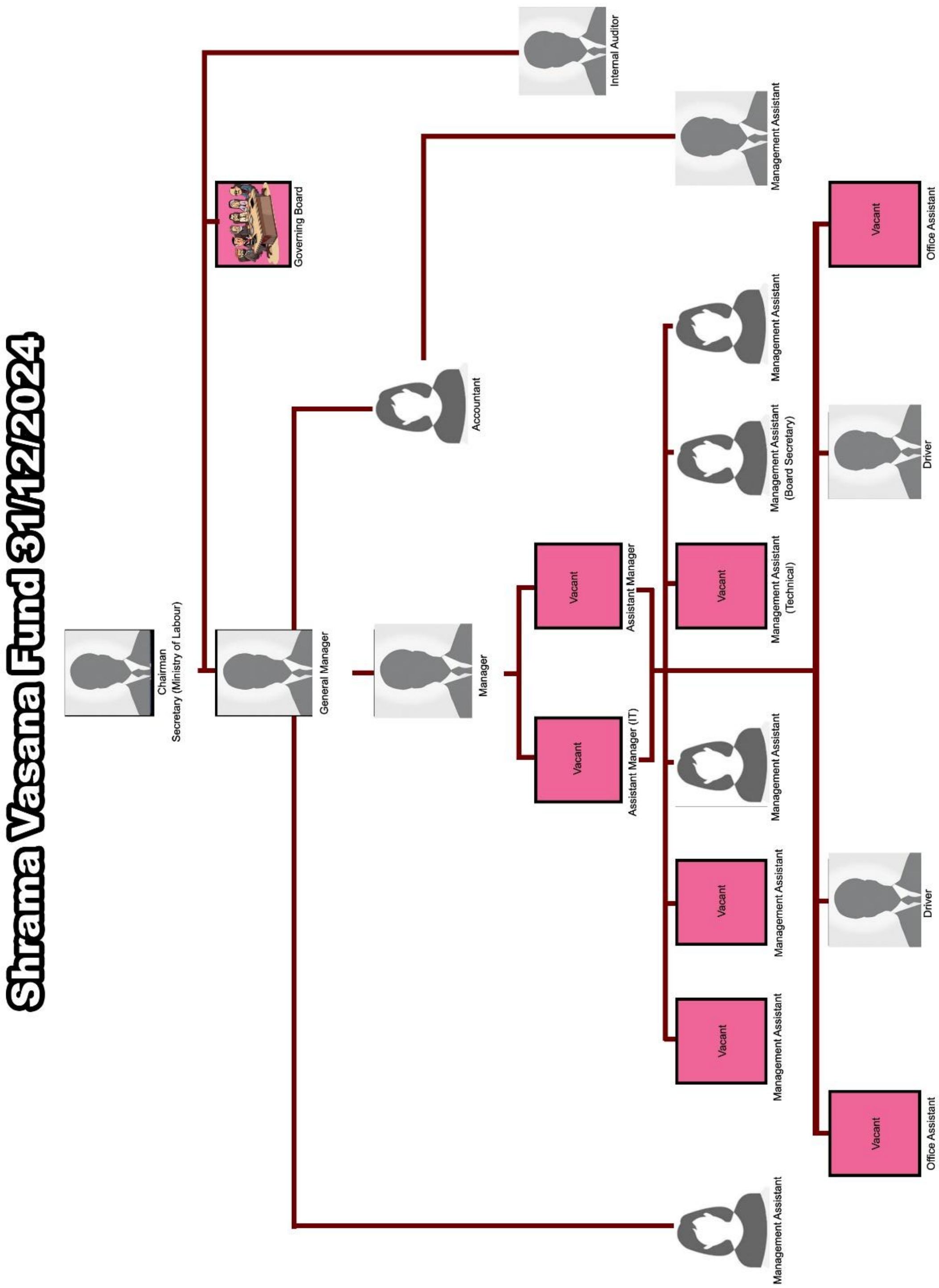
Members appointed by the Minister of Labour

Mr. D.C.U. Pieris	Member
Mr. D. S. Pushpakumara	Member
Mr. Mahendra Pushpakumara	Member
Mr. R.M.U.T.K. Rathnayaka	Member

Staff Composition - 31.12.2024

Composition of services	Approved Cadre	Existing Cadre	Number of vacancies
Senior Level	01	01	00
Tertiary Level	05	03	02
Secondary Level	08	05	03
Primary Level	04	02	02
Total	**18**	**11**	**07**

1.6. Organization Chart as at 31-12-2024



1.7. Sub Committees Established in the Shrama Vasana Fund

1. Internal Audit and Management Committee,

2. Benefit Committee,

3. Progress Review Committee,

1. Internal Audit and Management Committee

The Internal Audit and Management Committee of the Shrama Vasana Fund is an independent division. The committee consists of two members of the Board of Directors, a representative of the Treasury, a representative of the Auditor General as an observer, the Chief Financial Officer of the Line Ministry, and the General Manager of the Shrama Vasana Fund, and the accountant.

The main objective of this committee is, providing necessary advice on tasks such as institutional administration of the Fund, promoting efficiency and productivity based on the objectives of the Shrama Vasana Fund, the Corporate Plan and the criteria / recommendations of the Action Plan, ensure compliance with the rules and regulations affecting the credibility of financial statement reporting in conducting accounting activities, prevention of fraud and deficiencies, and ensure compliance with laws and regulations affecting functions such as asset protection.

The Head / Chairman of the Internal Audit Committee reports directly to the Chairman of the Fund and these audit reports are submitted to the Audit Committee.

The Audit Committee 2023 of the Shrama Vasana Fund consists of the following members.

1. Mr. D.P.C.E. Pieris	Treasury Agent / Chairperson of the Committee
2. D.S. Pushpakumara	Committee Member
3. Mr. R.M.U.T.K. Rathnayake	Committee Member
4. Ms. G.D.D.S.M Senadheera	Committee Member
5. Mrs. B.I.N. Perera	Committee Member / Audit Office

Basic Functions of the Audit and Management Committee

1. Review and evaluate the existing accounts of the Shrama Vasana Fund to improve the accounting and reporting process.

2. Investigate the impact of any problems that may arise in order to achieve the pre-determined objectives of the Fund.

3. Specifically aware if the assets are safe from damage and fraud.

4 Investigate the necessity of transactions and the benefits of the transaction, investigate the reports of profit and loss and expense deductions incurred due to waste and abnormal over-spending, disposal of assets.

5. Take measures for the audit committee meeting and formulate the audit decisions and distribute them among the Heads of Divisions who need to take the relevant action.

6. Submit reports to the Auditor General's Department.

7. Conduct special inquiries at the request of the Chairman or Members of the Board of Directors of the Fund.

8. Assist and make recommendations to various committees appointed by the Chairman / Board Members of the Fund.

- ### Benefit Committee

  Beneficiaries are selected through a Beneficiary Committee based on the criteria approved by the Board of Directors for the programs such as awarding scholarships, providing medical assistance and providing legal aid as per the objectives of the Shrama Vasana Fund.

  The Benefit Committee consists of the General Manager of the Fund, an Officer of the Legal Division of the Line Ministry, and a Professional Physician, Commissioner of the compensation & Engineer from the occupational safety division. This committee assists in selecting the beneficiaries according to the correct methodology.

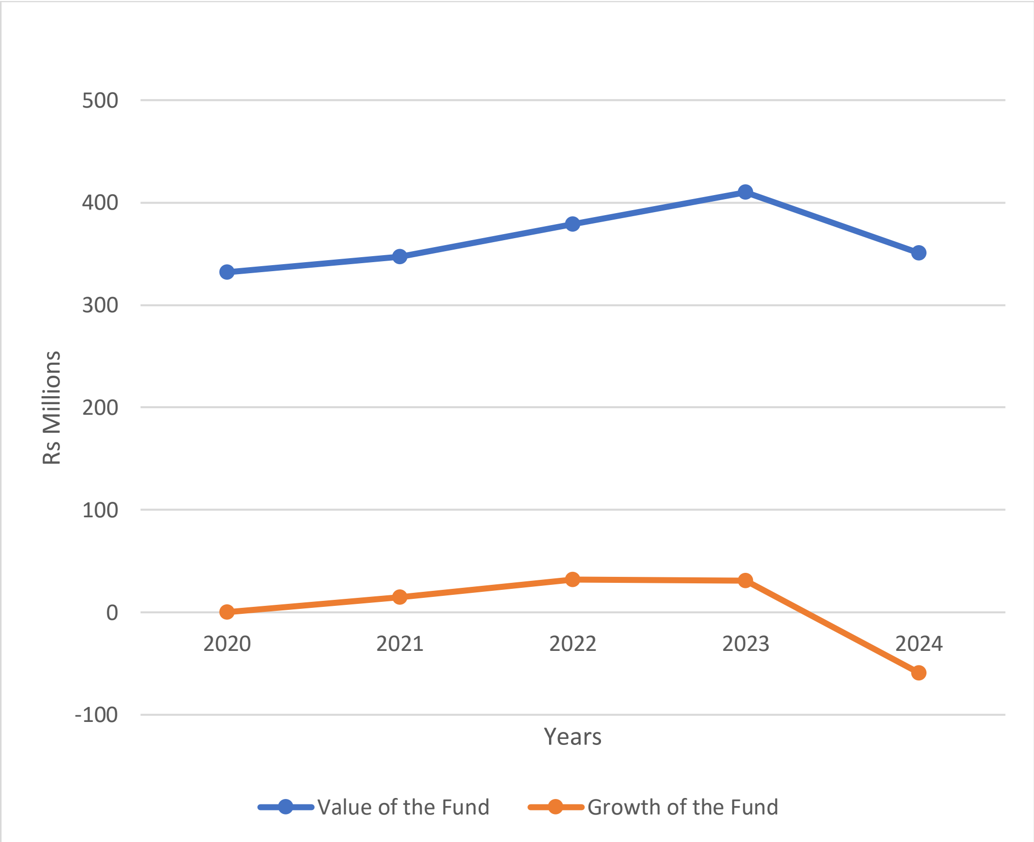
- ### Progress Review Committee

  A committee set up with the approval of the Hon. Board of Directors of the Shrama Vasana Fund on the advice of the Audit from time to time. The main function is to look into the day-to-day activities of the Shrama Vasana Fund. The Committee consists of the Manager, the Accountant and the Assistant Manager of the Fund and in particular, the committee examines the day-to-day activities, the preparation of completed files, the planned work and the actual situation and gives necessary advice to avoid mistakes and shortcomings. This committee has been assisted in maintaining the files of the Fund without any shortcomings and in conducting the programs systematically.

Chapter Two.

2.1. Growth of The Fund

The Growth of Shrama Vasana Fund (Rs. Mn.).					
	2020	2021	2022	2023	2024
Value of the Fund	332	347	379	410	351
Growth of the Fund	0	15	32	31	-59
Growth %	0%	5%	9%	8%	-14%



2.2. Lottery Income

Lottery Income (Rs. Million)					
	2020	2021	2022	2023	2024
Lottery Income	30	28	38	66	60
Growth of the Income	-30	-2	9	28.6	3.4
Income Growth %	0%	-7%	36%	74%	-9%

2.3. Working Environment and resources of the fund.

The office of SVF is in the 2nd floor of the 97 Jawatta Road, Colombo 05. The floor area is only 1500 square feet. The office area is air-conditioned. This office is easily accessible by a vehicle, but would be difficult for some of the clients, as it is not located in a major bus route. Present space availability is sufficient to accommodate the present staff but not enough space for stores.

Resource of SVF

- Goodwill and Image of SVF

  Due to the projects and programmes implemented by the Shrama Vasana Fund for the benefit of the Sri Lankan working community, it has been possible to create and maintain a reputation, image, and social trust regarding the Fund among the country's working community as well as the general public since its inception.

  The reputation of the Shrama Vasana Fund is a value that has been built up over time, and it is an intangible benefit. Through this, it has been possible to create better cooperation between the employee employer community and institutions (both public and private).

- Human resources

  General Manager, Manager, Accountant, Assistant Manager, eight Management Assistants, & One Office Assistants, two drivers.

- Equipment

  Sixteen-seater van, one Motor Car, thirteen computers, two photocopiers, one fax machine, seven laptops, three televisions, five black and white printers, a colour printer, five AC machines, a camera, a voice recorder, and a finger print machine

- Furniture and Fittings

  Fourteen tables & chairs, one sofa set, a tender box, conference table with chairs.

2.4. SWOT Analysis & Prevailing Challenges of the Fund

2.4.1 SWOT Analysis

The purpose of careful scanning the external environment is to recognize opportunities and threats affecting the SVF. Examination of the internal environment is to identify its strengths and weaknesses. The SWOT analysis facilitates determination of strategic direction, goals and objectives within the framework provided and objects specified in the Act.

Strengths

- Substantial size of the fund and growth potential; the main source being a successfully launched and well-established lottery.
- Ability to expand the fund through various activities and from various sources other than lottery revenue.
- Backing of two strong government institutes; Ministry of Labour, National Lotteries Board, Department of labour with the support of Ministry of finance.
- Strong legal framework backed by an act of Parliament.
- Availability of a Board of Trustees constituted with experienced and competent members representing tripartite constituents.
- Availability of a qualified and competent staff.
- Having ISO 9001:2015 Quality Control System, Won the best Annual Report & Account competition award, & won the Productivity Award.
- Having a Website & Web based system.
- Having a Van & Motor Car.

Weaknesses

- Inability to cater to the entire market, market being very large and the organization being small, not having adequate staff or required resources for a decentralized operation
- Not having a clear idea about the clientele & Not having made a major impact to the client group in the past
- Not known by the client group to which the services of the fund are offered or the public
- Sale of the Shrama Vasana Lottery is not increasing to expand operations.

- No branches and therefore has to depend on the Department of Labour for outside operations
- Market is large and there is a possibility of expansion of scope as per the broad mandate given to the Fund by the act of incorporation
- There is many INGOs who are willing to fund the third world workforce in improving their lives, which can be tapped to enhance the fund and its activities
- There is a possibility to establish a link between the beneficiaries and income source (lottery) by declaring those who have purchased lottery tickets can produce those with the benefit application to get a certain priority
- Designing convenient ways to buy lottery tickets online. Promote lotteries to the targeted migrant worker community.

Threats

- There is competition among lotteries and there is so many in the market
- Decline in revenue from existing lotteries due to the introduction of new lotteries and higher prizes in the market
- Income of the exiting lotteries go down, due to the introduction of new lotteries to the market.
- Difficulty in making fair decisions due to the fact that the Board of Directors consists of 8 members and four of them are appointed by the Minister.

2.4.2 Prevailing Challenges of the Shrama Vasana Fund

- Decision taken to liquidate Shrama Vasana Fund as per the cabinet decision during 2025.
- Since certain objectives of the Act are limited to the Shrama Vasana Fund, the problem of achieving those objectives if the fund is liquidated.
- The manner of achieving the objectives the fund in due course future if the fund is liquidated?
- Uncertainty about the job security of existing employees if the fund is liquidated
- Furthermore, under the prevailing circumstances where new recruitments are not permitted to fill existing vacancies within the Shrama Vasana Fund, implementing programmes with a limited workforce has become increasingly challenging.

Chapter Three

3.1. Performance of the Shrama Vasana Fund 2024

Although the crisis situation in Sri Lanka had subsided to some extent by the beginning of 2024, the economic downturn in the country, and especially the increase in fuel prices, led to a slowdown in manufacturing and other industrial and service activities in the country.

The country was in a state of limiting even the daily consumption of people due to the increase in commodity prices. Although some positive progress was observed in the first quarter of the year due to increased remittances from overseas workers and agreements reached with the International Monetary Fund, the overall economic situation in the country remained largely unchanged.

Under these circumstances, the Shrama Vasana Fund was unable to implement its planned programmes for the year 2024 as originally intended. During this period, data from the Department of Census and Statistics indicated that a significant number of school children in Sri Lanka were dropping out of school due to financial constraints, making it difficult for them to afford educational expenses.

The Board of Directors of the Shrama Vasana Fund, which drew attention to this issue, decided to target working families and provide school equipment to their children as a relief in the current situation.

Accordingly, a decision was made to scale down certain programmes planned under the Shrama Vasana Fund for 2024.

Thus, with a focus on the labour force, the Shrama Vasana Fund strives to enhance employee welfare through the implementation of diverse programmes designed to achieve various objectives.

The programmes carried out by the Shrama Vasana Fund are as follows:

- Awareness programmes
- Educational assistance programmes
- 03. Fatal accident scholarship programme
- 04. Legal aid programme
- 05. Medical assistance programme

The total income of the Shrama Vasana Fund for the year 2024 is Rs. 69 million and the total expenditure for the year 2024, including administrative expenses and programme expenses, is Rs. 92 million. The total receipts for the Shrama Vasana Fund are Rs. 126.78 million.

To achieve the performance targets for 2024, the following measures were taken to optimize the institution's resources efficiently and effectively while continuously minimizing costs.

- While traveling to programmes planned to be held in a certain district or area, also carrying out other planned programmes along the way between the starting point and the destination.

- Given the limited staff of the Shrama Vasana Fund, officials from labour offices, institutions under the Ministry of Labour, and divisional secretariats in the areas where the programmes are being implemented are contacted for assistance.

- The expenditure of the Shrama Vasana Fund has been controlled in accordance with the circular on controlling public expenditure.

- Minimizing the usage of light bulbs to save electricity (only turn them on between 8.30 am and 4.15 pm.)

3.1.1 Awareness programmes

The primary objective of establishing the Shrama Vasana Fund is to promote the welfare of employees. A review of the past few years reveals that the majority of industrial accidents in Sri Lanka have resulted from employee negligence and the failure to use safety equipment.

For these reasons, as a precautionary measure to prevent accidents, factories that have had accidents and hazardous conditions in recent years were identified and training workshops and awareness programmes on safe working were conducted by engineers with knowledge of the matter.

Additionally, awareness programmes were conducted through experienced resource persons in the field with the aim of raising awareness about labour laws, acts and ordinances and the problematic situations that arise for employees and institution owners.

These awareness programmes proved highly successful, as they educated both employees and employers about labour laws. Additionally, the programmes on occupational safety and health contributed significantly to reducing industrial accidents.

In 2024, 25 awareness programmes were conducted covering the entire island, directly benefiting approximately 1000 employees. (Annexure 01)

The amount allocated for programmes (Rs.)	The amount spent (Rs.)	Performance
1,440,000.00	319,646.96	22.20%

3.1.2 Educational assistance programmes

This programme aims to provide educational assistance to children of selected low-income working families in all districts of Sri Lanka, covering the Divisional Secretariats, with the aim of providing relief to working families in the face of the prevailing economic situation in the country.
Thus, school equipment kits were provided to 30,010 children. (Annexure 02)

Two programmes were conducted.	The amount allocated for the programmes (Rs.m.)	The amount spent (Rs.m.)	Performance
1. Special project	100	66	66%
2. General	12.5	6.7	54%

3.1.3. Fatal Accident Scholarship Programme

These programmes are designed to address the educational needs of the children of workers who have either lost their lives or become fully disabled due to accidents in Sri Lankan factories.

Beneficiaries are identified based on information provided by factory inspectors and the Office of the Commissioner for Workmen's Compensation regarding industrial accidents occurring in factories, sites, or workplaces. The children of deceased or permanently disabled employees who are still pursuing education—(ranging from pre-school to university i.e. ages 3-25)—are eligible for this assistance. A savings deposit of Rs. 50,000 along with educational supplies is provided to these children.

Accordingly, benefits have been provided to 18 scholarship recipients in the year 2024. (Annexure 03)

The amount allocated for programmes (Rs.)	The amount spent (Rs.)	Performance
5,600,000.00	1,130,891.21	20.19%

3.1.4 Legal aid programme

This programme is implemented to provide relief to employees who have been unfairly dismissed in the private sector, when institutions are shut down without prior notice, or when a complaint has been lodged before the Commissioner for Workmen's Compensation.

In this regard, benefits have been provided to 06 people from the provisions allocated according to the action plan in the year 2024. (Annexure 03)

The amount allocated for programmes (Rs.)	**The amount spent (Rs.)**	**Performance**
1,000,000.00	144,350.00	14.44%

3.1.5 Medical assistance programme

Providing relief to employees who have fallen victim to occupational diseases is another important objective of the Shrama Vasana Fund. These groups are selected from among employees who work under hazardous environmental conditions that may lead to occupational diseases and medical camps are conducted targeting such groups accordingly.

This can assist in identifying the health conditions of employees who are actually suffering from occupational diseases, and also help to save those who are at risk of suffering from occupational diseases in the future.

The amount allocated for programmes (Rs.)	The amount spent (Rs.)	Performance
420,000.00	244,460.00	58.2%

Chapter Four

Financial Information 2024

4.1. Statement of Financial Position

Shrama Vasana Fund

2

Shrama Vasana Fund
Statement of Financial Position
As at December 31st ,2024

		Rs. 2024	Rs. 2023 Restated
Assets			
Current Assets			
Cash and Cash Equivalents	**Note 03**	41,862,198	1,531,654
Inventories	**Note 05**	710,513	3,776,722
Deposit Postal Machine		64	64
Investment in Fixed Deposit at amortized cost		50,694,144	52,437,123
Receivables	**Note 04**	351,629,419	411,503,820
		444,896,338	469,249,383
Non-Current Assets			
Investment in Fixed Deposit at amortized cost		45,041,096	39,416,096
Intangible asset	**Note 02**	1,903,782	1,114,833
Plant Machinery & Equipment	**Note 01**	7,156,038	7,404,212
		54,100,916	47,935,141
Total Assets		498,997,254	517,184,525
Liabilities			
Current Liabilities			
Payables	**Note 07**	379,723	255,885
Provision	**Note 08**	1,323,000	1,437,080
Non-current Liabilities			
Staff Gratuity Provision		3,252,238	2,396,660
Total liabilities		4,954,960	4,089,625
Net Assets		494,042,294	513,094,900
Accumulated Surplus	**Note 06**	491,857,794	510,547,900
Reserves			
Government grant		2,184,500	2,547,000
Total net Assets		494,042,294	513,094,900

The Accounting policies and notes on page number 24 to 35 an integral part of this financial statement. The board of directors of an entity is responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka public sector Accounting Standards (SLPSAs). These financial statements were approved by the board of directors and signed on their behalf.

Chairman	Director	General Manager	Accountant
S.M.Piyatissa	H.K.K.A.Jayasundara	D.R.Jayalath	M.L.Jayamali
Shrama Vasana Fund	Shrama Vasana Fund	Shrama Vasana Fund	Shrama Vasana Fund

S.M. Piyatissa
Secretary
Ministry of Labour
7th Floor, "Mehewara Piyesa"
Narahenpita, Colombo 05.

H.K.K.A. Jayasundara
Commissioner General of Labour
Department of Labour
Colombo

Final Account 2024
"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

D. R. Jayalath
General Manager
Shrama Vasana Fund
Ministry of
Labour & Labour Relations

M. LAKMINI JAYAMALI
Accountant
Shrama Vasana Fund
Ministry of
Labour & Labour Relations

4.2. Statement of Financial Performance

Shrama Vasana Fund			
Statement of Financial Performance			
As at December 31st ,2024			
		Rs.	**Rs.**
		2024	**2023**
Revenue			
Income	*Note 10*	73,846,574	82,255,039
Total Revenue		73,846,574	82,255,039
Expenses			
Administration Expenses	*Note 11*	16,471,919	15,303,233
Depreciation	*Note 12*	3,065,117	3,199,321
Expenditure for objective of fund	*Note 13*	75,636,193	27,829,637
Other Expenditure	*Note 14*	764,143	765,516
		95,937,372	47,097,707
Deficit for the Year		(22,090,798)	35,157,333
Other comprehensive income			
Revaluation gain		3,400,691	-
Total comprehensive deficit for the year		(18,690,106)	35,157,333

4.3 Statement of Changing Fund

Shrama Vasana Fund				
Statement of Changes in Funds				
For the Year Ended December 31, 2024				
		Rs.	**Rs.**	**Rs.**
		Revaluation Reserve	**Accumulated Fund**	**Total**
Balance as at 31st December 2022		**-**	475,784,972	475,784,972
Surplus for the year			35,157,333	35,157,333
Prior Year adjustment	**Note 15**		(394,404)	(394,404)
Restated Opening balance 1st January 2024		-	510,547,900	510,547,900
Revaluation surplus		3,400,691	-	3,400,691
Deficit for the year		-	(22,090,798)	(22,090,798)
Balance as at 31st December 2024		**3,400,691**	**488,457,102**	**491,857,794**

4.4 Cash Flow Statement

Shrama Vasana Fund		
Cash flow Statement		
For the Year Ended December 31, 2024		
	Rs.	***Rs.***
CASH FLOWS FROM OPERATING ACTIVITIES	**2024**	**2023**
Deficit for the year	(22,090,798)	35,157,333
Adjustment		
Non-cash movements		
Depreciation	2,549,290	2,638,329
Amortization-Intangible asset	515,827	560,992
Amortization Government Grant	(362,500)	(362,500)
Provision for Gratuity	855,578	116,770
Profit for Assets Sale	(9,417)	(10,795)
Investment Interest	(10,860,034)	(15,310,603)
Distress Loan Interest	(54,574)	(66,056)
Repo investment interest	(1,821,015)	(666,527)
Call Deposit interest	(55,858)	(51,096)
Other income	(535,608)	(87,340)
Donation	-	(22,225)
W.H.T	348,901	-
Increase/Decrease in working Capital		
(Increase)/Decrease of other payables	123,838	(129,641)
(Increase)/Decrease of Provision	(114,080)	197,000
(Increase)/Decrease of other receivables	59,874,401	(31,090,199)
(Increase)/Decrease in Inventories	3,066,209	(3,478,443)
Net cash flows from operating activities after working capital	31,430,160	(12,605,002)
Gratuity Payment	-	-
Net Cash flows from Operating Activities	31,430,160	(12,605,002)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchasing of Plant,Machinary & equipment	(212,482)	(300,727)
Deposit Postal Machine	-	11,180
Investment Interest	6,629,113	12,575,055
Distress Loan Interest	54,574	66,056
Repo investment interest	1,821,015	666,527
Other income	545,402	87,340
Call Deposit interest	46,063	51,096
Donation	-	22,225
Receipt from Property, plant and equipment sale	16,700	36,500
Net cash flows from investing activities	8,900,384	13,215,251
Net increase/(decrease)in cash and cash equivalents	40,330,544	610,249
Cash and cash Equivalents at beginning of period	1,531,654	921,405
Cash and cash Equivalents at end of period	41,862,198	1,531,654

4.5 Note for the Financial Statements

Plant machinery & Equipment				
01-1				
Cost	**Rs.**	**Rs.**	**Rs.**	**Rs.**
	Cost/Revalue Balance as at 01.01.2024	**Additions**	**Disposal/write off/Adjustment**	**Net carrying amount as at 31.12.2024**
Vehicle	12,882,500	-	-	12,882,500
Machinery & Equipment	573,626	101,482	250,625	424,483
Audio & Video Visual	238,400		105,800	132,600
Air Conditioners	1,118,376		377,376	741,000
Computers	3,886,707	17,000	2,306,802	1,596,905
Furniture and Fittings	883,004	94,000	318,704	658,300
Office Equipment	324,616	-	102,613	222,003
	19,907,229	212,482	3,461,920	16,657,791
01-02				
Depreciation	**Rs.**	**Rs.**	**Rs.**	**Rs.**
	Accumulated Depreciation balance as at 01.01.2024	**Charge for the period**	**Disposal/write off/Adjustment**	**Net carrying amount as at 31.12.2024**
Vehicle	8,001,040	1,288,250	-	9,289,290
Machinery & Equipment	239,649	99,476	316,760	22,365
Audio & Video Visual	235,284	51,492	277,241	9,536
Air Conditioners	267,041	201,963	426,371	42,633
Computers	3,332,169	805,206	4,022,529	114,846
Furniture and Fittings	334,859	80,808	397,373	18,294
Office Equipment	92,975	22,094	110,279	4,790
	12,503,016	2,549,290	5,550,553	9,501,753
W.D.Value As At 31st Dec				7,156,038
Note 02	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Intangible Asset	**Revalue cost as at 01.01.2024**	**Additions**	**Disposal/write off/Adjustment**	**Net carrying amount as at 31.12.2024**
Software				
Accounting Package	30,000	-	10,000	20,000
Web Site,iso & web base syste	2,774,958	-	774,958	2,000,000
	2,804,958		784,958	2,020,000
				Rs.
Amortization	**Accumulated Amortization balance as at 01.12.2024**	**Charge for the period**	**Disposal/write off/Adjustment**	**Net carrying amount as at 31.12.2024**
Software				
Accounting Package	25,150	5,423	29,423	1,150
Web Site,iso & web base syste	1,664,975	510,404	2,060,311	115,068
	1,690,125	515,827	2,089,734	116,218
W.D.Value As At 31st Dec				1,903,782

	Rs.	Rs.
	2024	**2023**
Note 03		
Cash and Cash Equivalents		
Peoples bank -119100103693128	1,827,198	521,654
Bank of Ceylon-92953771	25,000	-
peoples E- card-119100293693128	10,000	10,000
Investment in Fixed Deposit	35,000,000	-
Call deposit	5,000,000	1,000,000
	41,862,198	1,531,654
Note 04		
Receivables		
Treasury Operation Department	350,765,424	410,397,856
Distress Loan	851,200	1,099,457
Refundable deposit	3,000	3,000
Other Receivables	9,795	3,507
	351,629,419	411,503,820
Note 05		
Inventories		
Stationary	229,358	177,043
Programme item	481,155	3,599,679
	710,513	3,776,722

Inventories has been measurement on Weighted Average Cost

	Restated Opening balance	
	Rs.	**Rs.**
	2024	**2023**
Note 06		
Cumulative Fund as at 01.01.2024	513,948,592	475,784,872
Deficit for the year 2024	(22,090,798)	35,157,333
Cumulative Fund as at 31.12.2024	491,857,794	510,942,204
Note 07		
Payable		
Telephone Payable	8,586	10,722
Other Payable	47,566	47,108
Water & Electricity Payable	314,284	108,901
Scholarship Payable	-	50,000
Overtime & Holiday Pay	9,287	39,155
	379,723	255,886

Note 08			
Provision			
Provision for Legal Aid		1,017,000	1,167,000
Provision Legal ass. Appeals		100,000	80,000
Provision Legal aid arbitration		6,000	6,000
Provision for Audit Fee		200,000	184,080
		1,323,000	1,437,080
Note 09			
Fixed Assets has been depreciated on Straight line basis			
Following Rates are used.			
Vehicle		10%	
Machinery & Equipment		20%	
Air Conditioners		20%	
Audio & Video Visual		25%	
Computers		25%	
Furniture and Fittings		10%	
Office Equipment		7.5%	
Soft ware		20%	
Depreciable value of final assets have been depreciated up to scrap value Rs.1			
		Rs.	**Rs.**
		2024	**2023**
Note 10			
Income			
Shrama vasana Lottery Income		60,147,568	65,688,692
Fixed Deposit Investment Income		10,860,034	15,310,603
Distress Loan Interest Income		54,574	66,056
Repo Investment Income		1,821,015	666,527
Call Deposit Interest		55,858	51,096
Government grant		362,500	362,500
Asset sale profit		9,417	-
Donation		-	22,225
Other Income		535,608	87,340
		73,846,574	82,255,039

Note 11			
Administrative Expenditure			
Salary & wages		5,009,305	6,119,440
E.P.F.		1,436,497	1,608,400
E.T.F.		215,475	241,260
Cost of Living Allowance		1,598,582	1,279,200
Other Allowance		1,680,807	1,438,402
Communication Allowance		105,867	123,000
Chairman Allowance		181,351	225,000
Directors Allowance		343,525	462,150
Board Secretary Allowance		15,000	9,000
Allowance for Internal Auditor		-	30,000
Professional Allowance		240,000	240,000
Trainee Allowance		249,000	50,000
Bonus		-	275,000
Staff Gratuity		855,578	268,890
Staff Welfare		148,800	169,000
Overtime & Holiday pay		67,984	202,600
Domestic Travelling & Sub		75,733	60,175
Transport Charges		111,000	212,500
Stationery & Others		215,635	233,740
Postal Expenses		16,190	19,070
Telephone Expenses		93,517	97,696
Entertainment Expenses		60,334	55,685
Refreshment & Other		177,416	154,128
Sundry		23,819	29,250
Others		47,175	26,181
Audit fee		200,000	180,400
Water & Electricity		767,661	104,786
Other Service		497,073	479,415
Maintains & Repair expense		1,932,895	769,708
Vehicle Insurance		105,702	118,286
Reporting Printing		-	20,873
		16,471,919	15,303,233.34

		Rs. 2024	Rs. 2023
Note 12			
Depreciation			
Depreciation on Vehicle		1,288,250	1,288,250
Depreciation on Computers		805,206	879,914
Depreciation on Air Conditioners		201,963	197,230
Depreciation on Audio & Video Visual		51,492	59,600
Depreciation on Furniture and Fittings		80,808	88,300
Depreciation on Office Equipment		22,094	24,265
Depreciation on Machinery & Equipment		99,476	100,770
Amortization on Soft ware		515,827	560,992
		3,065,117	3,199,321
Note 13			
Expenditure to achieve targets of the fund			
Health camp		244,466	-
Awareness Programme		319,647	355,146
Educational aid (Special)		66,206,553	-
Educational aid (Svf)		6,690,848	12,940,367
Other welfare		683,673	1,569,337
Legal Aid Programme		84,350	968,409
Legal assistance for appeals		170,000	110,000
Legal assistance for arbitration		-	42,000
Scholarship Programme		1,236,656	6,570,800
Disaster relief programme		-	4,702,787
Technical education pro.		-	80,790
Medical assistance pro.			490,000
		75,636,193	27,829,637
Note 14			
Other Expenditure			
Promotion and Propaganda		415,242	137,085
Productivity		-	-
W.H.T.		348,901	628,431
		764,143	765,516
Note 15			
Prior Year adjustment			
Adjustment staff payment		12,857	
Electricity bill arrears		(88,512)	
Legal aid adjustment		20,000	
Audit fee adjustment		(14,080)	
Legal aid appeals adjustment		(40,000)	
Water bill arrears		(6,938)	
Gratuvity adjustment		(277,731)	
		(394,404)	

Note 16

Current Account

People's Bank Narahenpita Branch maintains two current accounts and Bank of ceylon narahenpita branch maintains one current accounts under the name of Chairman Shrama Vasana Fund.

* Peoples bank Current Account No. 119100103693128 has been operated for day today transactions.
* Bank of Ceylon Current Account No. 92953771 has been operated for day today transactions.

*Current Account No. 119100293693128 has been opened for an Electronic card as a debit card to be replenished limit of Rs. 10,000.00

Note 17

Asset Revaluation

Revaluation of all property, plants and equipment except vehicles on 17.09.2024

Note 18

Contingent liabilities

1.One Former employee of shrama vasana fund has file a case in Supreme Court No.SC/HC/LA 86/2022 (Against terminal)

2.A case has been filed and is pending at the Borella Labor Court regarding the non-payment of gratuity by an employee of the Shrama Vasana Fund. Case no 13/37/2024

Note 19

Withholding tax

The Shrama Vasana Fund is may be liable to pay withholding tax on its income of the Fixed deposit interest according to the prevailing tax regulations.

Note 20

Deficit for the Year

The lottery revenue in the year 2024 will be Rs. 60 million. For the year 2024, Rs. 119.78 million was provided to the Shrama Vasana Fund for the special project of providing educational assistance and other purposes.Therefore, a deficiency arose in the financial statements of the Fund.

Government grant

Assets recorded as Government grant were amortized at a rate of 10% on its value.

Note 22

Comparative Information

Prior year's figures have been restated where necessary to confirm to the current year's presentation.

Note 23

Directors Interests in Contracts

No Director of the Board has any material direct or indirect interest in the contracts of the Board.

Note 24

Directors Responsibility

The Directors take responsibility for the Preparation and Presentation of Financial Statements.

Chapter Five

5.1 Accounting Policies.

Summary of Important Accounting Policies

1. General Accounting Policies

1.1 Reporting Unit

The Shrama Vasana Fund is incorporated by the Shrama Vasana Fund Act No. 12 of 1998 and the Shrama Vasana Fund (Amendment) Act No. 15 of 2019.

1.2 Authorization Date for Issuance

The Board of Directors has approved the issuance of financial statements on 25th February 2025

1.3 Period of Reporting

The financial term of the Shrama Vasana Fund represents a period of 12 months from 01st January 2024 to 31st December 2024.

1.4 The Basis on Preparation of Financial Statements

1.4.1 Statement of Compliance

These financial statements include a statement of financial position, a statement of financial performance, a statement of change of title, a statement of cash flow and a note of statements. Financial statements have prepared and submitted in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) issued by the Chartered Institute of Accountants of Sri Lanka on the accrual basis of Financial Statements Accounting.

1.4.2 The Basis of Measurement

Financial statements are prepared on the basis of historical costs for the revaluation of assets. The inflation factors affecting these accounts have not been calculated.

1.4.3 Comparative Information

All the values reported in the financial statements are disclosed according to the previous years so that comparative information, including quantitative and detailed information, can be understood and compared with the financial statements for the current year.

The comparative figures have been revised to confirm the presentation of the current year when necessary.

1.4.4 Functional and Presentation Currency

These financial statements are presented in Sri Lanka Rupee, the Functional and Presentation Currency of the Shrama Vasana Fund

1.4.5 Use of Accounting Estimates and Judgments

Judgments, decisions and assumptions need to be used in the preparation and submission of financial statements and due to their uncertainty, there may be a need to make specific adjustments to the balances that will be carried forward for future periods.

The following determinations and assumptions have been made by the management which have a significant impact on the financial statements in the process of applying the accounting policies of the Shrama Vasana Fund.

a) Eeffective lifetime of real estate and equipment

The effective lifespan of an asset, the methodology of depreciation, is determined by management based on the best estimate, and therefore they are uncertain.

Some changes in accounting estimates and critical judgments are revealed in the notes to the financial statements.

b) Continuity

The fund continues to operate as the Board of Directors has not identified anything significant that could jeopardize the continued existence of the Shrama Vasana Fund.

The financial statements are prepared on a basis of sustainability and the accounting policies are in effect throughout the period.

1.5 Assets and Basis of Asset Valuation

1.5.1 Property, Plants and Equipment)PPE)

a) Identification and Measurement

Based on whether the property, plant and equipment have the desired future economic benefit to the institution or its cost can be reliably measured in accordance with Public Sector Accounting Standards No. 07 on the property and equipment, assess their depreciation and related damages, judging and depreciating their capacitance and the damages associated with them are identified.

In the initial stage, the property, plant and equipment are estimated at its cost.

b) Cost

The cost of the property, plant and equipment includes its purchase cost and any costs that may directly contribute to its intended use and level of work.

The cost after deducting the cumulative depreciation from the cost of the property, plant and equipment is shown.

Assets received as gifts are credited to the Government Grant and debited to the Property, Plant and Equipment Account.

c) Subsequent Expenses

Subsequent expenses incurred for the purpose of acquiring, expanding or enhancing fixed assets in order to maintain or increase the earning capacity of assets, are considered capital expenditure

d) Depreciation

When assets other than land are depreciated, property, plant and equipment items are depreciated in a straight linear manner over the life of each segment. Depreciation is made from the time the asset is used until the date of its disposal.

Depreciation is made at the following depreciation rates.

Vehicles	10%
Machinery	20%
Air conditioner	20%
Audio-visual equipment	25%
Computers	25%
Furniture and Fittings	10%
Office Equipment	7.5%
Software	20%

e) Intangible Assets

Intangible assets are non-physical assets with a monetary value.

f) The Basis of Identification

It identifies non-physical assets that can be measured more reliably than the cost of an asset and that asset flows into the business of future expected economic benefits.

- .Accounting software/Web base system

The accounting software and web base system purchased by the institution measures the acquisition cost and deducts the cumulative amortization from the cost.

g) Amortization of Intangible Assets

Adjusts to the income statement is made by amortization the Intangible assets in a straight-line basis from the date of use of the assets over the productive lifetime.

h) Asset Revaluation

Revaluation of all property, plants and equipment except vehicles are revalue by a committee of professionally qualified persons recognized by the Government. (SLAPS 07)

An appropriate committee will be appointed to revalue vehicles and work will be done to carry out the revaluation and include it in the financial statement 2025.

All new revaluation values are presented in the financial statement for the current year. Revaluation surplus was transferred to revaluation reserves and included in accumulated fund and reserve in the statement of financial position.

i) Removal

The existing value of the property, plant and equipment is identified for disposal when they are sold or when they do not provide the expected future economic benefits. Disposal of capital items is accounted for in accordance with Sri Lanka Accounting Standards (SLAPS 07).

1.5.2 Inventory

Inventory is expressed as less than either the cost or the net realizable value. Issuance is made at the average cost at which the stock is weighed.

1.5.3 Accounts Receivable

Accounts receivable are the value of all bills for all uncollectible values. Accounts Receivables consist mainly of lottery income received from the Department of Treasury Operations and interest received from fixed deposits.

a) Cash Receivables from the Department of Treasury Operations

The main source of income for the Shrama Vasana Fund is 10% of the proceeds from the sale of “Lucky 7” Lotteries. Lottery income received each month is credited to the Consolidated Fund by the Lotteries Board and issued quarterly according to the annual requirements of the Fund.
This represents the amount to be received to the Fund in the name of the Shrama Vasana Fund in the Consolidated Fund.

b) Fixed Deposit Cash Receivables
The fixed deposits maintained in Three state banks under the name of Shrama Vasana Fund are the money that should have been received for the year however, has not been received so far.

15.4 Investments

Investments consist of short-term investments of less than one year and long-term investments of more than one year. It represents short-term investments made in fixed deposits for a period of Three months, six months and one year, as well as long-term investments made up to the fixed deposits for a period of three years.

Accrued interest was included in the relevant financial instruments on the amortization cost method in accordance with Sri Lanka Accounting Standard No. 09.

1.5.5 Cash and Cash Equivalents

According to Sri Lanka Accounting Standard No. 07, cash and cash equivalents consist of cash, bank deposits and short-term investments with maturities of less than three months.

1.6 Liabilities and Provisions

All quantitative liabilities for the date of balance sheet are included in the financial statement and adequate provisions have been made for liabilities that exist on the balance sheet but cannot be valued accurately.

Liabilities payable on demand within one year from the date stated in the Financial Statement are considered current liabilities under the Financial Statement. Liabilities payable one year after the date of the Financial Statement are treated as non-current liabilities.

1.6.1 Retirement Benefits Liabilities and Provisions

a) Defining the Gratuity Benefit Plan

According to the Gratuity Act No. 12 of 1983, the Shrama Vasana Fund is liable to pay the gratuity. The calculated allocations are shown in the financial statement.

b) Definition of Contribution Plans - Employees Provident Fund and Employees Trust Fund

All employees who are eligible for Employees Provident Fund Contributions and Employees Trust Fund Contributions are covered by the relevant Contribution Funds in accordance with applicable policies and regulations.

The Fund contributes 12% of the employee's total salary to the Employees Provident Fund contribution and 3% to the Employees Trust Fund contribution.

c) Allocation for Legal Aid

One of the objectives of the Shrama Vasana Fund is to provide legal aid while the first legal aid installment is paid when the case is being heard and the second installment is to be paid upon receipt of the case order. These reservations are made for cases that have not been finalized during the year.

1.7 Uncertain Expenses

01.One former employees of the Shrama Vasana Fund has filed lawsuits in the Supreme Court Under Nos.SC/HC/LA86/2022. (Against terminal)

02. A case has been filed and is pending at the Borella Labor Court regarding the non-payment of gratuity by an employee of the Shrama Vasana Fund. Case no 13/37/2024

1.8 Statement of Financial Performance

1.8.1 Income / Revenue

A gross outflow of economic benefits or service potential resulting from an increase in the nature of receipts or net assets / mass during the period of reporting. Income and interest income are accounted for on accrual basis and the income “Lucky 7” lottery, income of fixed deposit interest are the main in income.

1.8.2 Expenditure

A decrease in economic benefits or service viability during the reporting period, either due to the nature of the flows or the nature of the asset’s consumption or the nature of the liabilities.

The work of the Shrama Vasana Fund is all about the nature of the capital and involved in maintaining the Fund's objectives and maintaining its capital assets.

1.9 Incidents after Date of Balance Sheet

Necessary adjustments and disclosures have been made in the financial statements, taking into account significant quantitative incidents occurring after the date of balance sheet.

1.10 Cash Flow Statement

Cash flow is adjusted using the “indirect method” in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS 2).

5.2 Auditor General's Report

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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE

Chairman 2025-05-29

Shrama Vasana Fund

The Report of the Auditor-General on the Financial Statements and Other Legal and Regulatory Requirements of the Shrama Vasana Fund for the year ended December 31, 2024, as per Section 12 of the National Audit Act No.19 of 2018.

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1. Financial Statements

1.1. Opinion

The audit of the financial statements of the Shrama Vasana Fund, comprising of the Statement of Financial Position as at December 31, 2024 and the Statement of Financial Performance and Cash Flow Statement and Notes to the Financial Statements, including information on significant accounting policies, for the year ended December 31,2024, was carried out under my direction in pursuance of the provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. As per Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, my report will be presented to the parliament in due course.

In my opinion, the financial position of the Sri Lanka Institute of Development Administration as of December 31, 2024, and of its financial performance and its cash flows for the year then ended, appear true and fair in accordance with Sri Lanka Accounting Standards.

1.2. Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility under those Auditing Standards is further described under the "Auditor's Responsibility for the Audit of the Financial Statements" section of this report. It is of my belief that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of financial statements in accordance with Sri Lanka Accounting Standards, as well as for determining the necessary internal controls that would enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Institute's ability to continue as a going concern, using the going concern basis of accounting, unless the management either intends to liquidate the Institute or has no realistic alternative but to cease operations, and disclosing the matters related to going concern.

Those charged with governance are responsible for the examination of the financial reporting process of the institution.

As per subsection 16(1) of the National Audit Act No. 19 of 2018, the Institute should maintain proper books and records of all its income, expenditure, assets and liabilities to enable annual and periodic financial statements to be prepared in respect of the institution.

1.4. Auditor's Responsibility for the Audit of the Financial Statements

My objective is to provide a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SLAuSs will always detect material misstatements. As material misstatements can arise from the individual or aggregate impact of fraud and error, they could be expected to influence the economic decisions made by users based on these financial statements.

I have exercised professional judgment and maintained professional skepticism throughout this audit, and conducted it in accordance with Sri Lanka Auditing Standards. Further, I have,

- Obtaining sufficient and appropriate audit evidence, in identifying and assessing the risks of material misstatements in financial statements, whether due to fraud or error, and designing appropriate audit procedures to overcome the risks that arise due to fraud or error depending on the circumstance, is the basis for my opinion. The impact of a fraud is higher than that of a material misstatement because a fraud could transpire due to collusion, forgery, intentional omissions, misstatements or the override of internal control.

- Obtained an understanding of the internal control of the Institute in order to design audit procedures that are appropriate in the circumstances, but I do not intend to express an opinion on the effectiveness of the institution's internal control.

- Evaluated the reasonableness of the accounting policies and accounting estimates used, and the appropriateness of the related disclosures made by the management.

- Concluded on the appropriateness of the management's use of the going concern basis of accounting, based on the audit evidence obtained as to whether there is a material uncertainty related to going concern of the Institute due to the events or conditions. If I conclude that a material uncertainty exists, I am required to draw attention to the related disclosures in the financial statements in the auditor's report and, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the institution to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Those charged with governance were informed of significant audit findings, including any significant deficiencies in internal control and other matters that were identified during the audit.

2. Report on Other Legal and Regulatory Requirements

2.1. National Audit Act No. 19 of 2018 includes special provisions with regard to the following requirements.

2.1.1. As per the requirements of section 12(a) of the National Audit Act No. 19 of 2018, I have obtained all the relevant information and explanations which were necessary for the purpose of the audit and as per my examination, the fund has maintained proper financial records.

	Powers, Duties and Functions	Observations
	Shrama Vasana Fund Act No. 12 of 1998 as amended by the Shrama Vasana Fund (Amendment) Act No. 15 of 2019	
(i)	Sub-section 3.3 and Sub-section 3.4(2)(g)	Subject to the provisions of the Act, the Board was empowered to make rules regarding the formalization of the procedures and conduct of its meetings, nevertheless, by the end of the year under review, the relevant rules had not been formulated. Although the rules formulated for the time being shall be subject to an amount decided by the Board to provide financial relief to the employees for obtaining legal assistance in proceedings before the Commissioner General of Labour, a Labour Tribunal, an Arbitrator or a Labour Court or any Court, the relevant rules had not been formulated.
(ii)	Sub-section 14.1.	Although the Board may formulate such rules as the Board deems necessary in respect of matters affecting or connected with or incidental to the exercise of the powers and duties of the Board, or for matters authorized by this Act in formulating rules or deemed necessary for the formulation of rules, even by the end of the year under review, such rules had not been formulated and approved.
(iii)	Section 6 (b)	Although Rs. 1.33 million had been allocated in 3 phases to provide financial and other assistance to employees in the event that the institutions in which they were employed were closed without prior notice, and programmes including 11 technical education programmes, had been planned, they had not been implemented.
(iv)	Section 6 (f)	Although the recognition of those who have rendered special services to employee welfare through awards is a priority, no initiatives for this purpose were implemented during the year under review.

2.1.2. As per the requirements of section 6(1)(d)(iii) of the National Audit Act No. 19 of 2018, the financial statements of the fund are in consistent with the previous year.

2.1.3. As per the requirements of section 6(1)(d)(iv) of the National Audit Act No.19 of 2018, the recommendations made by me in the previous year were included in the financial statements presented.

2.2. Based on the procedures followed and the evidence obtained, and limited to material matters, nothing came to my attention that warrants the following remarks.

2.2.1. As per the requirement of Section 12(g) of the National Audit Act No.19 of 2018, except for the following observations, that the Institute has not performed according to its powers, functions, and duties.

2.2.2. As per the requirement mentioned in Section 12 (h) of the National Audit Act No. 19 of 2018, that the resources of the Fund have not been procured and utilized economically, efficiently and effectively in compliance with the applicable laws.

(a) Although it is the responsibility of the Procurement Authority to achieve maximum economy, quality and efficiency in the primary objectives of procurement in accordance with 1.2.1 of the Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka, the Government was unable to achieve the maximum benefit that could have been obtained due to the purchase of school bags and books with a total value of Rs. 56.17 million on 5 occasions without planning.

(b) School book and bag distribution programmes were launched using Rs. 16.9 million, including Rs. 14.4 million allocated for the educational assistance programme, one of the objectives of the fund, and Rs. 2.5 million allocated for welfare programmes. Until the funds were received from the General Treasury, Rs. 5 million from the fixed deposit of the fund with the Bank of Ceylon and of the financial provisions and plans of Rs. 7.2 million received by the fund for the first quarter of the year were used without prior approval.

(c) The cost of the equipment distributed for the school equipment distribution project included additional costs of Rs. 10.86 million such as food, accommodation, fuel, additional staff costs and holiday pay for the officers who participated in it. Accordingly, due to the lack of attention to distributing the goods at a low cost, about 20 percent of the total cost had to be incurred for administrative expenses.

(d) The procurement and packaging of the required school bags and books, and their periodic distribution throughout the island, had been in operation since February 2024 and due to the lack of sufficient staff, it was observed that no proper internal control and supervision was in place, and discrepancies were observed between the school equipment order sets made by the institution and the order sets received by the districts

2.3. **Other Matters**

(a) Although Rs. 8 million had been allocated for the Scholarship Programme and Disaster Relief Programme to provide financial and other benefits to employees or their dependents in times of calamity, only 9 scholarships out of the planned 100 were provided and Rs. 0.47 million was spent for this purpose. Accordingly, the relevant objectives had not been achieved.

(b) Due to the strong focus on special programmes and amendments to the Action Plan up to July 2024, 9 programmes planned with Rs. 6.83 million had not been implemented. The achievement of the relevant performance level with the amount of Rs. 28.15 million allocated for awareness programmes, fatal accident scholarship programme, legal aid and medical assistance programmes was at a level of 13 - 40 percent.

(c) In the revised Action Plan for the year 2024, excluding the 25 special programmes, only 6 legal aid programmes and 3 legal assistance programmes were conducted with an expenditure of Rs. 0.39 million out of the Rs. 1.85 million allocated for the remaining 50 legal aid programmes and 20 legal assistance programmes

(d) Although Rs. 1.45 million had been allocated in the year 2024 to provide medical and other facilities to employees in case of emergency, no project had been initiated for that purpose.

Sgd.
G.H.D. Dharmapala
Auditor-General (Acting)

Chapter Six

6.1 Review of the Board of Directors regarding the Auditor general's report

The Board of Directors' review regarding the actions taken in relation to the Auditor General's report under Section 12 of the National Audit Act, No. 19 of 2018, concerning the financial statements and other legal regulatory requirements for the year ended 31 December 2024, is presented below.

2.2.1.

(i) Subsection 3.3 and Subsection 3.4 (2)(g).

In 2020, when the Shrama Vasana Fund was under the Ministry of Finance, rules were formulated and sent to the Legal Draftsman. Nevertheless, due to the change in the Ministry, it was not implemented.

In 2022, sometime was taken as it was necessary to carry out both the formulation of regulations and the amendment of the Act simultaneously under the Ministry of Labour. However, by now, the draft regulations have been finalized. The prepared draft is scheduled to be submitted to the Board of Directors.

(ii) Subsection 14.1

In 2020, when the Shrama Vasana Fund was under the Ministry of Finance, rules were formulated and sent to the Legal Draftsman. Nevertheless, due to the change in the Ministry, it was not implemented.

Again in 2022, sometime was taken as it was necessary to carry out both the formulation of regulations and the amendment of the Act simultaneously under the Ministry of Labour. However, by now, the draft regulations have been finalized. The prepared draft is scheduled to be submitted to the Board of Directors.

(iii)Section 6 (b)

Information regarding institutions that were closed without prior notice and their employees is provided by the Termination of Employment Division of the Department of Labour.

Although letters including the relevant applications were sent with the intention of providing technical assistance to such beneficiaries, no response was received from them.

(iv) Section 6 (f)

According to the five-year integrated plan of the Shrama Vasana Fund, the action plan for each year is prepared by taking into consideration the income received by the Fund and other relevant factors.

The programme conducted for employees who have rendered excellent service for the well-being of workers is not held every year, but is conducted only once within the five-year plan. Accordingly, under the integrated plan from 2021 to 2025, this programme was conducted in the year 2021.

2.2.2.

(a) When the Budget Document, Action Plan, and Procurement Plan for the year 2024 were approved by the Board of Directors on 31.07.2023, this programme was not an identified one.

At the Board meeting held in January 2024, approval was granted for this programme. Accordingly, as the plans were approved and funds allocated, but there were insufficient funds to carry out the procurement at once, procurement was carried out in stages based on the amounts released from the Treasury from time to time.

(b) According to the Budget Document, Action Plan, and Procurement Plan approved by the Board of Directors on 31.07.2023, an amount of Rs. 3.5 million had been allocated for the educational assistance programme.

The expenditure estimates for the educational assistance programme included in the Action Plan was revised from Rs. 3.5 million to Rs. 16.9 million with the approval of the Board of Directors by transferring funds between approved budget estimates and this programme was initiated under the educational assistance programme included in the 2024 integrated plan.

Accordingly, an allocation of Rs. 19.7 million had been provided in the budget document for the fulfillment of the primary objective of the Fund.

For that purpose, an amount of Rs. 7.2 million granted for educational assistance for the first quarter of the Fund and an matured fixed deposit amounting to Rs. 5 million were utilized, and the approval of the Board of Directors was obtained for the utilization of those funds for this purpose.

(c) Only the essential expenses required for this programme have been borne, of which approximately 75% pertains to the core expenses of the programme (beneficiaries' food and beverages, beneficiaries' transport expenses, transportation costs of equipment sets, and procurement expenses), and no additional expenses have been borne apart from these.

Out of the Rs. 10.86 million indicated by the audit, approximately 25% has been incurred as administrative expenses related to the programme.

(d) The Shrama Vasana Fund ordered only the required quantities of school bags and book sets needed for each district, and the school bags and books remaining from the districts where they had previously been distributed were utilized for the next districts.

Due to this, a discrepancy arose between the quantities of equipment sets ordered and the quantities received for some districts.

2.3. Other matters

(a) Due to the lack of an adequate staff at the Shrama Vasana Fund and especially the implementation of two election periods within the country, the planned targets for the year 2024 could not be achieved.

(b) The programmes that were planned but not implemented, as mentioned in the audit inquiry, amount to Rs. 5.33 million.

Particularly, due to the implementation of two election periods within the country, some programmes could not be carried out.

(c) 06 legal aid programmes and 03 legal assistance (appeals) programmes have been conducted.

Although the beneficiaries were identified by the Beneficiary Committee, the approval of the beneficiary documents could not be obtained due to the absence of a Board of Directors during that period.

(d) The allocation mentioned in the audit report for the programme is not Rs. 1.45 million, but Rs. 0.75 million.

Although beneficiaries were identified during the year to provide medical assistance and other facilities, approval could not be obtained as there was no Board of Directors meeting held after August 2024.

6.2 Disclosure of Liquidation of Shrama Vasana Fund.

In accordance with a government policy decision, under No. 4.9 of the Cabinet Decision No. CP/25/0288/802/005 dated 25.03.2025 titled "**Submission of Review Report on "State-owned Non-Commercial Institutions**", the relevant report, on page 32, under Table 12, at No. 2, has stated as follows under the section "Institutions from which Government Intervention for Management Should be Withdrawn and to be Dissolved."

Ministry.	***Ministry of Labour,***
Institution	***Shrama Vasana Fund,***
Committee Recommendation	***Since the necessity of continuing this institution is no longer observed, to dissolve the institution in a manner that does not cause injustice to the parties currently benefiting from its services.***

In accordance with the above recommendation, the necessary preliminary steps are currently being taken to liquidate the Shrama Vasana Fund.

In this situation, the basic accounting concept of going concern, which was considered in the preparation of the final accounts of the Shrama Vasana Fund for the year 2024, has now been abandoned and steps have been taken to inform the Board of Directors of the Fund in this regard.

Annexure

1. Awareness programmes

- 15.03.2024 Conducting an awareness programme for about 16 employees and management of Metrix Product Pvt. Ltd., Polgasowita.
- 05.04.2024 Conducting an awareness programme for about 50 employees and management Heyley's Pvt. Ltd., Homagama
- 08.04.2024 Conducting an awareness programme for about 30 employees of several institutions around Colombo. NIOSH Auditorium, Jawatta
- 24.04.2024 Conducting an awareness programme for about 10 employees and management of Coco link Pvt. Ltd.- Vavuniya.
- 24.04.2024 Conducting an awareness programme for about 15 employees and management of the Greenly Global Pvt. Ltd. company-Vavuniya.
- 28.05.2024 Conducting an awareness programme for about 32 employees and management of Greenland Estate. Greenland Estate, Badulla
- 14.06.2024 Conducting an awareness programme for about 22 employees and management of MAS Active Pvt. Ltd., Middeniya.
- 16.07. 2024 Conducting an awareness programme for about 32 employees and management of Hungama Sanduni Pharmaceuticals company.
- 29.07.2024 Conducting an awareness programme for employees and management of several institutions in BOI Zone. BOI Zone – Biyagama
- 11.09.2024 Awareness programme held for about 32 employees and management of Heyley's Fiber Plc.- Heyley's Fiber Plc - Kuliyapitiya
- 13.09.2024 Conducting an awareness programme for about 31 employees and management of Wathuravila Tea Factory-Wathuravila Tea Factory, Kahaduwa
- 29.10.2024 Conducting an awareness programme for about 24 employees and management of Elastomeric Engineering Company (Pvt.) Ltd. Elastomeric Engineering Company (Pvt.) Ltd.- Horana
- 11.11.2024 Conducting an awareness programme for about 12 employees and management of ITC One Company. ITC One – Colombo
- 20.11.2024 Conducting an awareness programme for about 15 employees and management of NIOSL Diamonds (Pvt.) Ltd. NIOSL Diamonds (Pvt.) Ltd.– Nawala

- 22.11.2024 Conducting an awareness programme for about 30 employees and management of Brandix Apparel Solution (Pvt.) Ltd. Brandix Apparel Solution (Pvt.) Ltd.- Ratmalana
- 26.11.2024 Conducting an awareness programme for about 30 employees and management of several institutions in the Kalutara Industrial Park. Industrial Park – Kalutara
- 10 and11.12. 2024 Conducting an awareness programme for about 15 employees and management of ICT Construction (Pvt.) Ltd. and about 12 employees and management of Britania Garment Packages (Pvt.) Ltd. ICT Construction (Pvt.) Ltd.- Colombo Britania Garment Packages (Pvt.) Ltd. - Maharagama
- 18.12.2024 Conducting an awareness programme for about 20 employees and management of the Farm Garden Tea Factory. Farm Garden Tea Factory – Ratnapura
- 27.12.2024 Conducting an awareness programme for approximately 35 employees and management of Western Paper Industries Limited, approximately 40 employees and management of Naturab Limited and approximately 45 employees of Korean Packaging Limited. Western Paper Industries Limited – Panadura, Naturab Limited – Panadura, Korean Packaging Limited - Panadura

2. Educational assistance programmes

- 31.01.2024, 2000 Schooling children from low-income working families in several Divisional Secretariats of Anuradhapura District were provided with school equipment kits.

- 17.02.2024, 1200 Schooling children from low-income working families in several Divisional Secretariats of Monaragala District were provided with school equipment kits.

- 24.02.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Kegalle District were provided with school equipment kits.

- 02.03.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Kandy District were provided with school equipment kits.

- 10.03.2024, 971 Schooling children from low-income working families in several Divisional Secretariats of Kurunegala District were provided with school equipment kits.

- 17.03.2024 1000 Schooling children from low-income working families in several Divisional Secretariats of Polonnaruwa District were provided with school equipment kits.

- 26.03.2024, 1198 Schooling children from low-income working families in several Divisional Secretariats of Matale District were provided with school equipment kits.

- 30.03.2024, 1350 Schooling children from low-income working families in several Divisional Secretariats of Vavuniya District were provided with school equipment kits.

- 06.04.2024, 1300 Schooling children from low-income working families in several Divisional Secretariats of Gampaha District were provided with school equipment kits.

- 20.04.2024, 998 Schooling children from low-income working families in several Divisional Secretariats of Mannar District were provided with school equipment kits.

- 27.04.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Ratnapura District were provided with school equipment kits.

- 04.05.2024, 929 Schooling children from low-income working families in several Divisional Secretariats of Mullaitivu District were provided with school equipment kits.

- 11.05.2024, 1600 Schooling children from low-income working families in several Divisional Secretariats of Hambantota District were provided with school equipment kits.

- 18.05.2024, 938 Schooling children from low-income working families in several Divisional Secretariats of Nuwara Eliya District were provided with school equipment kits.

- 01.06.2024, 967 Schooling children from low-income working families in several Divisional Secretariats of Badulla District were provided with school equipment kits.

- 08.06.2024, 911 Schooling children from low-income working families in several Divisional Secretariats of Trincomalee District were provided with school equipment kits.

- 15.06.2024, 973 Schooling children from low-income working families in several Divisional Secretariats of Puttalam District were provided with school equipment kits.

- 23.06.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Ampara District were provided with school equipment kits.

- 29.06.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Batticaloa District were provided with school equipment kits.

- 06.07.2024, 1,276 Schooling children from low-income working families in several Divisional Secretariats of Matara District were provided with school equipment kits.

- 13.07.2024, 1000 Schooling children from low-income working families in several Divisional Secretariats of Kilinochchi District were provided with school equipment kits.

- 19.07.2024, 968 Schooling children from low-income working families in several Divisional Secretariats of Kalutara District were provided with school equipment kits.

- 25.07.2024, 2,481 Schooling children from low-income working families in several Divisional Secretariats of Galle District were provided with school equipment kits.

- 27.07.2024 & 2024-12-11 2,766 Schooling children from low-income working families in several Divisional Secretariats of Colombo District were provided with school equipment kits.

Shrama Vasana Fund, No. 97, Jawatte Road, Colombo 05.

Tel. No.	: 011 2 588 936,	Fax No.:	011 2 588 937
E-mail:	: info@svf.gov.lk	Website:	www.svf.gov.lk