

Annual Report – 2021

Compilation

Shrama Vasana Fund

Publication

Shrama Vasana Fund Publication Committee

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2021

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Shrama Vasana Fund

The Srama Vasana Fund established under the Act No. 12 of 1998 is an institution established for labour welfare under the Ministry of Labour and Trade Union Relations. The Srama Vasana Fund has been implemented various welfare programmes under 7 objectives from its initial stage and thereby arrangements have been made in order to upgrade the Sri Lankan employees.

The main source of funding for the Shrama Vasana Fund is proceeds from the Jathika Sampatha Lottery, which is implemented on Thursdays and Saturdays by the National Lotteries Board. This revenue is determined by the sales of lotteries and the number of programmes implemented will increase in yearly manner, according to the status of revenue of the fund.

Objectives of the Fund

- 1) To promote the welfare of the employees
- 2) To provide financial aid and other assistance to employees when a place of work is closed down without prior notice
- 3) To provide medical and other facilities to employees in times of emergency
- 4) To provide temporary assistance to employees when inquiries are instituted against them
- 5) To provide financial assistance and other benefits to employees or their dependents in times of distress
- 6) To give awards to persons who have rendered out excellent services to employee welfare

To provide financial relief to obtain legal assistance to employees where proceedings in respect of termination of employment of an employee or of an industrial dispute, is initiated or pending under the provisions of any written law, before the Commissioner General of Labour, a Labour Tribunal, an Arbitrator or an Industrial Court or any court of law.

Vision and Mission

Vision

“Contented Sri Lankan Workforce”

Mission

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

Basic Values and Ethics

- **Ensuring the ethical commitment in order to provide an efficient and effective service to the clients benefiting from the Shrama Vasana Fund.**
- **Providing advanced qualitative service subject to the rules, regulations and methodologies of the Shrama Vasana Fund while providing services to the clients.**
- **Creating better awareness among the clients regarding the services provided by the Shrama Vasana Fund.**

Challenges and Responsibilities

The “Jathika Sampatha” lottery, which is the main source of income for the Shrama Vasana Fund, has become less 'competitive' due to the fact that more lotteries have become more competitive and the value of the money value offered for first prize through such various lotteries has become very high with compared to this lottery. As this situation adversely affects the growth of the Fund, it has been decided to increase advertising and marketing activities to increase lottery sales. Discussions are also underway to design an easy methodology so that customers can purchase tickets online. In the future, the focus will be on obtaining foreign aid and capital, without based only on lottery revenue alone.

The Shrama Vasana Fund Act No. 12 of 1998 was amended as No. 15 of 2019 during this year so as to minimize problems in programme planning, especially to ensure that the dependents of the employees are also the beneficiaries and had the ability to deliver the benefits of the Fund cover the families of the employees. Through this amendment, the Shrama Vasana Fund has also been empowered to promote lottery sales and promotions of same.

Social and Environmental Responsibilities

Scholarships are awarded to the children who are studying of employees that became helpless or die due to occupational accidents in factories / institutions while conducting awareness programmes island wide on identifying hazardous factories and minimizing occupational accidents in order to prevent such accidents by taking precautionary measures. For this reason, there has been a decrease in industrial accidents and a reduction in the number of industrial deaths over the past few years, and a growing culture of risk reduction in institutions has been reported.

It is evident from the relevant feedback models that both the employer and the employee have been able to use their services more effectively due to the motivation of the employees through programmes such as conducting health workshops on non-communicable diseases and providing spectacles for the employees.

An awareness programme was organized in line with National Tree Planting Day, on "The Importance of Tree Planting to Reduce Global Warming".

Administrative Structure

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

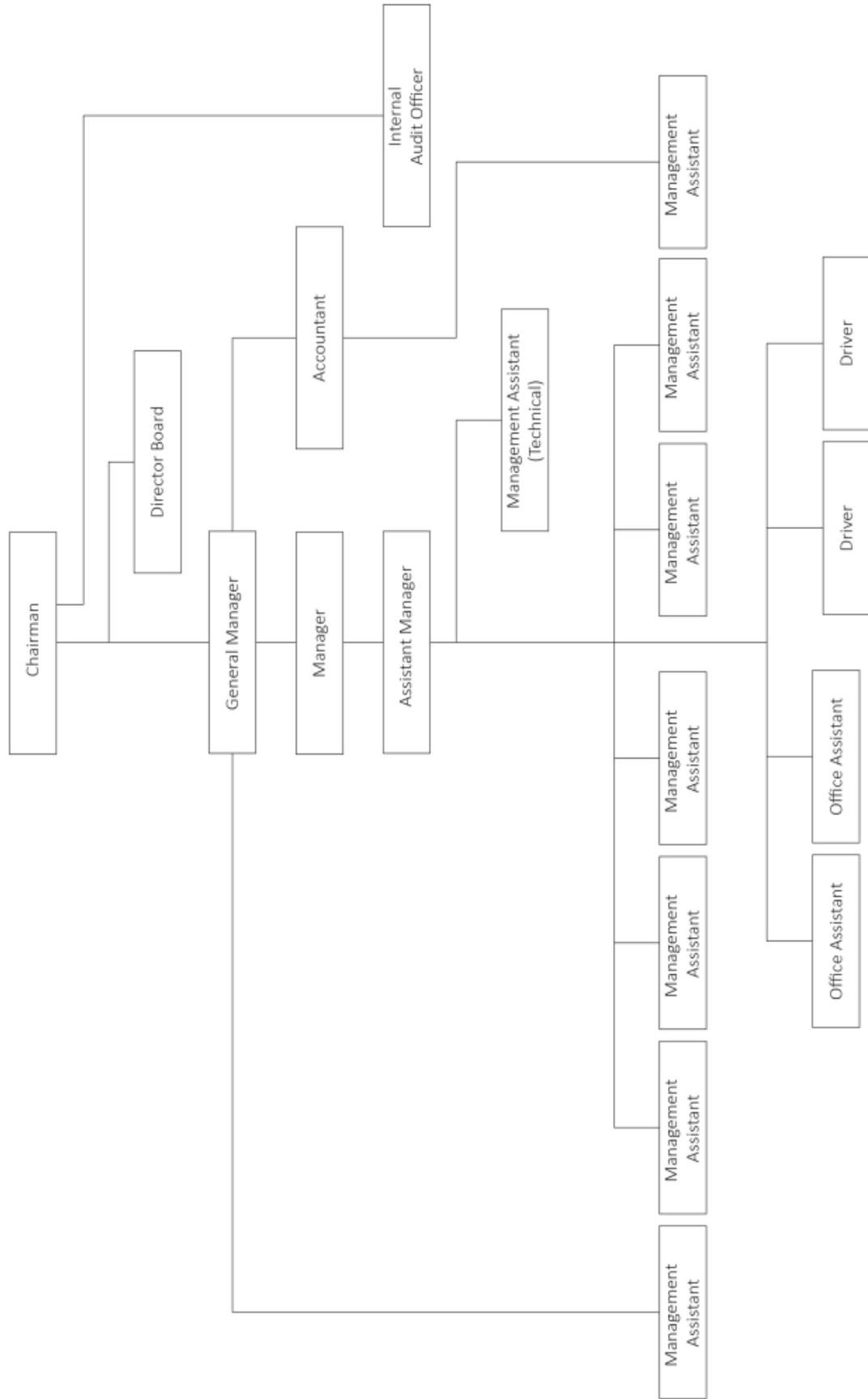
Board of Directors of the Shrama Vasana Fund in the Year 2021

<u>Name</u>	<u>Position</u>
Mr. M.P.D.U.K Mapa Pathirana	Chairman
Mr. B. K. Prabath Chandrakeerthi	Member
Ms. B. C. B. Thilakarathne	Member
Ms. Y. K. Shiromi Jeewamala	Member
Mr. Lalith Kannangara	Member
Mr. Sudhantha Bandara	Member
Ms. P. D. M. S. Gamage	Member
Mr. B. R. C. Gunawardena	Member

Cadre Composition - 31.12.2021

Senior Level		Tertiary Level		Secondary Level		Primary Level		Total		
Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Approved Cadre	Existing Cadre	Vacancies
01	01	04	03	08	08	04	04	17	16	01

Organizational Structure - 31.12.2021



Sub Committees Established in the Shrama Vasana Fund

1. Internal Audit and Management Committee,
2. Benefit Committee,
3. Progress Review Committee,

Internal Audit and Management Committee

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

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

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

The Audit Committee 2021 of the Shrama Vasana Fund consists of the following members.

- | | |
|--------------------------------|---|
| 1. Ms. B. C. B. Thilakarathne, | Treasury Agent / Chairperson of the Committee |
| 2. Mr. Susantha Bandara | Committee Member |
| 3. Mr. Lalith Kannangara | Committee Member |

Basic Functions of the Audit and Management Committee

1. Review and evaluate the existing accounts of the Shrama Vasana Fund to improve the accounting and reporting process.
2. Investigate the impact of any problems that may arise in order to achieve the pre-determined objectives of the Fund.
3. Specifically aware if the assets are safe from damage and fraud.
4. Investigate the necessity of transactions and the benefits of the transaction, investigate the reports of profit and loss and expense deductions incurred due to waste and abnormal over-spending, disposal of assets.
5. Take measures for the audit committee meeting and formulate the audit decisions and distribute them among the Heads of Divisions who need to take the relevant action.
6. Submit reports to the Auditor General's Department.
7. Conduct special inquiries at the request of the Chairman or Members of the Board of Directors of the Fund.
8. Assist and make recommendations to various committees appointed by the Chairman / Board Members of the Fund.

Benefit Committee

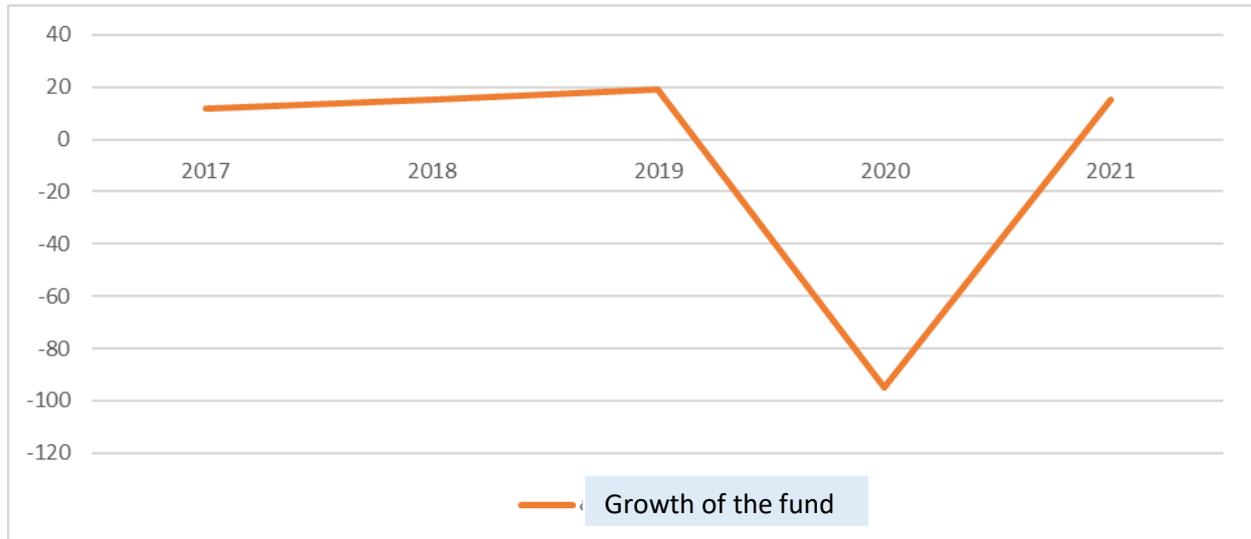
Beneficiaries are selected through a Beneficiary Committee based on the criteria approved by the Board of Directors for the programmes such as awarding scholarships, providing medical assistance and providing legal aid as per the objectives of the Shrama Vasana Fund.

The Benefit Committee consists of the General Manager of the Fund, an Officer of the Legal Division of the Line Ministry and a Professional Physician. This committee assists in selecting the beneficiaries according to the correct methodology.

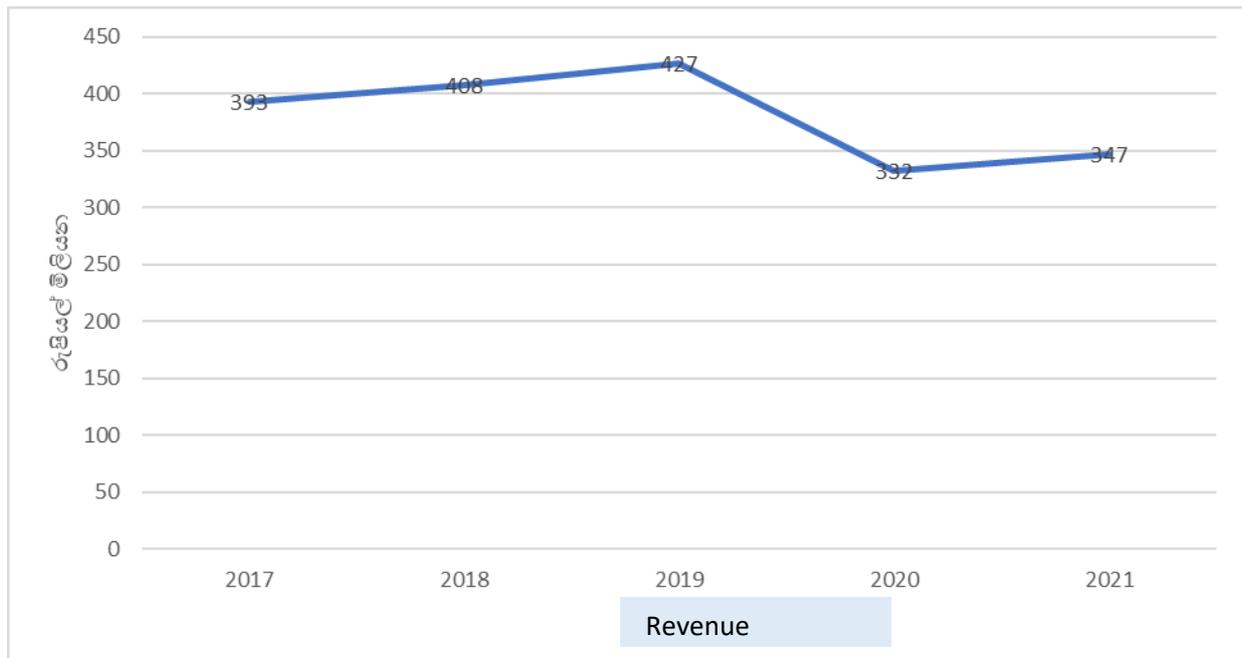
Progress Review Committee

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

The Growth of Shrama Vasana Fund (Rs. Mn.)



Lottery Revenue (Rs. Mn.)

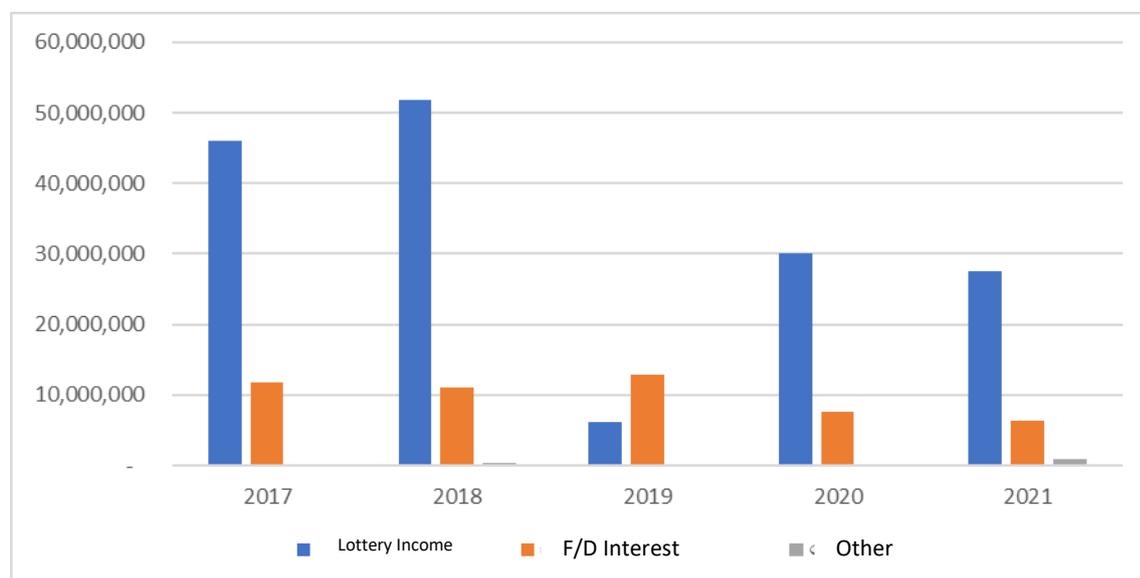


Contributions towards Shrama Vasana Fund

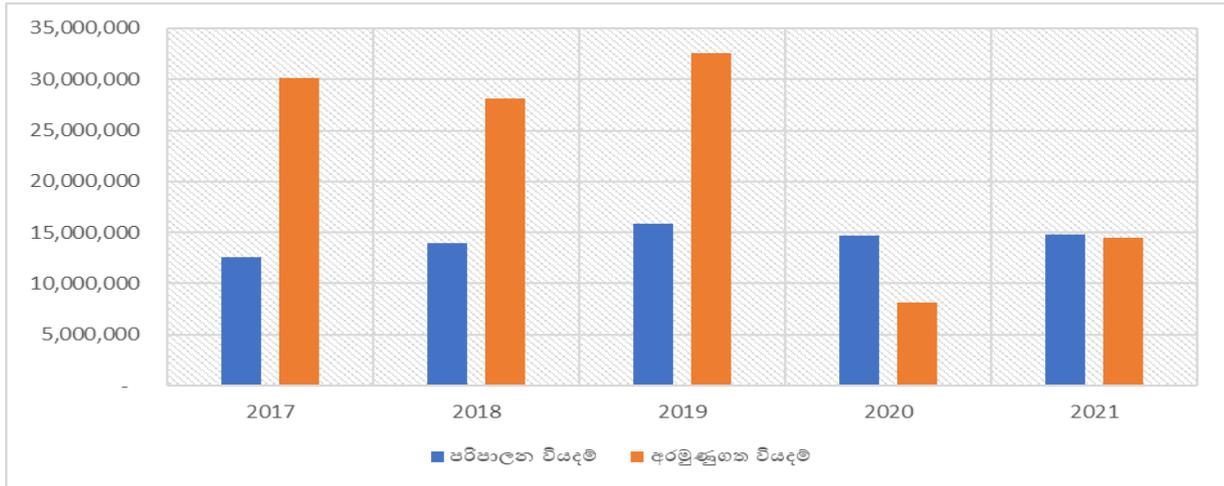
- (a) All such sums of money as may be voted by Parliament for the purpose of carrying out the objects of the Fund
- (b) All sums of money received as grants, gifts or donations from local or foreign sources
- (c) All sums of money received as income from investments made by the Fund
- (d) All sums of money derived by the Fund in the exercise of its powers, and discharge of its functions, under this Act, including the proceeds of the lotteries referred to in section 13.

The Shrama Vasana Fund has been established covering private sector employees and not covered the persons those who are self-employed. Various programmes are implemented in different boundaries based on the financial capacity of the Shrama Vasana Fund. In line with increasing financial capacity, further expansion beyond such boundaries is being carried out annually.

Revenue (Rs.)



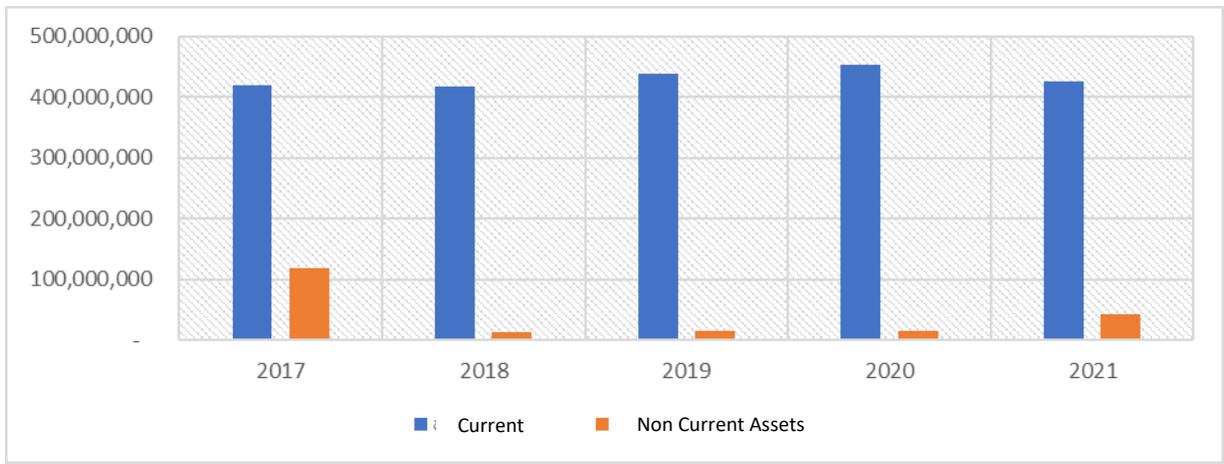
Total Expenditure (Rs.)



Admin

Objective Expenses

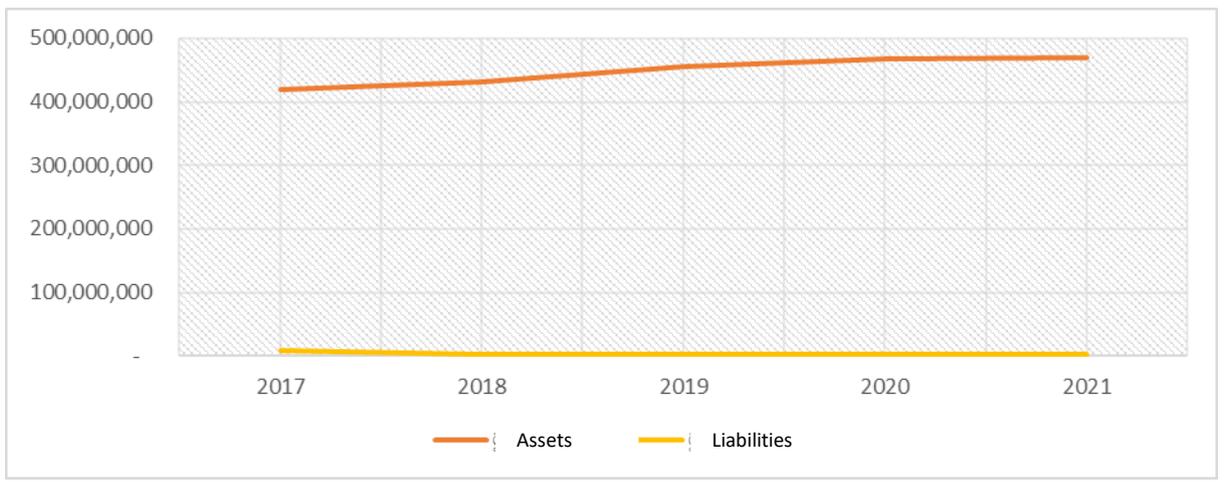
Total Assets (Rs.)



Current

Non Current Assets

Total Assets and Liabilities (Rs.)



Assets

Liabilities

Highlights of Shrama Vasana Fund 1998 - 2021

The Shrama Vasana Fund was established on 31st March 1998 and was managed by a very small staff of General Manager and three staff members. Thus until about the year 2010 the work of the Fund in the midst of many difficulties was carried out on very few facilities.

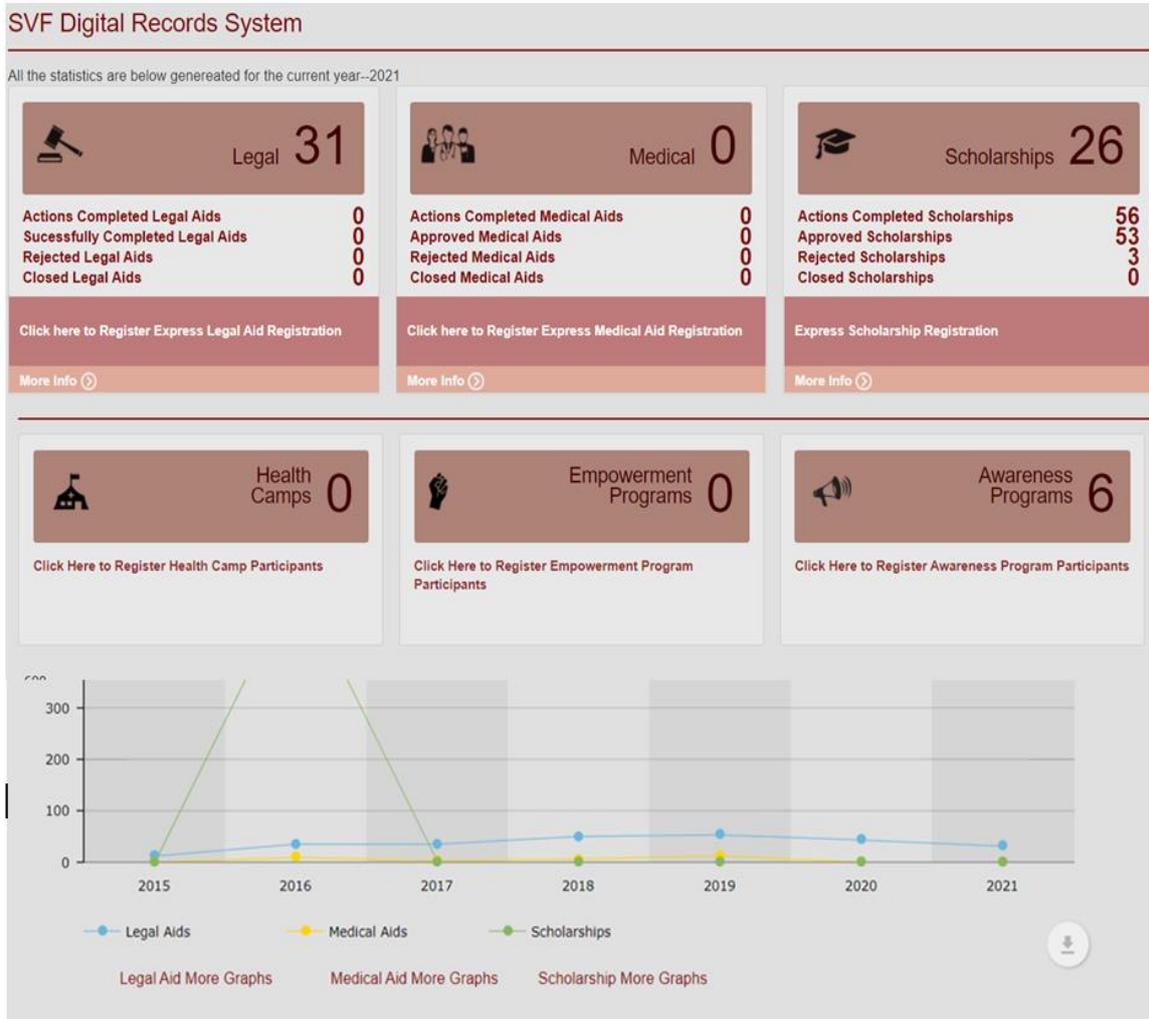
Since year 2010, the Fund has been constantly updating its staff, recruiting new staff, purchasing resources for the Fund, conducting employee training and development progra Total Assets updating them, with the aim of maintaining the Fund's services covering the Total Liabilities entire island more than prior instances. The conversion of the lottery of “Sharama Vasana Instant” into a "Jathika Sampatha - Saturday" lottery and the expansion of lottery promotions increased the percentage of the Fund achieving its objectives on increased lottery sales.

It has been worked with the District Labour Offices and Labour Engineering Offices to take the Fund and its functions to the beneficiaries and posters featuring the work of the Fund were displayed in all Labour Tribunals, District and Divisional Secretariats in Sri Lanka, which made the public aware of the Fund and led to an increase in lottery sales.

The Shrama Vasana Fund was awarded the first ISO International Quality Certificate in the year 2016 by one of the institutions under the Ministry with the objective of providing services in a more productive manner while working in line with the objectives of the Fund.

Computer Base Working Environment has been established in the Shrama Vasana Fund expanding corporate activities and enabling officers to perform their duties in an online system using computerized methods to make many tasks easier and faster and to provide the required information to the beneficiaries. It also provides information to the beneficiaries expeditiously using the Digital Recording System.

It is planned to participate in the National Productivity Competition in the coming year and to implement the 5-S concept, which aims to carry out the functions of the Fund efficiently and effectively.



Highlights of the Shrama Vasana Fund 1998-2021

The Shrama Vasana Fund was awarded the ISO Quality Certificate



Won The Third place of the best annual report competition



Performance of Shrama Vasana Fund in 2021

With the onset of 2020, the effects of the Covid 19 epidemic that affected over the world also affected in Sri Lanka. In the face of this epidemic, the Shrama Vasana Fund was not able to achieve the performance planned for year 2020.

This was mainly due to the reasons of imposition of travel restrictions in the country, temporary closure of certain areas, and performance of essential duties adapting to the schedules of shift of services.

Furthermore, many programmes of the Shrama Vasana Fund were not able to perform at the expected level due to factors such as travel restrictions and the security of those institutions, in the context of conducting those programmes in the premises of factories and workplaces outside the institution.

Also, the annual revenue of the Shrama Vasana Fund has declined sharply, due to the decline in sales of lotteries which is the main source of revenue of the Fund. Therefore, it was decided to revise the programmes planned for the year 2020 as per the instructions of the Board of Directors.

In the midst of such circumstances, the programmes implemented by the Shrama Vasana Fund up to now, in the year 2020 are as follows.

01. Awareness Programmes

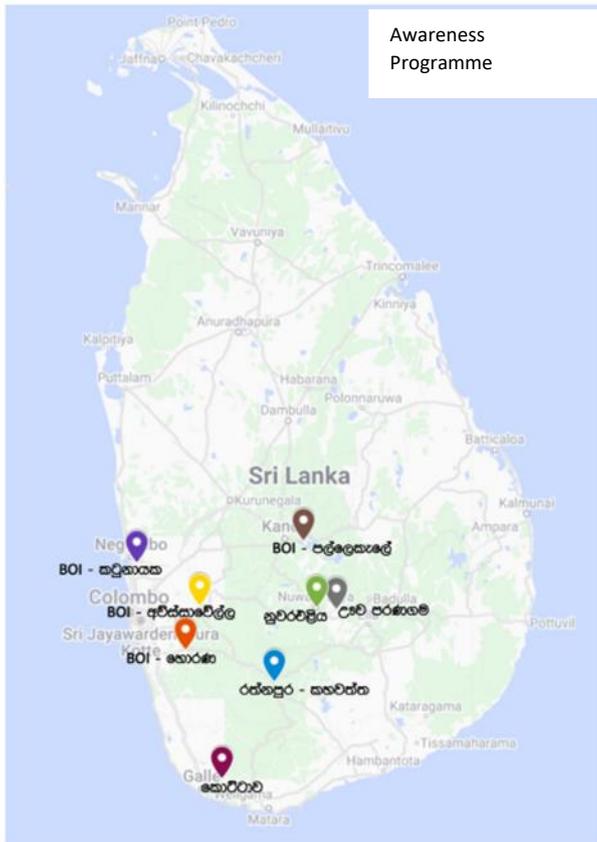
Overview

Promoting the welfare of the employees is one of the primary objectives of the establishment of the Shrama Vasana Fund. Over the past few years, it has become clear that many of the industrial accidents in Sri Lanka are due to negligence on the part of employees and a lack of usage of safety equipment.

For these reasons, as a precautionary measure, after identification of hazardous factories where accidents have been reported and factories at risk level in recent years and training workshops and awareness programmes were conducted by knowledgeable engineers in that regard.

Awareness programmes on labour laws and regulations were also conducted through experienced resource persons in the field with the aim create aware among employees as well as employers on problematic situations.

These awareness programmes were very successful, and made aware employees and the employer community about labour laws and regulations, and raising awareness about occupational safety and health and the potential for industrial accident mitigation.



Map 01



Awareness programs conducted by the SVF

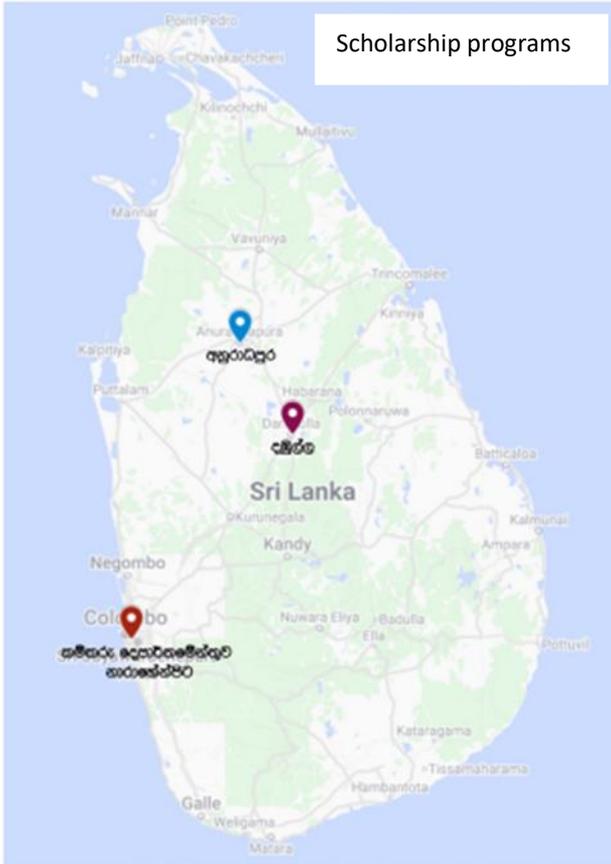
02. Fatal Accident Scholarship Programme

Overview

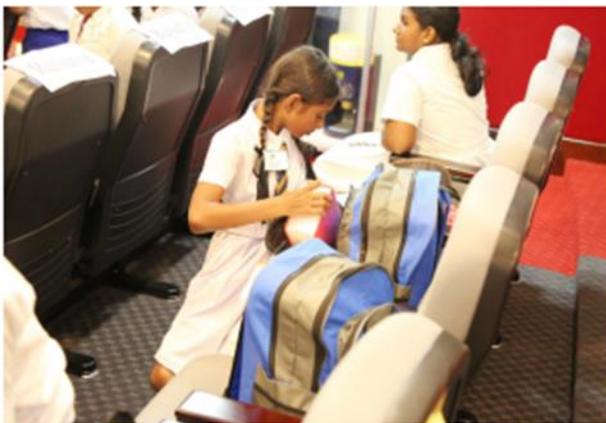
These programmes are implemented for the children of working people who have deceased or become completely disabled due to factory accidents in Sri Lanka.

Beneficiaries are identified based on information obtained through factory inspection engineers and through the Office of the Commissioner of Labour Compensation on industrial accidents occurring in a particular factory, workplace or service station, and the children of employees who have deceased or become completely disabled (Children from pre-school education to university or higher education, ie ages 3-25) are eligible for this programme and a fixed deposit of Rs.50,000/= and educational equipment will be provided for such children.

Due to the prevailing epidemic situation, Fatal Accident Scholarship Programme in this year was held on 06th, 08th, 09th and 10th June 2020 at the Regional Labour Offices in Matara, Hambantota, Kalutara, Gampaha, Kurunegala, Kandy, Kegalle, Nuwara Eliya, Badulla and Ratnapura.



Map 02

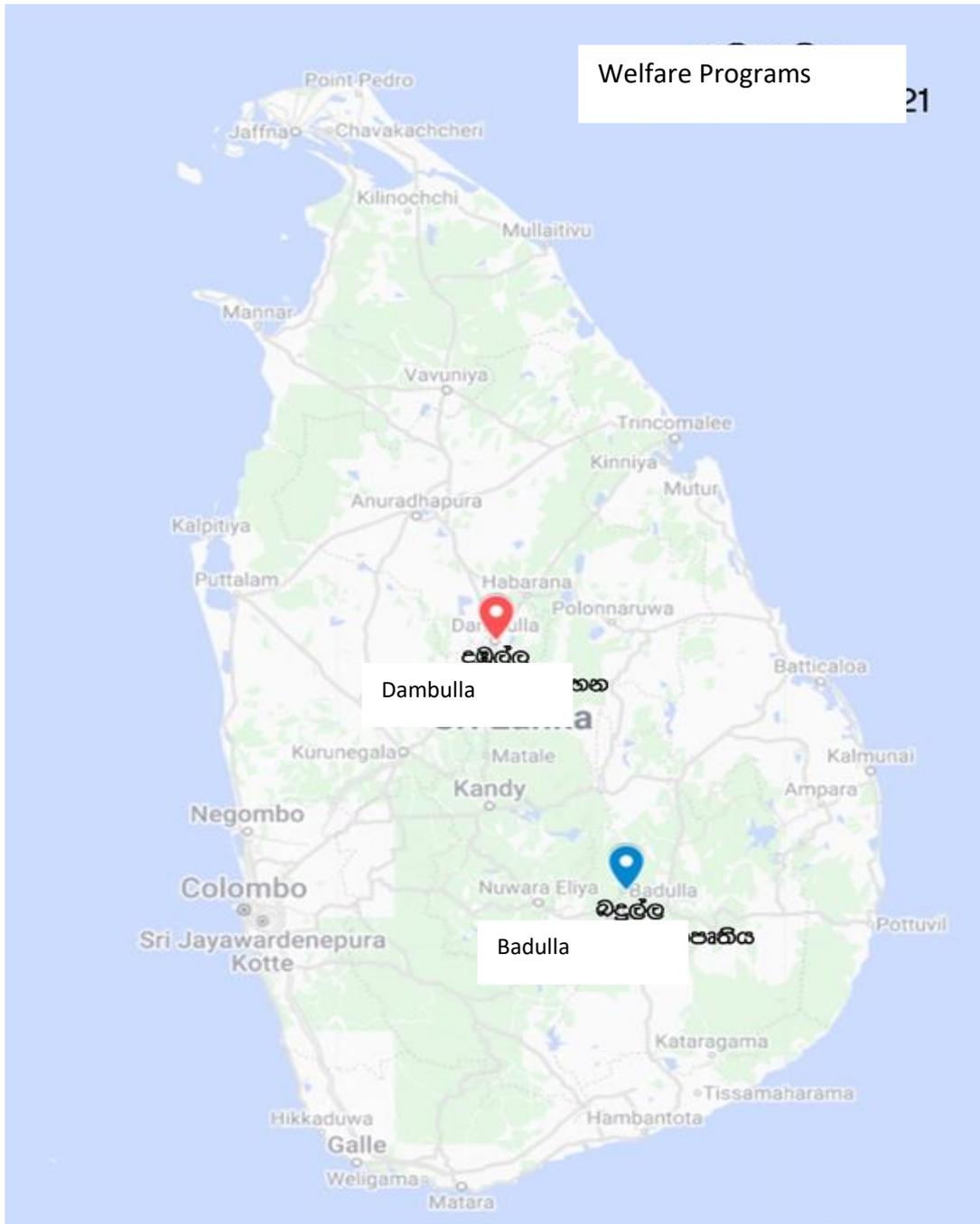


Scholarship Programs conducted by SVF

03. Empowerment programme

Overview

These programmes are aimed at empowering working families, especially low income families. These programmes are implemented year by year to cover each province of Sri Lanka and to strengthen the economy of working families by selecting one person from each of the low income families and training them for self-employment in a sector of their choice or in a sector suitable to their area and provides with them the necessary equipment to continue said industry.



Financial Information



Shrama Vasana Fund

2



Shrama Vasana Fund
Statement of Financial Position
As at December 31st, 2021

		Rs. 2021	Rs. 2020
Assets			
Current Assets			
Cash and Cash Equivalents	Note 03	677,883	2,104,692
Inventories	Note 05	586,655	1,495,145
Investment in Fixed Deposit		70,000,000	113,000,000
Investment in Repo		4,000,000	-
Receivables	Note 04	351,639,626	336,338,916
		<u>426,904,164.48</u>	<u>452,938,752</u>
Non-Current Assets			
Investment in ISO & Web site ,Web Base System		-	2,774,958
Investment in Fixed Deposit		30,000,000	-
Intangible asset	Note 02	2,236,817	22,850
Plant Machinery & Equipment	Note 01	11,053,104	12,312,818
		<u>43,289,920</u>	<u>15,110,626</u>
Total Assets		<u><u>470,194,085</u></u>	<u><u>468,049,378</u></u>
Liabilities			
Current Liabilities			
Payables	Note 07	73,855	159,413
Provision	Note 08	1,247,000	1,239,500
Non-current Liabilities			
Staff Gratuity Provision		1,902,262	1,332,567
Total liabilities		<u>3,223,117</u>	<u>2,731,479</u>
Net Assets		<u><u>466,970,968</u></u>	<u><u>465,317,899</u></u>
Accumulated Surplus Reserves			
Government grant	Note 06	463,707,968	461,692,399
Total net Assets		<u><u>466,970,968</u></u>	<u><u>465,317,899</u></u>

The Accounting Policies and notes on pages 06 to 17 from an integral part of this financial statement. The Board of Directors of an entity is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri Lanka public sector Accounting Standards (SLPSAs). These financial statements were approved by the Board of Directors and signed on their behalf.

Chairman
M.P.D.U.K. Mapa Pathirana
ShramaVasana Fund

Director
B.K.P. Chandrakeerthi
ShramaVasana Fund

General Manager
D.R.Jayalath
ShramaVasana Fund

Accountant
M.L.Jayamali
ShramaVasana Fund

M P D U K Mapa Pathirana
Secretary
Ministry of Labour
7th Floor, "Mehewara Piyesa"
Narahenpita
Colombo - 05

B.K. Prabath Chandrakeerthi
(Attorney-at-Law)
Commissioner General of Labour
Department of Labour
Colombo 05.

P. R. Jayalath
General Manager
Shrama Vasana Fund

M. LAKMINI JAYAMALI
Accountant
Shrama Vasana Fund





Shrama Vasana Fund

3



Shrama Vasana Fund
Statement of Financial Performance
As at December 31st, 2021

		Rs. 2021	Rs. 2020
Revenue			
Income	Note 10	34,672,316	37,802,625
Total Revenue		<u>34,672,316</u>	<u>37,802,625</u>
Expenses			
Administration Expenses	Note 11	14,791,283	14,731,837
Depreciation	Note 12	3,006,226	2,054,339
Expenditure for objective of fund	Note 13	14,445,075	8,131,554
Other Expenditure	Note 14	288,897	554,378
		<u>32,531,481</u>	<u>25,472,108</u>
Surplus for the Year		2,140,835	12,330,517

Final Account 2021

"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05





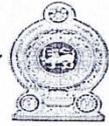
Shrama Vasana Fund

4



Shrama Vasana Fund
Statement of Changes in Funds
For the Year Ended December 31, 2021

	Rs.	Rs.
	<u>Accumulated Fund</u>	<u>Total</u>
Balance as at 31 st December 2019	449,370,823.92	449,370,823.92
Prior year adjustment	(8,941.81)	(8,941.81)
Surplus for the year	<u>12,330,516.67</u>	<u>12,330,516.67</u>
Balance as at 31 st December 2020	461,692,398.78	461,692,398.78
Prior year adjustment	Note 15 (125,265.68)	(125,265.68)
Surplus for the year	<u>2,140,835.12</u>	<u>2,140,835.12</u>
Balance as at 31 st December 2021	<u>463,707,968.22</u>	<u>463,707,968.22</u>



Shrama Vasana Fund 5



Shrama Vasana Fund Cash flow Statement For the Year Ended December 31, 2021

	Rs. 2021	Rs. 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	2,140,835.12	12,330,516.67
Non-cash movements		
Depreciation	2,445,234.39	2,048,339.30
Amortisation	560,991.60	6,000.00
Amortisation Government Grant	(362,500.00)	-
Provision for Gratuity	569,695.00	-
Profit for Assets sale	(4,965.57)	-
Investment Interest	(6,311,136.97)	(7,600,124.14)
Distress Loan Interest	(68,932.57)	(44,120.73)
Repo investment interest	(295,650.37)	(23,200.00)
Call Deposit interest	(22,006.85)	-
Other income	(109,165.57)	(100,780.00)
Increase/Decrease in working Capital		
(Increase)/Decrease of other payables	(85,557.78)	27,368.31
(Increase)/Decrease of Provision	7,500.00	622,962.50
(Increase)/Decrease of other receivables	(14,629,658.00)	(357,266.00)
(Increase)/Decrease in Inventories	908,489.81	(636,592.38)
Net cash flows from operating activities	(15,256,827.76)	6,273,103.53
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchasing of Plant, Machinery & equipment	(1,195,605.00)	(1,276,513.40)
Investment Interest	5,514,818.48	11,097,424.30
Distress Loan Interest	68,932.57	44,120.73
Repo investment interest	295,650.37	23,200.00
Other income	109,165.57	100,780.00
Call Deposit interest	22,006.85	-
Receipt from Property, plant and equipment sale	15,050.00	39,755.00
Investment Fixed Deposit	13,000,000.00	(18,000,000.00)
Investment Repo	(4,000,000.00)	-
Net cash flows from investing activities	13,830,018.84	(7,971,233.37)
Net increase/(decrease) in cash and cash equivalents	(1,426,808.92)	(1,698,129.24)
Cash and cash Equivalents at beginning of period	2,104,691.77	3,802,821.01
Cash and cash Equivalents at end of period	677,882.85	2,104,691.77

Final Account 2019

"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05

Accounting Policy

1. General Accounting Policies

1.1 Reporting Unit

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

1.2 Authorization Date for Issuance

The Board of Directors has approved the issuance of financial statements on 21st January 2021.

1.3 Period of Reporting

The financial term of the Shrama Vasana Fund represents a period of 12 months from 01st January 2020 to 31st December 2020.

1.4 The Basis on Preparation of Financial Statements

1.4.1 Statement of Conformity

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

1.4.2 The Basis of Measurement

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

1.4.3 Comparative Information

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

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

1.4.4 Functional and Presentation Currency

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

1.4.5 Use of Accounting Estimates and Judgments

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

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

a) Effective lifetime of real estate and equipment

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

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

b) Continuity

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

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

1.5 Assets and Basis of Asset Valuation

1.5.1 Property, Plants and Equipment (PPE)

a) Identification and Measurement

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

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

b) Cost

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

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

Assets received as gifts are credited to the Accumulation Fund and credited to the Property, Plant and Equipment Account.

c). Subsequent Expenses

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

d). Depreciation

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

Depreciation is made at the following depreciation rates.

Vehicles	10%
Machinery	20%
Air conditioner	20%
Audio-visual equipment	25%
Computers	25%
Furniture and Fittings	10%
Office Equipment	07.5%
Software	20%

e). Intangible Assets

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

f). The Basis of Identification

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

- Accounting software

The accounting software purchased by the institution measures the acquisition cost and deducts the cumulative depreciation from the cost.

g) Depreciation of Intangible Assets

Adjusts to the income statement is made by gradually depreciating the assets in a simple way from the date of use of the assets over the productive lifetime.

h). Asset Revaluation

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

The car no. KO 7519 handed over to the Fund has been evaluated by the Valuation Department of Government. All new revaluation values are presented in the financial statement for the current year.

i). Removal

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

1.5.2 Stock

Stock is expressed as either the cost or the net gain value. Issuance is made at the average cost at which the stock is weighed.

1.5.3 Accounts Receivable

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

a) Cash Receivables from the Department of Treasury Operations

The main source of income for the Shrama Vasana Fund is 10% of the proceeds from the sale of “Jathika Sampatha” Lotteries. Lottery income received each month is credited to the Consolidated Fund by the Lotteries Board and issued quarterly according to the annual requirements of the Fund.

This represents the amount to be received to the Fund in the name of the Shrama Vasana Fund in the Consolidated Fund.

b) Fixed Deposit Cash Receivables

The fixed deposits maintained in four state banks under the name of Shrama Vasana Fund are the money that should have been received for the year however, has not been received so far.

15.4 Investments

Investments consist of short-term investments of less than one year and long-term investments of more than one year. It represents short-term investments made in fixed deposits for a period of three months, six months and one year, as well as long-term investments made up to the web site of Shrama Vasana Fund and computerized database system and certification.

1.5.5 Cash and Cash Equivalent

Consists of cash and cash equivalent in hand and bank deposits.

1.6 Liabilities and Reservations

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

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

1.6.1 Retirement Benefits Liabilities and Provisions

a) Defining the Gratuity Benefit Plan

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

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

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

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

c) Allocation for Legal Aid

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

1.7.1 Income / Revenue

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

1.7.2 Expenditure

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

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

1.8 Incidents after Date of Balance Sheet

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

1.9 Cash Flow Statement

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

Action is being taken to submit the performance report along with the financial statements to the Auditor General, from 2021 onwards and the performance report for the year 2020 has been submitted to the Auditor General and the Ministry of Finance before 31.08.2021.

2.2.4

(a) Approval has been granted by the Board of Directors on 20.04.2021 to obtain interest income on short term investments in People's Bank Treasury Unit as REPO, when the cash book bank account balance exceeds Rs. 5 million and to earn interest by investing in demand deposits, when it is less than Rs. 5 million. Action has been taken to invest in REPO, when the bank balance is more than Rs. 5 million and to invest in short term investments such as demand deposits, when the current balance is less than Rs. 5 million. Action has been taken to obtain interest income by investing as demand deposits in People's Bank on 21.08.2021.

(b) According to Circular PED 2/2018, interest rates will be called from State Banks, will and will be invested in a state bank that offers a higher interest rate after comparing them. In such cases that the banks are closed, restriction of the attendance of the bank officials due to the epidemic situation in the country, then, action has been taken under the guidance of the Board of Directors to invest in the same bank without losing interest to the institution at least for a day and accordingly, arrangements were

made to invest in the People's Bank itself, which had a high interest rate at the time. However, in order to maintain transparency, measures have been taken so far, to call interest rates from State Banks in 2021 and invest in banks with higher interest rates.

(c) It was decided not to implement the programme as per the instructions given by the Board of Directors since it would not be practical to provide school equipment when schools have been closed for a long time due to the Covid 19 epidemic.

(e) Issues have been arisen during the implementation of this programme in this year, due to the Covid-19 epidemic in the country. Expenditure had to be allocated through the Annual Action Plan for the implementation of this programme and the relevant estimate had to be revised and to get approved. Due to the inability to continue the ceremony, the event has been scheduled to be held on 29th September 2021 under the patronage of the Hon. Prime Minister and however it had to be postponed further due to the lack of suitable environment in the country for such programmes and lack of opportunity for such matters according to health guidelines. When the opportunity arises to organize this event in the future, it will be brought back to the attention of the Board of Directors and will be prepared and approved proper estimates in this regard.

A committee appointed with the approval of the Board of Directors, under the guidance of the present Secretary to the Ministry of Labour, to review the eligibility of the selected beneficiaries, has re-examined the list of beneficiaries and submitted the recommendations for compliance with the criteria for the approval of the Board of Directors.

The matters inquired by the Audit were referred to the Board of Directors and it has been re-approved by the Board of Directors to conduct that programme for Labour leaders.

A Committee consisting of 03 officers was appointed by the Board of Directors of the Shrama Vasana Fund for this programme. The Board of Directors also decided to evaluate the Trade Union Leaders on the recommendations of the committee. Accordingly, a newspaper advertisement was published by that party and applications were called and the top 10 scorers were approved by the Board of Directors on 22.03.2018. The trade union leader selected, on the special request of the Hon. Minister of Labour was approved by the Board of Directors on 24.07.2018. At the request of the present Minister of Labour, a committee was appointed by the Secretary to the Ministry of Labour to re-examine the transparency of this selection methodology and obtained a report on 19/01/2021.

These expenses were incurred for the video containing the details of the beneficiaries to be evaluated and it is informed that this can be utilized for future programmes and this programme will be implemented on a future date given by the Hon. Prime Minister, following the health guidelines.

2.3

(a) Letter dated 04.10.2021 with regard to the appointment of an Internal Auditor for the Shrama Vasana Fund has been sent by the Ministry of Finance.

(b) Certain items in this stock have been handed over to the National Lotteries Board by letter dated 18.10.2021.

The remaining few items will be used for future scholarship programmes as soon as simplifying the health guidelines.



Shrama Vasana Fund 12



Note 01

Plant machinery & Equipment

01-1

Cost

	Restated balance as at 01.01.2021	Additions	Disposal/write off/Adjustment	Rs. Balance as at 31.12.2021
Vehicle	12,882,500.00	-	-	12,882,500.00
Machinery & Equipment	99,050.00	228,042.00	-	327,092.00
Audio & Video Visual	222,100.00	12,800.00	2,000.00	232,900.00
Air Conditioners	180,000.00	-	-	180,000.00
Computers	3,006,524.30	680,925.00	6,667.00	3,680,782.30
Furniture and Fittings	752,096.60	132,107.00	7,700.00	876,503.60
Office Equipment	181,397.50	141,731.00	12.50	323,116.00
	<u>17,323,668.40</u>	<u>1,195,605.00</u>	<u>16,379.50</u>	<u>18,502,893.90</u>

01-02

Depreciation

	Restated balance as at 01.01.2021	Charge for the period	Disposal/write off/Adjustment	Rs. Balance as at 31.12.2021
Vehicle	4,136,290.14	1,288,250.00	-	5,424,540.14
Machinery & Equipment	23,608.09	50,800.47	-	74,408.56
Audio & Video Visual	64,422.47	55,388.97	852.33	118,959.11
Air Conditioners	42,904.11	36,000.00	-	78,904.11
Computers	648,651.76	900,733.64	2,876.86	1,546,508.54
Furniture and Fittings	79,461.27	85,116.72	2,554.09	162,023.90
Office Equipment	15,513.03	28,944.59	11.79	44,445.83
	<u>5,010,850.87</u>	<u>2,445,234.39</u>	<u>6,295.07</u>	<u>7,449,790.19</u>

Note 02

Intangible Asset	Cost as at 01.01.2021	Transfer	Disposal/write off/Adjustment	Balance as at 31.12.2021
Soft Ware				
Accounting Package	30,000.00	-	-	30,000.00
Web Site,iso & web base system	-	2,774,958.00	-	2,774,958.00
	<u>30,000.00</u>	<u>2,774,958.00</u>	<u>-</u>	<u>2,804,958.00</u>

Amortisation	as at 01.12.2021	Charge for the period	Disposal/write off/Adjustment	Balance as at 31.12.2021
Soft Ware				
Accounting Package	7,149.77	6,000.00	-	13,149.77
Web Site,iso & web base system	-	554,991.60	-	554,991.60
	<u>7,149.77</u>	<u>560,991.60</u>	<u>-</u>	<u>568,141.37</u>

Final Account 2021

"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05





Shrama Vasana Fund

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Note 03		Rs.
Cash and Cash Equivalents		
Peoples bank -119100103693128		667,882.85
peoples E- card-119100293693128		10,000.00
		<u>677,882.85</u>

Note 04		
Other Receivables		
Treasury Operation Department		346,643,444.18
Distress Loan		1,527,600.00
Interest on Fixed Deposit Investment		3,365,582.19
Refundable deposit		3,000.00
Other Receivables-lottery		100,000.00
		<u>351,639,626.37</u>

Note 05		
Inventories		
Stationary		542,607.40
Programme item		44,047.86
		<u>586,655.26</u>

Inventories has been measurement on Weighted Average Cost

Note 06		
Cumulative Fund as at 01.01.2021		461,567,133.10
Surplus for the year 2021		2,140,835.12
Cumulative Fund as at 31.12.2021		<u>463,707,968.22</u>

Note 07		
Other payable		
Telephone Payable		29,335.70
Other Payable		30,499.80
Overtime Payable		14,019.60
		<u>73,855.10</u>

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"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05





Shrama Vasana Fund

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Note 08

Provision

Provision for Legal Aid	772,000.00
Provision Financial ass. Appeals	140,000.00
Provision legal ass.Arbitration	10,000.00
Provision for Audit Fee	325,000.00
	<u>1,247,000.00</u>

Note 09

Fixed Assets has been depreciated on Straight line basis

Following Rates are used.

Vehicle	10%
Machinery & Equipment	20%
Air Conditioners	20%
Audio & Video Visual	25%
Computers	25%
Furniture and Fittings	10%
Office Equipment	7.5%
Soft ware	20%

Depreciable value of final assets have been depreciated up to scrap value Rs.1

Note 10

Income

Shrama vasana Lottery Income	27,502,924.00
Fixed Deposit Investment Income	6,311,136.97
Distress Loan Interest Income	68,932.57
Repo Investment Income	295,650.37
Call Deposit Interest	22,006.85
Government grant	362,500.00
Other Income	109,165.57
	<u>34,672,316.33</u>

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"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05





Shrama Vasana Fund

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**Note 11****Administrative Expenditure**

Salary & wages	6,692,226.20
E.P.F.	1,779,687.00
E.T.F.	266,953.05
Cost of Living Allowance	1,497,600.00
Other Allowance	258,960.00
Chairman Allowance	186,875.00
Directors Allowance	347,500.00
Board Secretary Allowance	15,000.00
Allowance for Internal Auditor	21,750.00
Professional Allowance	180,000.00
Bonus	240,000.00
Staff Gratuity	569,695.00
Overtime & Holiday pay	76,676.63
Domestic Travelling & Sub	87,130.80
Transport Charges	123,060.32
Stationery & Others	399,419.17
Postal Expenses	5,434.70
Telephone Expenses	307,016.20
Entertainment Expenses	49,612.30
Refreshment & Other	57,266.35
Sundry	66,358.56
Others	33,586.00
Audit Expenses	140,000.00
Water & Electricity	25,689.91
Other Service	451,468.86
Maintenance & Repair expence	512,771.44
Vehicle Insurance	112,245.48
Staff Welfare	192,000.00
Training of Staff	95,300.00
	<u>14,791,282.97</u>

Note 12**Depreciation**

Depreciation on Vehicle	1,288,250.00
Depreciation on Computers	900,733.64
Depreciation on Air Conditioners	36,000.00
Depreciation on Audio & Video Visual	55,388.97
Depreciation on Furniture and Fittings	85,116.72
Depreciation on Office Equipment	28,944.59
Depreciation on Machinery & Equipment	50,800.47
Amortisation on Soft ware	560,991.60
	<u>3,006,225.99</u>

*Final Account 2021***"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05**



Shrama Vasana Fund

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Note 13

Expenditure to achieve targets of the fund

Awareness Programme	280,236.50
Welfare programme	46,419.04
Sanitary Programme	6,184,206.16
Artificial Legs & Limbs Programme	50,000.00
Legal Aid Programme	468,015.00
Legal assistance for appeals	300,000.00
Financial assi. For arbitration	30,000.00
Legal aid Scholarship programme	38,454.49
Scholarship Programme	3,634,417.61
Technical education pro.	8,320.00
Compensation Benefits	10,725.00
Medical assistance pro.	200,000.00
Award Ceremony	3,194,281.60
	<u>14,445,075.40</u>

Note 14

Other Expenditure

Lottery Sale Public Awareness	91,498.51
Productivity	197,398.34
	<u>288,896.85</u>

Note 15

Prior year adjustment

Fixed deposit interest	(125,265.68)
	<u>(125,265.68)</u>

15.1

Adjusting the over-calculated amount when calculating fixed deposits

Note 16

People's Bank Narahenpita Branch maintains two current accounts under the name of Chairman Shrama Vasana Fund.

* Current Account No. 119100103693128 has been operated for day today transactions.

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

Note 17

Two Former employees of shrama vasana fund have file a case in High Court No.HCALT /75/2020 and HCALT/74/2020

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"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05





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**Note 18**

The web-based system of investment has been transferred to the Intangible Assets Account and amortized annually.

Note 19

Nine million rupees has been released from fixed deposits and used for objective and administrative expenses.

Note 20

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

Note 21**Comparative Information**

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

Note 22**Directors Interests in Contracts**

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

Note 23**Directors Responsibility**

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

Final Account 2021

"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05



NATIONAL AUDIT OFFICE

My. No : LEW/B/SVF/SR/01/2021

Date : 22nd June 2022

Chairman

Shrama Vasana Fund

Auditor General's Report on the Financial Statements of the Shrama Vasana Fund for Year Ended 31 December 2021 in Terms of Section 12 of the National Audit Act No. 19 of 2018

The following report is herewith submitted.

(Sign. Illegible)

W. P. C. Wickramarathna

Auditor General

Copy : Secretary, Ministry of Finance, Economic Stabilization and National Policies

NATIONAL AUDIT OFFICE

My. No : LEW/B/SVF/SR/01/2021

Date : 22nd June 2021

Chairman

Shrama Vasana Fund

Auditor General's Report on the Financial Statements of the Shrama Vasana Fund for Year Ended 31 December 2021 in Terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Shrama Vasana Fund for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement and notes to financial statements for the year then ended including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 (4) of the Shrama Vasana Fund Act, No. 12 of 1998 and provisions of the National Audit Act, No. 19 of 2018. My report to be tabled in Parliament in real time, in terms of Article 154 (6) of the Constitution.

In my opinion, the financial statements give a true and fair view of the financial position of the Shrama Vasana Fund as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Fund 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 Fund.

1.4 Auditor's Responsibility for Audit of Financial Statements

Overall, my objective is to provide a reasonable certification that the financial statements are free from frauds and material misstatements whether due to fraud or error and to issue an audit report with my opinion. Even though fair certification is a high-level guarantee, it does not always ensure that disclose adequate misstatements while auditing in terms of the Sri Lanka Audit Standards. Frauds and errors are likely to result in substantial misstatements, either individually or collectively, and are expected to affect the economic decisions made by users based on same financial statements.

I have been audited in terms of Sri Lanka Auditing Standards with professional judgment and professional compliance. Furthermore,

- My opinion is based on obtaining adequate and appropriate audit evidence to avoid risks of fraud or errors, by planning audit procedures that are appropriate in the circumstances, when

identifying and assessing the risks of material misstatement that could be occurred in financial statements due to fraud or error. The impact of fraud is stronger than the impact of material misstatement and misconduct, forgery, intentional avoidance or internal controls avoidance could be led to fraud.

- Even though understanding on the internal control of the corporation has been obtained to design audit procedures that are appropriate in the circumstances, however does not intend to state opinion on the effectiveness of internal control.

- The fairness of accounting policies and accounting estimates applied and the appropriateness of related disclosures made by management have been evaluated.

- The relevance of using the basis of continuance of institution for accounting has been determined based on the audit evidence obtained as to whether there is sufficient uncertainty about the existence of the corporation due to the incidence or circumstances. If I have concluded that there is sufficient uncertainty, then it should be focused in my audit report on the disclosures in the financial statements and if such disclosures are inadequate, my opinion has to be modified. My conclusions are based on audit evidence obtained up to the date of the auditor's report. However, continuity of the corporation could be ended on future incidence or circumstances.

- The presentation, structure and content of the financial statements that include disclosures have been evaluated and has been evaluated that the transactions and incidence based for the same are appropriately and reasonably included in financial statements

The governing parties have been made aware on key audit findings, key internal control deficiencies and other issues that identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 The National Audit Act No. 19 of 2018 contains special provisions relating to the following requirements.

2.1.1 In accordance with the requirements of Section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the details and explanations required for the audit, except for the effects of the matters described in the section for the basis of qualified opinion of my report and as shown by my inquiry, the corporation has been maintained proper financial records.

2.1.2 In accordance with the requirements of Section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018, the financial statements of the corporation are consistent with the previous year.

2.1.3 In accordance with the requirements of Section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018, the recommendations made by me in the previous year are consist in the financial statements of the corporation.

2.2 Nothing came to my attention as much as the following statement with the measures followed and the evidence obtained and the limitation made to substantial matters.

2.2.1 In accordance with the requirements of Section 12 (d) of the National Audit Act No. 19 of 2018, any member of the Governing Body of the Corporation has directly or otherwise connected with the Corporation in any contract or proceeding outside the ordinary course of business.

2.2.2 In accordance with the requirements of Section 12 (f) of the National Audit Act No. 19 of 2018, the company has acted non- compliance with any applicable written law or any other general or special provisions issued by the Board of Governors of the Corporation.

Reference to Laws, Rules, Regulations etc. Description

(a) Shrama Vasana Act No 12 of 1998 amended by Shrama Vasana (Amendment) Act No 15 of 2019

(i) Sub Section 3:3: Although the Board was authorized to make rules relating to the procedure of its meetings and regularization of the conduct of those meetings, subject to the provisions of the Act, however such rules had not been prepared as at 31st December 2021.

(ii) Sub Section 3:4: 2 (g) Although a certain amount of money as determined by the Board, on granting legal assistance and financial relief to the employees, for litigation related to the termination of employment of an employee who has been assigned or is being tried under the provisions of any written law before the Commissioner General of Labour, a Labour Tribunal, an arbitrator or a Labour Court or any other court, should be subject the rules made for the purpose of the Act, however the rules for granting this legal aid had not been prepared until 31st December 2021.

(iii) Sub Section 13:1 Although the provisions should be included regarding the number of lotteries may agree by the Fund and the Lotteries Board, and types of lotteries, however the Fund and the National Lotteries Board had not reached an agreement with such provisions.

(iv) **Sub Section 13:2(a)** Although the provisions should be included regarding the prizes to be awarded in such lotteries, how to deal with unclaimed prizes in such lotteries, and the amount of money to be allocated to the Fund from lottery proceeds, however the Fund and the National Lotteries Board had not reached an agreement with such provisions.

(v) **Sub Section 14:1** Although the Board had prepared and submitted the Rules which the Board deems necessary for matters related to the execution of the powers, functions and tasks of the Board, or consequent facts therein to the Ministry of Finance, however the rules have not published in the Gazette till 31st December 2021.

(vi) **Section 4(I) (a) of the Act and Section 2 (1)(a) of the Shrama Vasana Fund (Amendment) Act No. 15 of 2019**

The Chairman of the Board shall be the Secretary of the Ministry. Since all funds are placed under the Ministry of Finance, in terms of the Extra Ordinary Gazette Notification No. 2187/27 dated 09th August 2020 issued by the Presidential Secretariat, the Chairman of the Fund should be the Secretary of the Ministry of Finance. Nevertheless, action has been taken to appoint the Secretary of the Ministry of Labour for the office of the Chairman by the letter on Secretary to the Treasury bearing No. MF1/05/01/178-SVF/02 dated 02nd June 2021, informed that the Minister of Finance had agreed to the said appointment.

(vii) **Section 6(a) of the Act and Section 3(1) of the Shrama Vasana Fund Amendment Act No. 15 of 2019**

Although the welfare of the employees should be developed, programmes to develop the welfare of the employees had not been implemented, even till 31st December 2021.

(viii) **Section 6(b).** Although financial and other assistance should be provided to the employees, in the event that the institutions where the employees were employed were closed without prior notice, however such financial and other assistance was not provided as at 31st December 2021.

(ix) **Section 3(3) g (ii) of the amended Act**

Although it was stated that the ad hoc rules for financial relief should be subject to a certain amount decided by the Board, however no such rules were indicated as at 31st December 2021.

(x) **Section 6(3) 1 of the amended Act**

Although it was mentioned regarding the rules published in the Gazette Notification, such rules have not been gazetted even till 31st December 2021.

2.2.3 In accordance with the requirements of Section 12 (g) of the National Audit Act No. 19 of 2018, the corporation has acted non-compliance with the powers, duties and functions of the corporation.

2.2.4 In accordance with the requirements of Section 12 (h) of the National Audit Act No. 19 of 2018, the resources of the Fund have not been procured and utilized in a timely manner, efficiently and effectively in accordance with relevant regulations.

2.3 Other Audit Observations

The following observations are made.

(a) Only Rs. 13,000,000 had received from Rs. 27,502,924 due amount from Consolidated Fund for the year under review and therefore, Rs. 14,502,924 should have been received. Also, it should be received balance of Rs. 346,643,444 including the said balance due from the Consolidated Fund since the year 2004, however proper measures has not been taken to recover the balance from the Consolidated Fund. Inability to obtain sufficient funds from the Treasury had adversely affected the achievement of the objectives of the Fund.

(b) Rs. 10,000,000 from the Fund maintained under the Department of Treasury Operations was disbursed in February 2021 for the construction of 200 sanitary latrine for estate labour community in Badulla district by the Shrama Vasana Fund. It was expended as payment of Rs.5,950,000 to the beneficiaries through the District Secretary, Badulla during the year under review and Rs. 234,206 for the other expenses. Although measures should be taken to promote the welfare of employees and their dependents, in accordance with the objectives of the Shrama Vasana Fund Act No. 12 of 1988 and the Amended Act No. 15 of 2019, apart from those objectives, 140 low-income beneficiaries were benefited from this latrine project, and it was 70 percent of the total number of beneficiaries.

(Sign. Illegible)

W. P. C. Wickramarathna

Auditor General

Annexture

Performance of the Shrama Vasana Fund for the Year 2020

01. Awareness Programmes

- ✓ EPZ Koggala
- ✓ Social Dialog & good relationship Rathnapura,
- ✓ Productivity & Attitude development – CBL Kottawa
- ✓ Occupational Safety & health EPZ Horana
- ✓ Occupational Safety & health EPZ Avissawella.
- ✓ Occupational Safety & health EPZ Katunayaka.
- ✓ Occupational Safety & health EPZ Pallekele.
- ✓ Social Dialog & good relationship Nuwaraeliya.

02. Fatal Accident Scholarship Programmes

- ✓ 50 students awarding the scholarship at Narahenpita.
- ✓ 05 students awarding the scholarship at Dambulla Labour Office.
- ✓ 35 students awarding the scholarship at District Labour Office Anuradhapura.

03. Welfare Programme

- ✓ 05 students were awarded the School books & Bags at Dambulla Labour Office.
- ✓ 200 Nos of Sanitary projects in Badulla



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