



MINISTRY OF LABOUR



2020

ANNUAL PERFORMANCE REPORT



Annual Performance Report 2020

Ministry of Labour

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"Action is taken to amend the Employees' Provident Fund to make the registration compulsory of an employee at the Department of Labour within 30 days from the date of recruitment and to introduce a SMS service for informing instantly members of Employees' Provident Fund regarding their monthly contributions. Legal provisions have already been submitted in order to ensure the occupational safety at worksites along with labour rights in consistent with international policies and standards conducting constant discussions with International Labour Organization."

One of the main objectives of the Ministry of Labour is the protection of rights and ensuring occupational safety of the workforce, the life blood of the country. The responsibility for taking necessary measures in order to enhance the productivity and welfare and further to safeguard the occupational rights of the workforce, whilst identifying the tasks under the field for ensuring of safety of employees in private sector and establishment of competent labour force for overseas market as the special priorities in 'Vistas of Prosperity and Splendour', the policy manifesto introduced by H.E. Gotabhaya Rajapaksha, President, has been entrusted to the Ministry of Labour and Department of Labour, National Institute of Labour Studies, National Institute of Occupational Safety and Health, Office of the Commissioner for Workmen's Compensation and National Productivity Secretariat, which are the institutes affiliated to the Ministry. Accordingly, many programmes have already been implemented during year 2020 based on the 'Vistas of Prosperity and Splendour', the policy manifesto and further a large number of programmes are to be implemented during year 2021.

Necessary measures have already been taken in order to amend the outdated Laws, Acts and

Ordinances to suit to the present requirements and to face the future challenges, whilst securing the rights of the labour force of the country. Further, it gives me pleasure to mention that action has been taken to amend these Laws and Acts ensuring benefits to all the parties removing all the complexities and maintaining the uniformity so as to create an investment friendly environment in the country and further action has been taken not to cut down the benefits but to enhance them for the benefit of the labour force. In the face of the COVID - 19 pandemic, the business community of private sector and industrialists have to struggle with the challenge for maintaining their enterprises without any hindrance and under this circumstance special agreements and processes have been introduced exclusively for the protection of employments of the workforce and to implement proposals for concessions with the view to maintain industrial peace.

Amidst many challenges, the Ministry gained a significant achievement by providing minimum daily wage of Rs. 1,000/-, through the Wages Boards to the workers in tea and rubber industry which was proposed by the previous budget. In the meantime, action has been taken to increase the national minimum wage up to Rs. 12,500/-

Message of the Hon. Minister

Nimal Siripala De Silva (M.P.)
Minister of Labour



and further, it has planned to take action for the increase of minimum wage summoning every Wages Board within the next three months. After coming to power, the new Government has taken action to increase the compensation granted to the persons, who suffer physical damages or become disabled or demise whilst serving, from Rs. 5.5 lakhs up to 2 million and further to increase the maximum limit of the compensation formula applied at the termination of employment from Rs. 1.25 million to 2.5 million.

Further, arrangements have been made to get two bills (Special Provisions) passed by the Parliament for vesting the power in Labour Tribunals to hear the cases filed against the employers, who neglect the payment of contributions to Employees' Provident Fund, with a view to get prompt decisions and also to vest concurrent judicial power in the Commissioner for Workmen's Compensation and Labour Tribunals for settling disputes arisen on workmen's compensations. Further, necessary legal provisions have been introduced to amend the Industrial Dispute Act so as to allow the representatives of workmen, who are non-Attorneys At Law, to appear for the cases filed at Labour Tribunals and to introduce laws in order to issue disciplinary orders without delay conducting disciplinary inquiries within six

months. In the meantime, approval of the Cabinet of Ministers has already been granted to legalize the minimum age limit for retirement as 60 years in respect of employees in private sector.

Further, action is taken to amend the Employees' Provident Fund to make the registration compulsory of an employee at the Department of Labour within 30 days from the date of recruitment and to introduce a SMS service for informing instantly members of Employees' Provident Fund regarding their monthly contributions. Legal provisions have already been submitted in order to ensure the occupational safety at worksites along with labour rights in consistent with international policies and standards conducting constant discussions with International Labour Organization. Legal provisions have also been introduced already to avoid the employment of children less than 16 years and in the meantime action has been taken to issue orders to the effect that no child under 18 years of age can be employed in hazardous occupations.

In addition to the above, arrangements have been made to amend the Employees' Provident Fund facilitating to enter into social security agreements with foreign countries and further to pass a new bill on health, safety and welfare of

employees promptly conducting discussions with relevant parties. Laws are now being formulated recognizing the convention 190 of International Labour Organization - Violence and Harassment in the world of work with a view to establish an environment so as to ensure the protection and the dignity specially of women in worksites. We have extended our gratitude to the workers of nearly one million working abroad, who make tremendous contribution to enhance the national economy of Sri Lanka and strengthen the foreign exchange reserves. Positive measures are to be

introduced to ensure their protection, safety and strengthen their future. Our Ministry has taken initiatives to implement a system with laws, rules and regulations in order to save the workers working abroad from the traps and frauds of brokers and certain Agencies and to formulate a stable pension scheme and insurance scheme for their benefit.

122 employees, who were serving in Lanka Tractors (Limited), have lost their employment due to closer the institute and they have faced a



number of economic and social issues as a result of not paying their compensation for more than 18 years. Under such circumstance, the Ministry was able to grant them the compensation amounted nearly to Rs 22 million coordinating with relevant institutions and it is a significant victory achieved by the Ministry.

I take this opportunity to extend my heartfelt gratitude to the whole staff of the Ministry including Mr. M P D U K Mapa Pathirana, the

Secretary of the Ministry of Labour, who shoulder the responsibility to implement future plans for the achievement of these goals and objectives and further to the Heads and the staff of all other institutions under the Ministry for their commitment to make this journey a success.

Nimal Siripala De Silva
Attorney At Law (M.P.)
Minister of Labour



"Implementation of a duty roster system or any other suitable system in order to assure that every employee receives work on proportionate basis with a view to pave way for the business community of private sector and industrialists to maintain their enterprises without interruption in the face of COVID - 19 pandemic and assuring the workers their employments and payment of either 50% of the full salary paid for the last month or Rs. 14,500/- whichever is higher, due to loss of work."

It gives me a great pleasure to present this report, which provides a wide panorama on the performance achieved during year 2020 by the Ministry of Labour and the Departments and Institutions under the Ministry and plans to be implemented in future with the objective to create a satisfactory & productive labour force.

Accordingly, our Ministry has formulated future programmes in accordance with the tasks and special priorities under the field of 'establishment of employees security in private sector and creation of a skilled foreign employment force' in consistent with the policy manifesto 'Vistas of Prosperity and Splendour', international conventions, to which Sri Lanka has extended agreement and Sustainable Development Goals.

Ensuring the rights of working people of the country along with their job security is one of the main responsibilities entrusted to our Ministry. With a view to achieve these objectives, necessary measures have been taken to amend relevant Acts and Ordinances to cater to the present needs ensuring the rights of the working people so as to face the present as well as future challenges. Further, initiatives have already been made to amend Laws, Acts and Ordinances in order to assure benefits to all parties by way of

simplifying the labour Laws, Acts and Ordinances removing all existing complexities with the aim to establish an environment which encourages investments in to the country.

Accordingly, following measures are among the measures taken to ensure the job security of working people.

- Ensuring the right of children for education by way of raising the age of employment from 14 years to 16 years of age. Thereby, laws are amended to prevent the employment of children under 16 years of age
- Increasing the maximum limit of compensation determined for the purpose of terminating the service of employees from Rs. 1.25 million to 2.5 million
- Increasing the national minimum wage from Rs. 10,000/- to 12,500/-
- Amending the Industrial Dispute Act to expedite the issuance of disciplinary orders by conducting disciplinary inquiries against employees in private

Message of the Secretary

M P D U K Mapa Pathirana
Secretary



sector, who are interdicted or subject to disciplinary actions, within six months

- Introducing laws in order to place a security in filing writ applications, appeals and motions against the decisions and grants issued under Termination of Employment of Workmen (Special Provisions) Act, Industrial Disputes Act
- Introducing a new Act (Special Provisions) to vest concurrent powers in Magistrate Courts and Labour Tribunals to expedite the hearing of cases on labour issues and to recover the arrears of contributions to Employees' Provident Fund amounted to Rs. 12 billion, which has to be paid to employees under the provisions of the Employees' Provident Fund Act
- Increasing the compensation of Rs. 550,000 to Rs. 2 million paid to the persons, who are injured physically, become disabled or demised in the course of their employment
- Taking necessary measures in order to

extend the minimum age of retirement of the employees in private sector up to 60 years

- Taking action to ensure a minimum daily wage of Rs. 1,000/- to estate workers
- Implementation of a duty roster system or any other suitable system in order to assure that every employee receives work on proportionate basis with a view to pave way for the business community of private sector and industrialists to maintain their enterprises without interruption in the face of COVID - 19 pandemic and assuring the workers their employments and payment of either 50% of the full salary paid for the last month or Rs. 14,500/- whichever is higher, due to loss of work and taking action to maintain industrial peace by way of submitting relief proposals for the payment of contributions to Employees' Provident Fund and Employees' Trust Fund
- Introducing a new Act on Occupational Safety, Health and Welfare of Employees prescribing standards

recognized internationally in order to induce the establishment of safe and health working environment

- Introducing a SMS service for informing the members of Employees' Provident Fund instantly regarding the contributions credited monthly to their accounts
- Imposing regulations on hazardous employments so as to restrict the employment of persons less than 18 years of age
- Amending the Employees' Provident Fund Act facilitating to enter into social security agreements with foreign countries
- Amending Industrial Dispute Act enabling the representatives, who are not Attorneys At Law, to appear for the cases filed at Labour Tribunals under Industrial Dispute Act
- Amending Employees' Provident Fund for the purpose of introducing legal provisions for registering an employee at the Department of Labour within 30 days from the date of recruitment
- Vesting a concurrent judicial power in the Commissioner for Workmen Compensation and Labour Tribunals in order to expedite the settlement process applied on disputes connecting to the payment of workmen's compensation
- Taking action to pay a compensation of nearly Rs. 22 million to 122 employees of Lanka Tractors Limited, which has not been paid for 18 years

In addition to the above, action has been taken under 'Decent Work' Concept to implement various programmes with a view to establish decent working environment and sound interrelationships between employer and employee, ensuring the rights of workers with the participation of both employee and employer and conducting properly the meetings of National Labour Advisory Council, maintaining proper dialogue constantly with all parties, implementing programmes for the elimination of child labour and ensuring the rights of working women. Further, initial measures have been made for the automation of all services delivered by Department of Labour including the provision of benefits of Employees' Provident Fund whilst providing all the services under one roof. In the meantime, programmes and projects for ensuring welfare, rights, health and education of labour force are implemented by all the institutions affiliated to this Ministry. Further, the institutions in both public as well as private sectors are empowered through the productivity concept.

I take this opportunity to extend the gratitude of our Ministry to Hon. Nimal Siripala De Silva, Minister of Labour for his leadership, guidance and instructions for the performance of above tasks and further, I extend my sincere thanks to all the officers of the staff of the Ministry and Heads of Institutions under the Ministry and staff for their tremendous commitment to achieve the performance of the Ministry of Labour of year 2020.

M P D U K Mapa Pathirana
Secretary







CHAPTER ONE

Institutional Profile / Executive Summary

Ministry of Labour

1.1 Introduction

Protection of the labour community, ensuring the welfare and promotion of industrial peace and collaboration whilst maintaining the relations with international level on laws, charters as well as standards of labour relations fall under the scope of the Ministry of Labour. As per the Gazette Extraordinary No. 2196/27 dated 06.10.2020 the main roles of the Ministry are ensuring occupational safety of the employees in private sector based on the national policies, provision of the required policy directions in order to create of a highly competent labour force aiming at the foreign labour market, formulation of policies in relation to the subject of labour in consistent with the relevant Laws, Acts and Ordinances, and the implementation of projects under national budget, investments of the state and national development programme in line with the 'Vistas of Prosperity and Splendour', the policy manifesto of the government, as well as the national policies implemented by the government. In the meantime, the Ministry takes necessary measures for the achievement of the vision of the Ministry by formulating, implementing, evaluating the tasks assigned to the institutions affiliated to the Ministry and related policies, programmes and projects whilst carrying out necessary follow up actions. Accordingly, the vision and the mission of the Ministry are as follows.

1.2 Vision, Mission and Objectives

Vision

A satisfied, productive labour force

Mission

Contribute towards the socio-economic

development through the promotion of industrial peace, social security, workers' rights and productivity

Objectives of the Ministry

- Strengthening employer – employee relationships through tripartite empowerment
- Ensuring service standards and workers' rights in compliance with international standards
- Eliminating child labour
- Empowering and protecting employed women and encouraging gender equality
- Enhancing flexibility of labour legislation and procedures
- Formulating appropriate methodologies for ensuring social security of the working community

All institutions under the purview of the Ministry focus on the following thrust areas with a view to establish sound working environment.

- Industrial peace and harmony
- Enforcing labour standards and rules & regulations
- Protecting women workers and eliminating child labour
- Occupational safety and health
- Social security
- Education, training, research and development relating to the field of labour

1.3 Key Functions

1. Formulation, implementation, evaluation of

the policies and programmes in relation to the Departments and Statutory Institutions under the Ministry of Labour and carrying out required follow up actions

2. Formulation and implementation of policies with regard to international labour standards, administration and welfare of the employees
3. Liaison with International Labour Organization and International Social Security Organizations
4. Administration of the Employees' Provident Fund, Private Provident Fund and Private Retirement Schemes
5. Formulation of methodologies for labour relations and settlement of industrial disputes and regulating the efficiency of its implementation
6. Measures in relation to the formulation and regulation of laws and regulations connected to labour relations
7. Registration of Trade Unions, introduction and implementation of positive measures required for harnessing activities of all trade unions in public as well as private sector for the development of the country
8. Supervision of the institutions and activities relevant to all other subjects, which are entrusted to the institutions such as Department of Labour, National Institute of Labour Studies, National Institute of Occupational Safety and Health, Office of the Commissioner for Workmen's Compensation and National Productivity Secretariat

Major legislations implemented

1. Workmen's Compensation Ordinance No. 19 of 1934
2. Trade Unions Ordinance No. 14 of 1935

3. Maternity Benefits Ordinance No. 32 of 1939
4. Wages Board Ordinance No. 27 of 1941
5. Factories Ordinance No. 45 of 1942
6. Industrial Disputes Act No. 43 of 1950
7. Shop and Office Employees (Regulation of Employment and Wages) Act No. 14 of 1954
8. Employment of Women, Young Persons and Children Act No. 47 of 1956
9. Employees' Provident Fund Act No. 15 of 1958
10. Termination of Employment (Special Provisions) Act No. 45 of 1971
11. Employees' Councils Act No. 32 of 1979
12. Payment of Gratuity Act No. 12 of 1983
13. National Institute of Occupational Safety and Health Act No. 38 of 2009
14. National Institute of Labour Studies Act No. 12 of 2010
15. National Minimum Wage of Workers Act No. 03 of 2016
16. Budgetary Relief Allowance of Workers Act No. 04 of 2016

1.4 Institutions and Divisions under the Ministry

1.4.1 Divisions under the Ministry

- i. Administration and Establishments Division
- ii. Planning, Research and Development Division
- iii. Labour and Foreign Relations Division
- iv. Finance Division
- v. Internal Audit Division

1.4.2 Institutions under the Ministry

- i. Department of Labour
- ii. National Institute of Labour Studies
- iii. National Institute of Occupational Safety and Health
- iv. Office of the Commissioner for Workmen's Compensation
- v. National Productivity Secretariat

1.5 Organizational Chart

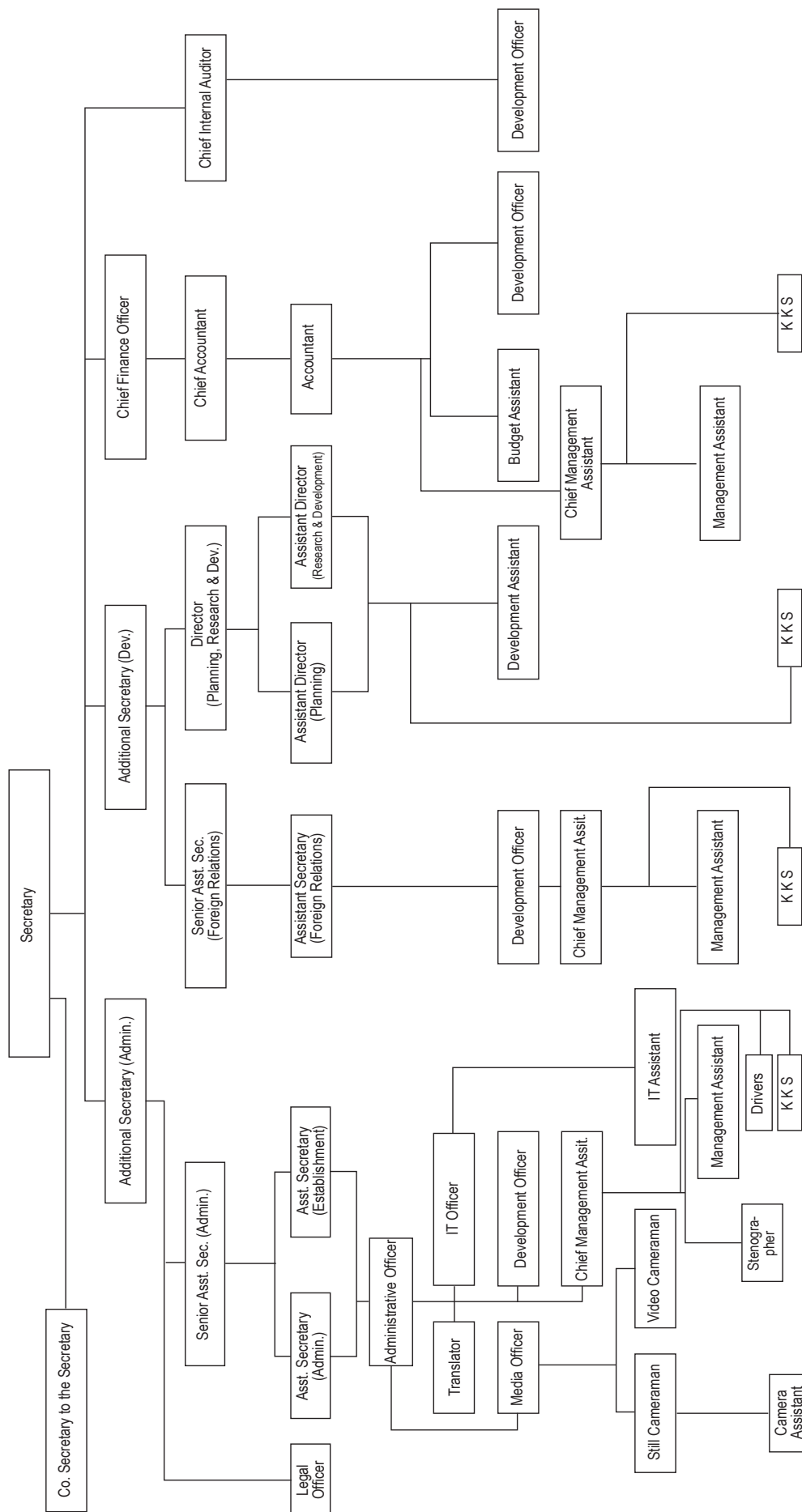


Diagram 1 - 1 Organizational chart of the Ministry



CHAPTER TWO

Progress and Future Outlook

Progress and Future Outlook

2.1 Progress of the Ministry

2.1.1 Administrative and Establishments Activities

General administration, management, maintenance, training of the Ministry and coordination among the Ministry and the institutions under the Ministry and human resources management and other related duties are carried out under this division. Accordingly, following tasks are performed.

- I. Maintenance of the personal files of all the public officers attached to the Ministry as well as the assisting staff of Hon. Minister and performance of all other related establishment activities and maintenance of the particulars of the staff with necessary updating
- II. Establishment activities, which are to be performed by the Ministry in respect of the officers serving attached in the Departments and Statutory Institutions under the Ministry of Labour
- III. Duties in association with the engagement of Labour Officers in the duties of Foreign Diplomatic Missions
- IV. Preparation of Cabinet Memoranda and taking actions as per decisions of the Cabinet of Ministers and ensuring the contribution for the establishment of industrial collaboration by way of updating existing labour law and imposing new laws

- V. Provision of answers to the questions forwarded by the Parliament and matters referred from Consultative Committees and Public Petition Committee and directing the complaints made by the General Public, which are directly made and referred from the President's Secretariat and the office of the Prime Minister

The Duties Performed

- I. During the period from January to December 2020, this Ministry has submitted 32 cabinet memoranda to the Cabinet of Ministers and approval has been granted for 19 out of the above memoranda.
 - Submission of recommendations No. 205 and 206 of International Labour Organization and 190 convention to the Parliament
 - Implementation of a SMS alert service enabling the members of the Employees' Provident Fund to get the information of monthly remittance of their contribution
 - Making provisions for the statutory claims to be paid to the employees of Lanka Tractors Limited due to closer of the institution
 - Establishment of a social security fund for the benefit of the Sri Lankans working abroad

- Dealing with matter pertaining to the payment of salaries of the employees in private sector in the face of the crisis arisen due to COVID - 19 pandemic
 - Amendment of Labour Laws for the determination of the minimum age for employing persons as 16 years
- II. Recommendations have been made to the Director General, Department of National Budget for the payment of relief allowance paid once for all 31 July Strikers, who completed 65 years, under the provision of relief for July Strikers
- III. 32 officers of the Ministry have been directed to the training courses conducted by various institutions during the year under review. Officers have been directed to the courses such as file management, promotion of productivity, information technology, Establishments Code and development of attitude of Drivers and Office Employees
- IV. 321 complaints have been received from General Public during the period under review and all these complaints have been referred to relevant divisions for taking further actions
- | | |
|--------------------------------|--------------|
| • President's Secretariat | - 67 |
| • Office of the Prime Minister | - 68 |
| • Other | - 186 |
| Total | - 321 |
- V. 13 requests have been made under Right to Information Act and accordingly relevant information has been given for 12 requests out of the above. One request has been rejected
- VI. When the Ministry has been established at 6th and 7th floors of "Mehevara Piyesa" building, a productivity promotion programme has been launched by National

Productivity Secretariat with a view to enhance the productivity and efficiency of the service and to make the environment of the institution more attractive

2.1.2 Planning, Research and Development Activities

Main functions of this Division are the preparation and implementation of the plans, which are required to implement development programmes of the Ministry and institutions under the Ministry adhering to the accurate targets, and reviewing the progress and carrying out necessary follow up actions.

The Duties Performed

- I. Preparation of annual action plan which contains the development goals determined by the Ministry and institutions under the Ministry and referring them to relevant parties. Preparation of annual action plan under the zero based budget development programme and supervision through the evaluation of progress on the attempts made to achieve the target and making necessary encouragements
- II. Ensuring coordination with President's Secretariat, Ministry of Finance, Department of Project Management & Monitoring and Department of National Planning and submitting monthly & quarterly progress reports
- III. Preparation of the Annual Performance Report, which shows the progress achieved by the Ministry
- IV. Dealing with all the activities connected to the publishing of Sri Lanka Labour Gazette issued biannually. Accordingly, first volume of the serial no. 71 of the Sri Lanka Labour Gazette has been issued covering the period under review. Further, second volume of the serial no. 71 is now being edited

V. A symposium organized annually by the Ministry based on the various timely themes in the field of labour and accordingly, a journal is published containing the research papers in the field. Accordingly, research papers have been called during year 2020 on the theme 'COVID -19: Labour Issues and Responses' and they are to be published as a journal after evaluating them by a panel of scholars. However, it has been decided to publish only the journal without conducting the symposium taking in to consideration the prevailing situation in the country

VI. Mobile Services

The mobile service "A helping hand from us for your occupation" was conducted covering the areas of Homagama, Padukka, Seethawaka, and Maharagama at President's Collage, Homagama on 29th February 2020 and 01st March 2020 targeting the labour community and employers. During this mobile service various services such as settling issues arisen on the Employees' Provident Fund and Employees' Trust Fund, matters pertaining to vocational training requirements, introduction of employment opportunities in private sector and self employments, promoting productivity concept, identifying foreign employment opportunities and blood donation camp were delivered for the benefit of the labour community

VII. Decent work programme

In order to bring Sri Lanka towards the path for development, it is required to promote employment opportunities with decent work environment. It is expected under this process to promote equivalent opportunities for both male and female workers for having productive employments whilst ensuring the rights of employees, and establishing fairness and justice, occupational and social security and human dignity. Decent work programme is implemented under the framework of four pillars

- Creation and promotion of employment opportunities and national productivity
- Rights at the work place
- Social security
- Social dialogue

In addition to these four main pillars, all the fields are coordinated with the implementation of programmes covering following fields of subjects.

- Promotion of productivity
- Ensuring gender equality

Therefore, various programmes were conducted allocating Rs. 3.5 million to following institutions in order to launch programmes and projects under decent work programme and the progress of the decent work programme as at 31.12.2020 is as follows

Table 2-1 Progress of the decent work programme

Institution	Net allocation (Rs.)	Expenditure (Rs.)	Percentage of the expenditure (%)
Department of Labour	986,285.00	986,285.00	100%
National Institute of Labour Studies	208,100.00	208,100.00	100%
Ministry of Labour	2,305,615.00	2,305,615.00	100%
Grand Total	3,500,000.00	3,500,000.00	100%

2.1.3 Labour and Foreign Relations

The responsibilities for protecting domestic labour rights in accordance with the obligations undertaken by Sri Lanka as a member country of the International Labour Organization and other internationally recognized conventions and recommendations and applying them to settle issues in the field of labour are performed by this Ministry.

Ensuring that Sri Lanka has fulfilled its obligations and responsibilities in respect of the field of labour to the International Labour Organization and other multilateral agencies, formulating labour policies, creating national level social dialogues and obtaining international support for the development of human resources are the other functions of the Division.

The Duties Performed

- I. Serving as the facilitator of the National Labour Advisory Council, with tripartite representation. Following actions were taken during year 2020 conducting 08 meetings
 - Increasing the compensation granted at the death of an employee under Workmen's Compensation Ordinance
 - Providing opportunities to Appear the representatives of trade unions at Labour Tribunals on behalf of their members
 - Issues pertaining the week of five working days
 - Taking action to amend the Industrial Disputes Act in order to expedite the process for the settlement of labour disputes
 - Conducting discussions on the difficulties faced by the private sector due to COVID - 19 pandemic
- II. With the COVID - 19 pandemic, a Tripartite Task Force, which is chaired by Hon. Minister, was established as a sub

committee of the National Labour Advisory Council, which is the main mechanism for social dialogue. The responsibility of the task force is to take precautionary actions with a view to minimize the affect caused to the employees as well as the institutions in the face of COVID - 19 pandemic. The committee conducted meetings constantly even at the curfew times and this arrangement has paved way to establish sound understanding among stakeholders

Accordingly, 20 committee meetings were conducted up to December. This Committee has tremendously assisted to take precautions before rising certain issues to grave crisis and also to build confidence among various stakeholders. Further, following concurrences were made at the meetings of the Tasks Force in respect of paying salaries to employees, to whom jobs could not be given due to COVID - 19 pandemic situation.

- Bringing both employers and employees under one umbrella to make agreements to avoid the loss of job opportunities of employees at business institutions affected by COVID - 19 pandemic
- Inducing employers to engage their employees monthly on a duty roster enabling them to have opportunities for work proportionately at such times where the full staff cannot be called for duties due to health guidelines
- Obtaining the agreement of the employers to pay 50% from the salary they paid for the last month or Rs. 14,500.00 whichever is higher, from May to September 2020 for employees retained at home without work and up to December for the employees in businesses in the field of tourism and businesses in other fields, which cannot run still in the face of COVID - 19, subject to the prior approval of the Commissioner General of Labour

- III. Conducting the meetings of Tripartite Committee, which is a special committee for conducting discussions on the trends and requirements for the amendment of laws and policies relevant to the field of labour and organization of all other related events. For this purpose, action is now being taken to prepare the ground for the introduction of an act with the inclusion of new service conditions with a view to remove the anomalies observed in acts and ordinances, which are in force relevant to the terms and conditions of employees, and further, to introduce flexible service conditions to cater the present requirements of the country
- IV. Preparation of the reports, which should be sent under Article 22 of the International Labour Organization. Preparation of reports for 4 conventions for year 2020 and preparation of the report which should be sent under Article 19
- V. Making arrangements for directing the officers attached to other institutions under the Ministry and Department of Labour for foreign scholarships, workshops and training programmes. Accordingly, 12 officers have been sent to foreign training programmes and workshops during the period from January to March 2020. However, no foreign training has been conducted during the other period due to COVID - 19 pandemic
- VI. Preparation of the report for settling issues arisen in the process for obtaining EU GSP+ concession and conducting meetings of the tripartite committee appointed for the supervision of GSP+ duty concession, whilst organizing all the connected matters and participating in the meetings
- VII. Dealing with the matters pertaining to the memoranda of understanding and all the related programmes, which are to be made in due course in respect of the education on social security in relation to the field of labour of Sri Lanka and foreign countries
- VIII. Conducting meetings to continue Decent Work Country Programme with new approach with the collaboration of International Labour Organization and preparing required arrangements in this regard
- IX. Coordination of all the meetings of National Steering Committee on elimination of child labour and matters connected to the same. During the period, two meetings have been held and accordingly action was taken to appoint a Technical Committee for making recommendations and providing instructions to National Steering Committee on elimination of child labour
- X. Submission of reports to the Ministry of Foreign Affairs and other Ministries on the new tendencies in relation to the field of labour
- XI. Organization of quarterly review meetings with Department of Labour, Central Bank of Sri Lanka and the members of the trade unions, which represent the employees of estate sector, regarding the arrears of Employees' Provident Fund, Employees' Trust Fund and gratuities, which are to be paid to the employees of estate companies taken over by the Government
- XII. Coordination of all matters pertaining to the projects and workshops, which implement technical collaboration of International Labour Organization
- XIII. Submission of the answers, which should be sent annually in response to the questions on labour statistics, to the International Labour Organization
- XIV. Submission of the letters of requests for visa in respect of the officers of International Labour Organization, who arrive in Sri Lanka to extend technical assistance

2.1.4 Financial Activities

Measures have been taken to manage financial resources allocated to the Ministry by the annual budget 2020, effectively, productively and economically in consistent with public policies.

Table 2-2 Financial progress of the Ministry

Programme	Project	Expenditure Category	Net Provision (Rs. ,000)	Expenditure (Rs. ,000)	Balance Provision (Rs. ,000)	Expenditure Percentage (%)
1	1	Recurrent	26,794	22,145	4,649	83
		Capital	2,900	2,866	34	99
		Total	29,694	25,011	4,683	84
1	2	Recurrent	96,070	91,654	4,416	95
		Capital	6,700	6,234	466	93
		Total	102,770	97,888	4,882	95
1	7	Recurrent	469,686	436,895	32,791	93
		Capital	11,700	5,997	5,703	51
		Total	481,386	442,892	34,494	92
2	3(2)	Recurrent	5,500	5,500	-	100
		Capital	1,600	1,600	-	100
		Total	7,100	7,100	-	100
2	3(3)	Recurrent	3,500	3,500	-	100
		Capital	600	600	-	100
		Total	4,100	4,100	-	100
2	4	Recurrent	41,750	39,101	2,649	94
		Capital	700	375	325	54
		Total	42,450	39,476	2,974	93
2	5	Recurrent	33,850	31,217	2,633	92
		Capital	900	411	489	46
		Total	34,750	31,628	3,122	91
Grand Total		Recurrent	677,150	630,012	47,138	93
		Capital	25,100	18,084	7,016	72
		Total	702,250	648,096	54,154	92

2.1.5 Internal Audit Activities

The responsibility for conducting internal audit activities and special investigations, depending on the necessity of the Ministry of Labour and Department of Labour, Office of the Commissioner of Workmen's Compensation, National Institute of Labour Studies, National Institute on Occupational Safety & Health and National Productivity Secretariat

Main functions

- I. Examining the success of internal investigations and the administration system applied in the institutions
- II. Examining as to whether the provisions of the Establishments Code, Financial Regulations of the Government and

the circulars, which have been already issued and purported to be issued by the Ministry in charge of the subject of public administration and the General Treasury and other supplementary instructions

- III. Managing internal audit functions productively and in compliance with audit principles, vision and mission of the Ministry of Labour, and Departments and other institutions under the purview of the Ministry
- IV. Evaluating the established systems of control in order to ensure that the functions are carried out in compliance with policies, plans, procedures, laws and regulations, which can make considerable influence to the functions of the Ministry
- V. Evaluating the efficiency and productivity in the utilization of the resources belonging to the Ministry
- VI. Evaluating and verifying the measures, which have been taken to ensure the protection and maintenance of assets
- VII. Evaluating the activities or programmes in order to assure whether the financial and

physical progress of the Ministry have been achieved in line with the established objectives of the Ministry

- IX. Providing necessary guidelines for the establishment of internal control processes and risk management processes, which are appropriate to each division of the institution
- X. Communicating the results of the audit at the end of the auditing process and introducing rectification processes for necessary rectifications
- XI. Preparation and implementation of the annual audit plan
- XII. Taking necessary measures for the submission of reports on due date, which are to be submitted to the Department of Management Audit
- XIII. Taking necessary actions for calling and conducting the meetings of the Audit and Management Committee
- XIV. Performing the special assignments entrusted by the authority depending on the situation and reporting

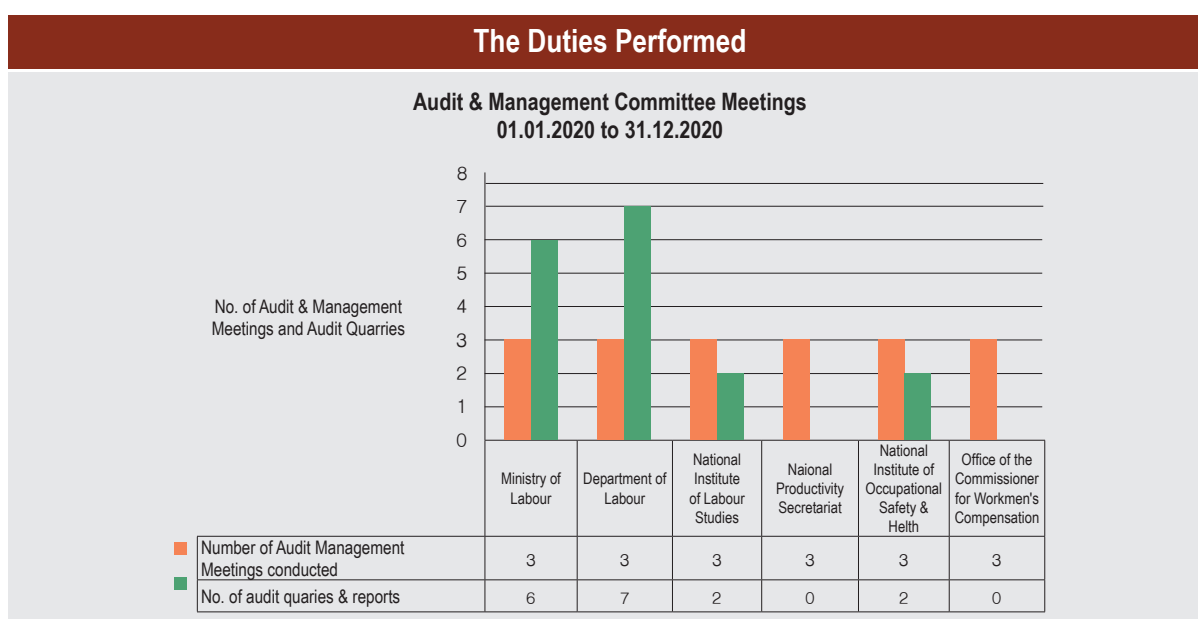


Figure 2-1 Progress of the internal audit activities

2.2 Progress of the institutions under the Ministry

2.2.1 Department of Labour

The Department of Labour is the institution in public sector, which is responsible for upholding the occupational rights of workers in the semi government and private sectors and establishing social protection. Since this is a subject falls within the ambit of the central government, the Department maintains an Island - wide network of labour offices for the enforcement and promotion of necessary legislations.

Indian Immigrant Labour Ordinance No. 1 of 1923 was introduced with the intention to ensure the welfare of Indian Labourers, who were brought to Ceylon by British for tea and coffee plantation during the colonization period under British Rulers. The Department of the Controller of Indian Immigrant Labourers , which has been established under the aforesaid Ordinance, can be shown as the foundation of the Department of Labour. At present Department of Labour performs its role for strengthening national economy by way of maintaining tripartite relationship firmly among employees, employers and the Government.

Vision

A country with everlasting industrial peace for an internationally competitive economy

Mission

To contribute to the socio-economic development of Sri Lanka through establishment of decent work environment within secured industrial peace while protecting labour rights

Objectives

- Consolidating lasting industrial peace in semi government and private sector workplaces
- Improving conditions of service of the employees by establishing a decent work environment and formulating labour standards
- Securing social protection of the employee
- Guaranteeing employment security of women and young persons and eliminating child labour
- Creating a work environment conducive for health of workers and free of accidents



Image 2-1 At National Labour Advisory Council meeting

Key functions

- Promotion of dialogue amongst employers and employees
- Enforcement of labour legislation and prevention of industrial disputes and resolving disputes that have arisen through the promotion of social dialogue
- Conducting institutional inspections (labour inspections) and upholding the statutory rights of workers by regularly updating the knowledge required by officers of the Department
- Establishing industrial peace by expanding the knowledge and understanding of labour laws of both the employers and employees
- Formulation and implementation of labour standards compatible with changes in the national economic structure in line with international labour standards
- Ensuring that benefits are duly granted to workers through the sound administration of the EPF and the administration of the approved private provident funds and pension allowances with similar efficiency
- Constructive enforcement of all labour laws including those applicable to women, young persons and children
- Creating awareness amongst workers that workplaces are healthy and accident free and ensuring that workplaces are accident free and maintain sound health practices
- Collection and analysis of statistics required for making decisions regard to above functions

- Taking action to give legal effect to International Labour Organization conventions ratified by Sri Lanka
- Initiating action to eradicate child labour and hazardous forms of child labour

2.2.1.1 The Duties Performed

i. Ensuring industrial peace for the promotion of economic development

Since the vision of the Department is to create a country with established industrial peace for an internationally competitive economy, maintenance of the industrial peace without interruption is the basic as well as prime task of the Department.

For this purpose the Department performs its functions under 04 main streams such as maintaining the dialogue between employer and employee, conducting combine labour inspections, settling complaints received regarding the denial of statutory rights and labour disputes, and initiating legal actions with a view to safeguard the occupational rights of employees.

• Maintaining the dialogue between employer and employee

Following tasks were performed during the year 2020 with a view to establish work environment, which ensures industrial peace between employer and employee to achieve maximum productivity and efficiency of private and semi-government institutions scattered all over the Island.

- Organizing and conducting programmes with a view to educate both employers and employees on labour laws through awareness programmes for semi government and private sector institutions aimed at creating work friendly environment

Table 2-3 Activities conducted by the social Dialogue Division - 2020

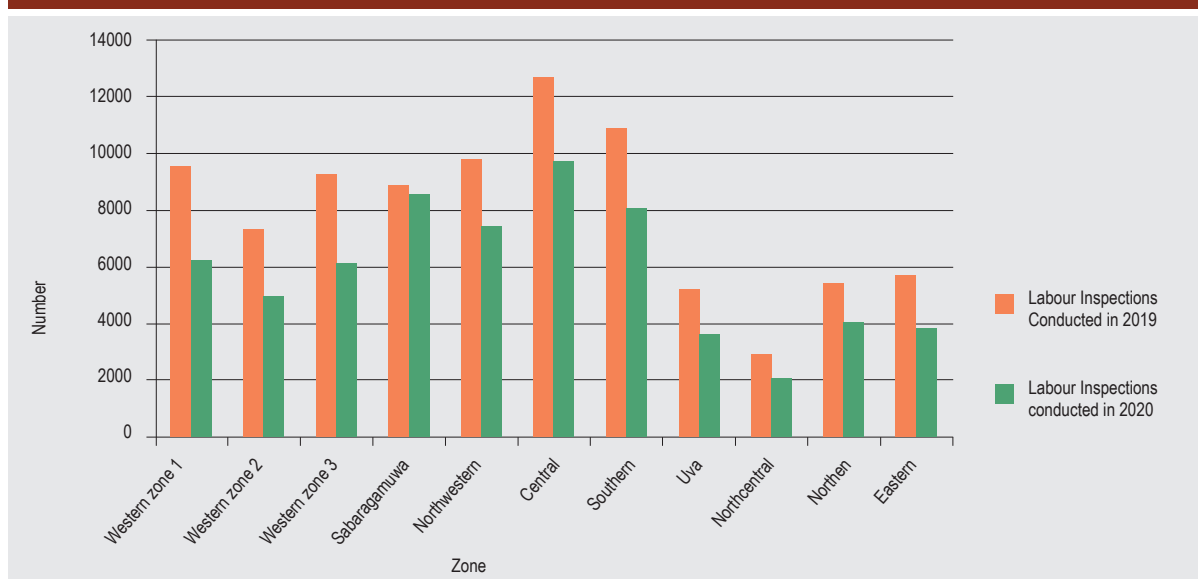
S. No.	Programme	Number of programmes
1	Institutional level awareness programmes for both employers and employees conducted by Social Dialogue Division	37
2	Programmes conducted by Social Dialogue Division at semi- government institutions	06
3	Conducting inspections at institutions (Routine)	424
4	Programmes for which the services of resource persons have been provided on the requests of institutions	21

- Action is taken to conduct an Island wide competition on social dialogue and collaboration at workplace at small, middle and large scales so as to represent annually manufacturing, services, garments and estate sectors with the intension to understand the extent in which the social dialogue has been rooted in institutions. Initiatives were made to hold this competition for year 2019 and accordingly awarding ceremony was conducted under the sponsorship of Hon. Minister on 16.01.2020
- Having taken in to consideration the situation of the country due to the COVID - 19 pandemic situation it has to restrict programmes, which have been planned to conduct during year 2020
- **Conducting workplace (labour) inspections**

Main objective of conducting timely inspections is to examine whether the rules and regulations

imposed for the protection of statutory rights of workers in the place of work are implemented properly and take necessary actions to redress grievances and pave the way for the establishment of cordial relationships between employers and employees. To carry out this function, 11 zonal labour offices, 40 district labour offices, 17 sub offices and 10 district factory inspection engineer's offices have been established to cover the entire Island and the number of Labour Officers serve under the Department including the divisions of the head office is 488 as at 31.12.2020. The total number of labour inspections performed by labour officers in the year 2020 was 64,708.

Number of the labour inspections conducted in year 2020 has marked a decrease comparatively to year 2019. The reason for the decrease is the suspension of labour inspections totally in certain months and conducting very limited number of inspections due to COVID - 19 pandemic.

Timely Inspections - Progress of 2020 comparatively 2019**Figure 2-2** Timely inspections - progress of year 2020 comparatively to 2019

- **Resolving complaints on the denial of statutory entitlements and settling industrial disputes**

Complaints regarding the violation of statutory laws and potential breaches in industrial peace and the possibility of strikes are lodged with the head office, district offices and sub offices by employees or trade unions and accordingly action is pursued by the district

offices, regional offices and relevant divisions of the head office to resolve such complaints. If their attempts failed, the dispute is referred to an arbitrator or an industrial court for a solution on the order of the Minister in charge of the subject.

Complaints received on the violation of statutory laws and solutions offered in the year 2020 are as follows.

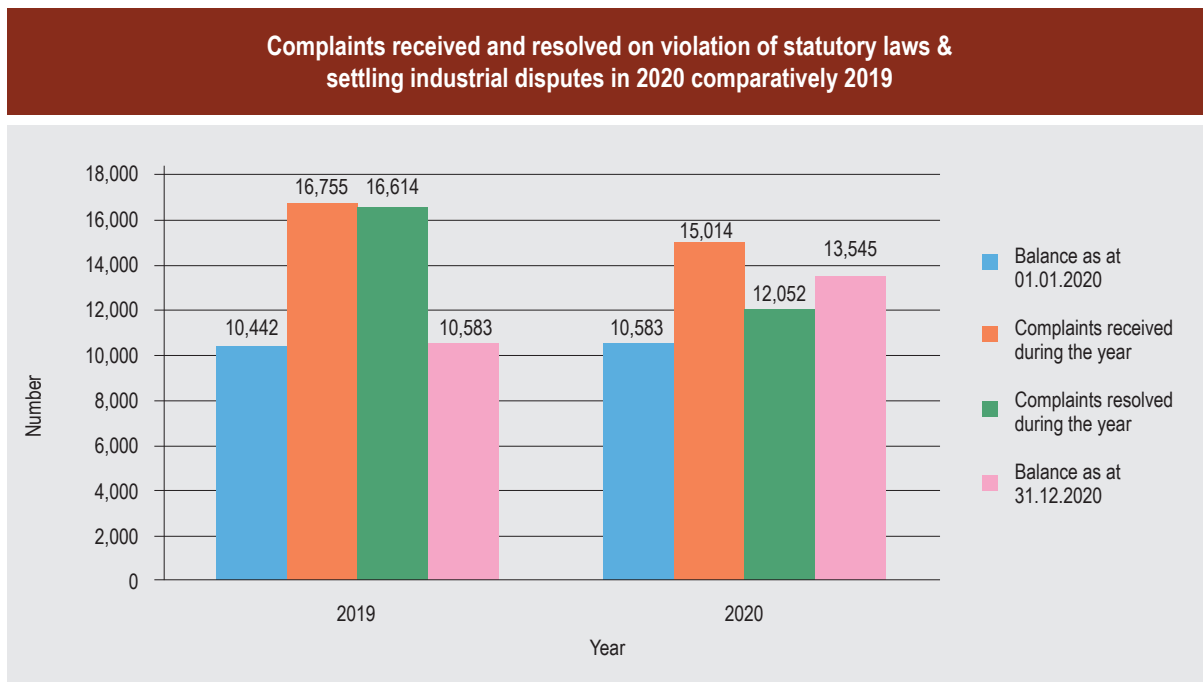


Figure 2-3 Resolving complaints on the denial of statutory entitlements and settling industrial disputes in 2020 comparatively 2019

It is observed that the number of complaints received and settled during the year 2020 shows a lower value due to COVID - 19 pandemic.

Further, particulars of the complaints received during year 2020 amidst COVID - 19 pandemic are as follows.

Table 2- 4 Particulars of the complaints received during year 2020 amidst

Complaints received amidst COVID - 19 pandemic		Number of the complaints to which solutions were given out of the complaints received during the year	
Number of the complaints received	Number of employees connected to such complaints	Number of the complaints, which were settled	Number of employees connected to such complaints
2,262	8,913	1,044	4,850

When situations that could possibly lead to a strike action are observed, the officials of the Department of Labour immediately take action to contain the situation and if a strike takes place

necessary interventions are made to resolve the dispute. Compared to the year 2019, there is a slight increase in the number of strikes observed in the year 2020.

Table 2-5 Data reported on strikes in 2020 comparatively to 2019

Year	Event	Plantations	Construction	Manufacturing	Mining	Accommodation supply of and food	Semi government	Other services	Total
2019	Strikes reported	8	1	11	-	-	-	1	21
	No of employees participated	1,952	100	4,701	-	-	-	16	6,769
	No of man days lost	28,218	200	26,403	-	-	-	16	54,837
2020	Strikes reported	13	-	12	-	2	-	1	28
	No of employees participated	1,936	-	4,040	-	64	-	85	6,125
	No of man days lost	9,375	-	12,806	-	324	-	85	22,590

By entering into collective agreements as a means of settlement of industrial disputes, a more permanent solution is offered to both the employer and the employee and they enable employees to secure greater privileges than the rights and privileges conferred through labour

legislations. Further, the Department makes efforts to induce parties for collective agreements through social dialogues. The total number of collective agreements, which are in force by 31.12.2020 including 15 collective agreements registered during year 2020 are 148.

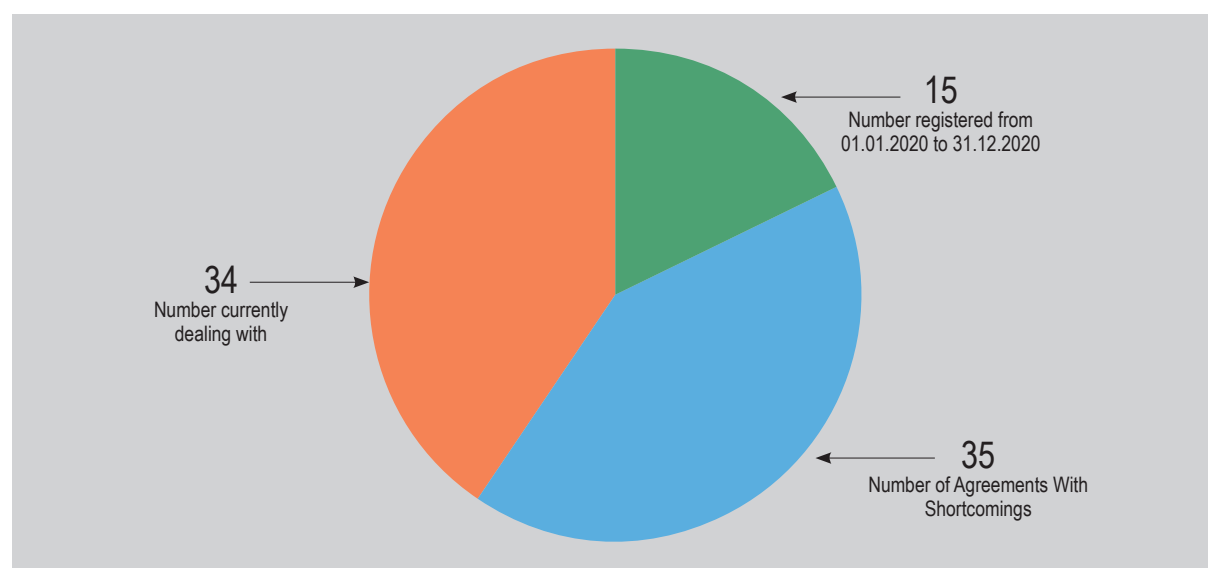


Figure 2-4 Registration of collective agreements - 2020



Image 2-2 Appointing Arbitrators for expediting arbitration process

Disputes which cannot be resolved with the intervention of labour offices or with the direct involvement of the Industrial Relations Division of the Department of Labour are referred to arbitration or to an industrial court and in the year 2020, there had been 59 references for arbitration and the number of awards issued was 22.

It is compulsory for every trade union to register at the Department of Labour. Accordingly, the number of trade unions, which have been registered at the Department of Labour are 105 and the total number of trade unions, which are functioning as at 31.12.2020 is 1,843.

II. Special Investigations

In addition to the labour investigations carried out under normal procedure and complaints made, any party, who is not satisfied with the investigation conducted on a complaint or the way of conducting investigation at an institution, can make a request to the Commissioner General

of Labour for an investigation again and at such occasions, an investigation is made depending on the requirement.

Accordingly, 198 office and site investigations were conducted during 2020 and the arrears in the contributions to Employees' Provident Fund, which were calculated at investigations, was Rs. 5,767,050.00 and the value of the statutory allowances in arrears was. Rs.12,055,291.00. Further, 19 investigations were conducted during year 2020 pertaining to the complaints relevant to semi- government institutions.

III. Standardization of workmen's rights

Formulating and updating standards on the salaries, service conditions and environment, which make effect to the job security and welfare of the employees in private sector, and giving legal effect thereto, are among the priorities of the Department of Labour. Accordingly, the following activities have been conducted in the year 2020.

Table 2-6 Activities pertaining to the standardization of workers' rights

S. No.	Programme / Activity	Physical Progress
1	No. of Wages Boards representatives appointed due to the expiration of the official term	15
2	Granting approval for the requests made for five-day work week	197
3	Publishing monthly the minimum salaries determined by Wages Board for employees in cocoa, cardamom, pepper cultivating and processing industry	10
4	Examining legal validity of collective agreements	36
5	Making clarifications and legal interpretations under the Budgetary Relief Allowance Act No. 04 of 2016	07
6	Making clarifications and legal interpretations under Wages Board Ordinance	24
7	Making clarifications and legal interpretations under Shop and Office Employees Act	14
8	Granting approval for the requests made for deductions from salaries under Wages Board Ordinance and Shop and Office Employees Act	23
9	Granting approval for requests made to establish fine funds and make expenses from such fund under Wages Board Ordinance and Shop and Office Employees Act	02
10	Announcing special holidays and election holidays pertaining to Wages Boards through notices published in newspapers	01
11	Uploading soft copies of gazettes, amendments to Acts and regulations published by the Labour Standards Division in the website of the Department	44
12	Issuance of clearance certificates to the institutions, which provide security services, for the renewal of annual licenses	22

IV. Ensuring a healthy and hazard free work environment for employees

- Ensuring Occupational health

According to the provisions of the Factories Ordinance in force, health and occupational safety of employees is a legal obligation of the employer and the right to work in a safe environment is a fundamental right of the worker.

- Conducting examinations regarding the health safety of work places

The Department conducts environmental quality supervision, biological supervision and sound tests with a view to find whether there are possibilities for health issues / accidents at work places. Accordingly, activities carried out during year 2020 were as follows.

Table 2-7 Activities conducted for inspecting occupational health measures in workplaces - 2020

S. No.	Programme / Activity	Physical Progress
1	Environmental measurements	178
2	Biological tests	1,925
3	Occupational safety and health audits	183

- **Providing knowledge required for the maintenance of health safety at work places and conducting awareness programmes**

Programmes are conducted covering both employers and employees regarding the health safety of the workplace. Accordingly, 137 such awareness programmes were conducted during year 2020 by the Department of Labour.

- **Issuance of the decisions of Medical Boards**
16 decisions were given conducting Medical Boards for the applicants, who apply for the contributions of Employees' Provident Fund on medical grounds.

- **Ensuring accident - free work environment**

The danger of physical injuries and even death exists for workers in factories due to electricity, heat, air pressure, excessive light or sound and minimizing such accidents is one of the primary responsibilities of the Department of Labour

10 District Factory Inspection Engineers' Offices have been established covering all

over the country and accordingly, qualified engineers perform this task by way of inspecting factories.

- **Registration of new factories**

Whenever new factories are established or applications are made for registration of factories, inspections are carried out to verify whether required standards have been followed and further instructions are given to make necessary rectifications, if necessary. Then registration is done if required standards and prescriptions have been followed properly. The total number of factories, which have been registered at the Department by the end of 2020, is 31,833. 738 factories, which were registered during this year, are also included in the above.

- **Examination of building plans and certification**

When constructions works are carried out for the buildings of factories, inspections are made to verify whether they are in consistent with the Factories Ordinance and accordingly necessary certifications are made. Therefore, 106 building plans were examined and certified during year 2020.



Image 2-3 Handing over safety handbooks to Hon. Minister

- **Conducting factory inspections**
All the factories situated within the respective area are constantly inspected and accordingly action is taken to provide necessary instructions identifying in advance the possible risk situations. Accordingly, 2,130 factories were inspected during year 2020.
- **Investigations on accidents and hazardous events**
During the year 2020, 71 fatal accidents and 1,116 non-fatal accidents have been reported to the Department. By identifying the reasons for accidents, consequent to investigations into all such fatal and serious non-fatal accidents, awareness were created to prevent recurrence of such accidents. Further, 70 cases were filed against employers which accidents have violated the Factories Ordinance.
- **Regulation on the inspections of high risk machines**
Actions are taken to get the high risk machines checked, which are used in factories including steam boilers, steam receivers, air receivers, hoists, escalators, for which inspection reports should be obtained. Accordingly, 9,034 such inspections were conducted during year 2020.
- **Conducting awareness programmes**
Particulars of the workshops conducted during year 2020, considering the enhancement of the awareness of both employee and employer and the implementation of laws and regulations in the improvement of occupational safety and health as a priority work, are as follows.

Table 2-8 Awareness workshops conducted for improving occupational safety and health - 2020

S. No.	Relevant Division	No. of programmes conducted	No. of beneficiaries participated
01	Construction	06	850
02	Apparel	09	600
03	Other products	06	350
Total		21	1,800

- The victims of occupational accidents and illnesses are directed to the Office of the Commissioner for Workmen's Compensation and Shrama Wasana Fund
- Actions were taken to grant compensations to the affected persons and their dependents referring 237 accidents, which were reported during year 2020, to the Commissioner for workmen's Compensations
- In addition to the above, action was pursued to refer the details of 71 school children of victims' families to the Shrama Vasana Fund to have scholarships offered to them
- **Commemoration of World Safety Day and National Occupational Safety and Health Week**

The National Conference held annually by the Department of Labour to commemorate the World Safety Day, which falls on 28th April every year, could not be held in 2020 due to COVID - 19 pandemic. Under such circumstance, National Occupational Safety and Health Week could also not be held but necessary actions were taken to telecast the documentary under the title 'Api Yanne Koi Paare' from 7.00 p.m. to 7.30 p.m. on 20.12.2020 by National Rupavahini for the promotion of occupational safety and health.

Further, action was taken to distribute 1,900 manuals and 19,800 leaflets and posters in due course for the promotion of occupational safety and health.

V. Safeguarding the occupational rights of women and young persons and eliminating child labour

One of the primary responsibilities of the Department of Labour is to promote productive contribution of women's labour by enforcing labour laws covering women at workplaces and

recommend necessary amendments to such laws by reviewing them periodically.

Similarly, eradicating child labour with the contribution of all stakeholders, enforcing labour legislation applicable to children under 18 years of age and recommending amendments to existing laws to be compatible with prevailing social issues too are key responsibilities of the Department of Labour.

- **Progress in the enforcement of existing laws applicable to employed women, young persons and children**

Table 2-9 Enforcement of existing laws relating to the employment of women, young persons and children - 2020

S. No.	Category	Number	Actions Taken
01	Daily Inspections	123	Daily inspections were suspended due to the COVID - 19 pandemic
02	Night Inspections	66	These inspections were conducted only in first and fourth quarters of the year due to COVID - 19 pandemic
03	Inspections on child labour	132	Files were closed concluding investigations of 104 complaints. Since the cases on the engagement of child labour were revealed in the investigations of 06 complaints, legal action was initiated in this regard
04	Investigations conducted on the complaints received on the service conditions of women	23	Files were closed concluding investigations of 06 complaints
05	Granting approval for engaging women on night shifts	652	Approval for engagement of women on night shifts was granted in the following manner. 631 approvals from district offices. 21 approvals from sub offices. Further, avenues were made for employers to make their requests to the Department of Labour for night shifts online
06	Special group investigations into hazardous forms of child labour	58	290 institutions were inspected and no case on child labour were reported
07	Special group investigations into woman workers	124	607 institutions were inspected
08	Making awareness on labour laws	02	Awareness programmes were conducted on the laws applicable to women and children for the benefit of executive staff of the Department of Fisheries and Aquatic Resources, final year students of the Management Faculty of the University of Colombo

- **Conducting educational and awareness programmes**
- **International Women's Day celebration**

Concurrently to the International Women's Day 2020, a series of group investigations have been conducted covering all over the country to verify whether the women workers in private sector are given maternity leave and time for breastfeeding.

- **Celebrating World Day Against Child Labour**

With the objective of avoiding cases of child labour of Sri Lanka and avoiding the engagement of children in risk works and further, eliminating child labour, celebration of World Day Against Child Labour - 2020 was held at the 10th floor of the Department of Labour on 12.06.2020 on the patronage of Hon. Minister.

At this event the official YouTube channel of the Department of Labour was launched and the manual of Labour Law, Occupational Safety and Health has also been presented as a token. Further, the plaques were awarded to the district offices of Kalutara, Kandy South and Anuradhapura and Sub Office at Naula, which were identified for their prompt intervention in

the effort made to eliminate child labour by way of taking productive and effective action on the complaints on child labour in 2018 and 2019.

- **International Children's Day**

A series of group inspections were conducted related to the fisheries industry in order to celebrate International Children's Day 2020. Accordingly, group inspections were conducted on all multi-day fisheries boats at the harbours, where they were anchored, within a period of 05 days in October 2020 with the assistance of National Child Protection Authority, Department of Probation and Child Care Services and Sri Lanka Police. During these inspections, leaflets on the child labour and engagement of children in risk occupations were distributed among the officers attached to offices dealing with fisheries community with a view to make the awareness in this regard. In the meantime, a poster has also been distributed to display on notice boards.

- **National Steering Committee on Elimination of Child Labour**

The Government of Sri Lanka has pledged to eliminate child labour from the country by year 2022. Accordingly, it is essential to strengthen further collective efforts of all relevant institutions



Image 2-4 Signing MOU with Sri Lanka Girl Guides Association for eliminating child labour

to eliminate child labour and hazardous child labour from Sri Lanka. The Steering Committee on Elimination of Child Labour has been established to assure that the expected targets are achieved by all stakeholders through collective efforts.

Accordingly, the meeting of the National Steering Committee on Elimination of Child Labour was held at the auditorium of the Department of Labour at 04th floor with the participation of 26 officers representing relevant institutions on 20.07.2020.

Further, the meeting of the technical committee was held on 08.12.2020 at the auditorium of the Department of Labour at 04th floor with participation of 11 officers from relevant institutions as per the proposal made at the committee meeting held on the above day.

- **The Department was made its contribution in the following manner for the works done by other Ministries, Departments and Institutions for the safety of youths, women and children**

Labour Officers have participated in 19 meetings of district / regional children development committees conducted all over the country even under the COVID - 19 pandemic and accordingly, the members of such committees have been made aware of the child labour. Further, all the District Secretaries and Divisional Secretaries have been made aware of the International Year for the Elimination of Child Labour – 2021 by the Commissioner General of Labour and a calendar of 2021 has also been distributed.

- **Particulars of other specific programmes**

Programme for zero child labour policy in Sri Lanka - Special inspection series and raids

A series of raids were conducted covering all over the country with the coordination of all district

and sub labour offices with a view to create safe environment to children by way of minimizing child labour and hazardous occupations. Under this arrangement, 14 raids were conducted during the first quarter of the year and 44 raids were conducted during the fourth quarter.

- **Progress of the process for amending the existing legal framework**

The employment of any person under the age of eighteen years in any hazardous occupation has been banned as per the regulations made under Section 20(a) of the Amendment Act No. 24 of the Employment of Women, Young Persons and Children Act No. 47 of 1956. Identifying occupations that could be detrimental to the physical and mental health and safety of persons under the age of eighteen years, the list of hazardous occupations was amended in the year 2018 and action was taken to obtain approval of the Cabinet of Ministers for the draft new “Hazardous Employment Regulations”. Having submitted the draft to the Legal Draftsman’s Department, the Department of Labour also took action to forward its observations thereto.

In terms of the approval of the Cabinet of Ministers to increase the minimum age a child can be employed from 14 years to 16 years, drafts of 5 Acts enforced by this Department have been forwarded to the Legal Draftsman’s Department.

VI. Social Security of the Worker

Employees’ Provident Fund has been established under Employees’ Provident Fund Act No. 15 of 1958 with a view to make path for the employees in private and semi-government sectors of Sri Lanka to enjoy a retirement with sound economic condition. The administration of this fund is entrusted to the Department of Labour and its management is done by the Finance Board of the Central Bank of Sri Lanka. The value of this fund as at 31.12.2020 is Rs. 2,540,438 million and the

active membership of the fund is 18.9 million.

- **Registration of work places in Employment Provident Fund**

All semi-government and private sector institutions covered by the Employees' Provident Fund Act are required to register in the Fund. Accordingly, the number of institutions registered in the year 2020 was 1,453. The number of institutions that credited contributions to the Fund in 2020 was 94,171 and the amount of contributions credited to the Fund was Rs. 125,366.65 million.

- **Registration of members in Employees' Provident Fund**

Registering all employees in the Fund by way of allocating membership numbers, who covered by Employees' Provident Fund Act, is the responsibility of the employer and the Department supervises the process. Accordingly, the number of members registered in the Department during

the year 2020 was 167,352 and as of now there are 2.91 million active accounts in the Central Bank of Sri Lanka.

First notices and red notices are issued for employees who fail to make contributions as stipulated and if such notices are not properly responded to, action is taken to constitute legal action and recovers together with the surcharge and accounts them. During the year 2020, Rs. 5,065 million was recovered by issuing 12,232 first notices and Rs. 3,941 million was recovered by issuing 9,253 red notices.

- **Payment of the benefits of Employees' Provident Fund**

Facilities have been made to avail this service from the Head Office of the Department and 35 district offices, 12 sub labour offices and 10 regional labour offices located across the country and the number of beneficiaries who received benefits in the year 2020 are mentioned below.

Table 2-10 Receipt of applications and forwarding Decision Letters to the Central Bank - 2020

S. No.	Type of benefit	No. of applications received from Jan. to Dec. 2020	Number of Decision Letters were sent from Jan. to Dec. 2020
01	Payment of benefits on retirement having reached the age of retirement	77,815	78,068
02	Payment of benefits to women members who left service upon marriage	17,309	17,325
03	Payment of benefits for leaving service upon full disability	979	992
04	Deceased member benefits	4,137	4,457
05	30% pre retirement benefits	18,674	19,061
06	Payment of benefits upon permanent settlement in a foreign country	1,731	1,733
07	Payment of benefits upon leaving service having received a pensionable post in the public service or the provincial public service	5,517	5,689
08	Payment of benefits to members who left the service due to the closure of a public corporation / board, retrenchment or conversion into a company	29	27

- **Monitoring approved Provident Funds**

117 institutions, which have provident funds approved under Employees' Provident Fund, have been registered as at 31.12.2020 and the total membership thereof is 186,743. The

functioning of such funds including the crediting of contributions and payment of benefits is monitored by the Department of Labour and those institutions which do not function properly are brought under the purview of the Commissioner General of Labour.

Table 2-11 Progress of monitoring approved provident funds - 2020

S. No.	Matter	Value
1	No. of complaints received during year 2020	52
2	No of complaints resolved and files closed during year 2020	40
3	No. of reports on private provident funds monitored by field officers during year 2020	72
4	No. of institutions monitored during year 2020	72

- **Benefits, which have been granted to the members by Employees' Provident Fund**

- **Granting housing loans against the guarantee of the balance of the account of Employees' Provident Fund**

With the objective of uplifting the living standard of members, facilities have been made available to place the balance of the EPF as a security and obtain a housing loan subject to a ceiling of 75%. Accordingly, approval was granted for 6,591 housing loan applications during the year. The amount for which approval was granted was Rs. 3.43 billion.

- **Conducting awareness programmes on Employees' Provident Fund**

With a view to enhance the knowledge and awareness of both employees and employers on Employees' Provident Fund and increase the registration in

EPF, 03 mobile service programmes were held at Rathgamaa, Poddala and Homagama.

- **Further, services provided to the members have been enhanced by way of decentralizing the services, which were so far delivered by the Head Office, to regional offices**

VII. Legal protection for safeguarding the occupational rights of the worker

The Department of Labour enforces a host of legislation for the protection of occupational rights of workmen. Accordingly, Department of Labour takes necessary actions to enhance the relationship between employer and employee safeguarding the rights of employer and employee whilst in the meantime taking legal actions against those who violate the laws, in order to assure that the laws to be enforced by the Department of Labour are implemented all over the country without any discrimination.

Table 2-12 Performance of the court proceedings - 2020

S. No.	Court	Number of cases brought forward in year 2020	Cases concluded during year 2020
1	Supreme Court	114	8
2	Court of Appeal	160	17
3	High Courts	120	30
4	District Courts and Commercial High Courts	216	21

Table 2-13 Cases filed by all District Offices and the cases concluded - 2020

S. No.	Act	No of cases filed	No of cases concluded
1	Employees' Provident Fund Act	2,642	1,383
2	Gratuity Act	1,047	722
3	Wages Boards Ordinance	275	121
4	Shop & Office Employees Act	79	12
5	Industrial Disputes Act	26	14
6	Orders of Labour Tribunals	56	22
7	Termination of employment of workmen Act	0	1
8	Employment of Women, Young persons & Children...	9	3
9	Maternity Benefits ordinance	0	1
10	Budgetary Relief Allowance of workers Act	231	68
11	Approved Private Provident Funds	0	9

VIII. Administration and Human Resources Management

• Administration

Measures are taken to direct the staff at the optimum level in order to achieve the vision and the mission of the Department of Labour. In view of the above, the routing works such as fulfillment of the annual requirement of human resources, confirmation in the service of employees, evaluation of the performance, provision of salary increments, conducting efficiency bar examinations within due time frames, giving effect to the scheme of promotions, and disciplinary activities etc. have been performed efficiently and productively also during year 2020. In

addition to the routing duties mentioned above, following tasks have also been performed during year 2020 in order to make the administration of the Department more efficient.

- Introduction of the Slack Application for the internal communication of the Department
- Issuance health guidelines to all labour offices, district factory inspections engineers' offices all over the country and all the divisions of the head office to avoid the spread of COVID - 19 pandemic
- Issuance personal safety equipment

for the benefit of the offices of the Department

- Introduction of a work shift system for the officers to report for duty during the period of COVID - 19 pandemic

• Constructions

Necessary measures are taken by the Department to ensure facilities to the recipients, who visit the head office and officers of the Department.

Accordingly, infrastructure facilities of the following offices have been enhanced during year 2020.

Table 2-14 Progress of the construction works

Provisions for year (Rs. Mn.)	Planned Projects / activities (Major)	Financial progress as at 31.12.2020 (Rs. Mn.)	Physical progress as at 31.12.2020
22	Construction of the Labour Office, Kurunegala (Fire Protection System)	22	20%
-	Construction of the Labour Office, Ambalangoda	-	Phase II (95%)
53.70	Construction of the Labour Office, Badulla	53.70	Phase I (52%)
19.53	Construction of the Labour Office, Naula	19.53	Phase II (100%)
62	Construction of the Labour Office, Hatton	62	Phase I (62%)

Further, the divisions of the Department have been shifted to the Mehewara Piyesa, which has been opened in the previous year, during year 2020.

• Library, Museum and Information Service

A library is maintained by the Department of Labour with a view to collect subject related information suit to the requirements identified for the enhancement of both employer and employee, expansion of such information depending on the requirements, enhancement of the knowledge of the officers of the Department and the General Public in the field of labour etc.

The library, which consists of more than 180,000 publications in written, printed, audio and visual media, is the only library maintained in the Island in relation to the field of labour. The library maintains services such as lending, reference, photocopy, collection of newspaper articles, index, and interlibrary services etc.

Accordingly, 30 books, 13 local as well as foreign magazines were purchased to the library and 2,870 publications were lent to the members during year 2020. In the meantime, reference services have also been provided to 507 external readers.

Further a museum is also maintained by the Department of Labour in order to preserve the old acts and ordinances, and other documents related to the field of labour. The museum provides a wide picture on the evolution of the field of labour in Sri Lanka from its past up to now.

IX. Financial Management

The Department has taken action to utilize the financial resources, which were allocated to the Department by the annual budget - 2020, efficiently and effectively for the fulfillment relevant objectives in line with the policies of the Government.

Accordingly, the Department has achieved its management goals by way of utilizing 94.6% of recurrent provisions and 93.14% of capital

provisions allocated to the Department from the annual budget in the year 2020.

Table 2-15 Overall financial progress of the year 2020

Recurrent Expenditure	Allocation (Rs.)	2,051,750,000
	Expenditure (Rs.)	1,941,023,284
Capital Expenditure	Allocation (Rs.)	1,053,800,000
	Expenditure (Rs.)	981,560,511

X. Performing the tasks to achieve goals under the supervision of the Department and Human Resources Development

• Performing tasks under the supervision of the Department to achieve the goals

The role of the Planning, Research, Training and Publications Division under the frame work of planning and progress review consists of the tasks such as preparation of the action plan and strategic plan of the Department, preparation of monthly progress reports for the progress review meetings, and provision of data and reports requested by the Ministry of Labour and other Ministries.

The Division performs the tasks such as supervision of the functions of the Divisions of the Department and District Offices and making recommendations for the maintenance progress by way of analyzing the data collected as its supervisory role.

Provision of training required by all the staff of the Department, direction of officers to the training programmes conducted by external institutions, provision of required financial allocations for the degrees and post graduate degrees and ensuring coordination required for foreign training programmes falls under the role of human resources development performed by this division.

A Statistics Division has also been established affiliated to this division and it has been organized to perform the tasks such as obtaining

an understanding on the tendencies of the labour field of Sri Lanka, making policy decisions, identifying the necessity for revising the existing labour laws, acts and ordinances and collecting and analyzing the data for the forecasts of the field etc.

• Supervision of District/ Sub Labour Offices

Action has been taken also in year 2020 to implement the methodology prepared during year 2018 and 2019. Accordingly, the progress of district / sub labour offices has been supervised mainly under following sectors.

- Field investigation and legal activities of Labour Officers
- Process for the recovery of the arrears of the contributions to Employees' Provident Fund and activities pertaining to the payment of benefits of EPF
- Activities connecting to the settlement of complaints on the violation of statutory rights and industrial disputes received to the Department in more effective manner
- General administration of the offices

Accordingly, with a view to measure the progress under above sectors, the goals to be achieved during year 2020 have been determined and further instructions have been given to all Deputy Commissioners of Labour, who are in charge of the regions, regarding the methods to be followed in the achievement of those goals. Further, the responsibility to direct all the district / sub labour

offices within the respective area to achieve the determined goals has been entrusted to the Deputy Commissioners of Labour. The progress achieved by the end of year 2020 is as follows.

- **Field inspections of Labour Officers**

The tasks such as planning the field inspections, obtaining approval for them, selecting institutions, to which priority should be given in field inspections and obtaining approval from Assistant Commissioner of Labour, categorizing the quality of field inspections, submitting reports by Labour

Officers on due date and supervising the efficiency in the implementation of the recommendations made by these reports, have been performed and accordingly, the progress of them is as follows.

Even though a gradual increase is observed in the number of labour inspections carried out during the period from year 2016 to 2019, the number of labour inspections conducted during year 2020 has marked comparatively a lower value due to suspending totally the labour inspections in certain months and restricting inspections in the face of COVID - 19 pandemic in year 2020

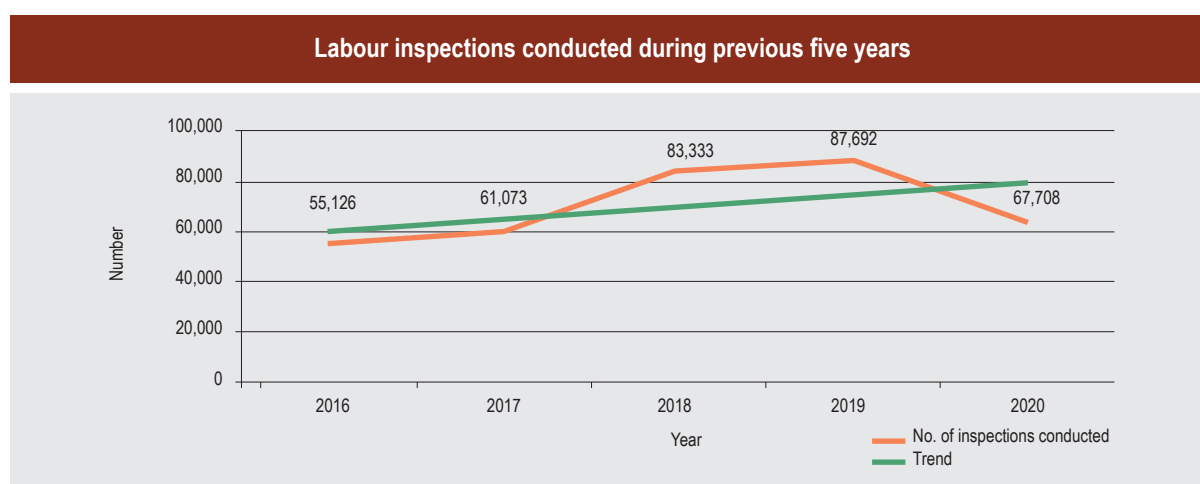


Figure 2-5 Labour inspections conducted during the previous five years

However, when the quality of the inspection reports provided by the Labour Officers are examined, a significant growth is observed in the reports of 2020 comparatively to year 2018,

in which the supervision methodology has been applied. Therefore, the reports A and B with higher quality have been increased from 36% to 79% as per figure 2-6

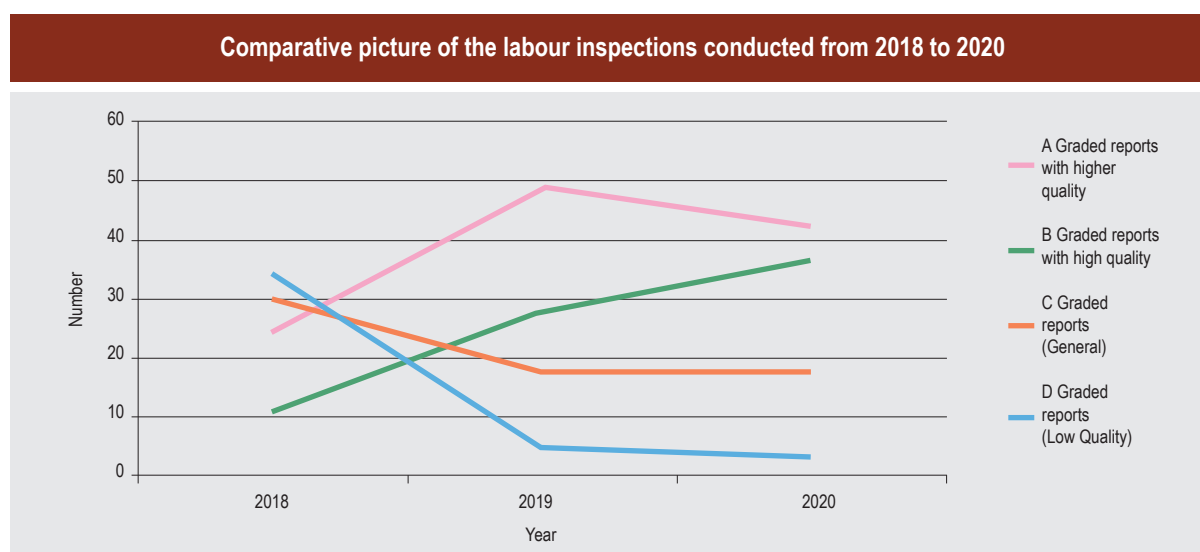


Figure 2-6 Quality of labour inspections – 2018, 2019 & 2020

- **Process for the recovery of the arrears of the contributions to Employees' Provident Fund and activities pertaining to the payment of benefits of EPF**

Action has been taken to identify the reasons for the delay in sending notifications for the recovery of the arrears of contributions to Employees' Provident Fund at the level of each office and officer obtaining information from the supervision system of EPF and accordingly, measures have

been taken to rectify the situation. Further, instructions have been given to recover the arrears of contributions examining the reasons for not sending notifications even after calculation of arrears.

In the meantime, measures have been taken to establish a system for the payment of benefits efficiently by way of identifying and analyzing monthly the number of files received for the payment of benefits and the time taken for the task.

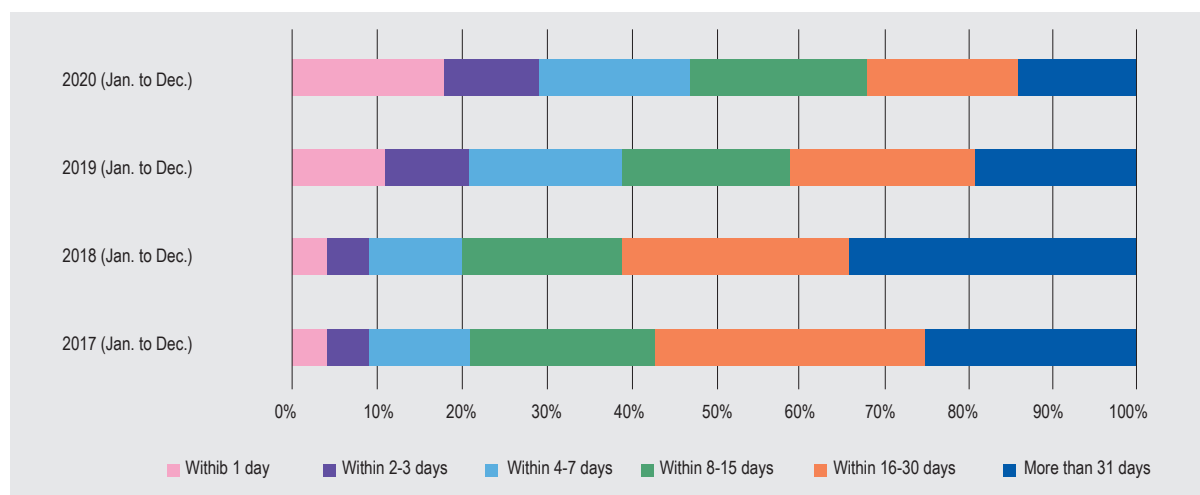


Figure 2-7 Time taken to pay the benefits of Employees' Provident Fund From 2017 to 2020

Accordingly, the percentage of the payment of benefits has marked a growth from 21% to 47% within 07 days by the end of year 2020 comparatively to year 2017.

- **Activities pertaining to petitions**

Necessary instructions and recommendations have been given to identify the methodology applied for setting complaints received to each district and sub labour offices and the files of which the settlement has been delayed.

In the meantime, progress review meetings have been conducted at the level of regions by Deputy Commissioners of Labour for reviewing the progress of all district and sub labour offices. Further, first progress review meeting of year 2020 of the officers in charge of regional offices has been conducted applying SLACK programme

under the leadership of the Commissioner General of Labour. In the meantime, action has been taken to inform the officers on the future activities of the Department conducting a meeting chaired by Hon. Minister.

- **Human Resource Development**

Capacity development of the officers, along with the knowledge of the officers of Department in their role and their understanding for the intervention practically, is one of the most essential activity, which is required to enhance the quality of the service delivered by the Department.

Therefore, the Department satisfies these training requirements by way of providing relevant training with the identification of the training needs of officers, providing necessary financial allocations for the courses conducted by

external educational institutions, and providing required financial allocations for foreign training

programmes, whenever they are available, whilst coordinating the process.

Table 2-16 Training programmes organized and conducted by the Department for the officers - 2020

S. No.	Programme	No. of programmes conducted	No. of officers participated
1	Induction training for Development Officers newly recruited and Management Assistants	02	97
2	Training programmes on EPF related activities	02	68
3	Training programme for Arbitrators	01	78
4	Online workshop conducted under the sponsorship of International Labour Organization	02	40
Total		07	283

Table 2-17 Allocation of provisions to officers of the department for trainings conducted by external training institutes - 2020

S.No.	Programme	No of officers to whom provisions were granted
1	Post graduate degrees	12
2	Certificate courses and workshops	10
Total		22

Table 2-18 Overall expenditure for capacity development activities as at 31.12.2020

Vote	Provision for the year 2020 (Rs)	Expenditure as at 31.12.2020 (Rs)	Balance as at 31.12.2020 (Rs)	Expenditure as a percentage of provisions
221-01-01-2401	100,000.00	92,725.00	7,956.00	92.73%
221-02-02-2401	200,000.00	200,000.00	0.00	100.00%
221-02-03-2401	200,000.00	200,000.00	0.00	100.00%
221-02-04-2401	500,000.00	492,394.00	7,606.00	98.48%
Total	1,000,000.00	985,119.00	15,562.00	98.51%

- Applying information technology for service delivery**

With the objective of ensuring an efficient service delivery to the recipients, the Department of Labour has paid thorough attention for the enhancement of facilities for delivery of service with the application of information technology. At present the system for the supervision of Employees' Provident Fund has been connected with the computer system

of EPF at Central Bank of Sri Lanka by the Department. Further, LISA (Labour Inspection System Application), which has been prepared for combined labour inspections, collection of data on the complaints made by employees and cases filed, making studies on the level of investigations in the institutions and possible improvements as well as taking management decisions are in operation since year 2015. However, further improvements should be made to LISA.

Further, SLACK application has also been introduced in year 2020 for internal communication of the Department and this application has facilitated the maintenance of office functions promptly and minimizing paper works. In the meantime, it makes facilities for officers to perform their works more efficient manner when work from home system is applied.

In addition to the above, the documents and information required to maintain

service delivery to the recipients, such as specimens of applications, labour laws and acts, ordinances, decisions of Wage Boards, which should be considered by employers, etc. have been uploaded to the website of the Department with necessary updating and therefore, needy people can download such documents without any obstacle. Accordingly, the services delivered by the Department during year 2020 through its website are as follows.

Table 2-19 Services provided by the department through its website - 2020

S. No.	Input	Service	Target group
01	Website of the Department	Uploading information enabling their downloading • All the specimens (Including application for clearance certificate for security services) • Statistical information (Labour Statistics, Annual Employment Surveys, Covid – 19 survey report - May 2020 etc.)	Internal and external clients
02	Website of the Department	Updating information uploaded in the website • Services delivered by the Divisions of Head Office • Contact details of all the labour offices	Internal and external clients
03	Website of the Department	Publication of information • Media brief • Foreign scholarships • Calling for bids • Training programmes • Schemes of recruitment • Labour acts and ordinances, gazette notifications • Circulars of the Department • Order of Seniority of the officers of Department • List of active trade unions • List of authorised persons holding certificate under Factories Ordinance issued by the Commissioner General of Labour	Internal and external clients

04	Website of the Department	Publication of notifications of the staff • Information and results of open and limited competitive examinations • Notifications on efficiency bar examinations and applications • Particulars of transfers	Officers of the Department
05	Website of the Department	Providing opportunity to reserve a time for submitting online the application for active payments of Employees' Provident Fund	Internal and external clients
06	Website of the Department	Providing opportunity for submitting online the application to obtain approval for engaging women in night shifts	Internal and external clients
07	Slack application	Applying SLACK application as a means of internal communication of the Department when performing duties under work from home method due to COVID - 19 pandemic	Officers of the Department
08	Meet video conference facility	Providing video conference facilities when work from home method is applied, to conduct necessary discussions due to COVID - 19 pandemic (during the year, 15 video conferences were conducted)	Officers of the Department
09	Official YouTube channel of the Department	18 videos have been uploaded in the official YouTube channel of the Department regarding the labour laws, acts and ordinances implemented by the Department of Labour, services provided by Department, the offices where such services are available, links for downloading required documents, instructions for the completion of applications correctly, institutions established affiliated to the Ministry of Labour and their role	Internal and external clients

• Activities pertaining to statistics

The tasks such as obtaining a sound understanding on the tendencies of the labour field of Sri Lanka, making policy decisions, identifying the requirement for revising existing labour laws, acts and ordinances, collecting and analyzing data pertaining to the field for the purpose of forecasting are performed by Statistics Division under the Research, Training and Publication Division of the Department.

Accordingly, following tasks have been performed during year 2020

- Preparation of Labour Statistics 2018 (Annual Report) and submission for the approval of the Publication Committee of the Department
- Completion of the tables prepared for Labour Statistics - 2019
- Collection of information for the survey of worked hours and labour cost of 2020 by way of posting schedules to relevant institutions
- Provision of data for the "Sri Lanka Labour Gazette"

- Feeding data to the data base which has been created for computerizing particulars of new registrations in Employees' Provident Fund
- Preparation of salary indicators monthly for relevant periods as per Wages Boards and submission of such information to the Central Bank of Sri Lanka

XI. Internal Audit

As all other public sector institutions, the Department of Labour too has to exercise all its activities in terms of Financial Regulations, circulars issued from time to time by the government and circulars issued by the Department. The supervision whether such activities are carried out with gainful resource

utilization and transparency at an optimal level is under the direct supervision of the Commissioner General of Labour. Accordingly, the activities carried out in the year 2020 are as follows

- As per the audit plan prepared in 2020 by the Internal Audit Division in respect of the year, 07 internal audit inspections were conducted covering district labour offices, and the divisions of the head office
- 12 audit queries issued by the Government Audit Division after inspecting various offices of the Department were answered
- During the year, 03 quarterly Audit & Management Committee meetings were held



Image 2-5 Obtaining assistance of Girl Guides for eliminating child labour

2.2.2 National Institute of Labour Studies (NILS)

2.2.2.1 Introduction

National Institute of Labour Studies was formally established on 11th September 2007 and was legally incorporated by the Parliament by the National Institute of Labour Studies Act, no. 12 of 2010. The institute is governed by a Governing Council consisting of tripartite stakeholders of the labour sector. i.e. employers, employees and public officials. This institute performs the tasks such as designing and implementing the training and educational activities, which are required to create a productive and formidable workforce with sound knowledge on labour legislation and regulations.

Vision

Industrial peace and harmony for socioeconomic development of Sri Lanka

Mission

To facilitate tripartite constituents to develop and maintain productive labour relations through education, research and training

2.2.2.2 The Duties Performed

a. Training activities

The National Institute of Labour Studies conducts diploma courses on Labour Law, Labour Relations and Human Resources Management with the intension of expanding the knowledge, skills and attitudes of the employees. In addition to the above, it conducts short term courses and certificate courses in relation to labour studies.

In the meantime, 09 Functional Analysis Workshops were conducted by the Institute with the participation of resource persons, who are the experts in different fields, in order to obtain the recognition at NVQ level 5 (National Vocational Qualifications) for the diploma courses on Labour Law, Labour Relations and Human Resources Management. Further, the modules of the Diploma courses on Labour Law, Labour Relations and Human Resources Management have also been updated. Arrangements have also been made for conducting all training programmes online in the face of the challenge of COVID - 19 pandemic and this arrangement paved way for the institute to earn income continuously.

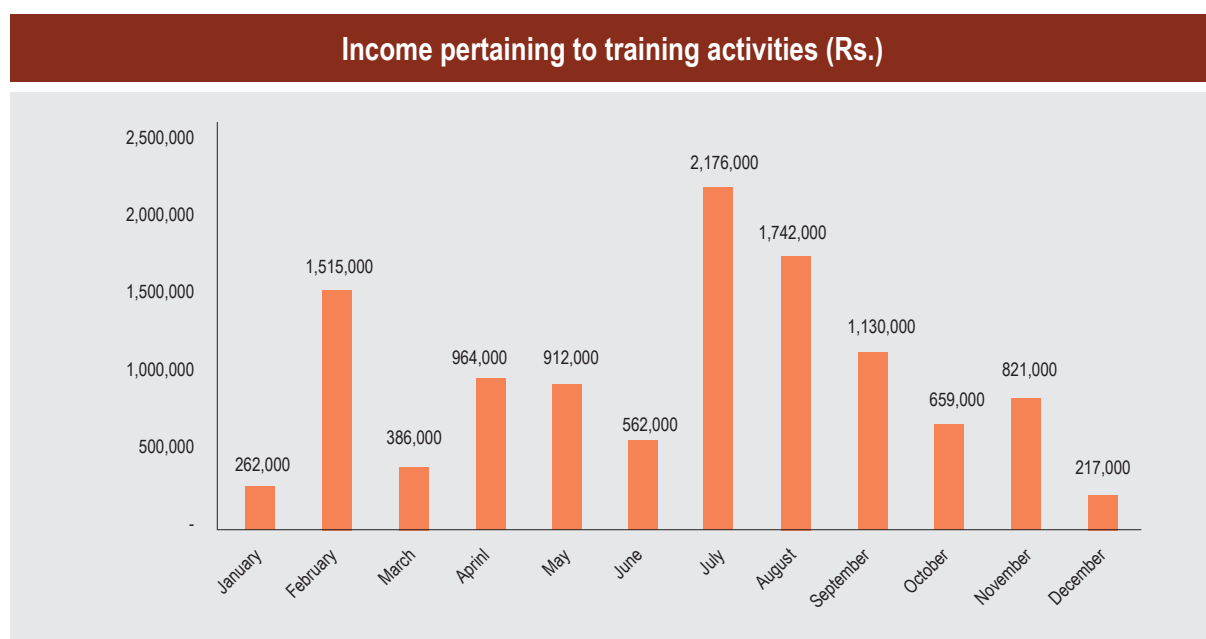


Figure 2-8 Income from training activities (NILS)

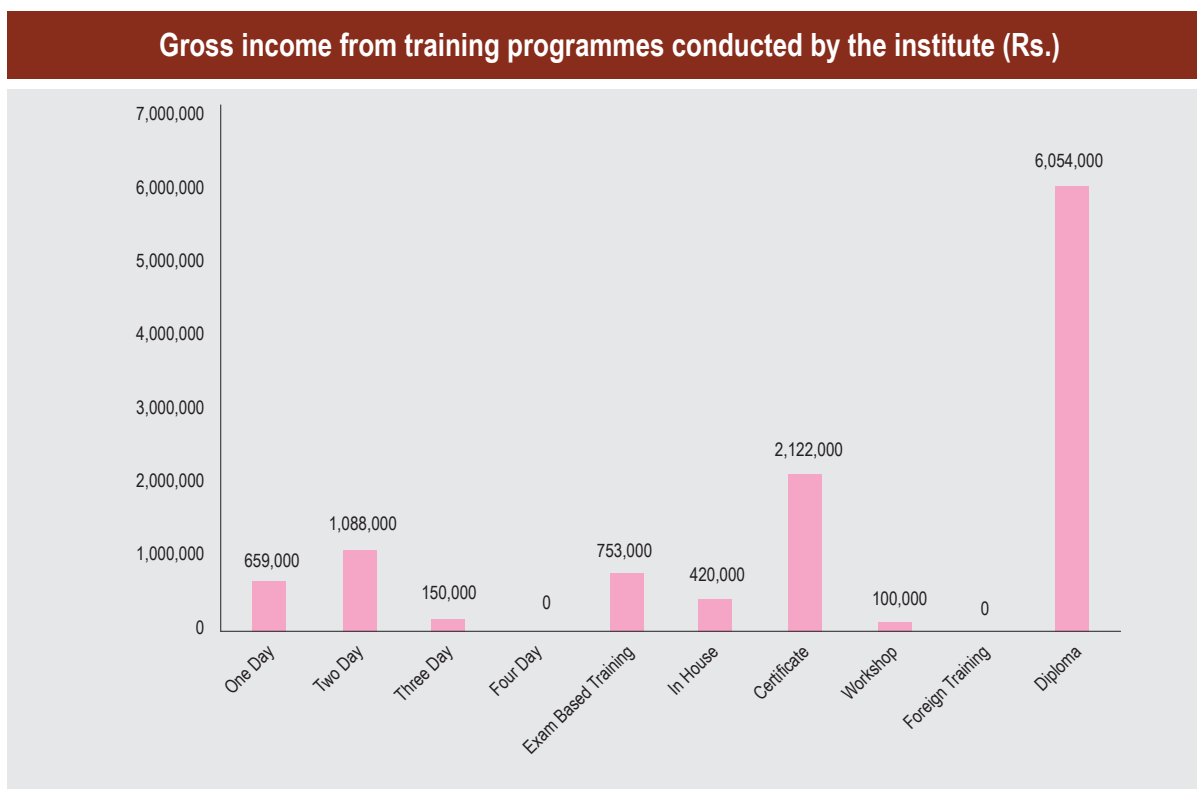


Figure 2-9 Gross income from training programmes (NILS)

b. Activities pertaining to examinations

Since year 2011 the National Institute of Labour Studies shoulders the role of performing examinations for recruitments, efficiency bar examinations and examinations for evaluation and promotions depending on the requirements of corporations affiliated to the Government, statutory institutions and institutes of private

sector. Accordingly, the Institute has conducted 21 examinations even amidst the situation arisen due to COVID - 19 pandemic. National Institute of Labour Studies is dedicated to provide prompt service delivery to its recipients ensuring confidentiality. Accordingly, 21 examinations were conducted during the period from 01.01.2020 to 31.12.2020 and the income earned from this process is Rs. 3.03 million.

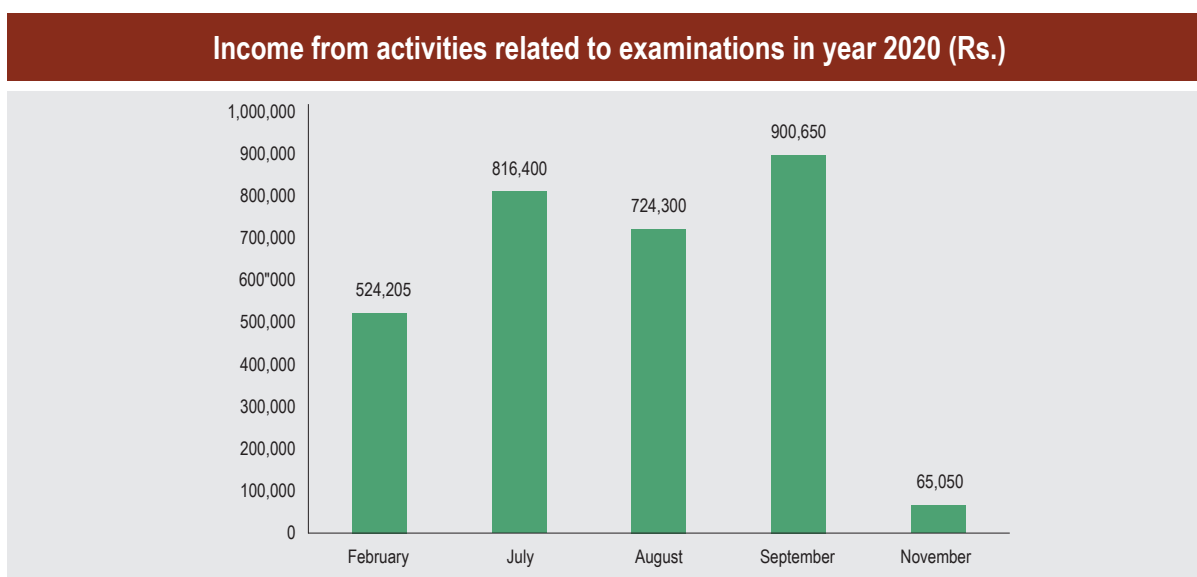


Figure 2-10 Income from examination activities (NILS)

c. Research, publications and project activities

With a view to achieve the objectives of the National Institute of Labour Studies, a separate division for research activities has been established in July 2020.

● Research Symposium

Plans have been made to hold a research symposium in year 2020 and accordingly, abstracts of the researches have been called and complete research reports have been called from researchers selected after analyzing their abstracts. Further, arrangements are made to conduct the symposium online on 15th March 2021 to present the submissions under the theme "Women at Work" which is the symposium relevant to year 2020. This phase for submission has been organized for the researchers of 10 research papers selected for the last time. This event will be held through ZOOM technology with the participation of nearly 50 persons. Therefore,

plans are now being prepared to publish these research papers in the form of a book and E-book.

● News Bulletin

This new bulletin is published with a view to promote the business activities of the institute. It is expected to make the public, semi government and private sectors aware of the future programmes of the institute. Therefore, action is being taken to publish this news bulletin in the website of the institute as two e- publications per year.

Research report to be prepared in association with the Action Learning Project of the students, who have completed their diploma courses in year 2020. For this purpose, the Action Learning Projects of the students, who have secured the highest marks, have been selected. Writing of research papers in relation to the above is now in process. It is expected to publish selected articles in the website of the institute.



Image 2-6 Organising activities of the research symposium

2.2.3 National Institute of Occupational Safety and Health (NIOSH)

2.2.3.1 Introduction

The National Institute of Occupational Safety and Health (NIOSH) was established as an institute affiliated to the Ministry of Labour and Labour Relations by the National Institute of Occupational Safety and Health Act No. 38 of 2009. The institute is committed for the prevention of occupational accidents and occupational diseases through sound health and safety measures and ensuring a decent work environment for every worker through adherence to correct safety measures and methods and the institute provides education and training for any employer of employee willing to gain benefits from such training.

Vision

Occupational Safety, Health & Welfare for all

Mission

To empower tripartite partners through education, trainings, research, and other relevant interventions for preventing and controlling all forms of work - related hazards to ensure safety, health and welfare at work places

Programs and activities of National Institute of Occupational Safety and Health

- Diploma courses on Occupational Safety and Health
- Certificate courses on Occupational Safety and Health
- Higher Certificate Course on Occupational Safety and Health of Plantation Sector
- Programme for training of Boiler Operators
- Work study programme on industries
- Training nurses in the industrial sector
- Occupational safety and health for hospital staff
- Occupational safety and health for office staff
- Occupational safety and health in laboratories
- Safe use of chemical substances
- Occupational safety and health for food handlers
- Training program on stress management

2.2.3.2 The Duties Performed

a. Main programmes conducted up to 31.12.2020 and physical and financial progress of those programmes

Table 2-20 Physical and financial progress of the institute (NIOSH)

S. No.	Course	Number of courses conducted	Number of participants	Financial progress (Rs. Mn.)
01	National Diploma Course on Occupational Safety and Health	02	105	10.43
02	National Certificate Course on Occupational Safety and Health	01	65	3.02
03	06 days workshop for the constructions field - For the employees of Access Engineering Institute	01	62	0.93
04	Confine Space- one day programme	01	15	0.07
05	Safe Handling Hazard Materials - one day programme	01	15	0.06
06	Basic Course on Occupational Safety and Health *	01	25	-
07	Route Cause Analysis - one day programme	01	26	0.13

- * - A course was conducted selecting 25 students all over the country, who have passed in G.C.E. O/L examination, free of charge with the collaboration of Holcim Ltd and Access Engineering Institute.

Even though it has planned to conduct following programmes during the year 2020, permission of the health authorities could not be obtained to conduct them due to COVID - 19 pandemic.

- One day awareness workshop on occupational safety and health for apparel industry
- One day internal workshop on occupational safety and health
- One day workshop on ISO 14001 standards
- One day workshop on safety for supervisors

- One day workshop on the usage of chemicals
- Two days workshop on the field of electricity safety
- Awareness programmes on occupational safety - For media personnel, students and trade unions
- Conducting a course on occupational safety for TVAC institute

Measurements and reports on work environment are issued by National Institute of Occupational Safety and Health. Surveying the quality of air, measuring the concentration of gases, surveying the level of dust of factories, assessing sound and noise levels and monitoring heat levels are carried out under this process. Number of the environmental surveys, which were conducted during year 2020, are as follows.

Table 2-21 Number of environmental surveys conducted (NIOSH)

Serial No.	Environmental Surveys	Number of surveys
1	Sound	1,591
2	Light	2,160
3	Heat levels	1,458
4	Dust	1,219
5	Air (Emission)	270

The institute has earned Rs. 12.76 million during year 2020 through these activities and 103,850 employees in 189 institutions have gained benefits accordingly.

b. Programme for the small scale industrialists in order to enhance occupational safety

This programme has been commenced in October 2020 as a special programme with the financial grants of International Labour Organization. Under this programme, action has been taken to ensure the safety of entrepreneurs in small scale industries, provide solutions for the issues pertaining to their protection due to COVID - 19

pandemic and look in to their financial needs for developing businesses under this situation.

Under the first phase of this programme, data has been collected visiting the business places of such entrepreneurs in small scale industries in the areas of Panadura, Bulathsinhala, Kalutara and Aluthgama of Kalutara district. In the meantime, sanitizers, liquid hand wash, gloves, masks, face shields, hand washing equipment etc. have been distributed along with the posters and leaflets with safety instructions for the prevention of COVID - 19. Further, awareness programmes were conducted with the application of Zoom App and G mail facility.

c. Ensuring service deliveries amidst COVID - 19 pandemic

- An awareness programme has been conducted by National Institute of Occupational Safety and Health for the benefit of school children to communicate safety measure for COVID - 19. Under this programme, they were made aware of the safety measures to be followed at both home and the schools whilst distributing masks and sanitizers
- Guidelines have been issued along with the safety measures under which industries should maintain their industries during the pandemic. These guidelines have been issued in Sinhala medium on the request of all the industrialists. In the meantime, leaflets

containing instructions to be followed for the safety of employees have also been distributed

- With the participation of employees and the management of industries, awareness programmes for the protection from COVID - 19 pandemic have been conducted through internet with the application of Zoom App. In the meantime, relevant parties were coordinated for awareness programmes using e mail and telephone facility
- Awareness programmes have been conducted and leaflets containing health and safety measures, which should be followed in camps, have been distributed among the war heroes who fight at the front against COVID - 19 pandemic for safeguarding the people of the country



Image 2-7 Donating Personal Protection Equipment to the Base Hospital, Homagama

2.2.4 Office of the Commissioner for Workmen's Compensation

2.2.4.1 Introduction

The Workmen's Compensation Ordinance No. 19 of 1934 was enacted to provide for the payment of compensation to workers for accidents caused in the course of employment. The principal enactment was amended on several occasions, the last of which was done by the Act No. 10 of 2005. The Workmen's Compensation Court comprises 14 circuit courts covering the entire Island with the powers of district judge and magisterial powers. The Office of the Commissioner for Workmen's Compensation has 43 positions including the Commissioner for Workmen's Compensation, Additional Commissioner for Workmen's Compensation & Assistant Commissioner for Workmen's Compensation who are judicial officers appointed by the Judicial Services Commission and 1 post of Grade I of the Sri Lanka Accounting Service and 1 post of the Sri Lanka Administrative Service.

Provisions of the Code of Criminal Procedure, Code of Civil Procedure, and Evidence Ordinance are applicable for the workmen compensation court procedure, the appeal procedure is equivalent to that of district court.

Vision

Ensuring employees' satisfaction by making employers to pay compensation speedily for employees in the event of injury or death

Mission

Initiating court proceedings and offering instructions to make employers to pay prescribed compensation for workmen and their dependents

in the event of injury, death or disease whilst being employed

Key Functions

- Activities pertaining to recovery of compensation from employers for accidents, occupational diseases arising out of in the cause of employment in the public or private sector and for dependents in the event of death of workmen. (According to the last amendment, the maximum compensation that can be granted is Rs. 550,000/-)
- Keeping the custody of the compensation entitled to minor dependants of a deceased workman in National Savings Bank until they reach maturity
- In circumstances where the employer defaults the payment of compensation, seizing the movable and immovable property of such employer and sell them in public auction to recover compensation
- Issuance, renewal and cancellation of workmen compensation insurance licenses
- Conducting onsite inspections in event of an accident caused to an employee
- Causing compensation to be recovered for workmen employed in ships and aircraft registered in Sri Lanka for accidents caused outside Sri Lanka



Image 2-8 Discussion with the officials of the affiliated institutions

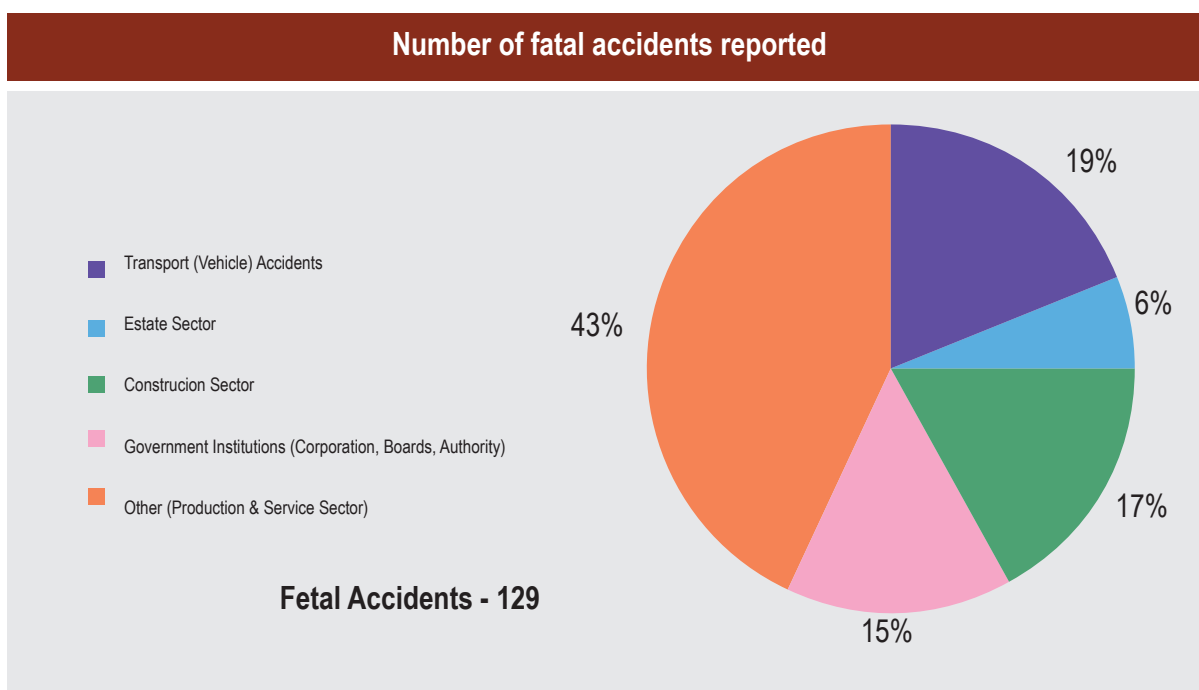


Figure 2 - 11 Number of fatal accidents reported

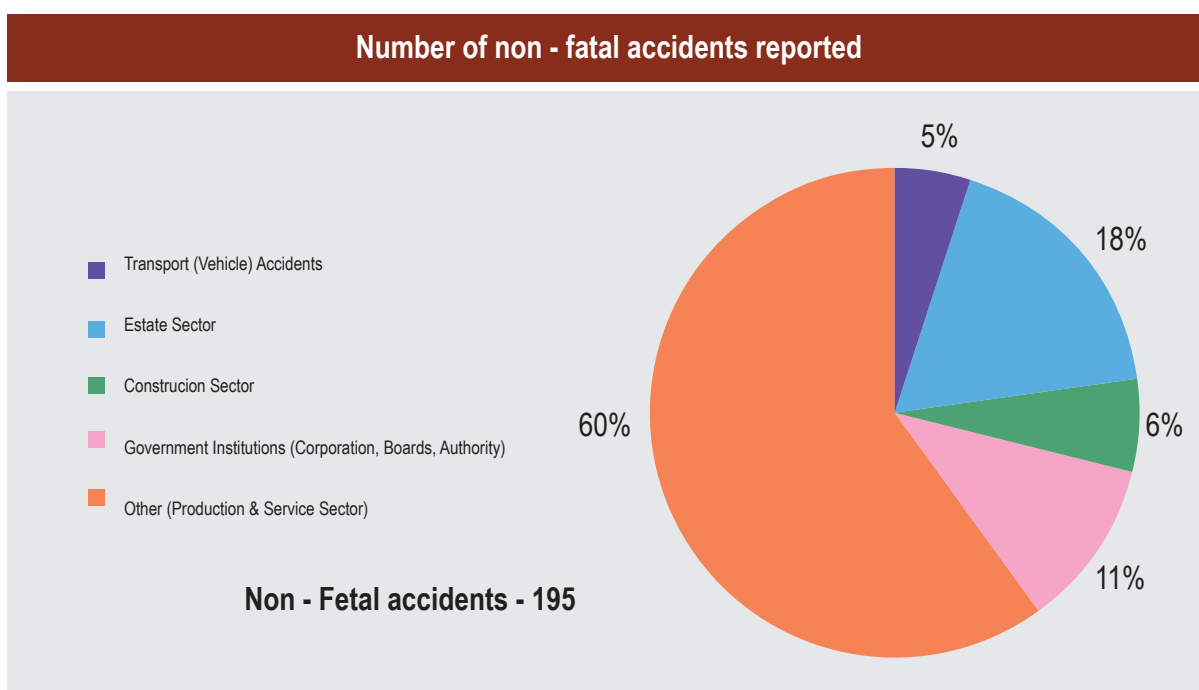


Figure 2-12 Number of non-fatal accidents reported

2.2.4.2 The Duties Performed

a. Progress in the payment of compensation

Table 2 - 22 Progress of the payment of compensation

S. No.	Function	Amount
1	Number of the cases pertaining to fatal and non-fatal accidents, which have been concluded	298

2	Number of the agreements, which have been registered (Pertaining to the compensations paid at non-fatal accidents, with the concurrence of both employer and employee)	87
3	Amounts recovered as the compensation for fatal and non-fatal accidents (Rs. Mn.)	151.7
4	Amounts deposited in the saving accounts of minor dependants (Rs. Mn.)	17.2
5	Number of the accounts opened at banks for minors	80
6	Number of the accounts, which have been released upon minors reaching the age of 18 years	77
7	Amount paid from the minors' accounts, which have been released (Rs. Mn.)	10.4

b. Financial Progress

Table 2 - 23 Financial progress of the Office of the Commissioner for Workmen's Compensation

Description	Total Provision (Rs.)	Expenditure (Rs.)	Expenditure as a percentage
Recurrent Expenditure	33,850,000.00	31,216,502.00	92.2%
Capital Expenditure	900,000.00	411,447.00	45.7%
Total Expenditure	34,750,000.00	31,627,949.00	91.0%



Image 2-9 Awarding scholarships for the children of employees victimized due to accidents

2.2.5 National Productivity Secretariat

2.2.5.1 Introduction

At present National Productivity Secretariat is governed under the Ministry of Labour and various measures have been launched for the enhancement of productivity within Sri Lanka after obtaining membership of Asian Productivity Organization in 1966. National Productivity Secretariat has been established in 1994 and it has resulted in the implementation a speedy mechanism on productivity.

Vision

To be the Centre of Excellence in Productivity Promotion

Mission

To Enable Sri Lanka to Face the International Competitiveness through Promotion of Productivity and Contribute to the National Development and Enhancing Standard of Life

Main functions

- Implementation of productivity promotion programmes aiming at the public, education, community sectors and small scale entrepreneurs
- Implementation of training programmes in relation to the fields of productivity
- Provision of consultancy services for the enhancement of productivity of institutions
- Implementation of programmes joining with Asian Productivity Organization
- Implementation of '5S' certification programme
- Implementation of media and publicity campaigns
- Conducting National Productivity Competition and Prize Awarding Ceremony

2.2.5.2 The Duties Performed

a. Financial Progress

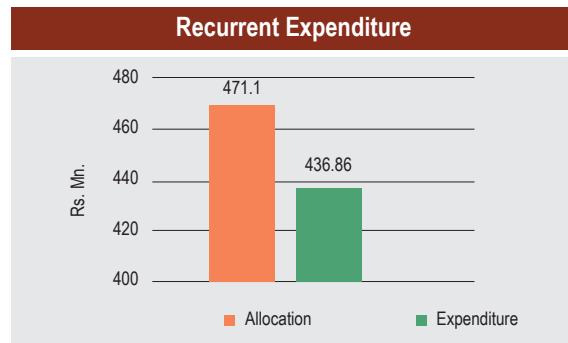


Figure 2 -13 Progress of the recurrent expenditure of National Productivity Secretariat

Since the health and safety measure have to be followed in the face of COVID - 19 global pandemic during 2020, it has to face with certain problematic situations in the performance of subject related activities. Field duties have to be restricted due to the limits imposed on movements and gatherings etc. and further, practical issues were observed in conducting programmes for promotion and consultation. Therefore, a balance of 51.3% was reported in the capital expenditure in year 2020.

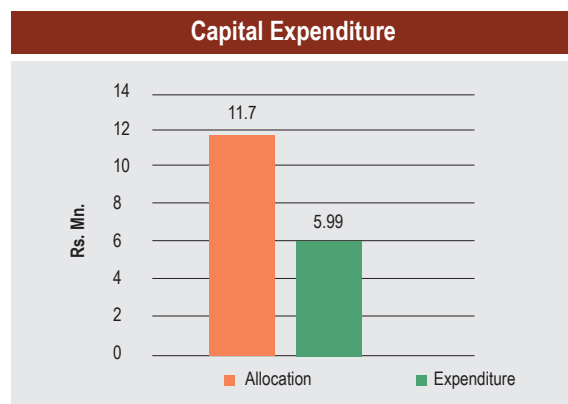


Figure 2-14 Progress in the capital expenses of National Productivity Secretariat

b. Special Programmes

- **Special Programmes conducted under the directions of H.E. the President**

Under the directions of H.E. the President, following productivity promotion programmes have been implemented in the below mentioned institutions for ensuring effective and productive service delivery. Accordingly, necessary enhancements have been made by way of

referring a report to the Management, which contained matters such as preparation of an appropriate methodology to minimize the time spent by recipients at office premises to obtain their services, enhancement of the efficiency and productivity of the institution, analyzing the existing customer service processes in order to make such processes more efficient, conducting a survey on the customers' satisfaction, revision of processes and discussions with higher management and the staff etc.

- Department of the Commissioner of Motor Traffic
- Divisional Secretariat, Thimbirigasyaya
- Outpatient Department (OPD) at National Hospital
- Department of Immigration and Emigration
- Department of Registration of Persons

c. Special Projects

- **Implementing green productivity concept within printing institutes**

A special project for the implementation of green productivity concept within printing institutes have been introduced with the intervention of National Productivity Secretariat for Wijaya Newspapers Limited and State Printing Corporation. This project

has been implemented with the application of Material Flow Cost Accounting in order to achieve the goals such as utilizing resources in efficient manner, minimizing carbon emission and wastage and improving the total productivity of the institute.

- **Conducting programmes for the branches of Bank of Ceylon**

With a view to direct all branches of Bank of Ceylon all over the country to apply productivity concept, productivity promotion programmes have been implemented. These tasks have been carried out without any initial cost and it helps to enhance customer care services through efficient and qualitative services. Future activities of this programme will be carried out in year 2021.

- **Conducting programmes for district labour officers**

Productivity promotion programmes have been implemented in 34 district labour offices in order to ensure qualitative and effective service by way of enhancing the productivity of all the district offices of the country. A large number of recipients visit these offices daily and therefore the existing methods and processes have been



Image 2-10 At Privena Productivity Promotion Programme

enhanced by the audit conducted in this regard.

- **Conducting programmes for Sri Lanka Transport**

A series of special programmes has been conducted during year 2020 in order to maintain all the Depots and Driving Learning Schools governed under Sri Lanka Transport Board all over the country as per “5S” concept and the main objective of this programme is to enhance the quality and effectiveness of services of the institute with the establishment of productive and efficient work environment.

- **“5S” Audit programme**

“5S” audit programme is implemented annually with the objective of establishing proper environment through ensuring “5S” standards within the institutions. Accordingly, “5S” audits have been conducted during year 2020 spending Rs. 386,411.60 in 61 institutions and this programme will be implemented also in year 2021.

- **Certificate course on productivity**

With a view to enhance the productivity of the institutions by way of enhancing the knowledge of public officers serving in Kurunegala, Jaffna, Mannar, Killinochchi, Vavuniya and Batticaloa districts on productivity, a series of programmes has been successfully completed and 250 officers have participated in these programmes. Further, a certificate course on productivity has also been conducted online for the service sector with the participation of 38 persons and this programme has also been successfully completed.

- **Productivity promotion programme for Pirivena management**

Under the national programme for grading pirivenas on productivity identifying combined Quality Indicators for Pirivenas, audit programmes have been concluded in 166 Pirivenas established in Trincomalee, Mathale, Ampara, Polonnaruwa, Anuradhapura, Kandy, and Batticaloa districts joining with the Pirivena Division of the Ministry of Education.

Table 2-24 Progress of the productivity promotion programmes for Pirivena management

S.No.	District	Number of Pirivena, of which the audits activities were finalised
1	Trincomalee	07
2	Ampara	23
3	Mathale	23
4	Polonnaruwa	15
5	Kandy	48
6	Anuradhapura	49
7	Batticaloa	01
Total		166

- **'Pala Sapiri Pirivena' Programme (Pirivenas with maximum productivity)**

This programme has been implemented with the objective of introducing modern productivity concepts to the Pirivena system aiming at the achievement of the goals of Pirivena education. When the Pirivenas were strengthened as per 'Pala Sapiri Pirivena' Concept, this programme has been implemented in 679 Pirivenas in 19 districts belonging to Western, North Western, Central, North Central, Eastern, and Uva provinces.

- **Small scale enterprises development programme**

6,620 small scale entrepreneurs have been selected (20 from each Divisional Secretary's Division) covering 331 Divisional Secretary's Divisions all over the country and accordingly, under the small scale enterprises development programme, efficiency of their service delivery has been enhanced through the application of productivity concept.

During year 2020, the tasks such as identification of entrepreneurs, their categorization as per the nature of the business and registration etc. have been made and further an awareness programme has been conducted on 15.09.2020 for 27 District Coordinators at the premises of National Productivity Secretariat. Future activities of this programme will be carried out in year 2021.

d. Programmes implemented in the Public Sector

Awareness programmes, which are required for the maintenance of qualitative service delivery and efficient work environment under Public Sector, have been conducted with necessary guidelines and further 5S training programmes have been implemented in the following institutions along with methodologies for the enhancement of productivity.

- Office of the Prime Minister
- Office of the Governor of Southern Province
- Ministry of Labour
- Ministry of Higher Education
- Ministry of Defense
- Department of Sri Lanka Police
- Department of Wildlife Conservation
- Department of Posts
- Department of Railway
- All the Divisional Secretariats of Colombo district
- National Institute of Health Science
- Base Hospital, Wathupitiwala
- Defense Division of Sri Lanka Air Force
- National Youth Council
- National Procurement Commission
- Sri Lanka Ayurvedic Drug Corporation
- Department of Textiles - North Western Provincial Council

e. Programmes implemented in education sector

Productivity promotion programmes are being conducted in the following institutions under education sector.

- Institutes of Higher Education - University of Ruhuna, University of Sri Jayawardenapura, University of Kelaniya, Buddhist and Pali University of Sri Lanka
- Zonal Education Office, Kelaniya
- Vocational Training Authority
- Technological Collages
- Selected schools and Pre schools
- Department of Technical Education and Training
- Lalith Athulathmudali Vocational Training Center
- Vocational Training Authority and Vocational Training Center, Narahenpita
- Teachers Training Center, Negambo, Bolawalana Narahenpita and Kelaniya

f. Programmes conducted in service sector

Productivity promotion programmes have been conducted for the following institutes

- Nikado Institute, Kadawatha
- Ceylon Electricity Board, Western Zone
- National Water Supply and Drainage Board
- Road Passenger Transport Authority
- Road Development Authority
- Central Environmental Authority
- National Child Protection Authority
- Department of Government Factory
- National Lotteries Board
- Sirasa Stein Studio
- Shama Vasana Fund
- National Science Foundation
- Savikma Automation Pvt Limited, Kahathuduwa
- Radeeja Holdings, Nugegoda

g. Implementing productivity concepts

within institutes by way of prescribing target values for Productivity Development Officers

Productivity concepts are applied within the institutions by way of prescribing annual target values for Productivity Development Officers, who have been attached to District and Divisional Secretariats. Main objective of this programme is to make the community services efficient through innovations, effectiveness and productive work environment.

Accordingly, the targets prescribed for the

Productivity Development Officers attached to District Secretariats to select one of each institutions listed below to conduct programmes.

- Hospitals
- Offices of the Land Register
- Zonal Education Office
- District Secretariats
- Courts / Police Stations
- Institutions in private sector

The targets prescribed for the Productivity Development Officers attached to Divisional Secretariats are as follows.

Table 2-25 Targets prescribed for the Productivity Development Officers at divisional level

S. No.	Type of institution	Number of the targets
1	Government Institutions	02
2	Pirivenas	01
3	Pre schools	02



Image 2-11 Conducting programmes for the Office of the Prime Minister

2.3 Special Achievements, Challenges and Future Goals

One of the timely responsibilities entrusted to our Ministry is the formulation of legal provisions in consistent with the social and economical conditions, which have been recognized at national and international level, and labour conventions and standards so as to achieve the future progress of the country and create an investment friendly environment in Sri Lanka. Accordingly, the Ministry is bound to amend laws, acts and ordinances, which are in effect at present, to cater present and future work environment and further to ensure the rights of the working people. Attention should be paid also to the facts mentioned below in this regard.

- Vision, mission and the objectives of the Ministry
- Matters, which have been included in the policy manifesto 'Vistas of Prosperity and Splendour' in relation to the scope of the Ministry of Labour
- Tasks and functions entrusted to the Ministry by the Gazette Extraordinary No. 2196/27 dated 06.10.2020 and special priorities
- Sustainable Development Goals, which are related exclusively to the Ministry
- Matters included in the international conventions agreed by Sri Lanka in relation to the field of labour

It is a land mark, which should be highlighted with pride that the Ministry had the ability to present a considerable number of achievements to the labour force whilst maintaining industrial peace even amidst the difficulties made by COVID - 19 pandemic during year 2020. Therefore, the achievements, which have already been made, and the future goals are hereby submitted for the attention of the readers.

Taking necessary actions to avoid the adverse effects caused by COVID - 19 pandemic

- Taking actions to protect the employments, which were in the risk of termination due to the employees' inability to report for duty as they had to follow health guidelines and social distance and safeguarding the employee by way of assuring a minimum monthly salary of Rs. 14,500/- or more

Working people of the country had to undergo numerous hardships in the face of COVID - 19 pandemic. Therefore, 'Tripartite Taskforce', has been established as a subcommittee to the National Labour Advisory Council which is the main mechanism for social dialogue, for safeguarding the rights of the workmen of the country. With the establishment of this mechanism, action has been initiated to ensure the job security of both male and female employees and make precautions with a view to minimize the effect caused to the employees as well as the institutions due to the pandemic. Since it has to maintain social distance with safety measures, the employees had to face difficulties in reporting for duty. This has raised a grave challenge in the maintenance of national production at a steady level and further, assuring the job security of employees has also become a critical issue. Under such circumstance, the Task Force conducted meetings constantly even during curfew periods and thereby it could make successful solutions for the issues to the challenges maintaining a sound understanding with all stakeholders.

This taskforce has provided a tremendous assistance to build credibility among different stakeholders and further to take necessary action before the issue becomes a crisis. Under this circumstance, following concurrences were made at the meetings of the Task Force for the payment of salaries to the employees, who were denied of works due to COVID - 19 pandemic.

- Making agreement between employers and employees of the institutions, of which work processes have been stopped due to COVID

- 19 pandemic, with a view to protect the job opportunities of employees

- Implementation of a duty roster system or any other suitable system at such occasions, where all the staff cannot be called for work due to health guidelines and the social distance rules, in order to assure that every employee receives work on proportionate basis
- Making the employers of the businesses in the fields, which cannot maintain still activities at normal pace due to COVID - 19 pandemic, and the businesses in tourism field, agreed to pay either 50% of the basic salary of the last month or Rs. 14,500/- whichever is higher, up to the month of December 2020 with the prior approval of the Commissioner General of Labour, and to pay salaries from May up to September to the employees retained at home without any duty. Further, it was prescribed to pay the contributions to Employees' Provident Fund and Employees' Trust Fund for the salaries paid in the above manner
- **Safeguarding small and middle scale entrepreneurs, who are adversely affected by COVID - 19 pandemic**

The most vulnerable parties of the COVID - 19 pandemic is the small scale and medium scale entrepreneurs and industrialists. With a view to protect these entrepreneurs and provide knowledge on occupational safety and health for their future progress, workshops have been organized covering Gampaha and Kalutara districts. In the meantime, a large number of programmes have also been conducted joining with International Labour Organization and Non-Government Organizations in order to make an environment to run their businesses without interruption. Further, taking action to extend the loan facilities and other assistances, which

were given to industrialists through banks on lower interest rates in order to settle difficulties in working capital, to the industries in the field.

- **Identifying the precautions, which are necessary to assure the national production at optimum level at such pandemics, which may occur in future**

During the period from April to May, Department of Labour has conducted an online survey on 'Beyond COVID - 19 pandemic: effects of pandemic to the labour market of Sri Lanka'. Further, research papers were called under the theme 'COVID - 19: Labour Issues and Responses' and accordingly, a journal has also been published. Main objective of this measure is the collection of particulars of the institutes in private sector, which were adversely affected by COVID - 19 pandemic, and these particulars would be utilized by the Government for the provision of productive, targeted and well-planned policy responses. Accordingly, 2,764 field institutions in private sector have made their responses online for the survey. Further, the phase 02 of this process is due to be conducted in year 2021.

Increasing the present minimum national wage of Rs. 10,000/- by Rs. 2500/- up to Rs. 12,500/-

When all the legal requirements are satisfied and the approval of the Cabinet of Ministers is obtained to table the bill of the National Minimum Wage Amendment Act at the Parliament and once it is passed by the Parliament, the employer is bound by the Act to pay a minimum salary of Rs. 16,000/- which is the aggregate of the minimum salary of Rs. 12,500/- and budgetary relief allowance of Rs. 3,500/- to engagement of an employee.

Increasing the daily minimum wage of estate worker up to Rs. 1,000/-

All the necessary actions have already been taken to increase the minimum daily wage of estate workers in tea and rubber industries up to Rs. 1,000/- with a view to enhance their life condition.

Increasing the maximum compensation, paid at the termination employment up to Rs. 2,500,000/-

Having taken into consideration the fact that the maximum compensation paid, whenever the employees are removed from service in an unreasonable way and when the employees loss their jobs as a result of closing institutions, is limited to Rs. 1,250,000/- the maximum compensation has been legalized by publishing a notification in the Government Gazette to increase the maximum compensation to be paid to the employees from Rs. 1,250,000/- to Rs. 2,500,000/- on the approval of the Cabinet of Ministers.

Expediting the process for the payment of compensation to employees

Amending the laws in order to place a security in filing writ applications, appeals and motions against the decisions and grants issued under Termination of Employment (Special Provisions) Act and Industrial Disputes Act.

Action has already been taken to table the two bills to the Parliament in order to amend Termination of Employment (Special Provisions) Act and Industrial Disputes Act enabling to initiate legal action only after placing a security at the Commissioner General of Labour, whenever the employers expect to take legal action against an order issued by the Commissioner General of Labour under above Acts or a decision given by a Magistrate Court to give effect to such order or Industrial Arbitration Award or Labour Tribunal Award.

Elimination of child labour in the country

Sri Lanka has now taken many actions to eliminate the child labour in every form including the engagement in hazardous employments. Therefore, action is taken to prepare the road map to create a Sri Lanka devoid of child labour and to identify the fields where child labour is widely seen. Further, measures are taken to implement programmes designed exclusively for the purpose.

- **Raising the minimum age of employment from 14 years to 16 years**

The law has prescribed that children of Sri Lanka should have their education until they reach 16 years of age and it is a right ensured by the law. However, it had become possible to employ legally children over 14 years of age and therefore legal provisions of Labour Laws of Sri Lanka have been amended to restrict child labour.

- **Making the fisheries industry free of child labour**

A series of programmes have been conducted for elimination of child labour obtaining collaboration of the Ministry of Fisheries and institutions under the Ministry. Accordingly, relevant initiatives have been taken with a view to make the field free of child labour.

- **Settling complaints received on child labour without delay**

Action has been taken to make the processes for investigating complaints on child labour, their reporting and taking legal action when cases on child labour are confirmed, efficient through hotline '1929' (Sri Lanka Child helpline) of National Child Protection Authority.

- **Protection of children from hazardous work**

Imposing orders on hazardous works under the Employment of Women, Young Persons and Children Act. The list of hazardous works is prepared to avoid engagement of persons below the age of 18 years in hazardous works. Under this process, a list of 71 hazardous works, in which children cannot be engaged, is submitted and it is expected to propose to prohibit the engagement of them in works such as acting in connection with gymnastic or other risky acting, works in slaughter houses, employments connected with harmful radiation, employments in liquor shops, bars and casino clubs, and production, selling transportation of fire arms etc. Protection of youths between the age of 16-18 years are assured in this way and measures have been made to publish these orders in the Government Gazette promptly.

Increasing the compensation paid for an accident occurs whilst in duty

Increasing the compensation of Rs. 550,000/- up to Rs. 2 million, which is paid under Workmen's Compensation Ordinance, to the persons, who are injured physically, become disabled or demise in the course of their employment.

Provisions have been made to order an employer to pay compensation subject to the maximum limit of Rs. 550,000/- based on the monthly salary of the employee, when an employee / dependent makes a request under Workmen's Compensation Ordinance in connection to the physical damages, disabilities or demise of an employee in the course of employment. Since this amount is not sufficient, approval of the Cabinet of Ministers has been obtained to increase the maximum compensation up to Rs. 2 million. Further, action has been taken to amend the Workmen's Compensation Ordinance No. 19 of 1934 with the inclusion of a provision to the effect that the employer should make contributions to a workmen's compensation insurance scheme for the payment of compensation.

Table 2-26 Maximum limits of existed and proposed compensation

S. No.	Accident	Existed maximum limit (Rs)	Maximum limit proposed (Rs.)
1	Death of an employee	550,000/-	2,000,000/-
2	Compensation paid for permanent disability	550,000/-	2,000,000/-
3	Compensation paid for temporary disability	5,500/-	47,500/-

Vesting a concurrent judicial power in the Commissioner for Workmen's Compensation Labour Tribunals in order to expedite the arbitration process applied on disputes connecting to the payment of workmen's compensation

Office of the Commissioner for Workmen's Compensation intervenes for granting the

compensations to the employees, who suffer physical injuries, become disabled permanently and to heirs of the employee demises due to accidents occur in the course of their employment. Since it takes at present a long time to grant the compensation, it is expected to vest concurrent judicial powers in the chairmen of Labour Tribunals in each area to issue a verdict after hearing cases on workmen's compensation

by way of amending workmen's compensation ordinance and accordingly, the Legal Draftsman has been informed to prepare an amendment bill on the approval of the Cabinet of Ministers. In addition to the above, action has also been taken to update the list of occupational diseases for which compensations are paid, revising it in the meantime.

Introduction of a new Act for occupational safety, employees' health and welfare

Basic legal framework, which is in force in Sri Lanka, on occupational safety and health of employees is found only in the Factory Ordinance imposed before 79 years. It has been identified that the existing legal provisions are not adequate to assure occupational safety, health and welfare in order to avoid the damage and effect caused to employees, community and environment due to reasons such as change in production processes due to enhancement of modern technology, increase in the usage of chemicals etc. Further, action is now being taken to prescribe standards, which are recognized at international level, as national criteria of Sri Lanka, in order to encourage a safe and healthy working environment through activities of service stations and to ensure safety, health and welfare of employees. A draft of a bill, which is required to introduce a new Occupational Safety Act for the purpose of providing guidelines and directions as per new practices, has already been prepared and therefore, action is being taken to obtain approval of the Cabinet of Ministers for the same.

Payment of compensation, had to be paid to the employees due to closing down of Lanka Tractors Limited

Since the Sri Lanka Tractors Corporation, which has been established in year 1972, had to run with loss after its privatization as Sri Lanka Tractors Limited, a request had been made to the Department of Labour to remove 87 employees of the institution in year 2002. Therefore, they

had been removed from service after granting of Rs. 29,321,619/- by the General Treasury for the payment of their arrears of salaries, gratuities and compensations, which has to be paid to them. However, compensation has not been paid to the remaining employees.

The employees, who have lost their employments after serving a long period in Sri Lanka Tractors Limited, have made requests constantly to the Ministry of Labour and Department of Labour for compensation paying attention to the severe economic hardships faced by them for a number of years from year 2002, mentioning that several employees have already demised suffering mental and physical disabilities and other employees are in a vulnerable situation in their old age.

Accordingly, prompt action has been taken by the Ministry of Labour with the intervention of Hon. Minister of Labour to get the provision required for the purpose from General Treasury. As a result of this effort, the Ministry could get a budgetary provision of Rs. 22,006,083.42, allocated for the Department of Labour for the payment of gratuities, salaries in arrears and contributions to be paid to Employees' Provident Fund for 128 employees. Therefore, Ministry could pay the compensation to employees using this provision, which could not be paid for more than 18 years.

Introducing a new Act (Special Provisions) to vest concurrent powers in Magistrate Courts and Labour Tribunals to expedite the hearing of cases on labour issues

At present only the cases filed under Industrial Dispute Act are heard by Labour Tribunals and all the judicial powers under labour laws and ordinances are applied by Magistrate Court. Since it is difficult practically to hear cases on labour issues amidst other criminal cases heard by Magistrate Courts, a tendency is observed in postponing cases on labour issues giving long dates. Under such circumstance, more than

16,000 cases on labour issues are stagnating at Magistrate Courts. Therefore, it has to wait for 5-6 years to grant the statutory rights to employees such as gratuities, contributions of Employees' Provident Fund and arrears of salaries etc. due to this delay in settling cases. The proposal made by Hon. Minister of Labour to the Cabinet of Ministers to vest the powers to settle the cases in Labour Tribunals all over the Island minimizing the adverse effect caused to employees, has been approved by the Cabinet of Ministers and accordingly Industrial Dispute Act (Special Provisions) is now being amended so as to vest concurrent powers in Magistrate Courts and Labour Tribunals all over the Island for hearing cases on labour issues.

Amending Industrial Dispute Act enabling to expedite action taken on private sector employees subjected to disciplinary action or interdicted

Whenever an employee is interdicted, there is no specific provision in labour laws regarding a time frame, in which a decision should be given after conducting a disciplinary inquiry on the charges leveled against such employee. It has been reported that employees interdicted have to face with various economic and social hardships at certain occasions under such circumstances. Accordingly, the proposal made by the Hon. Minister of Labour to the Cabinet of Ministers has been approved to amend Industrial Dispute Act in order to make opportunity to issue a final disciplinary order conducting a disciplinary inquiry within a period of 06 months from the date of interdiction and further to pay him half of the salary during the period of interdiction, if the charge is not fallen under financial fraud. Therefore, amendment bill is due to be tabled in the parliament.

Amending Industrial Dispute Act enabling the representatives, who are not Attorneys At Law, to appear for the cases filed at Labour Tribunals under Industrial Dispute Act

Even though representatives have been given opportunity earlier to appear for employees at Labour Tribunals, it was observed a situation where Chairmen of Labour Tribunals do not allow them to appear for such cases. However, approval has been granted by the Cabinet of Ministers to amend Industrial Dispute Act enabling the representatives, who are not Attorneys At Law, to appear for the cases filed at Labour Tribunals under Industrial Dispute Act and at present action is being taken to amend relevant acts.

Amending Employees' Provident Fund for registering an employee at the Department of Labour within 30 days from the date of recruitment

It is expected to amend orders of the Employees' Provident Fund for making the registration of an employee compulsory within 30 days from the date of recruitment at the Labour Office covering the area, where the service station is located. Even though the employer is bound by the existing legal provisions to provide relevant particulars, no specific time frame has been determined for the submission of such particulars. Under such circumstance, most of employers credit contributions of Employees' Provident Fund to Central Bank of Sri Lanka but employees have to face problematic situations when applying for the benefits due to negligence of employers to register their employees at the Department of Labour filling of ABH formats. Therefore, necessary action is being taken to amend the orders of Employees' Provident Fund to avoid the delay in the registration. It can be treated as the fulfillment of a policy decision indicated in the policy manifesto 'Vistas of Prosperity and Splendour'.

Introducing a SMS service for informing the members of Employees' Provident Fund instantly regarding the contributions credited monthly to the fund

Even though the employer remits properly the monthly contribution for employees to the Employees' Provident Fund, at present no facility is available for the convenience of the employee to verify whether contributions are remitted. However, only the balance of the account is informed to the member by the Biannual Accounts Statement. The inability of the employee to verify within a short period regarding the remittances, has caused various difficulties. However, introduction of a SMS service to facilitate the employee to get information monthly on his / her account will pave way for such employee to initiate prompt action in the case of neglecting the payments by employers paying attention of the Department of Labour. Approval of the Cabinet of Ministers has been obtained in this regard and therefore, necessary action is being taken to introduce new provisions amending the regulations of Employees' Provident Fund.

Amending Employees' Provident Fund facilitating to enter into social security agreements with foreign countries

It is expected to sign social security agreements with relevant foreign countries in addition to the amendment of Employees' Provident Fund for entering into social security agreements with relevant countries enabling the employees serving under Sri Lankan employer in foreign territory to bring back the contributions paid to social security fund of the country, when returning the motherland. Under this, it is required to pay contributions to Employees' Provident Fund of Sri Lanka continually for Sri Lankan employees works under Sri Lankan employer in a country, with which agreement are signed, and further to pay contributions to the social security fund for foreign employees who come to Sri Lanka for working under an employer of his / her country.

Introducing a new act; 'Minimum Age of Retirement Act' in order to extend the minimum age of retirement up to 60 years

No statutory provision is found for determining an age limit for sending employees on retirement in the labour laws, which are existing in Sri Lanka on service conditions, service status, social security and industrial relations of the employees in private and semi government sectors. At present the age of retirement of private and semi government sectors is determined as per the service agreement entered into by both employer and employee or the conditions of collective agreement. Even though the employees in public sector are allowed to serve up to the age of 60 years, employees serving in most of private and semi government sectors are sent on retirement either at 55 years of age or below. At present the life expectation of a person of Sri Lanka is nearly 75 years and therefore the concurrence of the Cabinet of Ministers has been granted to legalize the minimum age of retirement of employees in private sector as 60 years with a view to update the age of retirement of employees in private sector corresponding to the same of public sector. However, it is required to draft a bill for this purpose and to submit it for the approval of the Cabinet of Ministers. In the meantime, it can be treated as fulfillment of a policy decision included in budget proposals and the policy manifesto 'Vistas of prosperity and splendour'.

Stability of the employment of the employee along with new trends of the world

Action will be taken to make the background to secure the wellbeing, protection and convenience of the employee arriving at policy decisions, which are required for the progress of the workers, after analyzing information obtained from the researches by way of paying attention to the changes occur in the sectors such as nature of the employments, duration of work time, required number of workers, employments generated and their conditions, to which workers have to face, within the existing fields of business as per the new technological and scientific inventions.

Further, research papers have been called in year 2020 in order to collect information on the new inventions revealed by the research works conducted on the issues faced by the employees and industries under COVID - 19 pandemic and the ways of finding solutions for them and accordingly, a journal is now being printed under the theme 'COVID - 19: Labour Issues and Responses'. It expected to use this information as a data source in the formulation of relevant policies for making necessary directions required in the maintenance of production institutes in the face of such national disasters.

Welfare of employees and productivity of the community

Implementation of programmes through following profiles with a view to uplift the life conditions of labour force based on the theme 'productive family' in accordance with the policy manifesto 'Vistas of prosperity and splendour'.

- Economy
- Social order and status
- Education
- Health and security
- Cultural and religious progress

Further, many programmes have been implemented for the enhancement of productivity and simplification of processes aiming at the enhancement of efficiency of institutions, which provide directly services to employees.

Enhancing the efficiency in the delivery of service

• Supply of instant services through computer systems

Even though computer systems have been used for the functions of Employees' Provident Fund, it has to be developed up to the level for making facilities through internet for all activities from

applying for benefits up to payment of benefits. Accordingly, projects have been commenced for the supply of instant services through computer network system so as to deliver all the services and other works, which are to be ensured without delay, from one counter / place.

• Widening the network of labour offices assuring the convenience of employee

With a view to provide labour offices to the districts, where there are no such offices with required facilities, labour offices are now being constructed at Hatton, Badulla and Kurunegala spending Rs. 600 million and sub labour offices at Ambalangoda and Dambulla have been established spending Rs. 156 million.

Encouraging the employment of women

According to the population ratio of Sri Lanka, the share of women in total population is nearly 51% and 34% out of the above make their contribution in the labour market. In terms of the present provisions of Shop and Office Employees Act, women can be engaged in duties at institutions, except the shops and offices, which have been given special permission, up to 8 p.m. only. However, at present a large number of Back Offices, which provide technological assistances and accounting services for businesses such as Knowledge Process Outsourcing (KPO) and Business Process Outsourcing (BPO) based on information technology, are being established within Sri Lanka. Since the employees, who are in such employments, are required to serve in hours parallel to the time of other countries, it is expected to amend legal provisions of Shop and Office Employees Act making opportunity for women to work in night shifts and thereby to widen job opportunities for women. This can be treated as fulfillment of a policy matter indicated in the policy manifesto 'Vistas of prosperity and splendour'.

Research papers have been called in year 2020 for the research symposium under the theme 'Women at work' in order to identify the issues faced by women at work. Therefore, it is due to be conducted online in year 2021.

Commencement of a pilot programme under community productivity programmes with the objective of providing guidelines of productivity to women engaged in self employments and strengthening women entrepreneurs and thereby

enhancing national productivity and gross national product.



M P D U K Mapa Pathirana
Secretary
Ministry of Labour



CHAPTER THREE

Overall Financial Performance for the Year ended
31st December 2020

Statement of Financial Performance

3.1 Statement of Financial Performance for the period ended 31st December 2020

Budget 2020	Note	Actual		ACA -F
		2020 (Rs.)	2019 (Rs.)	
- Revenue Receipts		-	-	
- Income Tax	1	-	-	ACA-1
- Taxes on Domestic Goods & Services	2	-	-	
- Taxes on International Trade	3	-	-	
- Non Tax Revenue & Others	4	-	-	
- Total Revenue Receipts (A)		-	-	
- Non Revenue Receipts				
- Treasury Imprests		597,229,588	296,458,000	ACA-3
- Deposits		145,447,356	247,750,937	ACA-4
- Advance Accounts		10,393,617	12,290,943	ACA-5
- Other Receipts		28,682,525	6,527,260	
- Total Non Revenue Receipts (B)		781,753,086	563,027,140	
- Total Revenue Receipts & Non Revenue Receipts C = (A) + (B)		781,753,086	563,027,140	
Less: Expenditure				
- Recurrent Expenditure				
472,840,000 Wages, Salaries & Other Employment Benefits	5	448,056,510	80,864,955	ACA-2(ii)
149,210,000 Other Goods & Services	6	127,232,243	89,772,765	
55,050,000 Subsidies, Grants and Transfers	7	54,723,510	37,237,277	
- Interest Payments	8			
50,000 Other Recurrent Expenditure	9		74,841	
677,150,000 Total Recurrent Expenditure (D)		630,012,263	207,949,838	
Capital Expenditure				
3,650,000 Rehabilitation & Improvement of Capital Assets	10	3,007,462	664,006	ACA-2(ii)
2,950,000 Acquisition of Capital Assets	11	2,078,047	91,029,172	
2,200,000 Capital Transfers	12	2,200,000	4,657,937	
- Acquisition of Financial Assets	13	-	-	
11,500,000 Capacity Building	14	6,023,249	867,218	
4,800,000 Other Capital Expenditure	15	4,465,785	13,860,467	
25,100,000 Total Capital (E)		17,774,542	111,078,800	

Main Ledger Expenditure (F)	156,322,821	260,155,253
Deposit Payments	151,093,603	243,426,324 ACA-4
Advance	5,229,218	16,728,929 ACA-5
Payments		
Total Expenditure G = (D+E+F)	804,109,627	579,183,891

- Imprest Balance as at 31 st December 2020 H = (C-G)	(22,356,541)	(16,156,752)
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3.2 Statement of Financial Position as at 31st December 2020

ACA-P

	Note	Actual 2020 (Rs.)	2019 (Rs.)
Non Financial Assets			
Property, Plant & Equipment	ACA-6	582,687,237	575,898,787
Financial Assets			
Advance Accounts	ACA-5	55,524,372	60,688,772
Cash & Cash Equivalents	ACA-3		
Total Assets		638,211,609	636,587,559
Net Assets / Equity			
Net Worth to Treasury		38,779,611	38,349,015
Property, Plant & Equipment Reserve		582,687,237	575,898,787
Current Liabilities			
Deposits Accounts	ACA-4	16,474,737	22,120,984
Imprest Balance	ACA-3	270,024	218,773
Total Liabilities		638,211,609	636,587,559

Detail Accounting Statements in above ACA format Nos. 1 to 58 presented in pages from 7 to 57 and Notes to accounts presented in pages from 58 to 70 and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.


 Chief Accounting Officer
 Date : 30th June 2021
M P D U K Mapa Pathirana
 Secretary
 Ministry of Labour
 7th Floor, "Mehewara Piyesa"
 Narahenpita
 Colombo - 05


 Accounting Officer
 Date : 30th June 2021
J. A. D. S. Nishamini
 Chief Accountant
 Ministry of Labour
 6th Floor, "Mehewara Piyesa"
 Narahenpita,
 Colombo 05.

3.3 Statement of Cash Flows for the Period ended 31st December - 2020

	ACA-C	
	Actual	
	2020 (Rs.)	2019 (Rs.)
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit		
Non Revenue Receipts	28,682,525	6,527,260
Treasury Receipts	628,523,532	296,458,000
Total Cash generated from Operations (a)	657,206,057	302,985,260
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	612,095,558	189,683,214
Subsidies & Transfer Payments	11,200,000	20,667,239
Other heads	2,134,705	
Finance Costs - Imprest Settlement to Treasury	31,293,944	-
Total Cash disbursed for Operations (b)	656,724,207	210,350,453
NET CASH FLOW FROM OPERATING ACTIVITIES (c) = (a) - (b)	481,850	92,634,807
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from on Lending	7,517,242	-
Total Cash generated from Investing Activities (d)	7,517,242	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	6,788,450	90,893,985
Payment of Advances	6,856,889	
Total Cash disbursed for Investing Activities (e)	13,645,339	90,893,985
NET CASH FLOW FROM INVESTING ACTIVITIES (f) = (d) - (e)	(6,128,097)	(90,893,985)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g) = (c) + (f)	(5,646,247)	1,740,822
Cash Flows from Financing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Return of Deposits	145,447,356	
Grants Received	-	-
Total Cash generated from Financing Activities (h)	145,447,356	-

Less - Cash disbursed for :		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings		
Change in Deposit Accounts and Other Liabilities	151,093,603	1,740,822
Total Cash disbursed for Financing Activities (i)	151,093,603	1,740,822
NET CASH FLOW FROM FINANCING ACTIVITIES (j) = (h) - (i)	(5,646,247)	(1,740,822)
Net Movement in Cash (k) = (g) - (j)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4 Notes to the Financial Statements

These financial statements have been prepared based on accepted accounting principles and most appropriate accounting policies are used. Figures in final account, relevant accounting

notes & other accounting information are compared with Treasury accounts and the same is agreed with it.

3.5 Performance of the Revenue Collection

Table 3-1 Performance of the Revenue Collection					Rs. ,000
Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
Nil Report					

3.6 Performance of the Utilization of Allocation

Table 3-2 Performance of the Utilization of Allocation					Rs. ,000
Type of Allocation	Allocation		Actual Expenditure	Allocation	
	Original	Final		Utilization as a % of Final Allocation	
Recurrent	677,150	677,150	630,012	93	
Capital	25,100	25,100	17,775	71	

3.7 In terms of F.R.208 grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments

Table 3-3 Grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments						Rs. ,000
Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
01	Ministry of Public Services, Provincial Council and Local Government	Payment of allowances for the graduate trainees recruited in the year 2019	800	800	740	93

3.8 Performance of the Reporting of Non-Financial Assets

Table 3-4 Performance of the Reporting of Non-Financial Assets					Rs. ,000
Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2020	Balance as per financial Position Report as at 31.12.2020	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	26,824	26,824		
9152	Machinery and Equipment	555,864	555,864		



Image 3-1 Initial discussions for creating skilled foreign labour force

3.9 Auditor General's Report

Translated copy of the Summary Report of the Auditor General on the Financial Statements of the Ministry of Labour in Sinhala language



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

LEW/A/MOL/2/2020/6

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2021 ජූනි 30 දින

Chief Accounting Officer

Ministry of Labour

Summary Report of the Auditor General on the Financial Statements of the Ministry of Labour for the year ended 31 December 2020 in terms of Section (11) (1) of the National Audit Act, No. 19 of 2018.

1. **Financial Statements**

1.1 **Qualified Opinion**

The audit of the financial statements of the Ministry of Labour for the year ended 31st December 2020 comprising the statement of financial position as at 31st December 2020 and the statement of financial performance and cash flow statement for the year then ended 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 provisions of the National Audit Act No. 19 of 2018. My comments and observations on these financial statements, which are submitted to the Ministry of Labour as per section 11 (1) of the National Audit Act No 19 of 2018, are included in this report. The report of the Auditor General, which should be read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka and to be submitted in terms of the section 10 of the National Audit Act No 19 of 2018, will be tabled in the Parliament in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of Ministry of Labour as at 31st December 2020, and of its financial performance and its cash flows for the year then ended in accordance with recognized Accounting Standards.

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



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1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Chief Accounting Officer in respect of the Financial Statements

Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in compliance with the recognized Accounting Standards and provisions stipulated in section 38 of the National Audit Act No. 19 of 2018, and for determining such internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Ministry.

The Chief Accounting Officer should ensure that a productive internal control system is formulated and maintained for the financial management of the Ministry as per sub section 38 (1) (c) of National Audit Act and further necessary changes should also be made in order to maintain the system productively conducting reviews from time to time regarding the effectiveness of the aforesaid system.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain 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 is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate that transactions and events, which made the base for the structure and content of financial statements containing disclosures are included in financial statements in an appropriate and reasonable manner.
- Evaluate 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.

I make the Chief Accounting Officer aware of the significant audit findings, including any significant deficiencies in internal control and other matters that I identified during my audit.

1.5. Report on Other Legal Requirements

I hereby state following matters in terms of section 6 (1)(d) of the National Audit Act No. 19 of 2018.

- a. The financial Statements are in consistent with the previous year, except for the following instance.

When the ending balances of the previous year in statement of financial position are submitted as the reconciliations of the current year, the balances taken over from National Productivity Secretariat have been added to the balances of the previous year but no revelation has been made by the note to financial statements in this regard.

- b. The recommendations, which have been made by me pertaining to the financial statements relevant to the previous year, have been implemented.

1.6 Comments on financial statements

1.6.1. Statement of Financial Performance

1.6.1.1 Receipts, which are not income

Following observations are made in this regard.

- a. In accordance with the statement of financial performance, the amount of the imprest received from the General Treasury under vote 193 and 054 for the Ministry has been shown as Rs. 597,229,588 but it was observed at the audit that the receipts relevant to the Ministry of Labour is Rs. 598,054,000 as per the printouts of the General Treasury. Accordingly, a difference of Rs. 824,412 is observed in the receipt of imprest between the statement of financial performance and printouts of General Treasury. Settlement of Rs. 693,138 by the Ministry of Labour during the year, which is the balance of imprest to be received from the Department of Election and not been settled by the Ministry of Skill Development and overstatement of the value of imprest released to the Ministry of Foreign Affairs by Rs. 131,273 have caused for this difference.
- b. When the receipt and payment of deposits are reconciled as per the statement of financial performance and printouts of the General Treasury, Rs. 174,605 and Rs. 324,726 have been overstated in the statement of financial performance respectively.
- c. Advance B account
 - I. In terms of the para 14 of the Budget Circular No. 06/2020 dated 30th November 2020, action should be taken to transfer the balances of loans taking in to consideration the staff exchanged, when a part of the functions pertaining to a certain Ministry is entrusted to

another Ministry. Accordingly, an amount of Rs. 40,851,695, which is the opening balance of the advance B account of Productivity Secretariat taken over by the Ministry of Labour on 01st September 2020 has not been included in the statement of financial performance under payment of advances. However, these payments have been included in A.C.A. -5 statement and accordingly a difference of Rs. 40,851,695 has been observed between A.C.A.-5 statement and statement of financial performance.

- II. When reconciling with final printed statements of General Treasury, receipt and payment have been overstated by Rs. 2,980,639 in accounts statements and A.C.A.- 5 statement.

1.6.2 Statement of Financial Position

1.6.2.1 Non financial Assets

Following observations are made in this regard.

- a. Even though the value of the non financial assets, which have been alienated by the Ministry of Public Administration to the Ministry of Labour in relation to the National Productivity Secretariat, is Rs. 55,305,211, non financial assets have been overstated in statement of financial position by Rs. 28,961,319 due to taking over of Rs. 84,266,530, which is the balance of ledger account, by the Ministry. Accordingly, the difference of the non financial assets between statement of non financial assets shown in the form A.C.A. -6 included in financial statements and printouts of the General Treasury (SA-80) should be Rs. 28,961,319, that difference has been shown as Rs. 18,973,067. Further, reasons for such difference have not been submitted for the audit. Further, since the value of non financial assets has been overstated in the statement of financial position by Rs. 18,973,067, the reserve of property, plant and equipment under net assets in statement of financial position has also been overstated by the same amount.
- b. The value of the acquisition of non financial assets during the year has been understated by Rs. 50,930 in the statement of non financial assets (A.C.A. -6) than the value of it according to form A.C.A. 2 (i)

- c. In terms of the guideline No 6 and 7 (v) of Public Finance Circular No. 02/2020, the balance of the net assets shown under net assets and capital of statement of financial position should be obtained by deducting the value of advance account of the Ministry from the value of the deposits accounts. Accordingly, the value of Rs. 39,049,635 (55,524,372-16,474,737) after deducting the value of deposits accounts from the value of advances of the Ministry should be shown as net assets, but the amount of net assets shown in statement of financial position is Rs. 38,779,611. Accordingly, the difference is Rs. 270,024. Therefore, it was observed that the value of net assets in the statement of financial position has been understated by Rs. 270,024.

1.6.2.2. Financial Assets

Even though the unsettled balance of imprest shown in A.C.A. -3 statement as per treasury books as at 31st December 2020 should be shown as the value of cash and cash equivalent under financial assets in the statement of financial position, the balance of Rs. 270,024 shown as per treasury notes has not been shown under financial assets. According to the answer made by the Secretary for the draft of the report, the balance of the imprest is a balance which should be settled by the Ministry to the Ministry of Foreign Employment.

1.6.3. Balance of the Imprest Account

Even though the net amount of imprest released to the Ministry of Foreign Employment is Rs. 61,630,129 as per A.C.A -3 statement, the correct balance is Rs. 61,498,856. Therefore, the imprest released to the Ministry of Foreign Affairs has been overstated by Rs. 131,274. Further, the balance relevant to the Ministry of Labour under balance of sub imprest under balance of imprest as at 31st December 2020 in A.C.A- 3 statement has been shown as Rs. 270,024 but it was observed that balance should be Rs. 138,750 as per the calculations made accurately.

1.6.4. Cash Flow Statement

1.6.4.1 Cash flow generated from operational activities

Following observation are made in this regard.

a. Receipts from the General Treasury

Even though the imprest of Rs. 628,654,806, which has been received from the General Treasury during the year, should be shown in the cash flow statement as the imprest, Rs. 628,523,532 has been shown as the receipt of imprest. Accordingly, it was observed during the audit that the receipt of imprest has been understated in the cash flow statement by Rs. 131,274.

b. Recurrent Expenditure

Even though an amount of Rs. 623,295,556 has been shown in the cash flow statement as wages and salaries of persons, operational expenses, subsidies and transfers born by the Ministry for the year under the vote no. 054 and 193, the expenditure as per the trial balance and A.C.A 2 (ii) statements of expenditure is Rs. 621,217,511. Accordingly, a difference of Rs. 2,078,045 has been observed in wages and salaries of persons, operational expenses, subsidies and transfers between the trial balance and cash flow statement.

1.6.4.2 Cash Flow Generated by Investment Activities

Following observations are made in this regard.

c. Capital Expenditure

The amount, which has been spent during the year for the construction or purchase of physical assets, and acquisition of other investments, has been shown as Rs. 6,788,450 in the cash flow statement. An amount of Rs. 5,429,776, which is the value of the assets transferred from the Office of the Commissioner for Workmen's' Compensation, has also been included in this. However, this expenditure is Rs. 2,078,047 as per head no 054 and 193, the trial balance. Accordingly, a difference of Rs. 4,710,403 has been observed.

1.6.5 Reporting expenditure for the year 2020

The vote 193, Ministry of Labour has been initiated with the notification published by the Gazette Extraordinary on 8th August 2020 by H. E. the President. As per the above mentioned instructions, an expenditure of Rs. 388.8 million, which has been spent under 89 objects of vote no 054 of

Ministry, which was existed then, for the period from January 2020 to 31st August 2020, has been accounted as the expenditure of the Ministry under vote 193.

The receipts of imprest from the General Treasury and their settlement have been made under the imprest account number of the Ministry existed at that time. Even though an amount of Rs. 628.5 million has been shown in the imprest account statement as the receipt of imprest from General Treasury under aforesaid account number, Rs. 241.7 million has been received from General Treasury as the imprest from 01st September 2020 up to the end of the year since functions of the Ministry (vote no 193) has been carried out from the above date, and Rs. 30.6 million out of the above has been settled in cash to General Treasury as at 31st December 2020.

1.6.6 Lack of evidence for the audit

Following observations are made in this regard.

Evidences to verify the value of assets of Rs. 5,429,776, which has been transferred from other institutes shown in the statement of non financial assets included in the accounts statements, have not been submitted for the audit.

2. Financial Review

2.1 Management of expenses

Following observations are made in this regard.

- a. An amount of Rs. 6,875,341 i.e. 49.6% out of the provision of Rs. 13,850,000 which has been allocated for 7 capital objects was remaining unspent. The amount remaining unspent from the provision allocated for the objects was at the range between 16% to 100%.
- b. An amount of Rs. 24,921,437 i.e. 18.5% out of the provision of Rs. 134,724,000 which has been allocated for 22 recurrent objects was remaining unspent. The amount remaining unspent from the provision allocated for the objects was at the range between 13% to 100%.

2.2 Making liabilities and obligations

The facts revealed at the examination made on the register of liabilities, balances of liabilities in financial statements for year 2020 and the liabilities reported to the General Treasury on 31st December 2020, are given below.

- a. An amount of Rs. 969,410 has been overstated in financial statements as at 31st December 2020 than the liabilities shown in treasury entries (SA-92).
- b. In terms of the 3.4 of the guidelines no 06 of Public Finance Circular No 02/2020 dated 28th August 2020, any liability or obligation, which has not been reported to the General Treasury should not be settled during the year 2021, action has been taken to settle during the year, the liabilities to the value of Rs. 706,983 in relation to 17 events not reported so to General Treasury. Further the liabilities to the value of Rs. 91,501, which has been recorded in the General Treasury as at 31 December 2020, has not been shown in the financial statements.
- c. In terms of F. R. 94, any expense or liability should not be made if financial provisions are not available in the annual estimates, and the expenses made for such matters should not exceed the provision. However, during the year under review, the Ministry has made obligations to the value of Rs. 533,965 exceeding the provisions.
- d. An amount of liabilities to the value of Rs. 117,719, which has not been included in the statement of liabilities and obligations for year 2020, has been settled during year 2021.

2.3 Non compliance with laws, rules and regulations

Even though the citizen / client charter should be prepared in terms of the specimen indicated in the Public Administration Circular No. 2008/05 dated 06th February 2008, no citizen / client charter has been prepared by the Ministry for year 2020 as per the circular.

2.4 Improper Transactions

Certain transactions which have been made by the Ministry are not in the proper manner. Several instances, which have been observed in this regard, are mentioned below.

- The editing software, 'which is compatible to the Sony Camera PXW-Z 150 bought in year 2018 at the cost of Rs. 1,625,781, has not been purchased even by the end of the year under review.
- A Sony HXR NX 5P video camera, of which the cost is Rs. 535,695, has been sent to the mother company in Singapore for repairing without obtaining procurement approval. However, that camera has been brought back to the country as approval for procurement has not been given for the estimated value. It has to pay Rs. 15,000 for the transport and further the estimate to the value of Rs. 261,000 (Nearly equivalent to 48% of the current price of the camera), which has been sent by the mother company in Singapore for the repair, has been submitted to the procurement committee on 02nd December 2019 but this camera has not been brought back to the Ministry even by 30th March 2021

2.5. Deposits

Following observations are made in this regard.

- A balance of Rs. 6,837,248 out of the compensation recovered from employers by the office of the Commissioner for workmen's Compensation pertaining to fatal and non fatal accidents was remaining unsettled by 31st December 2021. It has become impossible to pay these compensations due to reasons such as the unavailability of accurate information on the employees and their dependents, deficiencies in the documents relevant to the payment of compensation to beneficiaries, and non submission of such particulars to the office etc. and the time range of the delay varied form 05 months to 04 years.
- There were 48 case files relevant to 08 courts, for which warrants have been issued due to avoid the payment of compensation and further it was observed that the amount of compensation, which could not be recovered even by 31st December 2020, was relevant to a period from 04 to 24 years. It was observed that the compensation to be recovered was Rs. 12,988,494.

- c. Even though deposits are made at the Office of the Commissioner for Workmen's Compensation, separate accounts have been maintained under the name of Commissioner for Workmen's Compensation at National Savings Bank without distributing the compensation as the real dependents cannot be found and it was revealed that the amount deposited in the accounts was Rs. 2,023,095 as at 31st December 2020.
- d. Even though the compensation, which is entitled to the minors of the employees demised due to fatal accidents whilst in duty were, should be granted to them at the time of their maturity, there were 534 accounts by 31st December 2020 to which benefits have not been released by 31st December on completion of the required age. The value of these compensations is Rs. 20,861,229. This amount consists of 459 accounts to the value of Rs. 11,782,761, which were become mature in year 2016, and further 66 accounts matured in year 2020 to the value of Rs. 8,563,187.

3. Operational Review

3.1 Damages and Losses

Investigations have not been concluded as per financial regulation no 104 even by 31st December 2020 in respect of 04 vehicle accidents, which have occurred during year 2019 and 2020.

3.2 Management Inefficiencies

Following observations are made in this regard.

- a. Since a proper process has not been prepared to recommend applications adhering to the instructions given by the letter of the Director of National Budget No BD/GPS/JS/2/14-2015 dated 18th August 2016 in order to implement the proposals for granting relief to July Strikers under budget proposals of 2016, actions such as recommending applications of persons, who receive pension, recommending applications of persons who received benefits and recommending applications along with the affidavits, which cannot be accepted, have been carried out. Until December 2020 this process has not been applied in proper manner. As a result of not maintaining properly the process for recommending applications, it was observed at the sample audit test that the application of one and the

same person has been recommended twice and therefore Rs. 1,000,000 has been overpaid for 4 persons.

- b. Even though the productivity competition has been conducted and then awarding ceremony has been conducted selecting institutions, which is one of the main objectives of National Productivity Secretariat, spending Rs. 59.1 million for 3 competitions from year 2014 to 2018, follow up action has not been carried out even by the end of the year under review to verify whether such institutions, which won awards, maintain that situation continuously.
- c. Mobile services have been conducted with a view to ensure more efficient service delivery to employers and employees by conducting all the programmes conducted by institutions affiliated to the Ministry during one and the same period and in one district. According to the observation made in the analysis of particulars for the past 05 years, nearly 08 mobile services have been conducted i.e. 04 in Badulla district, 03 in Rathnapura district, and 01 in Colombo district.



4 Human Resources Development

4.1 Attached staff and actual staff and expenditure for wages and salaries

Particulars pertaining to the approved cadre, actual staff, vacancies and staff in excess as at 31st December of the year under review are given below.

Category of employees	Approved Cadre	Actual Staff	Number of vacancies
i. Senior level	23	15	08
ii. Tertiary level	04	03	01
iii. Secondary level	75	47	28
iv. Primary level	34	27	07
v. Other (Casual / temporary / contract basis)	02	01	01
Total	138	93	45

T.G.I. Padmini

Assistant Auditor General
For Auditor General





CHAPTER FOUR

Performance Indicators

Performance Indicators of the Ministry

Table 4-1 Performance indicators of the Ministry (based on the action plan)

	Specific Indicators	Actual output as a percentage of expected output (%)		
		100% - 90%	75% - 89%	50%- 74%
01	Number of law imposed / amended to ensure the rights of employees *	01	03	08
02	Number of reports made for the ratified conventions of the International Labour Organization	100%		
03	Number of the policy decisions, which have been made in order to enhance industrial peace *	06		
04	Percentage of the labour inspections which were proved as at higher level (A and B) by the total labour inspections conducted within the year		79%	
05	Numbers of the labour inspections conducted as a percentage of the number of inspections which have been targeted			57% **
06	Number of the investigations concluded on child labour as a percentage of the number of complaints received		79%	
07	Number of the Social Dialogue programmes conducted as a percentage of the target			70%
08	Payment of the benefits of Employees' Provident Fund as a percentage			68%
09	Number of the Safety Officers, who have been introduced for the occupational safety and health of employees		78%	
10	Number of the courses conducted for the awareness on labour laws of the work force	100%		
11	Number of cases concluded on occupational accidents (Fatal as well as non fatal) out of the cases which were to be concluded			61%
12	Number of persons who were given training and education on productivity concepts	95%		

Note

*- Since these activities are carried out depending on the requirement, the final output is not specified. Therefore, it is not possible to present information as a percentage.

** - It has become difficult to conduct the target number of labour inspections as it has to stop totally and to limit the field inspections in certain months in the face of the situation arisen due to COVID - 19 pandemic.



CHAPTER FIVE

Performance of the achieving Sustainable Development Goals (SDG)

5.1 Identified Respective Sustainable Development Goals

Table 5-1 Sustainable Development Goals relevant to the Ministry

Goal / Objective	Targets	Indicators of the achievement	Progress of the achievement to date
01 End poverty in all its forms everywhere	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban / rural)	Taking initiatives for the amendment of National Minimum Wages Act in order to increase the minimum monthly salary of the employees in the private sector, Rs. 10,000/- which was existing, by Rs. 2,500/-
	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	Proportion of population covered by social protection floors / systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and the poor and the vulnerable	The number of the persons covered by the Employees Provident Fund is 2.91 million (Active membership)
05 Achieve gender equality and empower all women and girls	5.1 End all forms of discrimination against all women and girls everywhere	Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	A series of Group Investigation has been conducted covering all over the country in order to verify whether the maternity leave and breast feeding time are granted to women serving in various institutions in private sector with parallel to the International Women's Day - 2020
	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age	Taking action pertaining to 23 complaints received to Women and Child Affairs Division of the Dept. of Labour on the service conditions of women and concluding 06 investigations
	5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	Conducting special investigations on women workers covering 607 institutions Conducting two awareness programmes by the Dept. of Labour to the staff of executive grade of the Department of Fisheries and Aquatic Resources, Students of the final year in the Faculty of Management of the University of Colombo on the laws applicable to women and children

08	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	8.5.1	Average hourly earnings of employees, by sex, age, occupation and persons with disabilities	The average income of an hour of the employees serving in private and semi government sector as per labour laws does not vary depending on the occupation, age and the disability of a certain person etc.
				8.5.2	Unemployment rate, by sex, age and persons with disabilities	
		8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	8.7.1	Proportion and number of children aged 5 - 17 years engaged in child labour, by sex and age	In terms of the Child Activity Survey – 2016, child labour of the country is 1% and therefore action is now being taken to bring it to zero level
		8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	8.8.1	Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	Even though fatal and non-fatal accidents connected to occupations are reported further action is being taken to maintain reports in relation to the gender and mobility
				8.8.2	Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	Freedom for association and bargaining is ensured and accordingly the number of trade unions registered in the country as at 31.12.2020 is 1,843. Further, action has been taken to submit the reports pertaining to the annual reports on the conventions relevant to collective rights for association and bargaining (C98) and (C87) before the due date. It is mentioned in the observation report of ILO that the weaknesses of the report are at the minimum level

5.2 Achievements and challenges in the fulfillment of the Sustainable Development Goals

Sri Lanka expects to reach a highly satisfactory level by year 2030 in the achievement of sustainable development goals. Accordingly, Sustainable Development Council should determine indicators in relation to Sri Lanka and then introduce the data and the targets based on the indicators for each Ministry. For this purpose, the Sustainable Development Council has drafted the national policy and strategies for the sustainable development and accordingly observations have been called from our Ministry. Then the Council should prepare the final draft and it should be submitted to the Ministries for implementation after obtaining approval of the Cabinet of Ministries. Until such time, this Ministry carries out activities in order to achieve sustainable development goals in relation to the scope of the Ministry. The indicators identified are mentioned above.

The main sustainable development goal relevant to this Ministry is to achieve the objective No. 08 of Sustainable Development Goals, i.e. "Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all". Further, sustainable development objectives have been identified relevant to each activity of the Action Plan of the Ministry. Specially, all the functions, which are performed by the Department of Labour, are relevant for the establishment of decent work place, which is the No. 08 of main sustainable development goal relevant to this Ministry.

Even though, all information should be categorized as per gender, no such categorization has been made so far under our process and therefore necessary actions in this regard should be taken in future. Further, it is required to collect information on the differently abled people.

However, it has become difficult to achieve the relevant goals pertaining to the target tasks due to the COVID - 19 pandemic in year 2020.



Image 5-1 Meeting with the representatives of the World Health Organisation



CHAPTER SIX

Human Resource Profile

6.1 Cadre Management

Table 6-1 Staff details of the Ministry

Institution	Senior level		Tertiary level		Secondary level		Primary level		Total		Percent- age of the vacancies
	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	
01 Ministry Office	23	15	04	03	75	46	35	27	137	91	34%
02 Dept. of Labour	211	131	668	494	1,756	1,483	489	436	3,124	2,544	19%
03 National Institute of Labour Studies	09	03	13	04	18	07	05	02	45	16	64%
04 National Institute of Occupational Safety and Health	07	02	03	02	10	08	05	05	25	17	32%
05 Office of the Commissioner for Workmen's Compensation	05	02	02	01	31	27	05	03	43	33	23%
06 National Productivity Secretariat	17	08	04	03	792	655	19	11	832	677	19%
Total	272	161	694	507	2,682	2,226	558	484	4,206	3,378	20%

6.2 Effect of the shortage or excess in human resources on the performance of the Ministry

The shortage in the human resources of the Ministry and affiliated institutes are as follows.

• Senior Level	111
• Tertiary Level	187
• Secondary Level	456
• Primary Level	74
Total	828

The officers are compelled to perform the duties of the vacant posts in addition to the duties of their substantive posts due to the shortage of human resources. Specially, practical issues are

arisen due to the dearth of officers in executive grades in the occasions such as taking decisions in the hierarchy, acceptance of responsibilities like financial authority, facilitating and formalizing the directions etc. Under such circumstances, the officers are affected physically as well as mentally and therefore the optimum efficiency cannot be ensured from the officers. This situation makes adverse effect to the overall performance of the Ministry and it is observed that there is a possibility for the decline in the efficiency of the Ministry.

6.3 Human Resource Development

6.3.1 Participation in the local training courses

Table 6-2 Participation of officers in local training courses

S. No.	Name of the programme	Number of the employees trained	Duration of the programme	Total investment (Rs.)	Output / knowledge gained
Ministry Office					
01	Provisions for the leave of public officers	1	06 Hours	8,500.00	Performing the duties pertaining to the subject more efficiently and accurately
02	Skill development of Drivers	8	12 Hours	40,000.00	Performing the duties pertaining to the subject more efficiently and accurately
03	HR for Public Sector	3	06 Hours	-	Performing the duties pertaining to the subject more efficiently and accurately
04	Tamil language (Special training for speaking)	1	50 Hours	9,775.00	Training for speaking in Tamil language
05	Preparation of the salaries of public officers	1	06 Hours	4,000.00	Performing the duties pertaining to the subject more efficiently and accurately
06	Maintaining a personal file in the proper way	3	04 hours	12,000.00	Performing the duties pertaining to the subject more efficiently and accurately

07	Awareness programme for the public officers on the provisions of the Establishments Code	4	12 hours	-	Performing the duties pertaining to the subject more efficiently and accurately
08	Professional Networking Programme	1	12 hours	31,000.00	Performing the duties pertaining to the subject more efficiently and accurately
09	Induction training	10	16 hours	19,240.00	Introduction to the Ministry, Establishments Code, Office Systems, File Management, enhancement of the productivity in the office
Department of Labour					
10	Training programme for newly appointed Dev. Officers and P.M.A. officers	97	05 days	103,800.00	Providing training to newly appointed officers
11	Workshop conducted under the sponsorship of Hon. Minister for Arbitrators	78	01 day	72,870.00	Enhancing knowledge on the role of Arbitrator
12	Access Control System Workshop	01	01 day	6,000.00	Enhancing the knowledge of officers
13	Internet literacy and usage of social media for Government Librarians	02	01 day	4,000.00	Enhancing the knowledge of officers
14	Preparation of salaries of Public Officers	02	01 day	8,000.00	Making salary conversions of the officers of the Department accurately
15	Making answers for audit queries	03	03 days	30,000.00	Enhancing the knowledge of the officers for sending answers properly to the audit queries
16	Duties connecting to the recruitments of public service	01	02 days	8,000.00	Enhancing the knowledge of the officers on duties connected to recruitments

17	Procurement Procedure	01	02 days	8,000.00	Enhancing knowledge of officers for the implementation of procurement procedure accurately
18	Master of Arts Degree in Social Science	01		Local	Master of Arts Degree in Social Science
19	Post Graduate in Law	01		Local	Post Graduate in Law
20	Post Graduate Course on Development Studies	01		Local	Post Graduate Course on Development Studies
21	Human Resources Development	01		Local	Human Resources Development
22	Public Administration and Management	07		Local	Public Administration and Management
23	Post Graduate Degree in Labour Relations and Human Resources Management	01		Local	Post Graduate Degree in Labour Relations and Human Resources Management
24	Training programmes conducted for officers on Employees' Provident Fund	68		Local	Enhancing the Knowledge on Employees' Provident Fund
25	Training Workshop on arbitration of disputes (Online)	40	10 days	Local	Enhancing the Knowledge on arbitration of disputes
National Institute of Labour Studies					
27	Labour Laws and Labour Relations	02	12 months	96,000.00	Enhancing the knowledge of officers on Labour Laws and Labour Relations
28	Office Management and Financial Regulations	01	02 days	8,000.00	Enhancing the knowledge of officers on Office Management and Financial Regulations
29	Answers for audit queries	02	03 days	20,000.00	Enhancing the capacity of officers for answering audit queries
30	Filing Methods	04	01 days	-	Enhancing the knowledge of officers on filing methods

6.3.2 Participation in the foreign training courses

Table 6-3 Participation of officers in foreign training courses

	Name of the programme	Number of the persons trained	Duration of the course	Total investment		Output / knowledge gained
				Local	Foreign	
1	Training on the Lead Assessor's Course for APO Accredited Certification Bodies (APO)	01	07 days		✓	Knowledge on APO Accredited Certification Schemes
2	Global Dialogue Forum on Decent Work in the World of Sport	02	03 days	✓		Knowledge on current emerging issues related to promotion of Decent Work in the world sports
3	Technical Meeting on Achieving Decent Work in Global Supply Chains	01	04 days	✓		Knowledge on the failures & salient challenges of governance to achieving decent work in global supply chains and new initiatives to promote decent work in global supply chain
4	10 th ADBI-OECD-ILO Roundtable on Labour Migration in Asia - Future of Migration	01	02 days	✓		Knowledge on recent main trends in Asian Migration and how to remittance flows been attached by changing labour market & opportunities in destination economies
5	Global Forum on Migration & Development Summit -2019	01	05 days		✓	Knowledge on sustainable approaches to Human mobility upholding rights, strengthening state agency and advancing development through partnerships and collective action
6	Strategic HRM for Organizational Excellence	01	06 days		✓	Knowledge on Human Resources Management

7	The International Tripartite Meeting on 'Supporting Grass Roots Activities through the International Employer's and Worker's Network (SGRA)	01	02 days	✓	Shared achievements and experiences of JILAF projects in Thailand, Nepal, Bangladesh, Laos, Vietnam, Sri Lanka and Cambodia and had discussions on challenges towards future dissemination with this region
8	Environment Audit	01	25 days	✓	Knowledge on Environment Audit
9	ISSA Technical Seminar on Digitalization - New Forms of Work: Focusing on Occupational Risk Registration and Programme	02	03 days	✓	Knowledge on work injury, prevention, collection, contribution and compliance

6.3.3 Contribution of the training programmes of the Ministry

There are several objectives, which are to be achieved through the training programmes provided to the officers of the Ministry. Capacity development and human resource development of officers are significant in this regard. These training programmes are much helpful to enhance the productivity of the officers inducing them to apply new media and technology for their duties using limited provisions and resources. Further, the attitude development of officers and enhancement of language skills of officers will help them to ensure close service to the general public and it helps further to establish

interpersonal relationships. Common objective of these programmes is to create a well experienced group of officers directing them to training opportunities identified by a systemic study.

Planning of the training programmes has been made under following main components.

- Induction training
- Training on leadership and attitude development
- Subject related training

Particulars of the training conducted to the officers under relevant components are mentioned above and training programmes could not be conducted in the expected manner due to COVID - 19 pandemic.





CHAPTER SEVEN

Compliance Report

Table 7-1 Compliance Report

No.	Applicable Requirement	Compliance Status (Complied / Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
01	The following financial statements / accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Relevant		
1.4	Stores Advance Accounts	Not Relevant		
1.5	Special Advance Accounts	Not Relevant		
1.6	Others			
02	Maintenance of books and registers (F. R. 445)	Complied		
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register / Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		

2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied
03	Delegation of functions for financial control (FR 135)	Complied
3.1	The financial authority has been delegated within the institute	Complied
3.2	The delegation of financial authority has been communicated within the institute	Complied
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied
04	Preparation of Annual Plans	Complied
4.1	The annual action plan has been prepared	Complied
4.2	The annual procurement plan has been prepared	Complied
4.3	The annual Internal Audit plan has been prepared	Complied
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied
05	Audit queries	
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied
06	Internal Audit	
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied
6.2	All the internal audit reports has been replied within one month	Complied
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied

07 Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied	
08 Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied	
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied	
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied	
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied	
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied	
09 Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied	
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Not Complied	• Obtaining estimate from the local agent on repairing the vehicle • Inform the Office of the Comptroller General on disposal of the vehicle in writing • Performing as per the instructions to be received from the Office of the Comptroller General Immediate actions to be taken to dispose the vehicles

9.3	The vehicle logbooks had been maintained and updated	Complied	
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied	
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied	
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Not Complied	No leased vehicles belongs to the Ministry
10 Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied	
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Not Complied	Not relevant
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied	
11 Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied	
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied	
12 Advances to Public Officers Account			
12.1	The limits had been complied with	Complied	
12.2	A time analysis had been carried out on the loans in arrears	Complied	
12.3	The loan balances in arrears for over one year had been settled	Complied	
13 General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied	
13.2	The control register for general deposits had been updated and maintained	Complied	

14	Imprest Account	
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied
15	Revenue Account	
15.1	The refunds from the revenue had been made in terms of the regulations	Complied
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied
16	Human Resource Management	
16.1	The staff had been paid within the approved cadre	Complied
16.2	All members of the staff have been issued a duty list in writing	Complied
16.3	All reports have been submitted to MSD in terms of their circular No. 04/2017 dated 20.09.2017	Complied
17	Provision of information to the public	
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied

18 Implementing citizens charter		
18.1	A citizens charter / Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied
19 Preparation of the Human Resource Plan		
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018	Complied
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not Complied
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied
20 Responses Audit Paras		
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied

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