



லாபீகி காரீகா஁ல லாபீல
வருடாந்த ஸெயலாற்றுகை அறிக்கை
Annual Performance Report
2022



கலீகரஃ டீபார்ட்மென்டில்
தொழில் திணைக்களம்
Department of Labour

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For the year of 2022
Expenditure Head No 221

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Chapter One

Institutional profile / Executive Summary

Institutional profile / Executive Summary

1.1 Introduction

The Indian Immigrant Labour Ordinance No. 01 of 1923 was enacted with the objective of providing welfare for Indian immigrant labourers brought to the country by the British colonial rulers to work in tea and coffee plantations under the commercial cultivation of plantations when Sri Lanka remained a crown colony of British Empire. The Office of Indian Immigrant Labour Controller established under the said Ordinance was the genesis of the present Department of Labour. Presently, the Department of Labour discharges the functions of strengthening the national economy through the reinforcement of tripartite relations amongst employees, employers and the government.

The Department of Labour is the apex public sector body responsible for upholding the rights at work, establishing social security of workers and promoting employer-employee relationships in the private and semi government sectors. Accordingly, the Department discharges its responsibilities by maintaining an island-wide network of labour offices for the enforcement of legislations and promotions required relating to the subject of labour.

1.2 Vision. Mission and Objectives



Vision

“A country with a lasting industrial peace for an internationally competitive economy”



Mission

“Contribute to socio-economic development of Sri Lanka through establishment of decent work environment with secured industrial peace, while protecting labour rights.”



Objectives

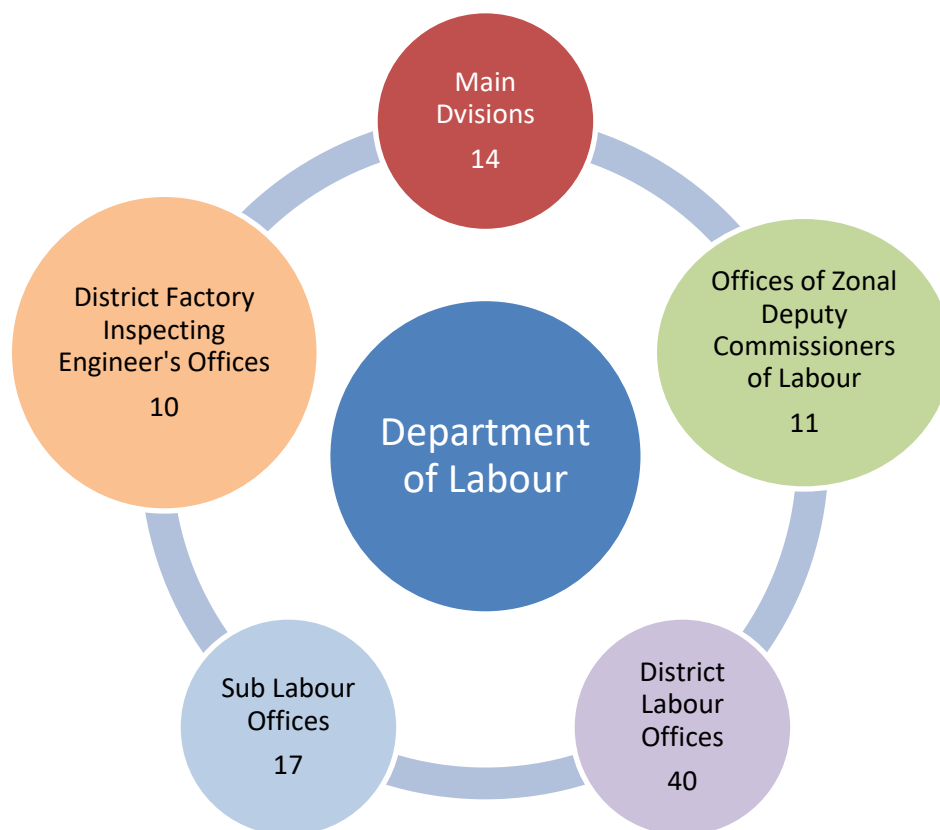
- Consolidating everlasting industrial peace in private and semi government sector workplaces.
- Improving conditions of work of the worker by establishing a decent work environment and formulating labour standards.
- Securing social protection of the worker
- Guaranteeing employment security of women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

1.3 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 effectively 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 schemes with similar efficiency.
- Constructive enforcement of all labour laws including those applicable to women, young persons and children.
- Increasing awareness amongst workers on maintaining healthy and accident-free work environment and ensuring that workplaces are accident free.
- Collection and analysis of statistics required for making decisions in regard to above functions.
- Taking actions to give legal effect in law and in practice to ILO conventions ratified by Sri Lanka.
- Initiating actions to eliminate child labour and hazardous forms of child labour.

1.4 Structure, organizational chart, main divisions and overall staff of the Department

1.4.1 Structure of the Department



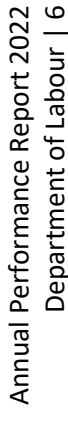
1.4.2 Main Divisions of the Department

✓ Industrial Relations Division	✓ Employees' Provident Fund Division
✓ Human Resources Development Division	✓ Enforcement Division
✓ Special Investigations Division	✓ Administrative Division
✓ Labour Standards Division	✓ Finance Division
✓ Industrial Safety Division	✓ Planning, Research, Training and Publications Division
✓ Occupational Hygiene Division	✓ Statistics Division
✓ Women and Children's Affairs Division	✓ Internal Audit Division

1.4.3 Approved cadre of the Department as at 31st December 2022

Post	Approved No.	Actual No. as at 31 st December 2022	No. of vacancies	No. of vacancies as a percentage of the approved number
Senior Level	211	133	78	37%
Tertiary Level	668	478	190	28%
Secondary Level	1753	1718	35	2%
Primary Level	489	401	88	18%
Total	3121	2730	391	13%

Organization Structure of the Department of Labour



1.5 Divisions of the Department

Since the vision of the Department is to contribute towards the creation of a country with an everlasting industrial peace for an internationally competitive economy, maintaining industrial peace is the fundamental and all-important functions of the Department. For this purpose, the Department discharges several key functions, namely the maintaining of a dialogue between employers and employees, inspection of workplaces, settling issues regarding the denial of statutory rights, resolving industrial disputes, ensuring workplaces are free of accidents and constituting legal actions for the protection of statutory rights of workers.

Accordingly, the following divisions have been established under the Department are in operation in order to operationalize the specified subject areas.

- 1.5.1 Industrial Relations Division
- 1.5.2 Human Resources Development Division
- 1.5.3 Special Investigations Division
- 1.5.4 Labour Standards Division
- 1.5.5 Industrial Safety Division
- 1.5.6 Occupational Hygiene Division
- 1.5.7 Women and Children's Affairs Division
- 1.5.8 Employees' Provident Fund Division
- 1.5.9 Enforcement Division
- 1.5.10 Administration Division
- 1.5.11 Finance Division
- 1.5.12 Planning, Research, Training & Publications Division
- 1.5.13 Statistics Division
- 1.5.14 Internal Audit Division

Further, 11 offices of zonal deputy commissioner of labour, 40 district labour offices, 17 sub labour offices and 10 district factory inspecting engineer's offices have been established throughout the country under the decentralization of functions of the Department of Labour for the provision of services expected by the working community scattered throughout the country.

The role of each of the above divisions is outlined below.

1.5.1 Industrial Relations Division

The Industrial Relations Division is responsible for maintaining industrial peace in the country while safeguarding the rights of employees and also establishment of a decent work environment for boosting the economic growth and development of the country. Industrial

Relations Division consists the Termination of Employment Branch and the Trade Union Branch and is also responsible for coordinating the function of arbitration and industrial court.

Accordingly, establishing industrial peace required for uplifting economic productivity, safeguarding terms and conditions stipulated by labour legislations, registration of collective agreements and promotion of such registration, minimizing strikes and industrial disputes and establishing a legal personality by the registration of trade unions are the main objectives of this division seeks to achieve.

The following legislations are enforced by this division.

- Industrial Disputes Act No. 43 of 1950
- Gratuity Act No. 12 of 1983
- Termination of Employment of Workers' (Special Provisions) Act No. 45 of 1971
- Trade Unions Ordinance No. 14 of 1935
- Minimum Retirement Age of Workers' Act No. 28 of 2021

1.5.2 Human Resources Development Division

For enhanced productivity and efficiency of private and semi government sector institutions established throughout the country, the Human Resources Development Division guides the process of establishing conducive work environment that would strengthen industrial peace between the two parties. Accordingly, the division executes the following functions.

- 1.5.2.1 Establishment of workplace cooperation at the institutional level by introducing and implementing policies and strategies for the promotion of social dialogue.
- 1.5.2.2 Building industrial peace whilst functioning as a facilitator for establishing collective agreements.
- 1.5.2.3 Educating both employers and employees on labour laws through awareness programmes for private and semi government sector institutions aimed at creating favourable working environment. (For this purpose, institutional level programmes are organized and conducted for managers and employers)
- 1.5.2.4 Conducting Zonal Advisory Councils with the participation of employers, employees and Deputy/Assistant Commissioners of Labour to gather information required for building tripartite relationships and formulating policies.
- 1.5.2.5 Conducting regional dialogues for knowledge sharing and resolving problematic issues pertaining to labour laws amongst employers and employees.

1.5.2.6 Publishing the journals of “Kathikawa” and “Prime Work” to broaden knowledge for preventing the occurrence of industrial disputes.

1.5.2.7 A competition “Social Dialogue Excellence Awards” on social dialogue and workplace cooperation is conducted island-wide annually at small, medium and large scales with representations from the manufacturing, service, apparel and plantation sectors to ascertain the extent to which social dialogue has been established within institutions. An essay (Sinhala / Tamil), arts, poster and short video clip competition too is conducted concurrently.

1.5.3 Special Investigations Division

In addition to the routine labour inspections and investigations into complaints, requests made from the Commissioner General of Labour for an independent inspection by persons who feel aggrieved by the way an inquiry into a complaint or an institutional (labour) inspection was conducted are referred as required to the Special Investigations Division. This division is vested with powers to conduct an inspection anywhere in Sri Lanka on the order of the Commissioner General of Labour. Urgent and immediate inspections and special inquiries are undertaken by this division.

1.5.4 Labour Standards Division

Formulating policies, standards terms and conditions of work, giving legal effect thereto and monitoring their implementation in order to ensure the welfare and job security of the workers employed by the private sector is an ongoing process of the Department. Providing relevant interpretations for the settlement of problematic issues that arise in respect of terms and conditions of service and securing the rights of workers by monitoring the progress of the implementation of labour standards are an integral part of this process and discharging this overall responsibility is carried out by the Labour Standards Division of the Department.

The following acts and ordinances are enforced by this Division.

- Wages Boards Ordinance No. 27 1941
- Shop and Office Employees Act No. 19 of 1954
- Budgetary Relief Allowance of Workers Act No. 36 of 2005
- National Minimum Wages of Workers Act No. 03 of 2016
- Budgetary Relief Allowance of Workers Act No. 04 of 2016

1.5.5 Industrial Safety Division

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 Industrial Safety Division. The legislation relevant to the occupational safety, health and welfare of workers working in factories of Sri Lanka is the Factories Ordinance No. 45 of 1942 and regulations made thereunder. It is expected to improve the efficiency of workplaces by creating a safe workforce with no fears of accidents through the establishment of a hazard-free working environment and thereby increasing the domestic production and enhancing the contribution made to the national economy.

Engineers attached to 10 District Factory Inspecting Engineer's Offices established covering the entire island inspect factories to discharge this function and since risky situations identified during labour inspections conducted by Labour Officers are reported to the District Factory Inspecting Engineer's Offices, such information too are used to provide a safe environment for workers.

Basically, the following activities are carried out to ensure industrial safety.

1.5.5.1 Registration of new factories

1.5.5.2 Inspection and approval of building plans

1.5.5.3 Inspection of factories

1.5.5.4 Inquiries into accidents and dangerous situations

1.5.5.5 Constituting legal action

1.5.5.6 Regulating the inspection of high-risk machinery

1.5.5.7 Investigating into complaints

1.5.5.8 Conducting awareness workshops

1.5.5.9 Referring the victims of occupational accidents and diseases to the Commissioner of Workmen's Compensation and the Shrama Vasana Fund

1.5.5.10 Other programmes

1.5.5.11 Carrying out engineering works of the Department of Labour and the Ministry

1.5.6 Occupational Hygiene Division

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.

The operational process of the Occupational Hygiene Division is to impart the knowledge required for the creation of an environment with the highest degree of physical, mental, social and spiritual wellbeing for the professionals thereby minimizing the risk of workers becoming

victims of diseases while engaged in their work due to unhealthy work environment and inspect the service conditions available in workplaces.

Inspecting using scientific methods whether there are conditions in the work environment that could cause health problems to workers immediately or in the long run and quantifying such probable health issues qualitatively and quantitatively under an accepted scientific method and creating awareness on measures to be adopted for the prevention of such accidents are primary responsibilities of this division.

Primarily, the following functions are discharged by this division.

- 1.5.6.1 Inspecting healthcare status of workplaces
- 1.5.6.2 Providing education required for promoting health in workplaces
- 1.5.6.3 Providing decisions of medical boards
- 1.5.6.4 Giving evidence in courts regarding working conditions and the occurrence of diseases on behalf of persons claiming compensation as a result of being exposed to poor occupational hygiene
- 1.5.6.5 Assessing the status of diseases of workers who apply for funds from the Employees' Provident Fund and the Employees' Trust Fund as a result of being unable to continue employment due to poor health

1.5.7 Women and Children's Affairs Division

Increasing women's contribution within the Sri Lankan labour force and eliminating child labour is a statutory responsibility of the government of Sri Lanka and these are the two-fold functional responsibilities of the Women and Children's Affairs Division

One of the prime responsibilities of this Division is to offer a productive women labour contribution to the country by enforcing labour legislation applicable to working women, and reviewing such legislation in a timely manner and recommending necessary amendments

Similarly, eliminating 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 this Division.

Accordingly, the following tasks are carried out by this Division.

- 1.5.7.1 Enforcing the provisions of existing laws applicable to employed women and children and guiding the zonal, district and sub labour offices towards this end.
- 1.5.7.2 Conducting awareness programmes island-wide for women and children.
- 1.5.7.3 Submitting recommendations for the strengthening of existing laws having studied and identified weaknesses and deficiencies of laws applicable to employed women and children.
- 1.5.7.4 Making an effectual contribution to child development committees held at the national, provincial, district and divisional levels.

1.5.7.5 Maintenance of women's hostels of the Department of Labour established at Free Trade Zones for women employees.

The following acts are enforced by this Division.

- Employment of Women, Young Persons and Children Act No. 47 of 1956
- Maternity Benefits Ordinance No.32 of 1939

1.5.8 Employees' Provident Fund Division

The Employees' Provident Fund has been established under the Employees' Provident Fund Act No. 15 of 1958 with the principle objective of ensuring a secured retired life free of economic burdens for the country's workforce in the private and semi government sectors. The fund is administered by the Department of Labour and the Monetary Board of the Central Bank is in custodian of the management of its funds. The role expected to be performed under this Act, which was subject to amendments from time to time is as follows.

1.5.8.1 Registration of institutions for the Employees' Provident Fund

1.5.8.2 Registration of members for the Employees' Provident Fund

1.5.8.3 Recovering contributions from employers who default the contributions

1.5.8.4 Issuing payment orders for the payment of benefits to employees

1.5.8.5 Monitoring the approved provident funds.

1.5.9 Enforcement Division

The Enforcement Division of the Department of Labour pursues action with the objective of establishing industrial peace by more efficient enforcement of labour laws across the island. In order to ensure the compliance with the provisions of labour legislation required to be enforced by the Department of Labour throughout the island. The Enforcement Division constitutes legal action against violators of such laws thereby safeguarding the rights of workers while fostering employer-employee cooperation.

Accordingly, the main functions of the Enforcement Division are outlined below.

1.5.9.1 Initiating action for the prosecution in magistrate courts in instance where statutory labour laws are violated and leading such cases.

1.5.9.2 Maintaining necessary coordination with the Attorney General's Department in lawsuits filed against or by the Department of Labour in the Commercial High Court, Provincial High Court, Court of Appeal or Supreme Court.

1.5.9.3 Supervision of court proceedings initiated by the district and sub-labour offices under the supervision of zonal offices, offering necessary instructions and reviewing the progress of such court proceedings.

1.5.9.4 Legal officers attached to the zonal offices offer necessary instructions in cases where judicial proceedings have to be initiated by the district/sub labour offices located in the zone and in the process of reactivating dormant cases and appear for the Department whenever necessary.

1.5.10 Administration Division

The Administrative Division consists of 04 branches, i.e. the administrative branch, establishment branch, building maintenance unit and the library.

Of them, the Administration Branch deals with all the services and supplies of the Department. Identifying land requirements for the construction of buildings of the Department, guiding the building construction activities, handling activities relating to rehabilitation and upgrading of buildings, procuring buildings on rent as per requirements, administering vehicles of the Department, providing infrastructure facilities required for the divisions and regional offices of the Department, managing capital goods and equipment, approving overtime, holiday payments, Agrahara insurance and distress loans are carried out by this branch.

The Establishments Branch is responsible for identifying staff requirements of the Department, handling all activities relating to recruitments, promotion of officers, conducting efficiency bar examinations, appraisal of performance, granting salary increments, implementing transfer procedure, handling retirement of officers, leave of officers and disciplinary matters.

The Building Maintenance Unit assists in the preparation of annual budgetary estimates and procurement plans for the construction of building and rehabilitating and upgrading existing buildings of the Department, coordinates with the Department of Buildings and other institutions, supervises activities pertaining to the rehabilitation and upgrading of buildings and deals with all maintenance activities of the head office and regional offices.

The library of the Department of Labour is the foremost library in Sri Lanka with a large collection on legislation, books, publications and journals on the field of labour. The library offers facilities for the staffs of the Department of Labour and other institutions affiliated to the Ministry of Labour as well as for external readers for the perusal of all legislation, books and publications for study and reference purposes. The library provides services such as lending books, reference service, photocopy service, collection of newspaper articles, pagination service and inter-library loans service.

The collection in the library of the Department of Labour comprises more than 200,000 books, journals and other publications. Amongst this collection are labour legislation, publications of International Labour Organization, publications of the United Nations and various other books covering all aspects of the field of labour including child labour.

The Department of Labour also maintains a museum for the conservation of old acts and ordinances and documents relating to the subject of labour. The museum depicts the evolution of the labour sector of Sri Lanka from its inception to date.

1.5.11 Finance Division

Physical resources as well as financial resources are vital for the successful implementation of annual activities and attainment of expected outcomes of the Department of Labour. Accordingly, the Division adopts measures for the efficient, effective and economical administration of financial resources allocated to the department from the budget in compliance with state policies.

The Finance Division handles the following activities for effective and transparent management of finances of the Department.

- 1.5.11.1 Preparing and implementing the procurement plan of the Department.
- 1.5.11.2 Distributing goods and services obtained through the procurement process
- 1.5.11.3 Issuing imprest for regional offices and monitoring financial activities thereof.
- 1.5.11.3.1 Preparing monthly, biannual and annual account reports and submitting same to the relevant parties on due date.
- 1.5.11.3.2 Handling all activities connected with receipts and payments to external parties in compliance with rules and regulations.
- 1.5.11.4 Conducting capital assets survey and disposing of assets of the department
- 1.5.11.4.1 Paying personal emoluments and advances and allowances of officials of the Department.

1.5.12 Planning, Research, Training and Publication Division

Drafting the Annual Action Plan and the Strategic Plan of the Department and coordinating activities for guiding all divisions and regional offices of the Department for attaining targets thereunder, coordinating the affairs of the monthly meeting of the Commissioners of Labour held for discussing the progress of different divisions and scheduled future activities of the department, preparing the monthly progress reports for the progress review meeting convened monthly by the Ministry of Labour and coordinating such meetings, submitting reports requested by the Ministry of Labor and other ministries are the key functions of the Planning, Research, Training and Publication Division.

This division holds responsibility for steering the progress review activities of regional offices of the Department and the preparation and monitoring of the annual progress review plan of regional offices thereunder too is handled by this division. Progress review is carried out through Deputy Commissioners of Labour in charge of zones and progress is assessed through monitoring teams to each regional office.

Thus, this Division monitors the operations of all district and sub-labour offices as well as all divisions of the Department for the attainment of the vision and mission and the reaching of

relevant annual targets of the Department of Labour. The supervisory function of this division is to monitor the activities of the divisions of the department and district offices and making recommendations required for sustaining the progress having analyzed the data obtained therefrom.

Provision of training required for the entire staff of the department, referring officials to training programmes conducted by external institutions, allocation of financial provisions required for degrees and postgraduate degrees followed by employees, carrying out coordination activities required for foreign training are the human resources development functions performed by this Division.

Further, this division handles printing activities such as printing legislation relating to labour laws and determinations of the Wages Boards required for the officials of the Department and printing labour inspection reports, monthly diaries and general forms required for field activities of labour officers

1.5.13 Statistics Division

Collection and analysis of data relevant to the labour sector to develop understanding on the orientation of the labour sector of Sri Lanka, identifying the need for amending labour legislation and making projections for the future are the primary functions of the Statistics Division. This Division functions under the supervision of the Commissioner of Labour of the Planning, Research Training and Publications Division.

1.5.12 Internal Audit Division

Similar to all other public sector institutions, the Department of Labour too has to carry out its activities in conformity with the Financial Regulations, circulars issued from time to time by the government and circulars issued by the Department. In order to supervise whether such activities are carried out optimally using resource gainfully and with transparency, the Internal Audit Division has been established under the direct supervision of the Commissioner General of Labour.

1.6 Funds under the purview of the Department

The Employees' Provident Fund has been established under the Employees' Provident Fund Act No. 15 of 1958 with the principle objective of ensuring a secured retired life free of economic burdens for the country's workforce in the private and semi government sectors. The fund is administered by the Department of Labour and the Monetary Board of the Central Bank is in charge of the management of the fund.

Further details on the fund are given under 1.5.8 of Chapter 01 above and Chapter 02.

Chapter Two

Progress and Future Outlook

Progress and Future Outlook

2.1 Securing industrial peace for the promotion of economic development

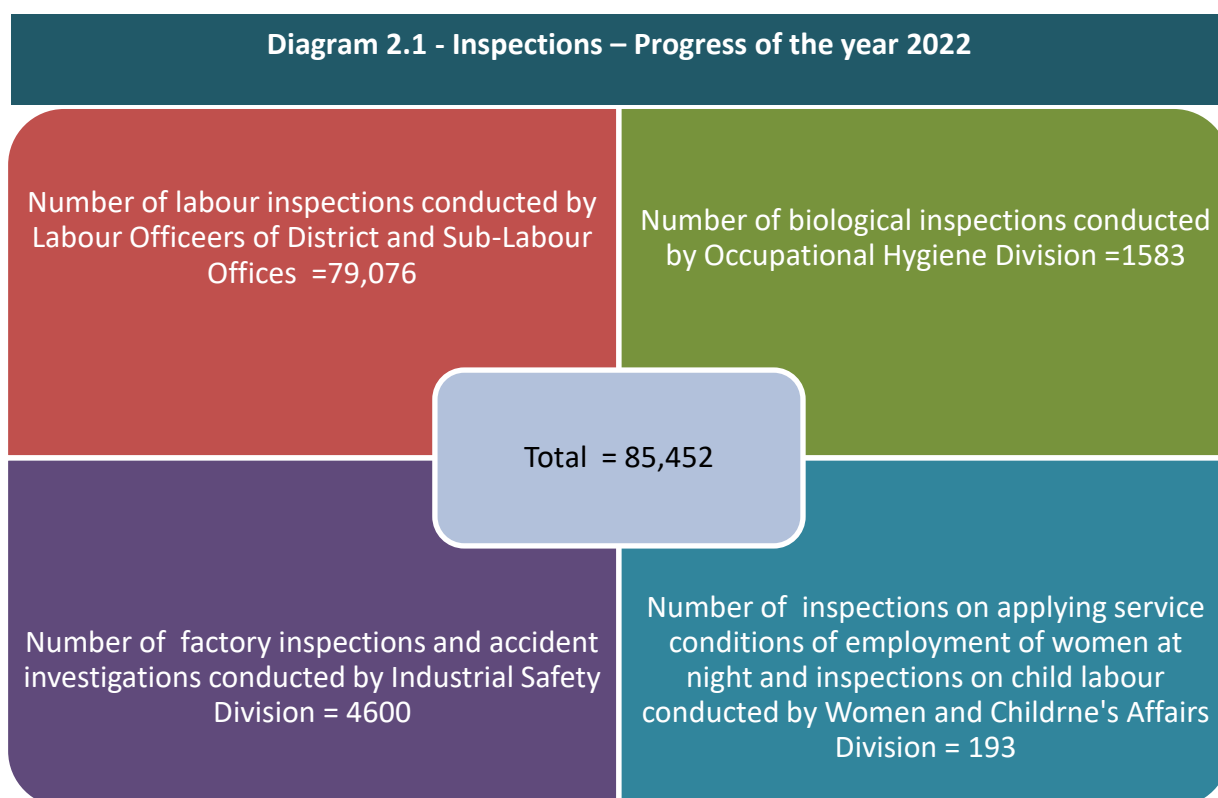
2.1.1 Maintaining a dialogue between the two parties - the employer and the employee

Programmes for raising awareness amongst both employees and employers of the private and semi government sector institutions on labour laws aimed at creating favourable working environment as well as programmes for enhancing awareness amongst other relevant public sector institutions who should be well versed with labour laws in discharging their duties were organized and conducted by the Department.

Table 2.1 – Awareness programmes conducted from 01 st January 2022 to 31 st December 2022			
Nature of the programme	Name of the programme	No. of programmes held	No of participants/beneficiaries
Promotion of social dialogue	Social dialogue promotion programmes conducted by HRD Division	167	9489
	Social dialogue promotion programmes conducted by district and sub labour offices	51	1904
	Zonal social platform programmes (through zoom technology)	11	1100 (approximately)
Promotion of Industrial safety	Awareness programmes and lectures conducted by District Factory Inspection Engineers' Offices	107	4370
Promotion of occupational health	Educational, training and awareness programmes conducted by Occupational Hygiene Division for employees and employers	289	2380
Protection of occupational rights of women and young persons and elimination of child labour	Awareness programmes for female workers of private sector on labour laws applicable to women	16	716
	Programme for coordinating probation officers, labour officers and police officers on child labour	04	180
	Awareness programmes on child labour at district office level for child development officers of all Divisional Secretariats, office bearers of children's societies, child rights protection officers, officers of child protection committees of schools, youth service officers, community development officers and Grama Niladharis.	52	2600
Total		697	21,639

2.1.2 Conducting Workplace Inspections

Details of workplace inspections conducted in the year 2022 to investigate whether the laws enacted for the protection of statutory rights of workers in the place of work are complied with and take necessary action to redress disputes and pave the way for the establishment of cordial relationships between employees and employers are given below.

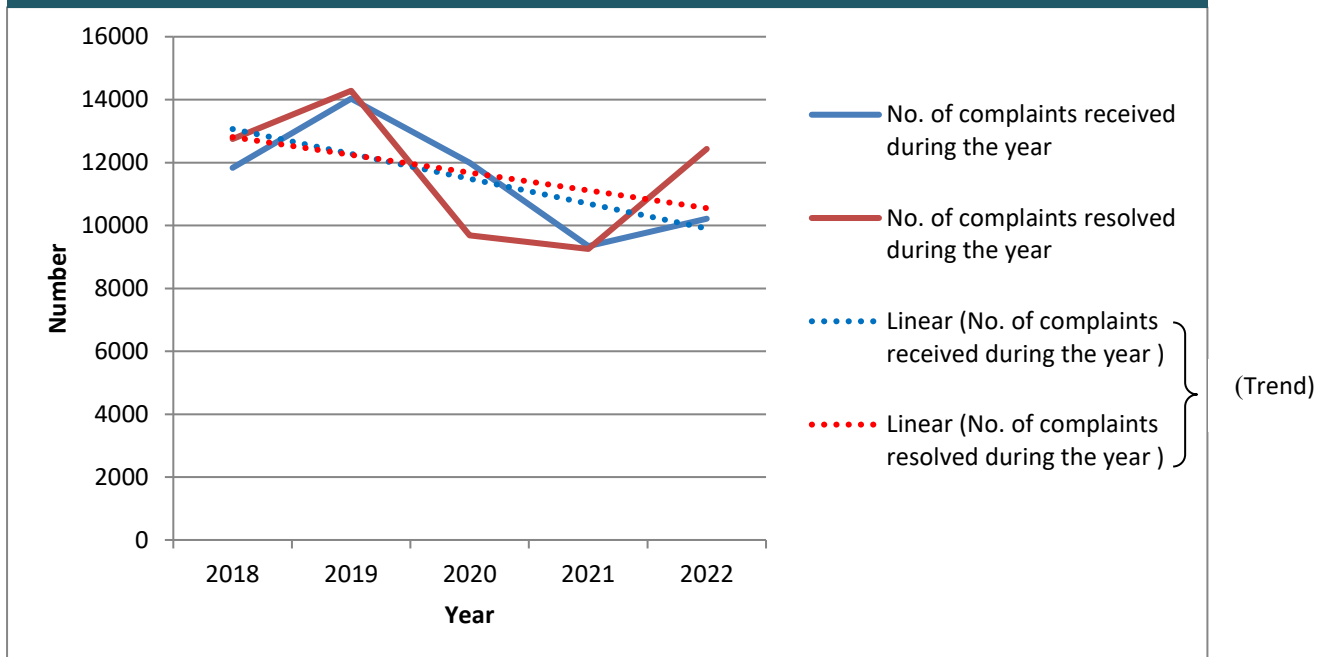


With the objective of obtaining more detailed information submitted through labour inspection reports subsequent to the conduct of inspections of Labour Officers of District Labour Offices and Sub-Labour Offices and enhancing the quality of such reports, necessary measures were taken on the year 2022 to amend the Integrated Labour Inspection Report and it is expected to use this amended report from year 2023.

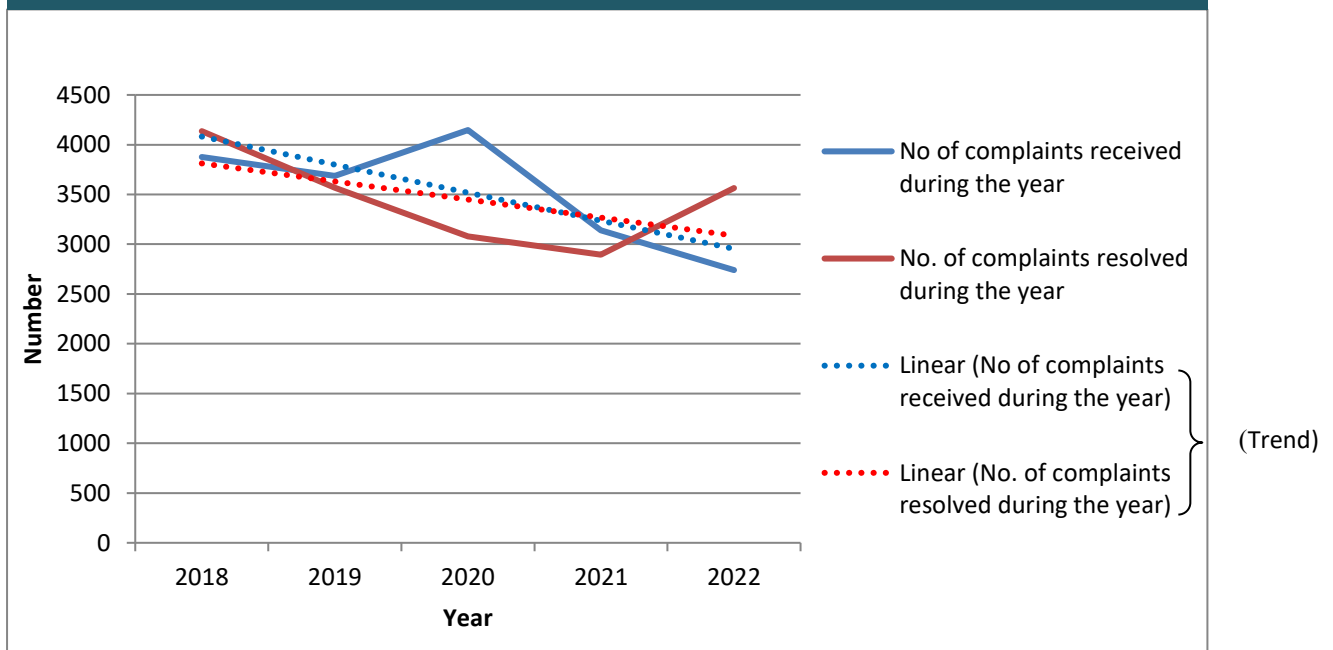
2.1.3 Resolving complaints on the violation of statutory rights and settling the industrial disputes

Action was taken to resolve complaints regarding the violation of statutory laws and potential industrial disputes lodged with the head office, district offices and sub offices by employees or trade unions. Similarly, reinvestigations were conducted as and when necessary upon a request made for an impartial inquiry to the Commissioner General of Labour by any party aggrieved by the way an investigation was conducted into a complaint by a division or a labour office of the department.

Graph 2.1 – Complaints received and resolved on violation of statutory rights – from 2018 to 2022



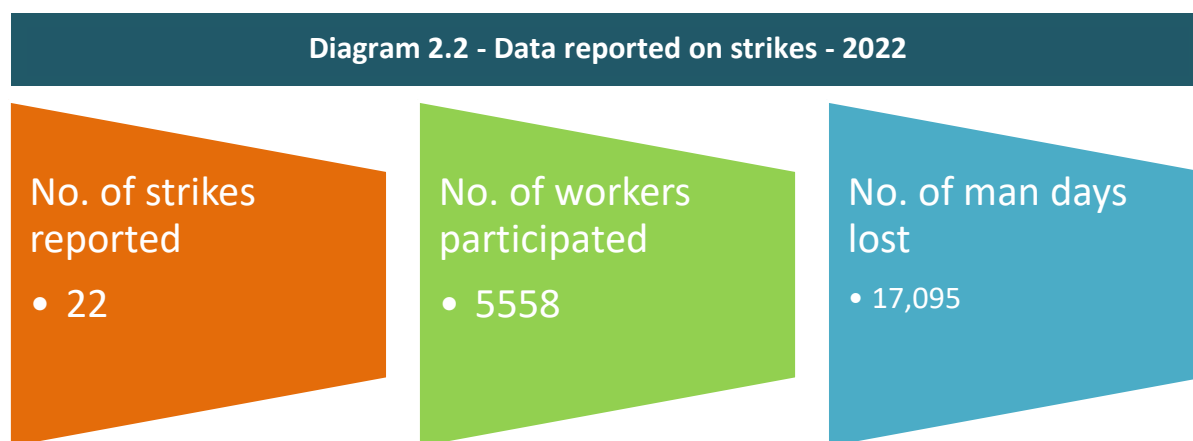
Graph 2.2 – Complaints received and settled on industrial disputes - from 2018 to 2022



As evidenced by the above graphs, a declining trend is indicated in the receipt of complaints regarding the violation of statutory rights. With a view to regularizing the dispute resolution process, Standard Operating Procedures (SOP) in resolution / settlement of complaints / disputes were formulated by all offices and relevant divisions. From November 2021, all labour offices adopted this procedure for the speedy resolution of complaints.

2.1.4 Making interventions to settle strikes

No sooner a situation of an industrial dispute that could possibly lead to a strike action is noticed, the officials of the Department take action to manage the situation and if a strike is launched, necessary interventions are made to settle the dispute. Details of strikes reported in the year 2022 are as follows.



2.1.5 Persuading employees and employers to entering in to collective agreements

By entering into collective agreements as a means of settlement of industrial disputes, a more permanent solution is offered to both the employee and employer and they enable employees to secure greater privileges than the rights and privileges conferred through labour legislations. Similarly, the Department endeavors to make a greater inducement through social dialogue to move towards collective agreements. Accordingly, the total number of collective agreements in operation as at 31st December 2022, including the 23 collective agreements gazetted in the year 2022 was 194.

2.1.6 Conducting arbitration activities

Disputes which cannot be settled with the intervention of regional labour offices or with the direct involvement of the Industrial Relations Division of the Department are referred to arbitration or to an industrial court. Measures were taken in respect of 306 disputes including 93 disputes referred to arbitration in the year 2022 out of which inquiries into 129 were finalized during the year and 93 arbitration awards were made and the awards for the remaining 36 will be made in the coming year. Accordingly, action was being pursued in regard to the remaining 177 disputes as at 31st December 2022.

2.1.7 Registration of Trade Unions

It is compulsory for all trade unions to register with the Registrar of Trade Unions of the Department of Labour. Accordingly, the total number of trade unions registered with the

Department in the year 2022 was 143. The total number of valid trade unions as at 31st December 2022 was 2053. The number of trade unions cancelled during the year was 28.

2.2 Safeguarding and developing Labour Standards

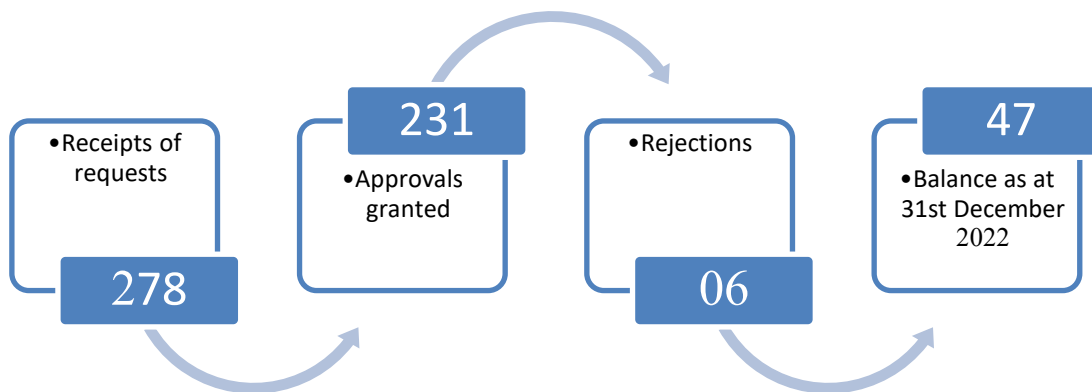
Formulating and updating and giving legal effect to policies, standards and conditions of work in order to ensure welfare and job security of the workers employed by the private sector is a foremost process of the Department. Accordingly, the following activities have been conducted in the year 2022.

2.2.1 Revising minimum wages of Wages Boards

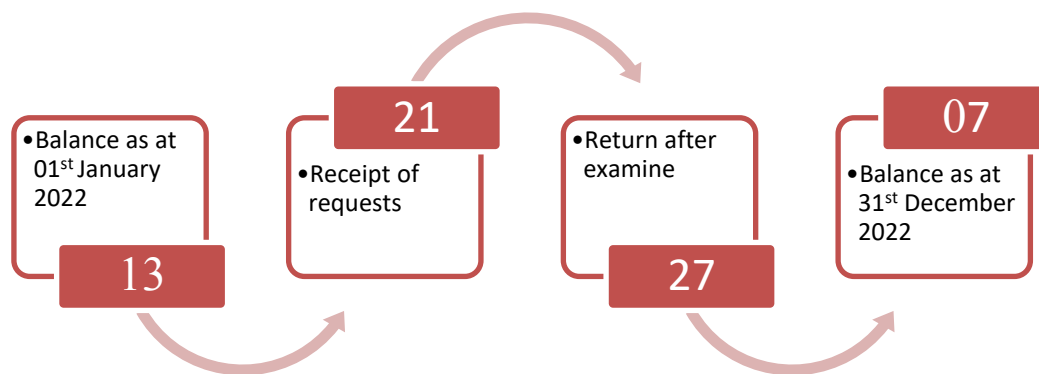
Table 2.2 - Revising minimum wages of Wages Boards - 2022				
S. No	Wages Board	First meeting had been held	Objections have been called	Salaries have been revised
01.	Building Trade		✓	
02.	Baking Trade			✓
03.	Coir Mattresses and Bristle Fiber Export Trade			✓
04.	Garment Manufacturing Trade		✓	
05.	Hosiery Manufacturing Trade	✓		
06.	Ceramics Products Manufacturing Trade		✓	
07.	Metal Quarry and Metal Crushing Trade		✓	
08.	Cinnamon Trade		✓	
09.	Motor Transport Trade		✓	
10.	Cinema Trade		✓	
11.	Marine Transport and Operational Services Trade			✓
12.	Batik Trade			✓
13.	Preschool Trade			✓
14.	Beedi Manufacturing Trade			✓
15.	Flower, Ornamental plants, Vegetables and Fruits Cultivation and Export Trade			✓

Note- - Activities relating to the gazetting of revised wages of Wages Boards of which wages have been revised and activities associated with Wages Boards of which first meeting had been held and objections had been called are due to be carried out.

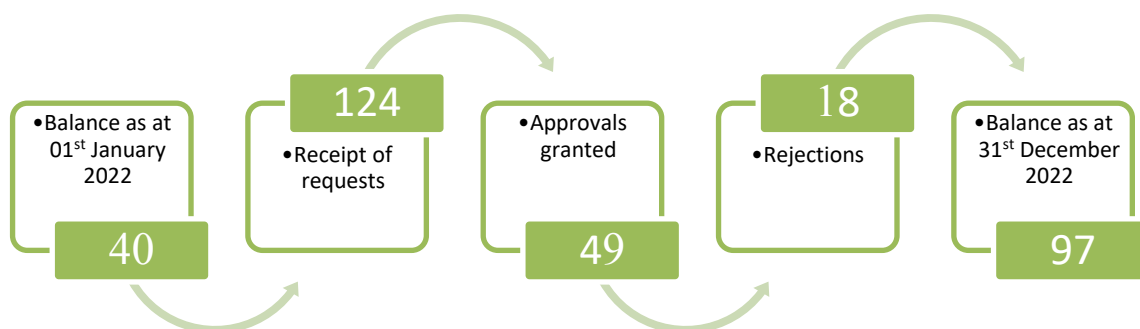
2.2.2. Granting approval for 05-day work week



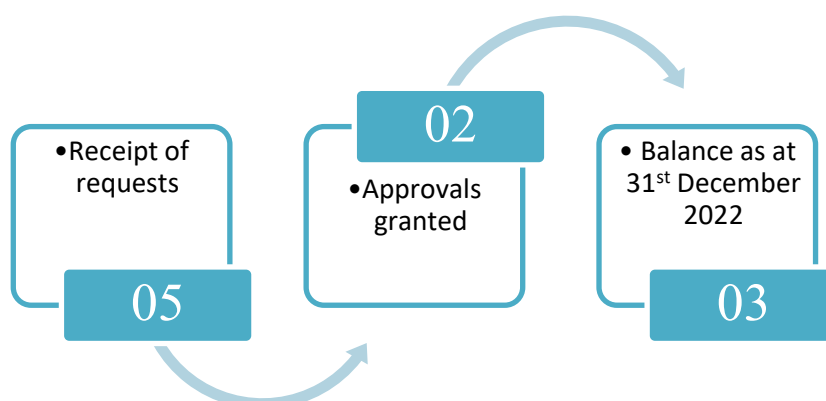
2.2.3 Examining the legal validity of collective agreements



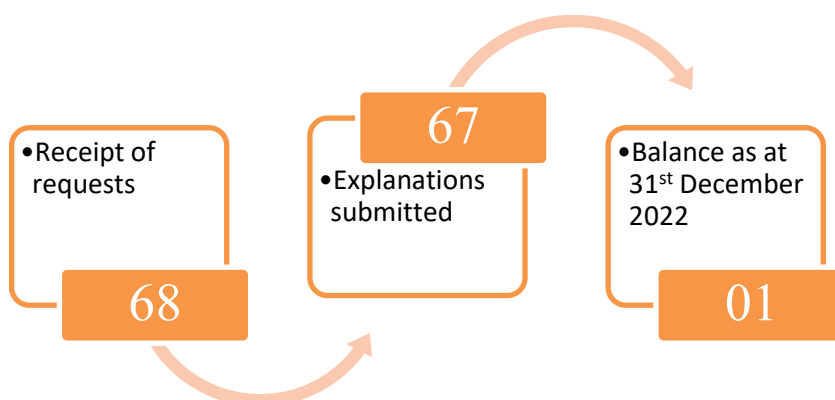
2.2.4 Granting approval for requests made for deductions from wage / salary under the Wages Boards Ordinance and Shops and Office Employees Act



2.2.5 Granting approval for requests received for the establishment of fine funds under the Wages Boards Ordinance and Shop and Office Employees' Act



2.2.6 Submitting explanations and interpretations for inquiries made by public and various institutions about enactments








2.3 Ensuring decent work environment for occupational safety of the workers

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. The main legal tool relevant to the occupational safety, health and welfare of workers employed by factories of Sri Lanka is the Factories Ordinance No. 45 of 1942 and regulations passed thereunder.

The Department of Labour mainly carried out the following activities for ensuring an accident free work environment.

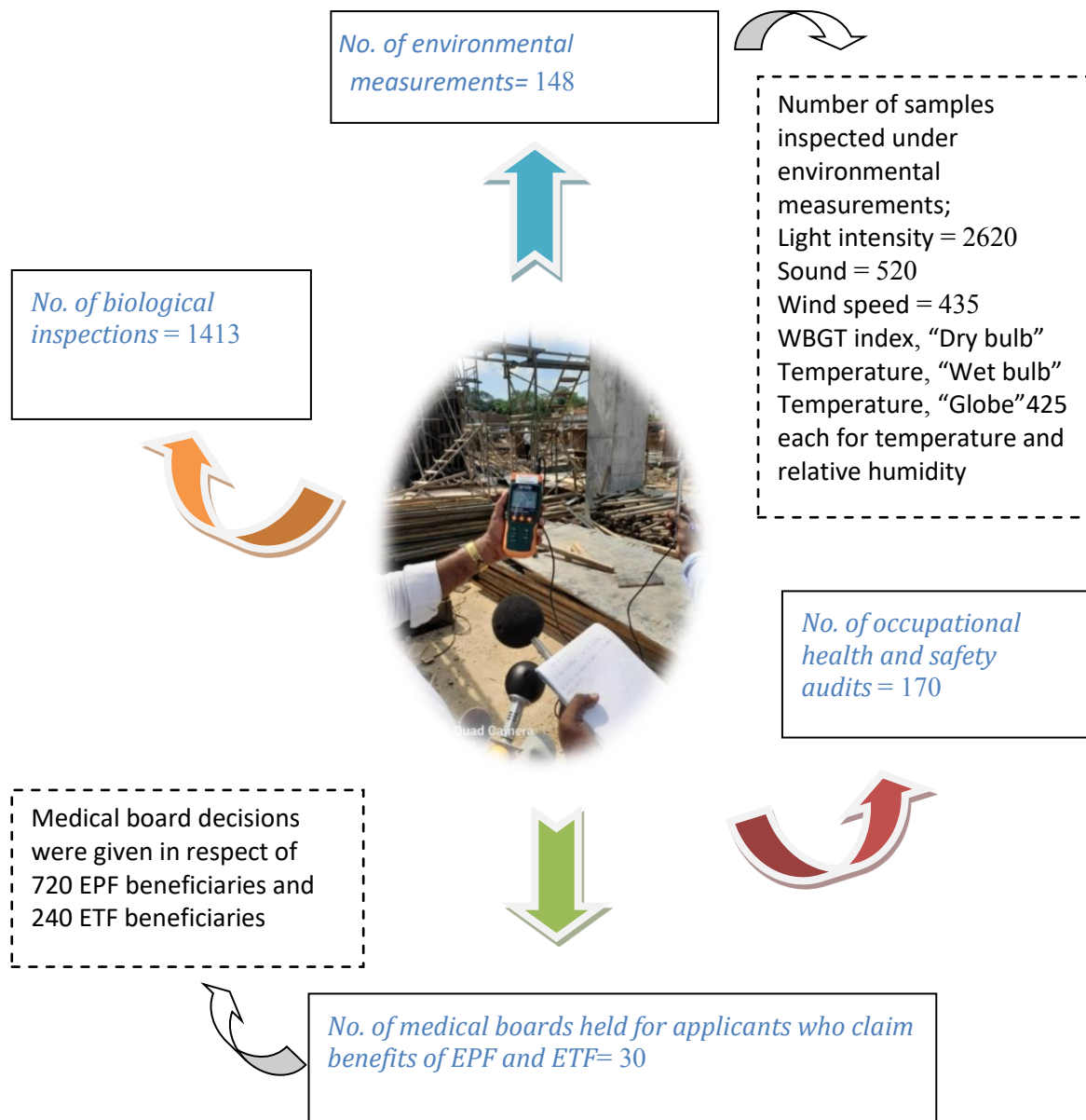
Diagram 2.3 - Activities conducted from 01st January 2022 to 31st December 2022

	<p>Number of factories registered during 2022 in terms of new regulations = 1261</p> <p>total number of factories registered as at 31st December 2022 in terms of new regulations = 3222</p> <p>(The number of files of new factories commenced in the year 2022 was 881 and accordingly the total number of files maintained regarding the factories was 33,056 as at 31st December 2022)</p>
	<p>Number of building plans checked and approved = 275</p>
	<p>Number of factories inspected = 3,274</p>
	<p>Number of fatal accidents reported = 66</p> <p>Number of non-fatal accidents reported = 1260</p>
	<p>Number of inspections of high risk machinery = 11,669</p>

2.4 Activities carried out for ensuring occupational hygiene of workers

It is the responsibility of the Department of Labour to assess using scientific methods whether there is a possibility of health issues or accidents in a workplace to ensure safety and health of work places and enhance awareness on the measures that can be adopted to prevent such accidents. Accordingly, the following activities were carried out from 01st January 2022 to 31st December 2022.

Diagram 2.4 - Activities conducted from 01st January 2022 to 31st December 2022

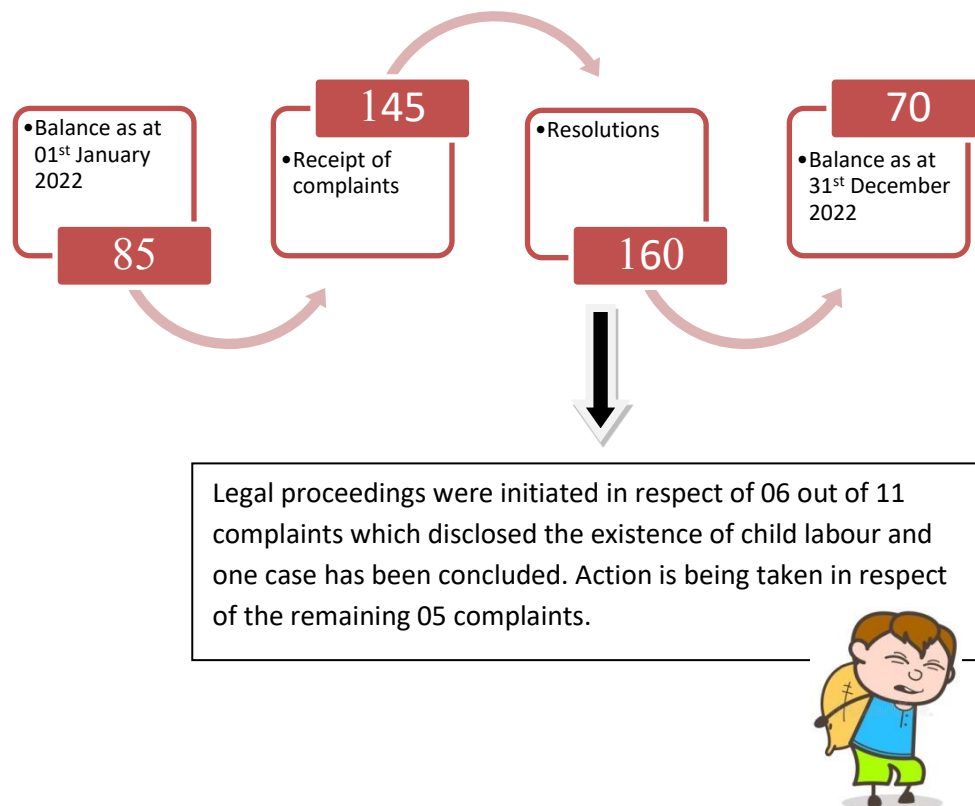


2.5 Safeguarding the rights at work of women and young persons and eliminating child labour

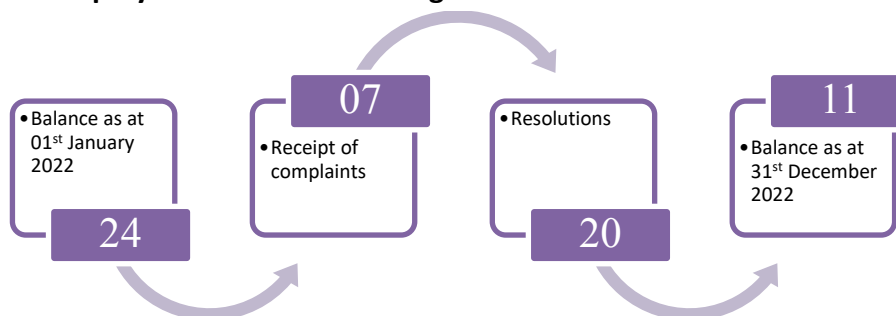
One of the primary responsibilities of the Department is to promote productive contribution of women's labour by enforcing labour laws covering women at workplaces and recommend necessary amendments to such laws by reviewing them periodically.

Similarly, eliminating child labour with the contribution of all stakeholders, enforcing labour legislation applicable to children less than 18 years of age and recommending amendments to existing laws periodically are key responsibilities of this Department.

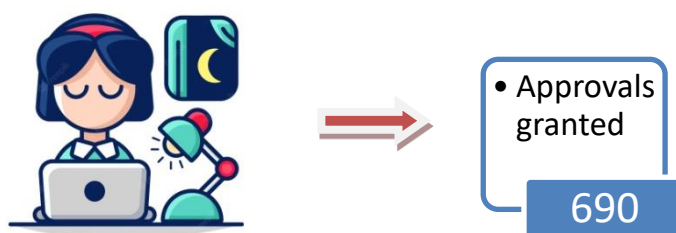
Accordingly, the following activities were carried out from 01st January 2022 to 31st December 2022



2.5.2 Investigations into complaints regarding violation of service conditions applicable to the employment of women at night



2.5.3 Granting approval for employing women at night



2.5.4 Appointing committees and drafting action plans for Gampaha, Kalutara, Badulla and Galle Districts for the declaration of such districts as child labour free zones

Having conducted divisional committee meetings for the districts of Gampaha, Badulla and Gampaha Districts, preliminary discussions were held on the formulation of the action plan. Thereafter, gathering information of children less than 18 years old in the district through Divisional Secretariats was carried out as the second stage. Further, the formulation of Child Development Plans for the districts of Galle, Badulla and Gampaha has been finalized. Accordingly, workshops were conducted in 17 out of 22 Divisional Secretariats in Galle district, in all 15 Divisional Secretariats in Badulla district and in 03 out of 13 Divisional Secretariats in Gampaha district. The preliminary discussion for the Kalutara district has been conducted and future activities will be carried out accordingly.

2.5.5 Improving safety of children of families subjected to child labour or vulnerable to child labour

In terms of the Memorandum of Understanding entered into with Maliban Biscuit Manufactories (Pvt) Ltd by the Department of Labour, a programme was implemented as a preliminary step of the project for providing required equipment and financial assistance through “Nidahase Ran Daruwo Fund” for uplifting economy of 50 selected families with children subjected to child labour or vulnerable to child labour from across the country with the aim of ensuring their future safety.

Table 2.3 - Progress of the programmes conducted under the financial assistance of “Nidahase Ran Daruwo Fund”

Programme	District in which the programme was implemented	Number of families provided with benefits
1 st Programme	Matara	4 families
2 nd Programme	Anuradhapura	6 families
	Polonnaruwa	
3 rd Programme	Colombo	4 families
4 th Programme	Kurunegala	5 families
5 th Programme	Ratnapura	2 families



Photograph 2.1 - Benefits distribution event under the financial assistance of “Nidahase Ran Daruwo Fund”

Accordingly, benefits were offered to 21 children of school going age subjected to child labour or vulnerable to child labour in the year 2022 and a scholarship to the value of Rs. 7,500 per month was awarded to 21 children thus ensuring the continuity of their education.

2.6 Social security of employees

The Employees’ Provident Fund, established by the Employees’ Provident Fund Act No. 15 of 1958 with the principle objective of ensuring a secured retirement for the country’s workforce in the semi-government and private sectors is administered by the Department of Labour. The fund is managed by the Monetary Board of the Central Bank of Sri Lanka. The role expected to be performed under this Act, which was subjected to amendments from time to time is as follows.

- ✓ Registration of establishments under the Employees’ Provident Fund
- ✓ Registration of employees as members under the Employees’ Provident Fund
- ✓ Recovering arrears from employers who default the contributions
- ✓ Issuing payment orders for the payment of benefits to employees
- ✓ Monitoring the approved / private provident funds.

2.6.1 Registration of establishments and members in Employees’ Provident Fund

All employers covered by the Employees’ Provident Fund Act are required to register under the Fund. Allocating member numbers to all employees covered under the EPF Act and get them registered under the EPF are responsibilities of the employer and the process is monitored by the Department of Labour.

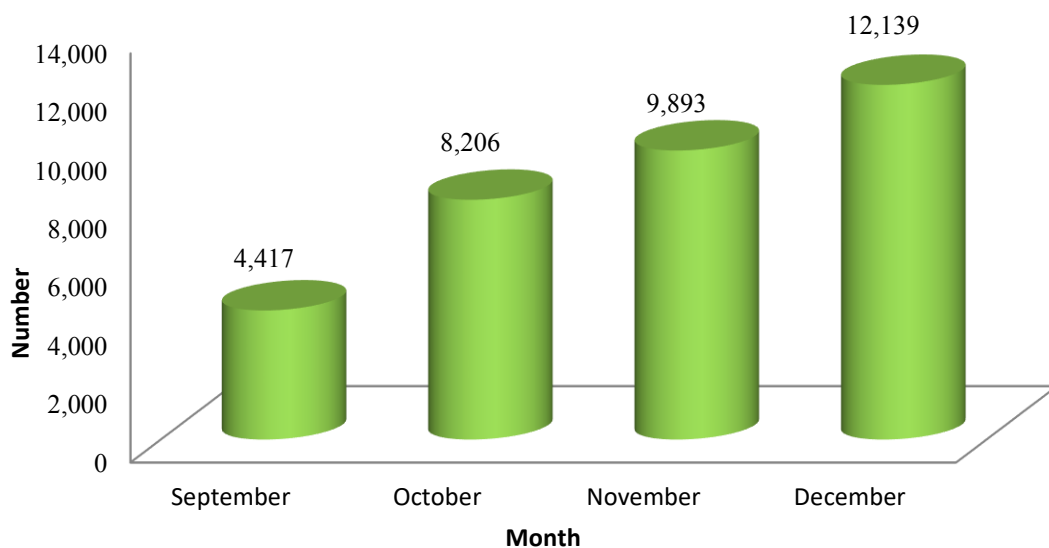
Accordingly, the Department of Labour introduced the EPF Appointment Management System for allocating a time for handing over EPF applications with effect from 01st September 2022 thus facilitating the activities of service recipients visiting the Department.

Number of employees who reserved appointments through the EPF Appointment Management System to hand over EPF applications from September 2022 is depicted in the following graph.



Photograph 2.2 - Launching of "The EPF Appointment Management System" by the Hon. Minister

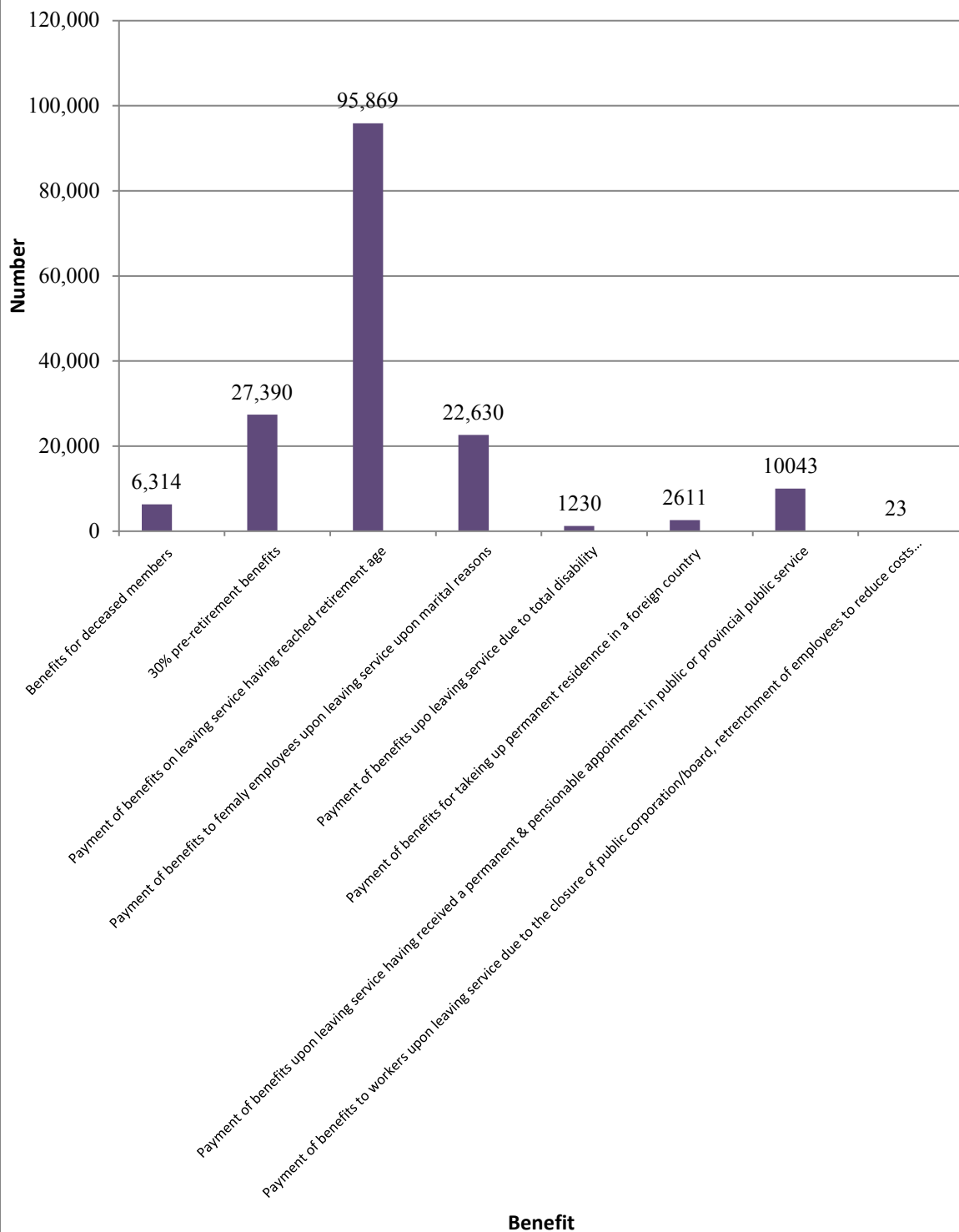
Graph 2.3 - Number of employees who reserved appointments through the EPF Appointment Management System – From 01st September 2022 to 31st December 2022



2.6.2 Payment of benefits of EPF

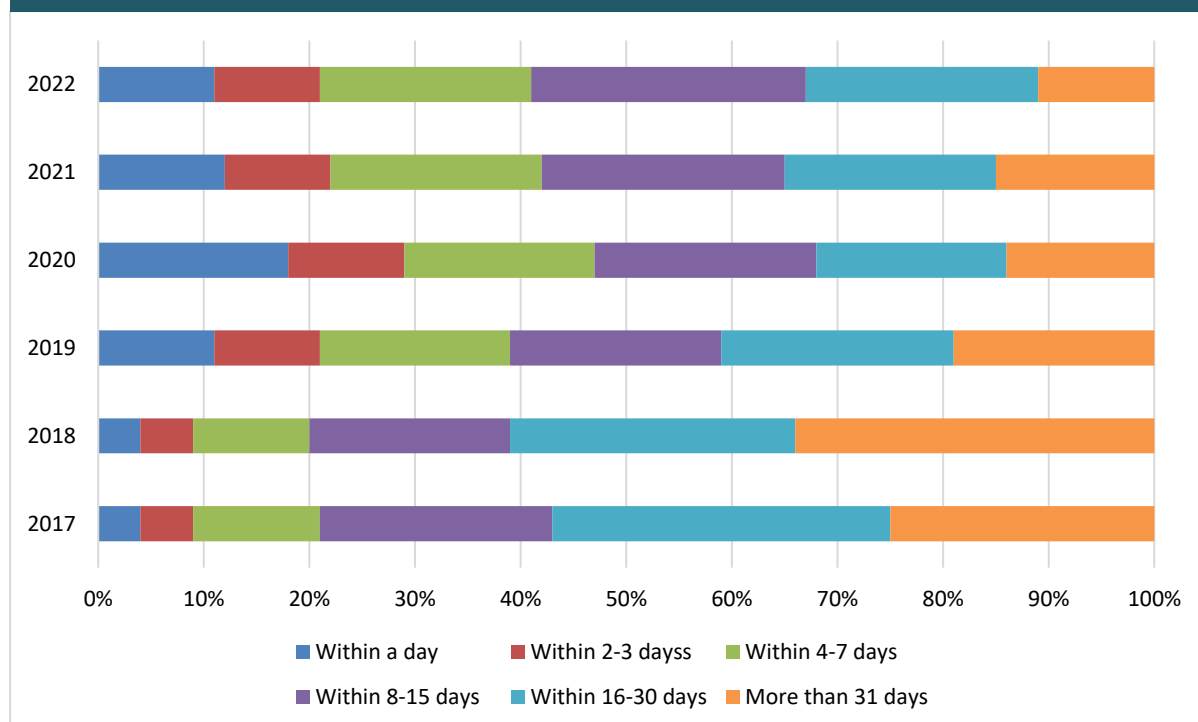
The total number of beneficiaries who received benefits of the EPF from 01st January 2022 to 31st December 2022 was 166,110 and the classification thereof is depicted in the following graph.

Graph 2.4 - Number of Letters of Determination sent from 01st January 2022 to 31st December 2022



As a result of measures taken by the Department of Labour during the past six years for optimizing the benefit payment activities of EPF, a gradual progress is evident in the EPF payment activities for employees and the percentage of Letters of Determination which were sent within 14 days by the end of the quarter as compared to 2017 has recorded an increase to 66% from 43%. Accordingly, the efficiency of the sending Letters of Determination has increased.





Graph 2.5 - Time taken to send Letters of Determination - From year 2017 to year 2022



2.6.3 Sending notices to recover contributions from employers who default contributions

First notices and red notices are issued for employers who fail to make contributions as stipulated and if such notices are not properly responded to, action was taken to proceed to legal actions and recover the arrears together with the surcharge and account them.

Diadram 2.5 - Progress of sending notices from 01st January 2022 to 31st December 2022

Number of First notices sent	Amount recovered from First notices	Number of Final notices sent	Amount recovered from Final notices
10,428	Rs. 7614 million	8,409	Rs. 5,230 million
			

2.7 Legal protection for safeguarding the employment rights of workers

The Department enforces a host of legislation for the protection of occupational rights of workers. Accordingly, in order to ensure the uniform execution of the provisions of such legislation required to be enforced by the Department of Labour, action is pursued by the Department to constitute legal action against perpetrators of such violations thereby safeguarding the rights of workers.

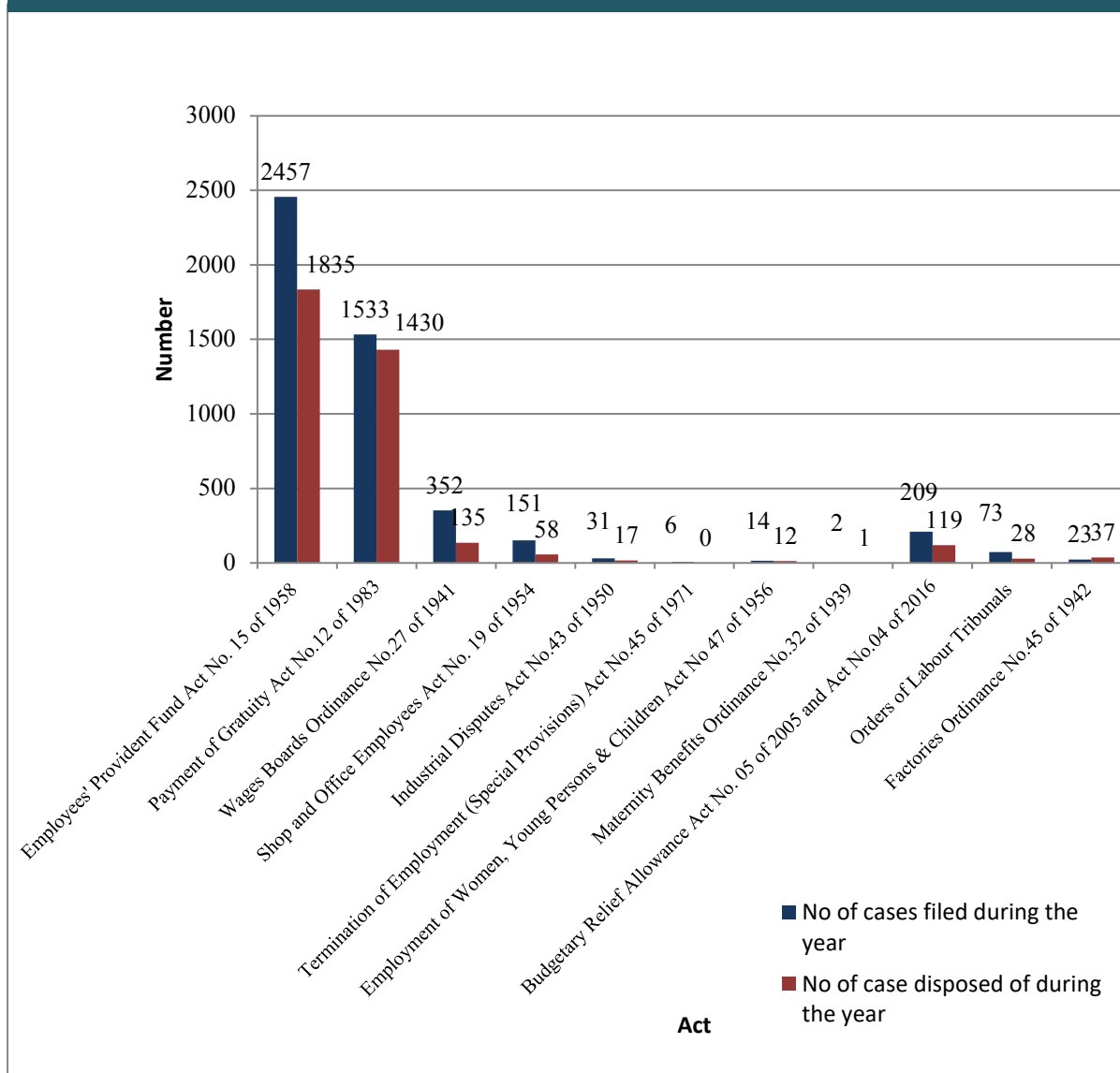
Accordingly, the progress of legal action taken by the Department from 01st January 2022 to 31st December 2022 is tabulated below.

Performance of proceedings according to courts - From 01st January 2022 to 31st December 2022

Table 2.4 - Performance of Court wise cases - from 01st January 2022 to 31st December 2022			
Court	Balance brought forwarded to year 2022	Number of cases filed in the year 2022	Number of cases closed in the year 31 st December 2022
Supreme Court	119	17	31
Court of Appeal	252	107	35
High Court	110	27	44
District court / Commercial High Court	216	11	20

Note: The above table shows the details of court proceedings handled by the Enforcement Division

Graph 2.6 - Cases filed and closed of in Magistrate's Courts from 01st January 2022 to 31st December 2022



Note – Prepared as per data received from regional labour offices as regards legal proceedings in the year 2022

Relevant measures were taken towards the amendment of Acts and Ordinances relating to the labour law and details thereof are set out under the achievements of the Department from 01st January 2022 to 31st December 2022.

2.8 Human resources management of the Department

The routine staff administrative functions such as the identification of staff requirements, making recruitments as per requirements, promotion of officers, conducting efficiency bar examinations, evaluation of performance, granting salary increments, transfer of officers, retirement of officers, handling leave and disciplinary issues of officers of the Department were carried out in the year 2022.

Table 2.5 – Conducting efficiency bar examinations - 2022			
Designation	Name of efficiency bar examination	Date of examination	Number of candidates
Stenographer	1 st efficiency bar examination	30 th March 2022	02
Assistant Commissioner of Labour (Departmental)	1 st efficiency bar examination	Examination for year 2021 was held on 28 th , 29 th and 30 th November 2022	10
Human Resources Development Officer	1 st efficiency bar examination	06 th September 2022	01
Combined Drivers' Service	1 st and 2 nd efficiency bar examination	04 th October 2022	For 1 st efficiency bar - 01 For 2 nd efficiency bar - 05
Office Employees' Service	1 st , 2 nd and 3 rd efficiency bar examinations	20 th September 2022	For 1 st efficiency bar - 03 For 2 nd efficiency bar - 08 For 3 rd efficiency bar -12
Engineering Service	1 st efficiency bar examination	30 th August 2022	02
Labour Officer	1 st and 2 nd efficiency bar examinations	2 nd efficiency bar examination relevant to year 2021 was held on 10 th February 2022	12

Provision of training required for the entire staff of the department, referring officials to training programmes conducted by external institutes, allocation of financial provisions required for degrees and postgraduate degrees followed by employees, carrying out coordination activities required for foreign training are the human resources development functions performed by the Department. In organization internal training programmes, more attention was focused on conducting training programmes using zoom technology as a precautionary health measure and to conserve fuel usage.

A provision of Rs. 5,800,000.00 was received for the year 2022 for local training programmes. Of this, the expenditure as at 31st December 2022 was Rs. 5,311,943 which as a percentage was 92% of the total allocation.

Table 2.6 - Training programmes organized and conducted for officers by the Department from 01 st January 2022 to 31 st December 2022				
S.No.	Nature of programme		No. of programmes conducted	No. of officers participated
1	Outbound leadership training programmes		02	176
2	Orientation programmes		01	07
3	Subject related training programmes	Programmes conducted in person	09	613
		Programmes conducted online	11	958 (Approximately)

Table 2.7 - Granting provisions to officers for training programmes conducted from 01 st January 2022 to 31 st December 2022 by external training institutes		
S. No	Programme	No. of officers who received provisions
1	Post graduate	13
2	Certificate courses	16
	Total	29

In addition, 49 officers of the Department participated in 27 online training programmes organized and conducted by various foreign organizations from 01st January 2022 to 31st December 2022.



Photograph 2.3 - Leadership and personality development training programme for executive officers conducted at Ratnapura – 25th and 26th March 2022



Photograph 2.4 - Special training programme on parliamentary procedures conducted by the Communications Department of Sri Lanka Parliament



Photograph 2.5 - Certificate awarding ceremony held on 13th September 2022 of the Tamil Language Training Programme conducted for the senior level officers of the department

2.8.1 Infrastructure development of Department of Labour

The Department of Labour took action to develop infrastructure facilities in its head office and regional labour offices island-wide with the objective of delivering a more efficient service to the public.

Accordingly, the newly constructed Badulla and Hatton labour office buildings were opened in 2022 for operations.



Photograph 2.6 - Newly constructed labour office buildings at Hatton and Badulla

2.9 Information Dissemination Activities

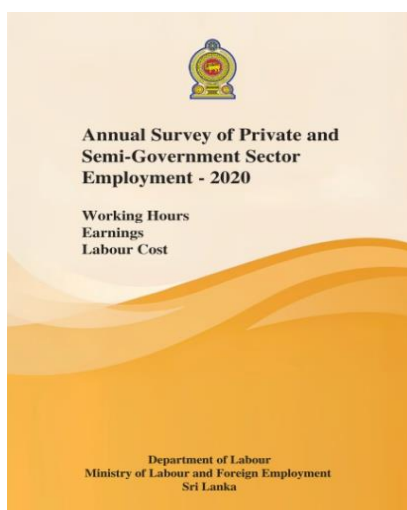
2.9.1 Publications

The following publications were published by the Department of Labour for raising public awareness on the field of labour law.



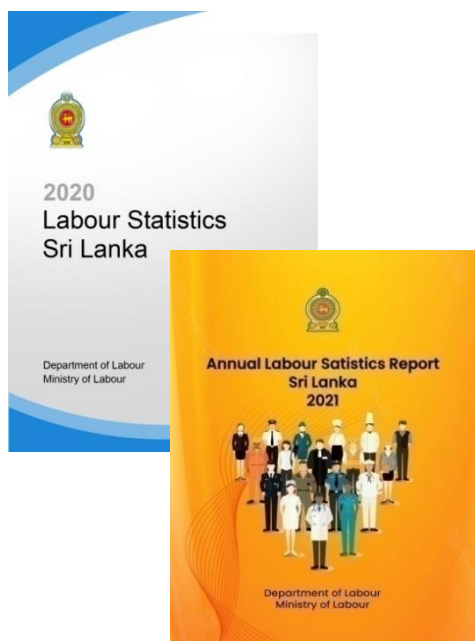
• Prime Work Magazine

The third issue of this magazine launched in the year 2022 with the intention of fostering industrial peace by broadening knowledge on labour laws and fostering dialogue amongst employers and employees was issued under the theme of 'Attitude' in June 2022 was posted as an e-version downloadable from the website of the Department.



• Survey on the number of hours worked and labour cost

Through this survey, data required for the formulation of development strategies of the country is obtained on the labour cost, number of hours worked and general earnings. It makes available necessary information for plans devised for the advancement of employers and employees enabling decision making and formulation of plans in the public and private sectors. The report on the number of hours worked and labour cost in respect of the year 2020 was published in the year 2022.



- **Labour Statistics Annual Report -2020 and 2021**

The Labour Statistics Report 2020 and 2021 compiled with the objective of publishing data required for formulating and implementing policy plans relevant to the field of labour and providing data required to data users was published.

2.9.2 Official social media activities of the Department

The Department maintains an official YouTube channel, a Facebook page and a Twitter account to provide updated information to the public.



YouTube Channel

Subscribers: 859

Number of Videos included : 118



Facebook Page

Followers: 2,900



Twitter

Followers: 56

2.9.3 Website of the Department



Documents such as specimen applications and forms required for public to obtain services, various Acts and Ordinances and decisions of the Wages Boards to which attention should be paid by employers and new services, press releases, invitation for bids are posted on the website of the Department 'www.labourdept.gov.lk' and could be downloaded as and when necessary

and information posted on the website are updated regularly. Activities have been commenced for the designing of a new website for the Department and by the end of the year 2022, the overview of the main interface of the website had been completed and developments relating to divisions that provide e-services are still being carried out.

2.9.4 Participation of the Department in various programmes organized by media institutions

1. The Commissioner General of Labour participated in the programme under the topic “Administrative Responsibilities and Duties of Employers and Employees” telecast by Charana TV channel on 11th July 2022 as part of the discussion programme “Kalathraye Kathabaha”.



2. The Commissioner General of Labour and the Commissioner of Labour (Women and Children's Affairs) participated in a discussion on child labour “Irida Ayubowan” programme telecast on 12th June 2022 which coincided with International Day against Child Labour.



3. The edition of 26th September 2022 of ‘Esidisi Peramaga’ discussion programme organized jointly by the Ministry of Media, the ‘Esidisi’ Group of the National Development Media Centre and the Government Information Department was held with the participation of the Commissioner of Labour (Industrial Safety) and the Commissioner of Labour (EPF) on the theme “New measures taken by the Department of Labour to regularize public services”.



2.9.5 Conducting main commemorative days

- **International Women's Day 2022**

The celebration of Women's Day by the Department of Labour concurrent to International Women's Day was held for 100 female employees of Katunayake Export Processing Zone on 09th March 2022 under the patronage of the Minister of Labour at the auditorium of the Board of Investment.



- **Commemoration of International Children's Day**

The international Children's Day programme was held in collaboration with Maliban Gold Marie "Nidhahase Ran Daruwo" fund at the new auditorium of 'Mehewara Piyasa' building on 06th October 2022 under the patronage of the Minister of Labour and Foreign Employment Hon. Manusha Nanayakkara.



Similarly, concurrent to International Children's Day, a programme for the distribution of school equipment/ sets of books among 28 children of the Kalutara district was held on 07th October 2022 at the office of the Zonal Deputy Commissioner of Labour, Western Zone II and a programme for the distribution of school equipment / sets of books among 25 children of Gampaha district was held on 08th October 2022 at the auditorium of Gampaha District Secretariat.



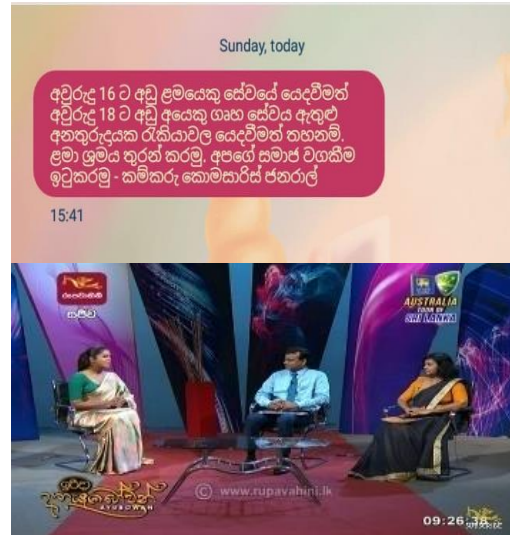
In addition, Sinhala medium documentary titled “ මල් කැකුළු ඉකි බිඳිද්දී ... ළමා ශ්‍රමය පිටු දකිමු” (When flower buds are weeping – Let's eliminate child labour) was telecast on National Television at 7.30 p.m. on 02nd October 2022 and the Tamil medium programme was telecast over Channel Eye at 2.00 p.m. on 01st October 2022.



- **World Day against Child Labour-2022**

Concurrent to World Day against Child Labour, a text message on the elimination of child labour was circulated in Sinhala, English and Tamil languages on 12th June 2022 to subscribers of Mobitel, Dialog, Hutch and Airtel mobile communication networks.

In addition, awareness on child labour was raised through “Irida Ayubowan” programme aired by National Television on 12th June 2022 as part of the drive against child labour.



- **National Occupational Safety and Health Week**

The national programme on Occupational Safety and Health Week was held under the patronage of the Minister of Labour and Foreign Employment, Hon. Manusha Nanayakkara at BMICH on 11th October 2022.

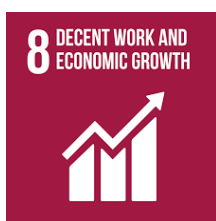


2.10 Guiding towards targets by monitoring the functions of the Department

The Annual Action Plan of the Department for 2022 was prepared and the actions taken by divisions and regional offices of the department to achieve targets thereunder and progress made in that regard were reviewed. Accordingly, the monthly meetings of Commissioners’ of Labour were conducted every month wherein discussions were held on progress of each division and action to be taken as to issues that arose in carrying out activities of the divisions.

Similarly, achievement of annual targets by district and sub labour offices was monitored. Activities of 26 district and sub-labour offices were inspected during the year and necessary instructions were made. A progress review meeting of heads of regional labour offices for the period up to 31st December 2021 was held on 30th March 2022 under the patronage of Ex-Minister of Labour.

2.11 Decent Work Programme



Under the decent work programme, Rs 8,314,449 was allocated to the Department in the year 2022 for the implementation of various programmes and projects and programmes were implemented as follows.

Table 2.8 – Progress of the Projects under the Decent Work Program - 2022			
Division that carried out the project	Provision allocated for the year 2022 (Rs)	Expenditure as at 31 st December 2022 (Rs.)	Expenditure as a percentage of provision
Women and Children's Affairs division	1,423,010.00	1,315,215.00	92%
Human Resources Development Division	4,202,034.00	2,213,902.80	53%
Industrial Safety Division	125,000.00	125,000.00	100%
Labour Standards Division	375,000.00	-	0%
Planning, Research, Training and Publications Division	2,189,405.00	489,405.20	22%
Total	8,314,449.00	4,143,523.00	50%

2.12 Financial Management

The department adopted measures for the efficient, effective and economical administration of financial resources allocated to the department from the budget of 2022 in compliance with public policies.

Accordingly, 92.33% of recurrent provisions and 61.58% of capital provisions allocated to the Department from the annual budget as at 31st December 2022 had been utilized achieving the financial management targets.

Table 2.9 - Financial Progress of the Department - 2022			
		As at 31 st December 2022	Actual expenditure as a percentage of provisions
Recurrent expenditure	Provision (Rs)	2,489,000,000	92.33%
	Expenditure (Rs)	2,298,070,940	
Capital expenditure	Provision (Rs)	455,000,000	61.58%
	Expenditure (Rs)	280,210,599	

2.13 Special achievements, challenges and future goals

2.13.1 Special Achievements

1. The Department of Labour introduced the EPF Appointment Management System for reserving a time for handing over EPF applications with effect from 01st September 2022 thus facilitating the activities of service recipients visiting the Department to handover EPF claim applications. Accordingly, a date and time can be allocated from the relevant labour office for the required service by contacting hotline 1958 or through the link of 'appointment.labourdept.gov.lk'. This enables service recipients to obtain the services required at an appointed time without wasting time.
2. By introducing a new system for downloading A, B and H forms required for the registration of members under the EPF from the website of the Department of Labour (www.labourdept.gov.lk), thus making it easier and more convenient for employers to carry out such activities. Hence, employers can register their employees by downloading A, B and H forms from the website of the Labour Department.
3. Establishment of Complaint Management System (CMS) developed by the Department with the coordination of the Right to Information Commission of Sri Lanka and the technical support of the United Nations Development Programme (UNDP) was implemented with effect from 15th March 2022. This enabled employees of the private or semi-government sector who intend to lodge a complaint with the Department of Labour in regard to their employment to do so online using the link '<https://cms.labourdept.gov.lk>' without visiting the labour offices in person.
4. Amending Acts relating to the field of labour law and introducing new Acts



Name of the Act	Objective of the amendment
Industrial Disputes (Amendment) Act No. 22 of 2022	Minimizing appeals, revisions and writ applications against awards made under the Industrial disputes Act, No. 43 of 1950.
Industrial Disputes (Amendment) Act No. 22 of 2022	Authorizing a non-lawyer representative to appear on behalf of workers In cases filed by workers challenging dismissal by employers
Termination of Employment (Special Provisions) (Amendment) Act, No. 23 of 2022	Minimizing appeals, revisions and writ applications against orders issued under the Termination of Employment Act, No. 45 of 1971

In addition, action is being taken to amend the following Acts / introduce new Acts

- Preliminary arrangements have been made to introduce a unified law by incorporating terms and conditions of services relevant to employment existing in 09 labour legislations with the objective of drafting acts and enactments that are flexible and simple and are in tune with the changes in the current socio-economic spheres and the process will be continued into the year 2023. Revising disparities in terms and conditions of employment, improving self-compliance with labour laws by employers, increasing the participation of women in fields of employment and facilitating foreign investors to commence businesses in Sri Lanka by making it easier to understand the legal status relevant to the terms and conditions of employment.
- Amending the Shop and Office Employees Act, No. 19 of 1954 providing for the employment of women in IT Enabling Services at night.
- Amending the Gratuity Act, No. 12 of 1983 and the Employees Provident Fund Act, No. 15 of 1958 to suit the present needs.

5. Establishing formal safety committees for enhancing employer/employee safety

Establishment of formal safety committees for enhancing safety of employers/employees with the coordination of the Department of Labour, pilot project was launched in the Awissawella Investment Promotion Zone to enhance employer/employee safety by promoting safety and health committees. Since it was observed that there were no formal safety committees within the Zone, safety committees were established having inspected each factory. As at 31st December 2022, formal safety committees had been established in 29 factories within the investment promotion zone.

Similarly, at the national programme on Occupational Safety and Health held on 11th October 2022, action was initiated under the aegis of the Hon. Minister of Labour and Foreign Employment for the establishment of safety committees through online mode. Accordingly, as at 31st December 2022, 241 safety committees had been established covering the entire island.

6. Improving relationships relating to labour sector with international organizations and countries.

- ✓ Two committees were established under the patronage of the ILO for the amendment of 'Field Guide to Labour Inspection' and re-print the 'Compilation of Labour Laws' incorporating new amendments. Accordingly, the English language draft of the 'Compilation of Labour Laws' was prepared and request was made from the ILO seeking financial assistance for the printing of the compilation. The English language draft of 'Field Guide to Labour Inspections' and having translated same to Sinhala and Tamil languages, it is being printed under the sponsorship of the ILO.

- ✓ Under the financial sponsorship of the ILO, 30 short video clips each from Sinhala, Tamil and English languages on important subject areas of labour laws were produced and posted on the official YouTube Channel of the Department. The video clips give out information on EPF, legal framework of industrial relations, legal aspects relating to the employment of women, young persons and children and labour standards.

- ✓ The Department extended its assistance in the preparation of the Trafficking in Persons (TIP) Report 2022 of the United States issued by the State Department of the United States on 19th July, 2022 by liaising with the US State Department to provide required information as a public sector stakeholder. According to the said report, it was observed that Sri Lanka which remained in the level of Tier 2 Watch List in 2021 has been upgraded to the level of Tier 2 countries in 2022 thus signifying an improvement in the level of Sri Lanka. At the ceremony organized by the Ministry of Defense for appreciating the institutions who supported to upgrade the level of the country, the support tendered by Department of Labour was praise.

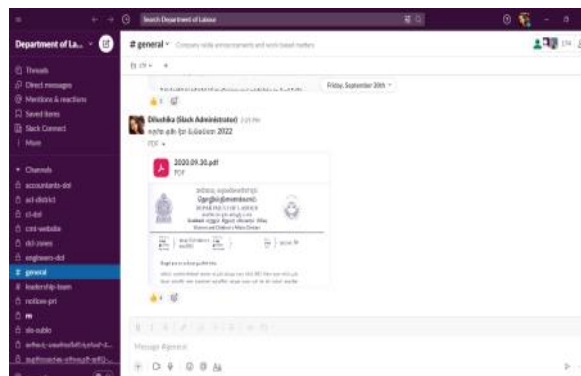


- ✓ Scholarships were awarded with the financial assistance of the Russian Cultural Centre to ten school children whose one parent deceased while engaged at work. This programme is expected to be continued in the coming years as well with the financial assistance of the Russian Center.



7. Promoting the use of Slack Application as an economical and speedy internal communication channel whilst minimizing the use of paper

The Department is in the forefront amongst public sector institutions that uses the 'Slack Application' as an internal channel of communication for expeditiously carrying internal awareness of the Department to departmental officials whilst minimizing the use of paper and reducing the postage cost.

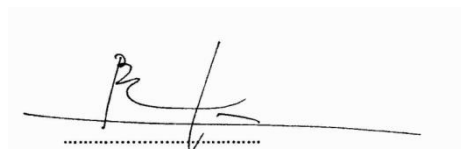


2.13.2 Challenges faced during this period

- Realizing the annual targets for the year 2022 using the limited financial and human resources of the Department.
- Continuation of routine office activities of the Department during the first few months of the year due to Covid - 19 pandemic and the restive situation that prevailed in the country.

2.14 Plans of the Department for the year 2023

- ❖ Drafting a unified law by consolidating 09 Acts enforced by the Department of Labour in relation to terms and conditions of employment and amending other labour legislations to suit the present and future.
- ❖ Completing the development of the new departmental website during the year 2023.
- ❖ Further expanding the services delivered to service recipients by the EPF Division as e-services.
- ❖ Selecting 10 areas (villages) highly vulnerable to child labour from 10 districts (Kandy, Nuwaraeliya, Puttalam, Trincomalee, Matara, Nonaragala, and the districts in which the project was carried out in the year 2022, i.e. Badulla, Galle, Gampaha and Kalutara) and ensuring all districts as child labour free zones by year 2025.
- ❖ Upgrading the supply of common facilities of 'Mehewara Piyasa' building in partnership with the private sector.



B. K. Prabath Chandrakeerthi
Commissioner General of Labour

Chapter Three

Overall financial performance for the year ended 31st December 2022

3.1 Statement of Financial Performance for the year ended 31 December 2022

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3.2 Statement on Financial Status as at 31 December 2022

				ACA-P
Statement of Financial Position				
As at 31st December 2022				
			Actual	
	Note		2022	2021
			Rs	Rs
<u>Non Financial Assets</u>				
Property, Plant & Equipment	ACA-6		17,712,212,860	17,538,212,207
<u>Financial Assets</u>				
Advance Accounts	ACA-5/5(a)		256,543,819	260,643,928
Cash & Cash Equivalents	ACA-3		-	-
Total Assets			17,968,756,680	17,798,856,135
<u>Net Assets / Equity</u>				
Net Worth to Treasury			(511,184,166)	(449,634,426)
Property, Plant & Equipment Reserve			17,712,212,860	17,538,212,207
Rent and Work Advance Reserve	ACA-5(b)			
<u>Current Liabilities</u>				
Deposits Accounts	ACA-4		767,737,985	710,278,354
Unsettled Imprest Balance	ACA-3		-	-
Total Liabilities			17,968,766,680	17,798,856,135

Statement of Financial Position

As at 31st December 2022

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 11 to 42 and Notes to accounts presented in pages from 43 to 53 form 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 be in agreement.



Chief Accounting Officer

Name :

Designation :

Date :

2023.02.27

R.P.A. Wimalaweera
Secretary
Ministry of Labour and Foreign Employment
7th Floor, "Nehewara Piyasa"
Narathesipala, Colombo 05.



Accounting Officer

Name :

Designation :

Date :

2023.02.27

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



Chief Accountant

Name :

Date :

2023.02.27

P. Jayasinghe
Chief Accountant
Department of Labour
Colombo - 05.

3.3 Statement of cash flows for the year ended 31 December 2022

		ACA-C
Statement of Cash Flows for the Period ended 31st December 2022		
	2022 Rs.	Actual 2021 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	1,181,152,646	
Revenue Collected on behalf of Other Revenue Heads	-	1,297,454,447
Imprest Received	1,431,000,000	1,547,010,000
Recoveries from Advance	109,231,636	100,880,257
Deposit Received	2,635,879,570	1,508,180,043
Total Cash generated from Operations (A)	5,357,263,852	4,453,524,747
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	2,277,464,979	2,060,553,232
Subsidies & Transfer Payments	15,943,222	18,538,000
Expenditure incurred on behalf of Other Heads	114,003,608	22,488,951
Imprest Settlement to Treasury	62,802,436	-
Advance Payments	98,040,971	102,923,532
Deposit Payments	2,578,419,939	1,660,727,824
Total Cash disbursed for Operations (B)	5,146,675,155	3,865,231,540
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	210,588,697	588,293,207
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	210,588,697	588,293,207
Total Cash disbursed for Investing Activities (E)	210,588,697	588,293,207
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(210,588,697)	(588,293,207)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Financing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
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 Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2022.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2022.

* In cases where there are transactions which are specific to a particular reporting entity, relevant information can be entered in to the Financial Statements with approval of Department of State Accounts and the disclosure required for those specific transactions may be included under “Reporting Basis”.

* Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.5 Performance of the revenue collection

Revenue Code	Description of the Revenue	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate	Amount (Rs)	As a % of Final Revenue Estimate
Not Applicable					

3.6 Performance of the utilization of allocation

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Revenue Estimate
	Original	Final		
Recurrent	2,489,000,000	2,489,000,000	2,298,070,940	92%
Capital	455,000,000	455,000,000	280,210,599	62%

3.7 In terms of FR 208 grant of allocations for expenditure to this Department as an agent of the other Ministries/ Departments

S. Number	Allocation Received from which Ministry / Department		Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Revenue Estimate
				Original	Final		
01.	Department of Pensions	253-1-2-4-1502-11	Loan balances of retired officers	1,954,905.00	1,954,905.00	1,954,905.00	100%
02.	Ministry of Public Administration, Provincial Councils and Local	130-1-2-0-1001-11	Payment of allowances of Graduate Trainees	66,829,321.13	66,829,321.13	66,829,321.13	100%
03.	Ministry of Public Administration, Provincial Councils and Local	130-1-2-0-1003-11	Payment of allowances of Graduate Trainees	32,354,622.34	32,354,622.34	32,354,622.34	100%
04.	Ministry of Labour and Foreign Employment	193-1-2-0-1403-11	For the payment of water and electricity bills of the ministry	3,284,084.92	3,284,084.92	3,284,084.92	100%
05.	Ministry of Labour and Foreign Employment	193-1-2-0-1403-11	Rent payments of the Ministry	2,485,662.00	2,485,662.00	2,485,662.00	100%
06.	Ministry of Labour and Foreign Employment	193-1-2-0-1409-11	Mehewara Piyese facility management fees	2,951,489.14	2,951,489.14	2,951,489.14	100%
07.	Ministry of Labour and Foreign Employment	193-1-2-2-2509-11	For the expences on Decent Work Programme	4,143,523.00	4,143,523.00	4,143,523.00	100%

3.8 Performance of the reporting of non-financial assets

Assets Code	Code Description	Balance as per the Board of Survey Reports as at 31st December 2022	Balance as per Financial Position Report as at 31st December 2022	Yet to be accounted	Reporting progress as a %
9151	Buildings and Structures	1,485,266,705.56	1,485,266,705.56		100%
9152	Mechinery and Equipment	749,390,144.78	749,390,144.78		100%
9153	Land	2,262,720,000.00	2,262,720,000.00		100%
9154	Intangible Assets	39,561,696.00	39,561,696.00		100%
9155	Biological Assets				
9160	Work in Progress	13,175,274,314.00	13,175,274,314.00		100%
9180	Lease Assets				

3.9 Report of the Auditor General

My No: LSW/B/DOL/SR/1/2022

Date: 09 June 2023

Accounting Officer
Department of Labour

Head 221 - Summary report of the Auditor General in terms of Section 11(1) of the National Audit Report Act No.19 of 2018 on the financial statements of the Department of Labour for the year ended 31 December 2021

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Labour for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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. The summary report containing my comments and observations on the financial statements of the Department was issued to the Accounting Officer on 29 June 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 19 August 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report of the Auditor General in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018, will be tabled in parliament in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Department of Labour as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is 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 Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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 summary 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year,

- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Non-financial Assests

In comparing the opening balances of the printed notes of the Treasury of 5 items included in non-financial assets with the Treasury printouts as at 31 December 2021, a difference of Rs. 18,643,128 was observed.

2. Financial Review

2.1 Management of Expenditure

- (a) Out of the provision of Rs. 108,565,000 made in respect of 19 expenditure items, only Rs. 43,093,990 had been utilized by the end of the year. The percentage of saving of these expenditure items ranged between 50 percent to 100 percent.
- (b) In transferring provisions of Rs. 36,952,781 amongst 19 capital expenditure items, the relevant approval shad not been obtained in terms of FR 66(4)(a).
- (c) Though savings of provisions should be dealt with in terms of Section 03 (xvii) of the National Budget Circular 03/2022 dated 26th April 2022, the provisions allocated for 03 capital expenditure items had been spent on other capital expenditure items. Provisions amounting to Rs. 5,579,872 for expenditure items to which the provisions were thus transferred had been spent after the issuance of the above circular.

2.2 Advance Accounts

- (a) Distress loan balance of Rs. 43,920 recoverable from an officer who had been interdicted more than 5 years ago and distress loan balance of Rs. 138,040 recoverable from a female officer who had retired more than 04 years ago had not been recovered even by the date of this report.
- (b) Action had not been taken to recover loan balances amounting respectively to Rs. 123,960 and Rs. 535,607 relating to an officer who passed died in the year 2017 and 06 officers who died in the year 2021.
- (c) The loan balance of Rs. 143,750 of a deceased officer included in the age analysis had not been included in the deceased and retired officers list.

2.3 Deposit balances

- (a) The aggregate of balances in two General Deposit Accounts maintained by the Department as at 31 December 2022 amounted to Rs. 767,737,985 and action had

not been taken in terms of Financial Regulations 571 (2) and (3) regarding lapsed deposits over 2 years amounting to Rs. 175,653,978.

- (b) A sum totaling Rs. 282,726,669 in respect of the Employees' Provident Fund of the Department of Labour and district offices was retained in the general deposit account without being credited to the individual accounts.

2.4 Entering into liabilities and commitments

As per the treasury account statement (SA-92) of 31 December 2022, the liability balance was Rs. 18,811,256 and the liability balance indicated as at that date in the accounts statements was Rs. 23,180,626.

2.5 Non-compliance with laws, rules and regulations

Reference to laws, rules and regulations	Observations
(a) Factories Ordinance No. 45 of 1942 i. Section 34(6)	A steam boiler should be examined at least once every 14 months and after any extensive repair it should be examined and tested by an authorized officer. However, the Factory Inspecting Engineers Office of the Department had not devised a suitable programme to ensure that this requirement in respect of every boiler is carried out.
(b) Section 92	Though particulars of accidents and industrial diseases occurring in a factory should be entered in the general register and a copy thereof should be sent to the District Factory Inspecting Engineer's Office, there was no methodology to obtain such information and data in the District Factory Inspecting Engineer's Office.
(a) Sections 1.1, 1.1(3), 5.2 of Circular No: 01/99 dated 11 February 1999 of the Commissioner General of Labour	Collecting accurate data at the time of first inspection in recovering contributions in arrears and surcharges of the Employees' Provident Fund, recording statements from employees, maintaining formal inspection reports, calculating surcharges correctly and maintaining EPF/I.L./05 register had not been carried out.
(b) Gazette No. 2142/90 dated 27 September 2019	<p>(i) Though provisions should be made for the registration of steam boilers and other pressure vessels in terms of the regulations of gazette notification, provisions for examining other pressure vessel, smoke receivers and air receivers had not been included in inspecting factories.</p> <p>(ii) Though it should be ensured that a mechanism is in place for protecting workers from excessive noise and that there is adequate light in the factory, action had not been taken to update the check list used in the inspection of factories to comply with the regulations of the new gazette enabling the entry of such inspections.</p>

2.6 Irregular transactions

Procurement amounting to Rs. 11,177,000 for carrying out renovations expeditiously in the building wherein the Ratnapura District Labour Office belonging to the Department of Labour is located had been handed over to the Department of Building without following the procurement procedures laid down in chapter 3 of the Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka. The Department of Buildings had sub-contracted this contract to a private institution for a value of Rs. 9,590,303. Even though the management fee within the estimated value was Rs. 449,960, the renovation of the building had not been properly supervised and shortcomings pointed out from time to time had not been repaired by the contractor.

3. Operating Review

3.1 Performance

3.1.1 Not fulfilling functions

- (a) Though registration in terms of the provisions of the gazette extraordinary No. 2142/90 dated 27 September 2019 is a must in order to be the factory owner or the occupier, out of 32,948 files maintained in the District Factory Inspecting Engineer's Office, the number registered under the new regulations was 3,153 as at the end of the year 2022. If it is considered that the minimum registration fee as Rs. 1000 (Fees Rs. 1000- Rs. 10,000), the department had lost registration fee of Rs. 29,795,000 that it could have obtained from the factories that had not been registered.
- (b) Though 52 files had been received during the period from 2010-2018 for constituting legal action due to not following the provisions of the Factories Ordinance, legal action had only been initiated in respect of 11 files. Even though a period ranging from 05 months to 02 years had lapsed since approval being granted by the Industrial Safety Division for the prosecution of 09 cases in the Kurunegala district, no action had been filed even by the date of this report.
- (c) Monitoring private provident funds
 - (i) Legal provisions have been made available for the proper administration of provident funds and contributory pension schemes approved in terms of Section 27 of the Employees' Provident Fund No. 15 of 1958 and the Department of Labour had established a Private Provident Funds Division for the proper administration and supervision of such funds. Out of 117 Private Provident Funds registered in the Department, the balances have been identified only in 87 institutions. Details of institutions which had not submitted the balances of funds and such funds had not been properly monitored.
 - (ii) 291 complaints had been received regarding such funds from 2017 to 2021 of which 68 had not been resolved.

- (iii) Though the contributions of a particular month should be paid on or before the last date of the succeeding month in terms of Section 27(2) (A) of the Act, as a result of contributions not been properly credited for the private provident fund maintained by the Associated Newspapers of Ceylon Limited, surcharges amounting to Rs. 108,218,673 in respect of the period from 2019-2021 had been defaulted.

(d) Trade Union Division

The registration, regulation and operation of trade unions by legislation such as the Trade Union Ordinance No. 14 of 1935 and subsequent amendments acts, i.e. Ordinance No. 03 of 1946, Ordinance No. 15 of 1948, Ordinance No. 18 of 1958 and Act, No. 24 of 1970 and it was observed that these legislations had not been amended to suit the present requirements. Though negotiations have been conducted since 2019 to amend several identified sections, a progress in that regard was not observed.

Though the registration of trade unions and introduction and implementation of positive measures for harnessing activities of all trade unions in the public and private sectors for the country's development was listed as a duty and function of the Ministry of Labour and Foreign Relations as per gazette notification 2289/43 dated 22 July 2022, it was not observed that such steps had been taken.

3.1.2 Delays in implementing projects

Though Rs. 460,326,053 had been paid as at 31 December 2021 to the Department of Buildings for internal designs and partitioning of canteen on the 4th floor and in floors 4,8,9,10,11,12,13 and 14, those activities had not been carried out even by the date of this report.

3.2 Losses and Damages

According to the Losses and Damages Register, it had been recorded in two instances that vehicle accidents had occurred. Preliminary reports regarding the accidents were not submitted to the audit in terms of FR 104(3) and these two accidents or any other loss or damage had not been disclosed through notes in financial statements of the year 2022.

3.3 Management inefficiencies

- (a) The Ratnapura District Labour Office housed in an old building located at Dharmapala Mawatha, Ratnapura belonging to the Department of Labour had to be relocated in the year 2015 due to a danger of earth slips and loss of lives in a rented out building at a monthly rental of Rs. 175,000. Since the period of contract of the rented out building was to expire on 30th September 2021, the procurement committee of the department which met on 07th July 2021 had decided to have the building of the Ratnapura District Labour Office repaired by the Department of Buildings at a cost of Rs. 11,177,000. Prior to the commencement of the repair, the short term recommendations of the initial survey

report issued on 31st August 2019 by the Landslide Research and Risk Management Division of the National Building Research Organization had not been implemented and it was reported that there had been an earth slip even after the repair on 17th May 2021. Even in the year 2023 it is not possible to bring the office back to usable condition having carried out proper and timely repairs and from October 2022 to December 2022, Rs. 7,560,000 had been paid to an external party as lease rent of Rs.. 280,000 per month.

- (b) The female hostel at the Biyagama Investment Promotion Zone remained closed from 15 June 2015 for repairs but repairs had not been carried out even by the year 2023. As a result of the failure to renovate the hostel, the employees working in the investment zone have been deprived of hostel facilities and a sum of Rs. 4,245,678 have been paid to a private company for providing security to the hostel from the year 2018 to December 2022.

4. Human Resources Management

4.1 Approved staff, actual staff

The details of the approved and actual staff and vacant posts as at 31 December of the year under review are given below.

	Employee category	Approved cadre	Actual cadre	No, of vacancies
(i)	Senior level	211	133	78
(ii)	Junior level	668	478	190
(iii)	Secondary level	1,753	1,718	35
(iv)	Primary level	489	401	88
	Total	3,121	2,730	391

It is observed that the shortage of workers existed at the Department as at 31 December 2022, had had an adverse effect on achieving the expected performance in areas of decision making, assuming responsibility, supervision, field duties and resulted in decreased productivity.

M.T.I. Gamage

Senior Assistant Auditor General
For the Auditor General

Chapter Four

Performance Indicators

Performance Indicators

4.1 Performance indicators of the institution (based on the Action Plan)

Specific indicators	Actual output as a percentage (%) of the expected output			
	100%-90%	75%-89%	50%-74%	Less than 50%
1. Percentage of sending Letters of Determination within 14 days			67%	
2. Percentage of officers who received training out of the total staff			70%	
3. Percentage of the provision utilized, out of total provision allocated to the Department		87.5%		
4. Of the complaints received on child labour, the percentage of inspections concluded			54.5%	
5. The number of programmes conducted for social dialogue as a percentage of the target	100%			

Note: In preparing performance indicators for the next year, the performance is expected to be measured using output based performance indicators through which performance can be measured successfully based on the Action Plan of year 2023

Chapter Five

Performance in achieving Sustainable Development Goals (SDGs)

Performance in achieving Sustainable Development Goals (SDGs)

5.1 Identified Sustainable Development Goals

Out of the Sustainable Development Goals to be achieved by Sri Lanka by the year 2030, the goal with direct relevance to the Department of Labour as per the mission of the Department is goal 8, i.e. **promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**. Accordingly, the vision and mission of the Department of Labour is in harmony with this goal and the final outcome of all activities of the Department is the attainment of this goal. Thus, the overall progress of the Department reflects the progress in achieving Goal 8.

Aside from this, Goal 1 'End poverty in all its forms everywhere', Goal 5 'Achieve gender equality and empower all women and girls' and Goal 16 'Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels' are also relevant, albeit to a lesser degree, as per the activities of the Department.

5.2 Achievements and challenges in accomplishing SDGs					
Goal/ objective		Target		Achievement indicators	
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.	1.1.1	Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)
					Preliminary actions were taken to revise minimum wages of the wages boards Baking Trade, Coir Mattresses and Bristle Fiber Export Trade, Marine Transport and Operational Services Trade, Batik Trade, Preschool Trade, Beedi Manufacturing Trade and Flower, Ornamental plants, Vegetables and Fruits Cultivation and Export Trade
05	Achieve gender equality and empower all women and girls	5.1	End all forms of discrimination against all women and girls everywhere.	5.1.1	Whether legal frameworks are in place or not to promote, enforce and monitor equality and non-discrimination on the basis of sex.
					<ul style="list-style-type: none"> International Women's Day Programme of the Department of Labour of the year 2022 was held under the theme "She:The Country, The Nation and the world" with the participation of 100 female workers of Katunayake Export Processing Zone. 22 awareness raising programmes on labour laws applicable to women were conducted covering the entire island concurrent to Women's Day by 11 Offices of Zonal Deputy Commissioners

8	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	In terms of labour laws, average hourly earnings of employees of the private and semi-government sectors do not vary by sex, age, equal value of work and persons with disabilities
				8.5.2	Unemployment rate, by sex, age and persons with disabilities	
				5.6		
				5.c		
		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	5.2.1	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	<p>of Labour with the participation of 50 employees for each programme.</p> <ul style="list-style-type: none"> Inquiries were conducted during the year into 20 complaints received regarding the violation of conditions of employment of women at night. Special group inspections were conducted covering 201 workplaces where employed women at night. Violation of conditions of employment were disclosed in 18 instances and the relevant establishments were reprimanded as to the violation of such service conditions.
				5.c.1	Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	

	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.	<ul style="list-style-type: none"> • With the sustainable goal of making Sri Lanka a country free from child labour by the year 2025 to the fore, action was taken to appoint district committees for the declaration of Gampaha, Kalutara, Badulla and Galle districts as 'Child Labour Free Zones' and prepare action plans and conduct workshops. • Investigations were conducted into 160 complaints received in respect of child labour in the year 2022. Legal proceedings were initiated in respect of 06 out of 11 complaints which disclosed the existence of child labour and one case has been concluded. Action is being taken in respect of the remaining 05 complaints.
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	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	Rates of fatal and non-fatal occupational injuries by sex and migrant status.	<ul style="list-style-type: none"> During the year 2022, sixty six fatal accidents and 1,260 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 was enhanced to prevent recurrence of such accidents and legal action was taken by the Department in 2022 against 263 employers who had violated respective provisions of the Factories Ordinance.
			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.	<ul style="list-style-type: none"> Workers have been accorded the opportunity of forming and maintaining trade unions ensuring freedom of association and collective bargaining and accordingly to take action to safeguard their rights. The number of trade unions registered in the year 2022 was 143. As at 31st December 2022, the total number of valid trade unions in the country including those registered in 2022 was 2053.

5.2 Challenges in fulfilling Sustainable Development Goals

Due to the Covid-19 pandemic situation' fuel crisis and socio-economic crisis that prevailed in the year 2022, it became very difficult to reach the targets of most of the activities planned by the Department for the year.

Chapter Six

Human Resources Profile

Human Resources Profile

6.1 Cadre Management

Post	Approved cadre	Existing cadre as at 31 st December 2022	No. of vacancies	No. of vacancies as a percentage of approved cadre
Senior level	211	133	78	37%
Tertiary level	668	478	190	28%
Secondary level	1753	1718	35	2%
Primary level	489	401	88	18%
Total	3121	2730	391	13%

6.2 How the shortage or surplus of human resources has affected the performance of the institution

The overall human resource of the Department of Labour has been deployed as per the human resource requirements of each division and regional labour office. Though the percentage of vacancies of senior level, tertiary level, secondary level and primary level officers of the Department as at 31st December 2022 was at a high level respectively as 37%, 28%, 02% and 18%, the Department was able to optimally manage the limited human resources available in the year 2022 and improve the institutional performance.

6.3 Human Resources Development

Developing professional knowledge, skills and attitudes as well as promoting productivity and efficiency in the delivery of service is the prime objective of training programmes conducted for the officials of the Department. Through the training programmes it is also expected to motivate officers to apply modern technology in their duties whilst competently managing the limited provisions and resources available with the Department, improve trilingual proficiency of officers to offer a productive service to the public and building more effective interrelations within the Department. Accordingly, these training programmes are geared towards producing a group of well-experienced, efficient and contended officers.

The participation of departmental officers in the local and foreign training programmes during the year 2022 is as follows.

Table 6.1 - Participation in local training programmes - 2022								
S.No	Name of the Programme	No. of employees trained		Duration of the programme	Total investment (Rs.)		Nature of programme (local/foreign)	Knowledge acquired
		Post	Number		Local	Foreign		
Programmes conducted by Planning, Research, Training & Publication Division								
1	Leadership training programme (Ratnapura)	Executive grade officers	40	25 th March 2022 to 26 th March 2022	1,200,000.00		Local	Developing leadership qualities, ability to work as a group and ability to take strategic decisions
2	Leadership and personality development training programme (Kukuleganga)	Officers covering all levels	136	09 th March 2022	767,800.00		Local	Developing leadership qualities, ability to work as a group and ability to take strategic decisions
3	Awareness programme on parliamentary procedures	Senior and Tertiary level officers	120	28 th March 2022	18,035		Local	Enhancing knowledge on parliamentary procedures
4	Training programme on filing cases under the Factories Ordinance and maintaining case files	District Factory Inspecting Engineers	11	26 th July 2022	-		Local (Programme conducted using zoom technology)	Enhancing practical knowledge on filing cases under Factories Ordinance and maintenance of case files
5	Awareness training programme for District Factory Inspecting Engineers on the subject of financial matters	District Factory Inspecting Engineers	11	16 th August 2022	-		Local (Programme conducted using zoom technology)	Enhancing knowledge on financial management

6	Awareness training programme on making officers aware of the latest amendments to labour laws	Deputy Commissioners of Labour, Assistant Commissioners of Labour and Senior Labour Officers	68	20 th September 2022	-	Local (Programme conducted using zoom technology)	Making officers aware of the latest amendments to labour laws
7	Training programme conducting preliminary investigations and conducting formal disciplinary inquiries	Deputy Commissioners of Labour and Assistant Commissioners of Labour serving in the head office and Western Zones I,II & III	46	17 th November 2022	21,000.00	Local	Training officers on conducting preliminary inquiries and formal disciplinary inquiries
8	Orientation programme for Assistant Commissioners of Labour (SLAS)	Assistant Commissioners of Labour	07	10 th February 2022 to 22 nd February 2022	48,745.00	Local	Providing knowledge required for discharging duties and orientation training
9	Residential training programme for Deputy Commissioners of Labour, Assistant Commissioners of Labour and Senior Labour Officers	Officers of Western Zones I & II, Sabaragamuwa zone, Southern zone and sub-offices thereunder (Deputy Commissioners of Labour, Assistant Commissioners of Labour and Senior Labour Officers)	28	17 th December 2022 and 18 th December 2022	262,550.00	Local	Making officers aware of the latest amendments to labour laws and updating knowledge on the use of EPF databases

10	Training programme on the implementation of Complaint Management System	Deputy Commissioners of Labour in charge of Zones, Assistant Commissioners of Labour in charge of Districts, Senior Labour Officers in charge of sub labour offices and subject officers of those offices	200 (Approximately)	16 th June 2022 and 26 th October 2022	-	Local (Programme conducted using zoom technology)	Enhancing knowledge on the use of Complaint Management System and discussing solutions for problems arising practically
11	Training programme on complaints received by the Department of Labour and the legal proceedings relevant thereto	Officers handling complaint files & legal proceedings	272 (Approximately)	27 th January 2022 and 28 th January 2022	13,050.00	Local (Programme conducted using zoom technology)	Duly conducting litigation process relating to the complaints received by the Department
12	File management training programme for Development Officers and Management Services Officers	Development Officers & Management Service Officers	285	19 th August 2022	22,250.00	Local	Enhancing knowledge on the systematic maintenance of files
13	Training officers on the EPF Monitoring System	Officers handling the EPF Monitoring System (of Colombo East, Colombo North, Colombo South, Colombo West and Colombo Central district Labour Offices)	10	12 days from 11 th October 2022 to 28 th October 2022	-	Local	Enhancing knowledge on the EPF Monitoring System

14	Training on E-ROC system	Relevant officers from Enforcement Division, Industrial Relations Division and EPF Division Offices of Zonal Deputy Commissioners of Labour of Western Zone I, Western Zone II, Western Zone III, District Labour Offices of Colombo East, Colombo North, Colombo South, Colombo West & Colombo Central	12	30 th September 2022	-	Local	Developing capacity to extracting information on registered companies through E-ROC system where necessary
15	Training programme on the payment of 30% pre-retirement claims and payment of claims to legal heir of deceased employees	Officers handling the payment of 30% pre-retirement claims and payment of claims to legal heir of deceased employees	100 (Approximately)	17 th August 2022 and 18 th August 2022	-	Local (A programme conducted using zoom technology)	Developing the ability on more efficient payment of EPF benefits
16	Training programme on stores management and maintaining the inventory	Chief Management Services Officers and subject officers	100 (Approximately)	28 th July 2022	3,000	Local (A programme conducted using zoom technology)	Stores management and inventory maintenance becoming regularized

17	Awareness training programme for officers on computerizing details of case files according to a single format	Management Service Officers in charge of legal proceedings and officers with compute knowledge (Two officers from each office)	100 (Approximately)	05 th May 2022	-		Local (A programme conducted using zoom technology)	Correctly computerizing case files
18	Hospitality training Employees of Office Multi-functional Development Assistant Trainees	Employees of the Office Employees' Service and Multi-functional Development Assistant Trainees who involve in serving activities in events organize by the department	23	18 th June 2022	48,875.00		Local	Enhancing knowledge on correct hospitality etiquettes
19	Workshop for training Drivers of the Department of Labour on drivers' responsibilities and ethics	Drivers attached to the Department	71	01 st January 2022	57,480.00		Local	Updating knowledge on drivers' responsibilities and ethics
20	Training programme for Multi-functional Development Assistant Trainees	Multi-functional Development Assistant Trainees	18	18 th January 2022 to 21 st January 2022	10,635.00		Local	Giving knowledge required for official duties
21	Tamil language training programme conducted in terms of P.A Circular 18/2020	Executive Grade Officers, Development Officers & Management Service Officers		One 200-hour programme & 04 150-hour programmes			Local (Physically and through zoom)	Developing Tamil language knowledge required for carrying out duties

Referring officers to training programmes of external training institutes – Workshops						
22	Essentials in Systems and Network Administration	Assistant Commissioners of Labour (EPF - IT) IT Assistants, Selected Management Service Officers with IT knowledge & KKSS	14		395,450.00	Local Resolving defects of computer networks of offices
23	Workshop on stores management	Management Service Officers of the Supplies Branch	01		18,000.00	Local Carrying out stores management activities of the Supplies Branch efficiently
Referring to Diploma, Graduate and Postgraduate courses						
24	Master of Arts in Applied Economics	Additional Commissioner General of Labour	01		99,000.00	Local
25	Masters Degree on Social Science	Assistant Commissioner of Labour	01		107,500	Local
26	Postgraduate degree on Human Resources Management	Deputy Commissioner of Labour	01		210,000.00	Local
27	Masters in Public Administration & Management	Assistant Commissioner of Labour	07		710,000.00	Local Knowledge required for duties of officers enhanced
28	Postgraduate degree on Law	Legal Officer	01		96,500.00	Local
29	Master of Law in Business Law	Legal Officer	01		180,000.00	Local
30	Diploma in professional English	Labour Officer	01		40,000.00	Local

Table 6.2 - Participation in Foreign Training Programmes - 2022						
S. No	Name of the programme	Number of employees trained		Duration of the programme	Total investment Rs.	
		Designation	No.		Local	Foreign
01	Courses on Occupational Safety and Health and Labour Inspection 2022 (ILO)	Assistant Commissioner of Labour	1	22 nd February to 24 th February 2022		Online training
		Senior Labour Officers	2	09 th May to 01 st June 2022		Online training
02	Workshop on Enhancing Employee Productivity in the Digital Workplace with reference to the Project Code on 22-CP-14-GE-WSP-A. (Japan)	Assistant Commissioner of Labours	2	23 rd February to 25 th February .2022		Online training
03	Occupational Safety and Health Training (online) WIND and WISE methodologies in plantation sector (India)	Research Officers	4	22 nd February to 24 th February 2022		Online training
04	Master Trainers For the Introduction of OSH Committees through Better Work Sri Lanka Programme (ILO)	Engineers and Research Officers	11	25 th February 2022		Online training
05	Workshop on Talent Development for the future of Work (Japan)	Assistant Commissioner of Labour	1	29 th March to 31 st March 2022		Online training
06	Certified Penetration Tester by Cyber Security (Malaysia)	IT Officer	1	17 th May 2022 to 24 th May 2022		Online training
07	ILO - Technical meeting on covid 19 and Sustainable recovery in the Tourism sector (Geneva)	Assistant Commissioner of Labour	1	25 th April to 29 th April 2022		Online training

08	Workshop on Women's Entrepreneurship in the Digital Economy (Japan)	Assistant Commissioner of Labour	3	11 th May to 13 th May 2022		Online training
09	Seminar on Infrastructure Construction and Planning For Sri Lanka	Engineers	2	13 th July to 15 th July 2022		Online training
10	Women and Youth Entrepreneurship in Water Supply and Sanitation Development Trainers Programme (India)	Assistant Commissioner of Labour	1	17 th May to 17 th June 2022		Online training
11	Workshop on the Future of Regulation (Japan)	Deputy Commissioner of Labour	1	29 th June to 01 st July 2022		Online training
12	Seminar on Forestry Carbon Sink Management for BRI Countries (China)	Engineers	1	27 th June to 17 July 2022		Online training
13	Occupational Health and Safety in the Community (Thailand)	Engineers	2	15 th August to 09 th September 2022		Online training
14	Workshop on Digital Transformation for the Public Sector (Japan)	Assistant Commissioner of Labour	2	13 th July to 15 th July 2022		Online training
15	Workshop on Enhancing Service - Sector Productivity With Cloud Solutions (Japan)	Assistant Commissioner of Labour	1	24 th August to 26 th August 2022		Online training
16	China Multilateral Programmes	Assistant Commissioner of Labour	2	21 st September to 30 th September 2022		Online training
17	International Training on Communicating Evidence (ILO)	Assistant Commissioner of Labour and Legal Officer	2	02 nd September 2022		Online training
18	Workshop on Productivity – Linked Wage Systems in the Service Sector(Japan)	Deputy Commissioner of Labour	1	08 th August to 10 th August 2022		Online training
19	Seminar on Industrial Park Construction for Belt and Road	Deputy Commissioner of Labour	1	01 st August 2022		Online training
20	Virtual Workshop on Performance Management Systems and Productivity of the Public Sector (Japan)	Assistant Commissioner of Labour	1	24 th August to 26 th August 2022		Online training
21	Workshop on demographic Trends and their Implications for Productivity	Assistant Commissioner of Labour	1	14 th September to 16 th September 2022		Online training
22	AIBO - Seminar on 5G Technology Standard and Application	Deputy Commissioner of Labour	2	21 st September to 30 th September 2022		Online training

23	Good Governance for Management of Rural Development Programme	Assistant Commissioner of Labour	1	01 st November to 28 th November 2022		Online training
24	Multi-country Observational Study Mission on Productivity and Innovation for the Digital Economy	Commissioner General of Labour	1	20 th December to 22 nd December 2022		
25	Training Course on strategic Management for Public Sector Productivity Enhancement	Assistant Commissioner of Labour	1	25 th October to 28 th October 2022		Online training
26	Regional Consultation to Finalize the Draft Regional Action Plan to End All Forms of Child Labour in South Asia 2021-2025	Deputy Commissioner of Labour	1	15 th December to 16 th December 2022		Online training
27	High - Level International Forum on Labour Inspection (Valencia, Spain)	Commissioner General of Labour	1	17 th November to 18 th November 2022		

Chapter 07

Compliance Report

Compliance Report				
No.	Applicable Requirement	Compliance Status (Complied/Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
1	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	Not relevant		
2	Maintenance of books and registers (FR 445)			
2.1	Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018.	Complied	Since a module has been developed within the CIGAS programme in terms of Treasury Circular 842 dated 19.12.1978, it is not compulsory to maintain a fixed assets register. Accordingly, a module is maintained within CIGAS programme.	
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and updated.	Complied		
2.3	Register of Audit queries has been maintained and updated.	Complied		
2.4	Register of Internal Audit reports has been maintained and updated.	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 updated.	Complied		
2.8	Stocks Register has been maintained and updated.	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated.	Complied		
2.11	Register of Counterfoil Books (GA — N20) has been maintained and updated.	Complied		
3	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institution.	Complied		
3.2	The delegation of financial authority has been communicated within the institution.	Complied		
3.3	Authority has been delegated so that each transaction is signed by 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 th May 2014 in using the Government Payroll Software Package.	Complied		
4.	Preparation of Annual Plans			
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 National Budget Department (NBD) on due date.	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time.	Complied		

5	Audit queries				
5.1	All the audit queries has been replied within the time specified by the Auditor General	Complied			
6	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	Answers have been submitted to all internal audit reports within a period of one month.	Not Complied	More than one month is taken when receiving answers from the relevant offices.	Relevant divisions and offices have been briefed.	
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			
7	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			
8	Asset Management	Complied			
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 board 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 condemned articles had been carried out in terms of FR 772.	Complied		
9	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 (It has been notified verbally by the Auditor General that the relevant running charts should be submitted when requested and therefore they have been listed and stored)		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Not complied	A committee consisting of a motor vehicle inspection officer should be appointed for disposal of vehicles and some time should be taken for the disposal process after the committee is appointed.	After identifying the disposable vehicles, take immediate actions to appoint the relevant committee and carry out the disposal

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 restricted in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29 th December 2016.	Complied	Due to the fuel shortage that existed in the country in 2022 and the issue of fuel issuing on QR code, the process of testing of fuel consumption has been delayed and instructions have been issued to conduct tests next year and submit reports.	
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term.	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Complied		
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.	Not 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 Financial Regulation 94(1).	Complied		
12	Advances to Public Officers Account	Complied		
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	Not Complied	<p>Loan balance of Rs. 731,661.50 has been referred to the Law Enforcement Division for legal actions to recover the balance. Also, the loan balance has not been recovered due to the following reasons.</p> <ul style="list-style-type: none"> • Absence of files related to certain loan balances. (For a balance of Rs. 63,249.25) • Unable to confirm the addresses of some officers who left the service and were dismissed • Not being able to file a lawsuit due to the fact that the Attorney General's Department has informed that it is unproductive to file a lawsuit as the cost to the government to file a lawsuit to recover the balance exceeds the amount to be recovered. • Non-availability of details of guarantors and non- 	<ul style="list-style-type: none"> • Sending reminders to the concerned officials to settle the loan balance. • To verify the addresses from the Divisional Secretariats, Elections Department for the loan balances of the officials whose addresses cannot be verified. • Taking legal actions • Proceedings to recover from guarantors.

			availability of guarantors for certain loan balances. (For balance of Rs.395,272.81)		<ul style="list-style-type: none"> The heirs have not submitted relevant documents to settle the balances by the gratuity of the deceased officers. 	
13	General Deposit Account					
13.1	The action had been taken as per Financial Regulation 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	Complied				
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied				
14.2	The ad-hoc sub imprests issued as per Financial Regulation 371 settled within one month from the completion of the task.	Complied				
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per Financial Regulation 371.	Complied				
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied				
15	Revenue Account	There is no revenue account for the Department				
15.1	The refunds from the revenue had been made in terms of the regulations.	Not relevant				

15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account.	Not relevant		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of Financial Regulation 176.	Not relevant		
16	Human Resource Management			
16.1	The staff has been maintained within the approved cadre.	Complied		
16.2	All members of the staff have been issued a duty list in writing.	Complied (Prepared and given by the relevant divisions and labour offices)		
16.3	All reports have been submitted to MSD in terms of their circular No. 04/2017 dated 20 th September 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	Biannual and Annual reports have been submitted as per section 08 of the Right to Information (RTI) Act.	Not complied	Providing information for requests under the RTI Act is done by regional offices. Accordingly, it takes time to gather that information.	Under the RTI Act, all regional offices have been informed to send a report related to the information issued monthly to the head office.

18	Implementing citizens charter				
18.1	A Service Recipients 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.	Not complied	A Service Recipients Charter has been formulated and scheduled to implemented in future.		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Service Recipients Charter as per paragraph 2.3 of the circular.	Not complied	A methodology has been drafted.		
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 th January 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	As at 31 st December 2022, a staff of 2730 for 70 categories of the Department are in service in the divisions of the Head Office and regional offices across the country and since it is a complex task to prepare performance agreements of all those officers, the way it should be executed is being studied.		
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 to Audit Paragraphs			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

End.