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ஆண்டறிக்கை
Annual Report
2017

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சிரம வாசனா நிதியம
Shrama Vasana Fund

Content Page

Mission & Vision...

Vision

"Satisfied Work Force"

Mission

"Providing welfare to the labour community and creating a rich work environment by filling the shortcomings of existing mechanisms in a disaster"

Message of the Hon. Minister of Labour

It is great pleasure for me to issue congratulatory message for the Annual Report 2017 which is published by Shrama Vasana Fund.

The Srama Wasana Fund established under the Act No. 12 of 1998 is implemented various programmes in order to upgrade the Sri Lankan employees.

The major objectives of the Srama Wasana Fund are promoting the welfare of the employees, providing financial aid and other assistance to employees when a place of work is closed down without prior notice, providing medical and other facilities to employees in times of emergency, providing financial assistance and other benefits to employees or their dependents in times of distress etc.

Conducting medical clinics, empowerment programmes, awareness programmes, welfare programmes, occupational health safety and awareness programmes, scholarship programmes and sudden disaster programmes are prioritized among the various programmes implemented by the Shrama Vasana Fund.

The benefits obtained by the employees and their family members are very high since these programmes are implemented covering every district in the island.

I would like to mention that the Shrama Vasana Fund has specially provided scholarships, and school equipment's for school children, and spectacles have been provided to huge number of publics through eye clinics recently.

I wish to extend my gratitude to the Secretary of the Ministry of Labour and Trade Union Relations and the General Manager of the Shrama Vasana Fund and entire staff of the Fund who were engaged in fulfilling the objective of providing benefits of the Shrama Vasana Fund to the employees and their family members.

Ravindra Samaraweera
Hon. Minister of Labour and Trade Union Relations

Message of the Chairman

It is great pleasure for me to have this opportunity to issue a congratulatory message for the Annual Report 2017 which is published by Shrama Vasana Fund.

The Shrama Vasana Fund which was established under the Act No. 12 of 1998, plays a major role in the welfare of the private sector employees. The Shrama Vasana Fund maximally contributes towards the welfare of employees through 06 specific objectives such as providing assistance to the employees in times of emergency, granting scholarships to the children of the employees in the instant of their death or completely disable stages due to occupational accidents, providing legal assistance to employees when a place of work is closed down without prior notice and directing them to vocational courses and thereby focusing them on new carrier opportunities in the same instances etc.

I would like to convey my gratitude to the staff of the Ministry of Labour, the Commissioners, Deputy Commissioners of the Department of Labour, and the District Factory Inspector Engineers' Offices and their staff who were involved to achieve these objectives.

Further I would like to express my gratitude to the General Manager who is managing entire work of Shrama Vasana Fund and the staff of the Fund who are engaged in success of Fund through their exercise. I also appreciate the contributions made by the Board of Directors of the Shrama Vasana Fund to make the work successful.

S. A. N. Saranatissa
Secretary, Ministry of Labour
Chairman / Shrama Vasana Fund

Message of the General Manager

It is a great pleasure for me to add a congratulatory message for the Annual Report 2017 which is published by Shrama Vasana Fund.

The Shasama Wasana Fund established under the Act No. 12 of 1998 for the benefit of the Labour community island widely implement various programmes focusing Sri Lankan work force. The fund required for the same task is provided by the Lottery “Jathika Sampatha - Saturday” which implement with the National Lotteries Board and the said fund is applied on welfare of the Sri Lankan work force.

According to the vision of creating "Satisfied Sri Lankan Work Force", the Fund through the objectives and consequential objectives of the same is implementing awareness programmes, empowerment programmes, medical camps, eye clinics for the Sri Lankan work force, providing required supportive services to the employees as well as maintaining assistance to the dependents of the employees.

Conduct supportive seminars for the children of the employees who affected by the natural disasters and sudden matters, distribute school equipments to them, and provide artificial limbs to those who lost their limbs due to occupational accidents and grant Shrama Vasana scholarships to the children of the employees who were death or fully disabled due to occupational accidents were implemented by the Fund during the last year.

I would like to extend my gratitude to the Hon. Minister, the Secretary of the Ministry and the Ministry staff, the Commissioner General of Labour and the staff who provides the required assistance in order to implement this exercise and especially to my staff who have shown their enthusiasm and support in carrying out the work successfully and continuously.

D. R. Jayalath
General Manager
Shrama Vasana Fund

Administrative Structure.

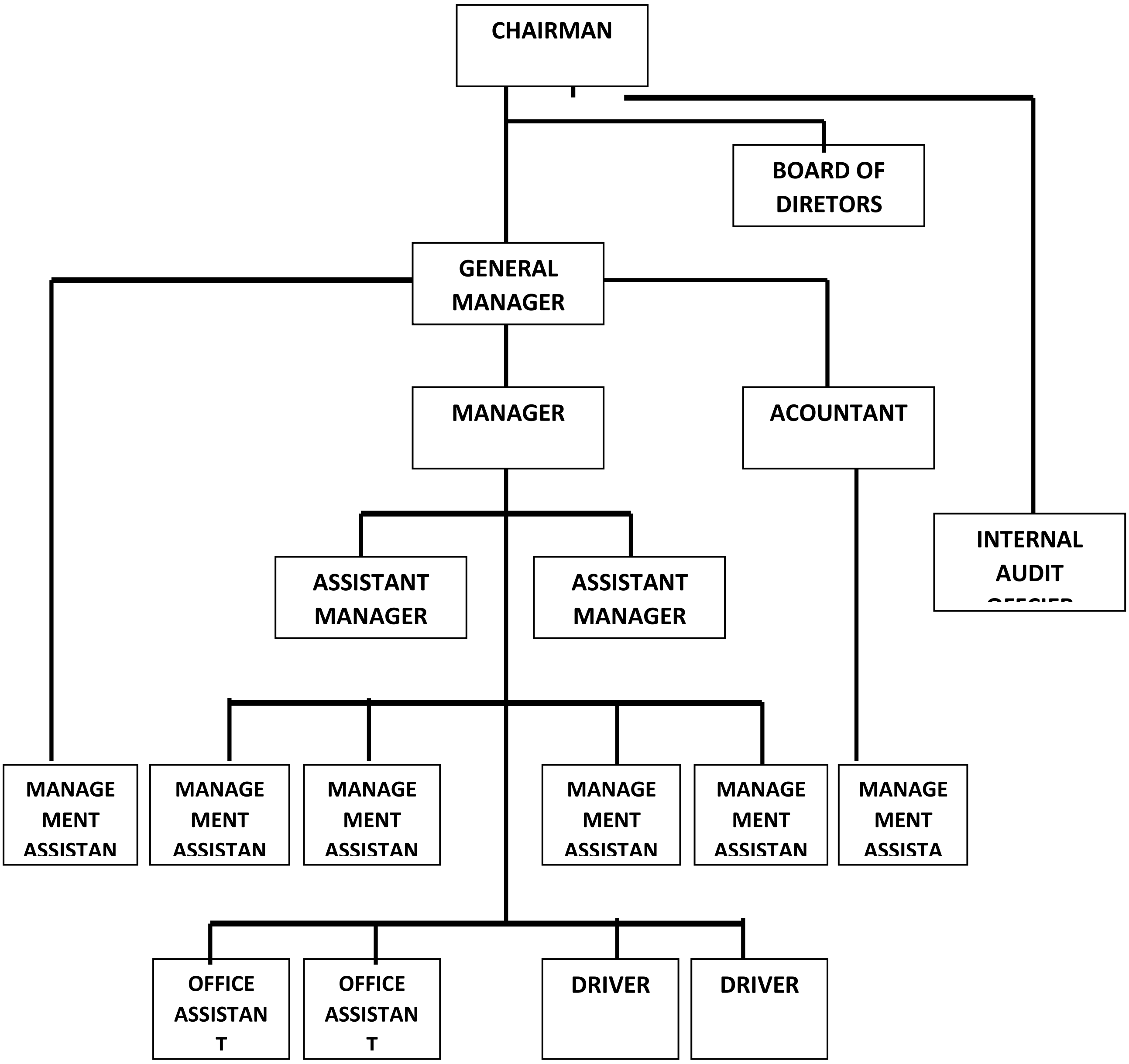
The Shrama Vasana Fund has been established under the Shrama Vasana Act No. 12 of 1998 and chaired by the Secretary to the Ministry of Labour.

According to the Shrama Vasana Fund Act, the entire responsibility of administration process of fund has been entrusted to the Board of Directors and the fund management and all the related matters has been entrusted to the Board of Directors.

Board of Directors - 2017 - Shrama Vasana Fund

Name	Position
S. A. N. Saranatissa	Chairman
A. Wimalaweera	Member
M. J. R. Puviraj	Member
W. P. Amarasinghe	Member
S. N. Sooriyakumara	Member
S. B. U. S. Maithreepala	Member
D. R. Jayalath	General Manager / Shrama Vasana Fund

Organizational structure as at 31.12.2017



Shrama Vasana Fund and Objectives of the Fund

Shrama Vasana Fund and Objectives of the Fund

Shrama Vasana Fund

The Shrama Wasana Fund established under the Act No. 12 of 1998 is an institution established for Labour welfare under the Ministry of Labour and Trade Union Relations. The Shrama Wasana Fund has been implemented various welfare programmes under 6 objectives from its initial stage and thereby arrangements have been made in order to upgrade the Sri Lankan employees.

The contribution of National Lotteries Board as the major income source for the Shrama Wasana Fund has been timely increased due to the sales of lottery "Jathika Sampatha" and the related services to be provided for labour welfare have also been increased thereby.

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

Objectives of the Shrama Vasana Fund

(a) To promote the welfare of the employees

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

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

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

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

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

Contributions towards Shrama Vasana Fund

(a) All such sums of money as may be voted by Parliament for the purpose of carrying out the objects of the Fund

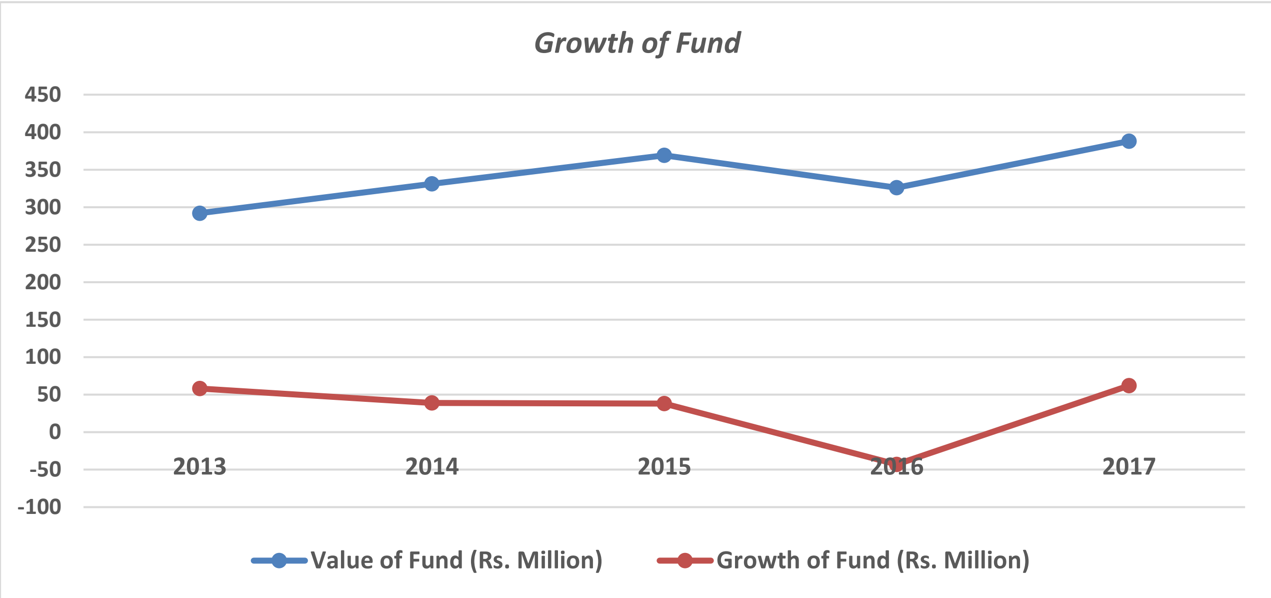
(b) All sums of money received as grants, gifts or donations from local or foreign sources

(c) All sums of money received as income from investments made by the Fund

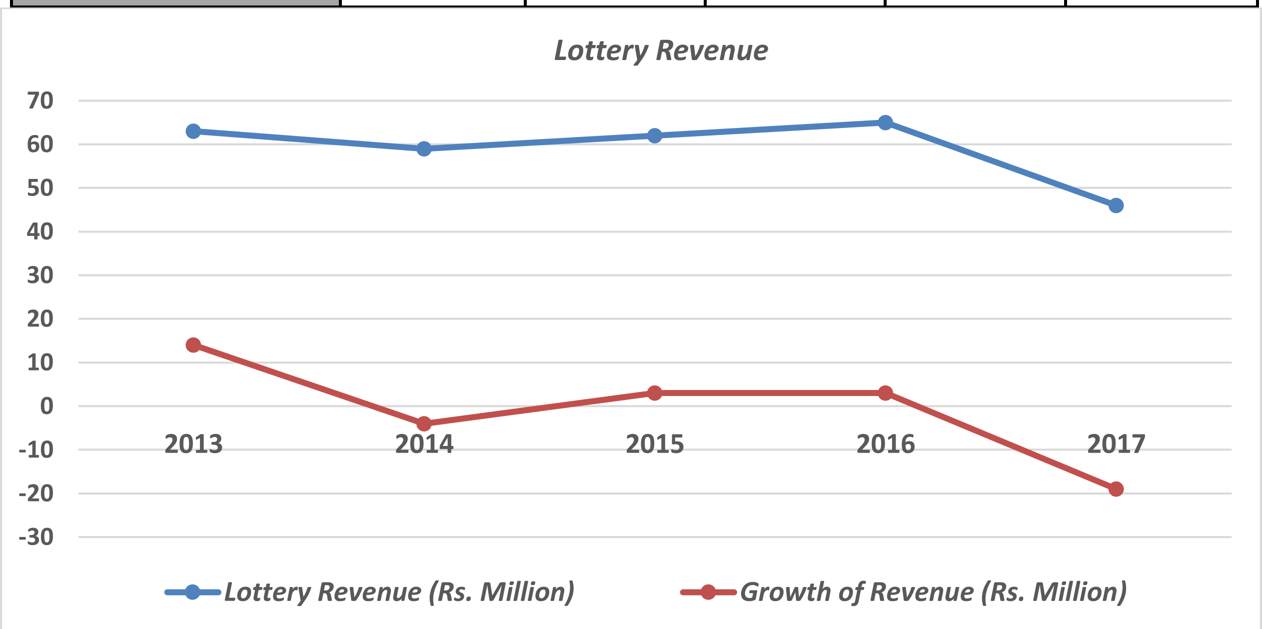
(d) All sums of money derived by the Fund in the exercise of its powers, and discharge of its functions, under this Act, including the proceeds of the lotteries referred to in section 13.

The Growth of Shrama Vasana Fund

	2013 (Million)	2014 (Million)	2015 (Million)	2016 (Million)	2017 (Million)
Value of Fund	292	331	369	326	388
Growth of Fund	58	39	38	-43	62



	2013 (Million)	2014 (Million)	2015 (Million)	2016 (Million)	2017 (Million)
Lottery Revenue	63	59	62	65	46
Growth of Revenue	14	-4	3	3	-19



Review of the Programmes of Shrama Vasana Fund in the Year 2017

Due to the current peaceful situation in Sri Lanka and the political stability and good governance maintained in the country, the Sri Lanka is recognized as a good country for investment, and thereby is increased greater foreign investment than earlier. As a result, the economy of Sri Lanka is shown rapidly growing.

It has resulted of opening of new factories in Sri Lanka and the expansion of the existing industries due to such reasons and thereby the Sri Lanka's active work force has recently become approximately nine million.

The Shrama Vasana Fund has also increased its services aiming the increased work force day by day. The Shrama Vasana Fund has further enhanced its services to the local work force through its objectives and the consequential objectives.

The Shrama Vasana Fund has conducted welfare programmes, empowerment programmes, awareness programmes, medical camps, and supportive programmes to the labour community covering all provisions of the island for the year 2017 and thereby has implemented huge number of programmes towards the welfare of labour community.

❖ Providing school equipments for the children of low income families in the Northern Zonal Labour Office on 04.01.2017.

❖ Providing school equipments for the children of low income families in the Walimadagama Hall on 07.01.2017.

❖ Obtaining ISO 9001 - 2015 Quality Management Certification at Sri Lanka Institute of Development Administration (SLIDA) on 10.01.2017.

❖ Providing school equipments for the children of low income families in the Siridamma School, Labuduwa in line with the “Mission of the President” on 14.01.2017.

❖ Sports and Physical Fitness Promotion Week 2017, Sri Lanka Board of Investment (SLBFR), on 07.02.2017.

❖ Providing scholars and school equipments for the children who passed the Grade Five Scholarship Examination held, in line with the Presidential Mobile Service held on 10.03.2017 - Polonnaruwa

- Scholarship programme and Alms Giving programme held on 31.03.2017 in line with Shrama Vasana Week.

- Shrama Vasana Empowerment Programme, Sri Lanka Chamber of Commerce Auditorium, Jaffna on 26.05.2017.

❖ Shrama Vasana Awareness Programme – Gampaha at the Technical College on 06.07.2017

❖ Providing school equipment and scholarships for the school children who were affected by the sudden disaster in Meethotamulla, at the Auditorium Department of Labour on 25.07.2017.

❖ Seminar for Grade 5 scholarship Examination - Southern Province focus on flood affected Galle district held in Thawalama National School on the 29.07.2017

❖ Shrama Vasana Female Empowerment Programme held at Labour Office, Jaffna on 26.08.2017.

❖ Shrama Vasana Female Empowerment Programme held at Cooperative Society Hall, Killinochchi on 27.08.2017.

❖ Distribution of school equipment under the “Let's Protect the Children National programme” on 10.11.2017 - Royal College, Polonnaruwa

❖ Eye Clinic - Kotmale VTM Garment Factory and Nuwara Eliya Town Hall on 07.09.2017

❖ Eye Clinic – Parakaduwa Narada Vidyalaya, Rathnapura on 09.09.2017.

❖ Empowerment Programme held in Nuwara Eliya District on 22.09.2017.

- Shrama Vasana scholarship programme, distributing spectacles and empowerment programme, providing training equipments, District Secretariat, Nuwara Eliya on 23.09.2017.



- Awareness Programme on Occupational Safety and Health and Medical Clinic on 11.11.2017, at the Labour Office, Beliatta



- Medical Camp held at the Katunayake Free Trade Zone on 15th December 2017.

In addition, following programmes were implemented.

- ❖ Awareness Programme on Occupational Safety and Health - Industrial Zone, Trincomalee and J. J. Mills Institute on 28.02.2017.
- ❖ Awareness Programme on Occupational Safety and Health - Seegiri Roofing Factory, Puttalam on 23.02.2017.
- ❖ Awareness Programme on Prevention of Occupational Accidents and Health - Labour Office, Kurunegala on 07.03.2017.
- ❖ Shrama Vasana Children's Hospitality - Thihagoda Devananda Vidyalaya - Matara on 20.03.2017
- ❖ Carlton Garment Awareness Programme - Medawachchiya on 16.02.2017
- ❖ Shrama Vasana Awareness Programme, Hatton - Awishka Hotel on 04.04.2017

- Shrama Vasana Awareness Programme, Embilipitiya - Southern Lanka Coconut Processing Company on 16.05.2017.

- Shrama Vasana Awareness Programme, Bernard Garment Company, Kolonna on 16.05.2017.

- Shrama Vasana Awareness Programme, Matugama - Aruna Tea Factory on 11.07.2017.

- Shrama Vasana Awareness Programme, Matugama - BROMBILL Tea Factory on 11.07.2017.

- Shrama Vasana Awareness Programme, Awissawella - G. P. Garment Factory on 13.07.2017.

- Distributing school equipment for children in flood affected families, Dodampe Primary School on 02.08.2017.

- Seminar for Grade 5 scholarship Examination – Rathnapura (Sinhala Medium) held at Town Hall, Rathnapura on 05.08.2017.

- Seminar for Grade 5 scholarship Examination – Rathnapura (Tamil Medium) held at Shivam Kovil on 05.08.2017.

- Shrama Vasana Awareness Programme on Occupational Safety - Kegalle at Halgolla Tea Factory on 17.08.2017.

- Awareness Programme on Occupational Safety and Health - Kegalle at Kelani Tea Factory on 17.08.2017.

- Empowerment Programme - Welimada held at Welimadagama Vidyalaya on 19.08.2017.

- Shrama Vasana Female Empowerment Programme held at Cooperative Society Hall, Killinochchi on 27.08.2017

- Shrama Vasana Awareness Programme on Occupational Safety – Kadapola, Nuwara Eliya held at Figale Tea Factory on 30.08.2017.

- Providing school equipments for the children of low income families, Darmalaka Vidyalaya, Palmadulla on 17.09.2017.

- Awareness Programme on Occupational Safety and Health – District Secretariat, Nuwara Eliya on 23.09.2017.

- Shrama Vasana Awareness Programme on Occupational Safety, Nalanda Ellawala Industrial Zone – Kuruwita on 03.10.2017.

- Shrama Vasana Awareness Programme on Occupational Safety, Ministry of Industrial Development - Kuruwita on 03.10.2017.

- Shrama Vasana Awareness Programme on Occupational Safety, Baur & Co. (Pvt) Ltd - Anuradhapura on 24.10.2017.

- Shrama Vasana Awareness Programme on Occupational Safety, Knorr Lanka (Pvt) Company, Trincomalee on 25.10.2017.

- Shrama Vasana Awareness Programme on Occupational Safety, Prima Company, Trincomalee on 25.10.2017.

- Shrama Vasana Empowerment Programme, Town Hall, Trincomalee on 10.11.2017.

- Shrama Vasana Empowerment Programme, District Secretariat, Moneragala on 17.11.2017.

- Medical Camp, Trade Zone, Awissawella on 28.11.2017.

- Medical Camp, Trade Zone, Kogala on 06.12.2017.

- Awareness Programme held at Halpewatta Tea Factory on 15th December 2017.

- Awareness Programme held at Rain wear Apparel Factory, Bandarawela on 15th December 2017.

- Awareness Programme held at Texwin Clothing Ltd, Polonnaruwa on 16th December 2017.

- Awareness Programme held at Lankapura Apparel Ltd, Polonnaruwa on 16th December 2017.

- Awareness Programme held at Kanneliya Tea Factory, Galle on 19th December 2017.

- Awareness Programme held at Vocational Training Authority, Kurunegala on 27th December 2017.

- Seminar for Grade 5 scholarship Examination held at District Secretariat, Kalutara on 29.07.2017. (Focus on Kalutara District affected by flood)

- Shrama Vasana Empowerment Programme, District Secretariat, Anuradhapura on 10.11.2017.

Shrama Vasana Fund

2017
Final Accounts

Ministry of Labour, Trade Union Relations & Sabaragamuwa Development

Final Account 2017

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

Shrama Vasana Fund

2

Shrama Vasana Fund
Statement of Financial Position
as at December 31st ,2017

		Rs. 2017	Rs. 2016
Assets			
Current Assets			
Cash and Cash Equivalents		557,562.28	5,356,725.69
Inventories	**Note 04**	3,420,376.93	2,079,533.16
Deposit in Postal Machine		24,695.00	10,280.00
Pre-payment Insuarance		296,043.94	201,705.98
Receivables	**Note 03**	298,007,797.69	326,496,635.50
		302,306,475.84	334,144,880.33
Non-Current Assets			
Investment in Fixed Deposit		103,000,000.00	52,000,000.00
Investment in ISO & Web Base System		2,060,258.00	845,629.00
Research & Development		295,175.00	-
Software Development		549,000.00	-
Staff Training		225,490.00	-
Intangible asset	**Note 02**	33,000.00	33,000.00
Plant Machinary & Equipment	**Note 01**	11,578,761.63	12,487,765.70
		117,741,684.63	65,366,394.70
Total Assets		420,048,160.47	399,511,275.03
Liabilities			
Current Liabilities			
Payables	**Note 06**	2,764,013.25	1,307,231.54
Provission	**Note 07**	5,924,524.38	-
Total liabitilies		8,688,537.63	1,307,231.54
Net Assets		411,359,622.84	398,204,043.49
Accumulated Surpuls	**Note 05**	411,359,622.84	398,204,043.49
Total net Assets		411,359,622.84	398,204,043.49

The Board of Directors of an entity is responsible for the preparation and presentation of its Financial Statements

S.A.N.Saranatissa	A.Wimalaweera	D.R.Jayalath	M.Lakmini Jayamali
Chairman	Director	General Manager	Accountant
ShramaVasana Fund	ShramaVasana Fund	ShramaVasana Fund	ShramaVasana Fund

S. A. Nimal Saranatissa
Secretary
Ministry of Labour. Trade Union Relations and Sabaragamuwa Development
Labour Secretariat,
Narahenpita, Colombo 05

A. WIMALAWEERA
Commissioner of Labour
Department of Labour
Colombo 05

D. R. Jayalath
General Manager
Shrama Vasana Fund
Ministry of Labour & Labour Relations
Jawatta Rd, Colombo - 05.

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

Final Account 2017
"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

Shrama Vasana Fund 3

Shrama Vasana Fund
Statement of Financial Performance
As at December 31st ,2017

		Rs. 2017	Rs. 2016
Revenue			
Income	**Note 09**	57,959,053.10	68,509,170.45
Total Revenue		57,959,053.10	68,509,170.45
Expenses			
Administration Expences	**Note 10**	12,609,705.20	8,952,149.91
Depreciation	**Note 11**	2,015,263.64	1,025,245.84
Expenditure for objective of fund	**Note 12**	30,178,504.91	30,267,660.43
		44,803,473.75	40,245,056.18
Surplus for Year		13,155,579.35	28,264,114.27

Shrama Vasana Fund
Statement of Changes in Funds
For the Year Ended December 31, 2017

	Accumulated Fund	Total
Balance as at 31st December 2015	369,939,929.22	369,939,929.22
Surplus for the year	28,264,114.27	28,264,114.27
Balance as at 31st December 2016	398,204,043.49	398,204,043.49
Surplus for the year	13,155,579.35	13,155,579.35
Balance as at 31st December 2017	**411,359,622.84**	**411,359,622.84**

Shrama Vasana Fund
Cash flow Statement
For the Year Ended December 31, 2017

		Rs. 2017	Rs. 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for year	*Note 13*	13,155,579.35	28,264,114.27
Non-cash movements			
Depreciation		2,015,263.64	1,025,245.84
Increment of other payables		1,456,781.71	(2,244,185.03)
Increment of Provission		5,924,524.38	
Investment Interest		(11,778,989.61)	(3,113,002.82)
Distress Loan Interest		(16,697.32)	(16,739.80)
Repo investment interest		(90,136.99)	(150,164.37)
Other income		(34,690.00)	(127,933.46)
(Increase)/Decrease of other receivables		33,552,252.82	7,998,545.01
(Increase)/Decrease in Inventories		(1,340,843.77)	(2,079,533.16)
Net cash flows from operating activities		42,843,044.21	29,556,346.48
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchasing of Plant,Machinary & equipment		(1,106,259.57)	(10,279,696.95)
Investment Interest		6,715,574.60	2,615,447.97
Distress Loan Interest		16,697.32	16,739.80
Repo investment interest		90,136.99	150,164.37
Other income		34,690.00	127,933.46
Deposit Postal Machine & Insurance		(108,752.96)	(46,507.01)
Investment of Web Base & ISO		(1,214,629.00)	(701,029.00)
Research & Development		(295,175.00)	-
Software Development		(549,000.00)	-
Staff Trainng		(225,490.00)	-
Investment Fixed Deposit		(51,000,000.00)	(17,000,000.00)
Net cash flows from investing activities		(47,642,207.62)	(25,116,947.36)
Net increase/(decrease)in cash and cash equivalents		(4,799,163.41)	4,439,399.12
Cash and cash Equivalants at beginning of period		5,356,725.69	917,326.57
Cash and cash Equivalants at end of period		557,562.28	5,356,725.69

SHRAMA VASANA FUND
Statement of Accounting Policies

1. Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting Entity

SHRAMA VASANA FUND is incorporated by Shrama Vasana Fund Act, No.12 Of 1998.

1.1.2 Date of Authorization for issue
The Financial Statements were authorized for issue by the Board of Directors on 26th February 2018.

1.1.4 Basis of Preparation

a) **Statement of Compliance**

The financial statement comply with Sri Lanka Public Sector Accounting Standards for the accrual basis of Accounting.

b) **Basic of Measurement**
The Financial statements have been prepared on historical cost basis adjusted for revaluations of assets. Inventories has been measurement on weight average cost.

c) **Use of Estimates and Judgements**
The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Note 01
Plant machinary & Equipment
01-1

Cost	Restated balance as at 01.01.2017	Additions	Disposal/write off	Balance as at 31.12.2017
Vechicle	9,125,000.00	271,860.00	-	9,396,860.00
Machinary & Equipment	722,993.95	-	-	722,993.95
Audio & Video Visual	684,595.00	243,608.00	-	928,203.00
Air Conditioners	1,377,009.99	-	97,185.00	1,279,824.99
Computers	2,133,754.00	386,097.50	-	2,519,851.50
Furniture and Fittings	1,356,276.80	171,169.07	-	1,527,445.87
Office Equipment	315,645.57	33,525.00	5,150.00	344,020.57
	15,715,275.31	1,106,259.57	102,335.00	16,719,199.88

01-02

Depreciation	Restated balance as at 01.01.2017	Charge for the period	Disposal/write off	Balance as at 31.12.2017
Vechicle	-	921,620.00	-	921,620.00
Machinary & Equipment	381,997.81	96,502.79	-	478,500.60
Audio & Video Visual	212,935.62	118,910.29		331,845.91
Air Conditioners	841,180.19	255,965.00	97,185.00	999,960.19
Computers	1,378,298.47	458,985.62	-	1,837,284.09
Furniture and Fittings	296,338.98	140,338.43	-	436,677.41
Office Equipment	116,758.54	22,941.51	5,150.00	134,550.05
	3,227,509.61	2,015,263.64	102,335.00	5,140,438.25

Note 02
Intangible Asset

Accounting Package	33,000.00
	33,000.00

Note 03
Other Receivables

Treasary Operation Department	290,118,060.18
Festival Advance	11,750.00
Distress Loan	744,650.00
Interest on Fixed Deposit Investment	7,098,394.52
Other Receivable	31,942.99
Refundable deposit	3,000.00
	298,007,797.69

Note 04
Inventories

Stationary	375,205.07
Programe Item	3,045,171.36
	3,420,376.93

Inventories has been measurement on Weighted Average Cost

Note 05

Cumulative Fund as at 01.01.2017	398,204,043.49
Surplus for the year 2017	13,155,579.35
Cumulative Fund as at 31.12.2017	411,359,622.84

Note 06

Other payable

Health camp Payable	1,275,000.00
Telephone Payable	27,519.06
Advertising & Promotion Payable	229,880.00
Fixed Assets Payable	108,500.00
Other Payable	94,858.75
Web base Develop Payable	859,550.00
Stationories payable	21,430.00
water & electricity Payable	6,379.62
Over Time Payble	31,895.82
Audit Fee Payable	100,000.00
Retantion 5%	9,000.00
	2,764,013.25

Note 07

Provission

Provission for Welfare Programe	3,106,821.00
Provision for Legal Aid	345,000.00
Provission for Scholership	2,472,703.38
	5,924,524.38

Note 08

Fixed Assets has been depreciated on Straight line basis
Following Rates are used.

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

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

Note 09

Income

Shrama vasana Lottery Income	46,038,539.18
Fixed Deposit Investment Income	11,778,989.61
Distress Loan Interest Income	16,697.32
Repo Investment Income	90,136.99
Other Income	34,690.00
	57,959,053.10

Note 10

Administrative Expenditure

Salary & wages	4,416,877.62
E.P.F.	1,262,601.00
E.T.F.	189,390.16
Cost of Living Allowance	1,215,616.97
Other Allowance	240,340.00
Chairman Allowance	201,250.00
Practical trainee Allowance	394,000.00
Directors Allowance	636,390.00
Board Secreatary Allowance	9,000.00
Allowance for Internal Auditor	26,774.19
Professional Allowance	60,000.00
Bonus	188,298.00
Overtime & Holiday pay	414,195.50
Domestic Travelling & Sub	117,681.00
Transport Charges	114,334.59
Stationery & Others	663,556.46
Postal Expenses	31,530.50
Telephone Expenses	264,226.11
Entertainment Expenses	78,227.00
Refreshment & Other	177,131.00
Sundry	41,793.75
Others	39,750.11
Audit Expenses	102,040.00
Water & Electricity	85,685.84
Other Service	306,163.71
Maintance & Repair expence	1,133,751.69
Staff Welfare	199,100.00
	12,609,705.20

Note 11

Depreciation

Depreciation on Vehicle	921,620.00
Depreciation on Computers	458,985.62
Depreciation on Air Conditioners	255,965.00
Depreciation on Audio & Video Visual	118,910.29
Depreciation on Furniture and Fittings	140,338.43
Depreciation on Office Equipment	22,941.51
Depreciation on Machinary & Equipment	96,502.79
	2,015,263.64

Note 12

Expenditure to achive targets of the fund

Health camp Programme	2,170,980.50
Empowerment programme	3,421,105.71
Awarness Programme	807,387.33
Welfare programme	11,747,142.97
Artificial Legs & Limbs Programe	180,000.00
Technical education programme	30,000.00
Medical Assistance Programme	110,000.00
Legal Aid Programme	445,000.00
Scholarship programme	4,636,235.33
Miscellaneous	3,994,265.94
Award Ceremony Programme	285,000.00
Promotion Programme	918,780.00
Advertising Programme	1,432,607.13
	30,178,504.91

Note 13

Surplus for year 2017	13,155,579.35
Surplus for year 2017 (Cash Flow)	13,155,579.35

Shrama Vasana Fund 13

Shrama Vasana Fund
As at 31st December 2017
Trail Balance

		Dr.	Cr.
Bank		557,562.28	
Fixed Deposit Investment		103,000,000.00	
Inventories-			
	Stationary	375,205.07	
	Programe Item	3,045,171.86	
Deposit Insuarance		296,043.94	
Investment of ISO Certificate		727,608.00	
Investment of Web base system		1,332,650.00	
Software Development		549,000.00	
Research & Development		295,175.00	
Deposit postal Machine		24,695.00	
Other Receivable		31,942.99	
T.O.D.Receivable		290,118,060.18	
Fixed Deposit Interest receivable		7,098,394.52	
Refundable Deposit		3,000.00	
Distress Loan		744,650.00	
Festival Advance		11,750.00	
Vehicle		9,396,860.00	
Furniture & Fittings		1,527,445.87	
Intangible asset-Accounting package		33,000.00	
Audio & Video Visual		928,203.00	
Machinary & Equipments		722,993.95	
Airconditioners		1,279,824.99	
Computers		2,519,851.50	
Office Equipment		344,020.57	
Accumulated Depreciation			
	-Vehicle		921,620.00
	-Office Equipment		134,550.05
	-Computers		1,837,284.09
	-Airconditioners		999,960.19
	-Machinary & Equipments		478,500.60
	-Audio & Video Visual		331,845.91
	-Furniture & Fittings		436,677.41
Welfare Payable			3,106,821.00
Health camp Payable			1,275,000.00
Stationaries Payable			21,430.00
Advertising & Promotion Payable			229,880.00
Other Payable			94,858.75
Web Base Develop Payable			859,550.00
Scholership Programe Payable			2,472,703.38
Fixed Assets Payable			108,500.00
Water & Electricity Payable			6,379.62
Audit Fee Payable			100,000.00
Overtime & Holiday Pay Payable			31,895.82
Telephone Payable			27,519.06
Legal aid Payable			345,000.00
Retaintion 5%			9,000.00
Cummulated Fund			398,204,043.49
Shrama Vasana Lotary			46,038,539.18

Final Account 2017

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

Depreciation-Office Equipment		
-Vehicle	921,620.00	
-Office Equipment	22,941.51	
-Computers	458,985.62	
-Airconditioners	255,965.00	
-Machinary & Equipments	96,502.79	
-Audio & Video Visual	118,910.29	
-Furniture & Fittings	140,338.43	
Assets Maintance & Repair	355,368.29	
Bank Charges	7,659.11	
Audit fee	102,040.00	
Telephone Charges	264,226.11	
Postage	31,530.50	
Water & Electricity Charges	85,685.84	
Office Maintance & Repair	96,111.61	
Transport	114,334.59	
Other Service	306,163.71	
Vehicle Maintance & Repair	682,271.79	
Practical Trainee Allowance	394,000.00	
Allowance for Directors	636,390.00	
Allowance for Chairman	201,250.00	
Allowance for Board Secretary	9,000.00	
Allowance for Internal Auditor	26,774.19	
Professional Allowance	60,000.00	
Staff Salaries	4,416,877.62	
E.P.F.	1,262,601.00	
E.T.F.	189,390.16	
Cost of Living Allowance	1,215,616.97	
Bonus	188,298.00	
Other Allowance	240,340.00	
Staff welfare	199,100.00	
Overtime	414,195.50	
others	32,091.00	
Sundry Expence	41,793.75	
Refreshment & Other	177,131.00	
Entertainment	78,227.00	
Stationaries	663,556.46	
Domestic Travelling & Sub	117,681.00	
Artificial Legs & limbs	180,000.00	
Health camp Expences	2,170,980.50	
Empowerment Expence	3,421,105.71	
Worker Awareness	807,387.33	
Welfare Programe Expence	11,747,142.97	
Medical Assistant Programme	110,000.00	
Techinical Education Programe Expence	30,000.00	
Legal aid Pograme Expence	445,000.00	
Scholership Programe Expence	4,636,235.33	
Micellaneous	3,994,265.94	
Advertising & Promotion Expence	2,351,387.13	
Award Ceremony	285,000.00	
Training of Staff	225,490.00	
Other Income		34,690.00
Interest of Diss.Loan		16,697.32
Repo Investment Interest		90,136.99
Fixed Deposit Interest Income		11,778,989.61
	469,992,072.47	469,992,072.47

Final Account 2017

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

PCF 032

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No. } එල්ඊඩබ/ඒ/එස්වීඑෆ්/1/17	ඔබේ අංකය உமது இல. Your No. }	දිනය திகதி Date } 2018 දෙසැම්බර් 18 දින

සභාපති,

ශ්‍රම වාසනා අරමුදල.

ශ්‍රම වාසනා අරමුදලේ 2017 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1971 අංක 38 දරන මුදල් පනතේ 14(2)(සී) වගන්තිය ප්‍රකාර විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2018 ඔක්තෝබර් 15 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

ඊ.ඒ.ජී. ආනන්ද
නියෝජ්‍ය විගණකාධිපති
විගණකාධිපති වෙනුවට

පිටපත් : 1. ලේකම්, කම්කරු, වෘත්තීය සමිති සබඳතා හා සබරගමු සංවර්ධන අමාත්‍යාංශය
2. ලේකම්, මුදල් හා ආර්ථික කටයුතු අමාත්‍යාංශය

ශ්‍රම වාසනා අරමුදල
31 DEC 2018
SHRAMA WASANA FUND

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.auditorgeneral.gov.lk

මගේ අංකය
எனது இல.
My No. LEW/A/SVF/1/17

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date 15 October 2018

The Chairman,

Shrama Wasana Fund

Report of the Auditor General on the Financial Statements of the Shrama Wasana Fund for the year ended 31 December 2017 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

The audit of financial statements of the Shrama Wasana Fund for the year ended 31 December 2017, comprising the statement of financial position as at 31 December 2017 and the statement of Financial performance, statement of changes in equity, cash flow statement and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 12(4) of the Shrama Wasana Fund Act, No 12 of 1998. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 14(2)(c) of the Finance Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

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

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.auditorgeneral.gov.lk

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the Shrama Wasana Fund as at 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standard No.01

Even though, the maturity period of the fixed deposits of the Fund amounting to Rs.103 million had less than twelve months, contrary to the section 76 of the standard No.01 those investment had been shown as non-current assets in the Financial Position Report.

(b) Sri Lanka Public Sector Accounting Standard No.02

Even though, the increase of other receivable in the Cash Flow Statement in 2017 should be shown as Rs.28,488,838, but it had been shown as Rs.33,552,553 and overstated by Rs.5,063,715.

(c) Sri Lanka Public Sector Accounting Standard No.07

In terms of section 65 of the standard No. 07 the useful life time of non-current assests had not been received annually and fourteen assets items costing Rs.926,125 were further in use despite being fully depreciated. Accordingly, action had not been taken to revise the error in the estimation in accordance with the Sri Lanka Public Sector Accounting Standard No.03.

(d) Sri Lanka Public Sector Accounting Standard No.08

Even though, had not been fulfilled required conditions for a provision in terms of section 22 of the standard a sum of Rs.5,924,594 had been allocated in the Financial Position Statement for 03 programmes in 2017, such as welfare programmes of the Fund, for legal assistances and scholarships.

2.2.2 Accounting Policies

Amortization had not been made in the useful lifetime for an assets identified as an intangible assets in the Statement of Financial Position valued for Rs.33,000.

2.2.3 Accounting Deficiencies

The following observations are made.

(a) Staff expenses of Rs.225,490 incurred in the year under review had been shown under non-current assets instead of accounted under expenses of the Fund. As such, annual surplus of the Fund and non-current assets had been overstated by same amount.

(b) Depreciation of six assets items using by the Fund had been understated by a sum of Rs.25,839 in the year under review.

(c) A sum of Rs.295,175 incurred for preparation of a Corporate Plan for the Fund for 05 years period of 2018 – 2022 had been shown as Research and Development Assets under the Current Assets instead of recognized as an expenses in the statement of financial performance.

2.3 Non-compliance with Laws, Rules Regulations and Management Decisions

The following Non-compliances with Laws, Rules Regulations were observed.

Reference to Laws, Rules and Regulations.	Non-compliance
(a) Financial Regulation 237 (c)	Receipt for payment of Rs.12,000 paid to a private entity for accommodation facilities at the eye clinic held in Nuwara Eliya District had not been furnished with the settlement of advance.
(b) Sub section (a) and sub section 13 (2) of section 7(2)1 of Shrama Wasana Fund Act No. 12 of 1998	Even though a Lottery named shrama wasana had to be conducted action had not been taken to do so but had issued "Jathika Sampatha" a lottery.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Fund for the year under review amounted to a surplus of Rs. 13,155,579 as compared with the corresponding surplus of Rs. 28,264,114 for the preceding year, thus indicating a deterioration of Rs.15,108,535 in the financial result of the year under review as compared with the preceding year. The decrease in the expenditure in the achievement of the objectives of the Fund by Rs.89,155 and the increase in the administrative expenditure by Rs.3,657,555 and the decrease of annual Lottery income by Rs.19,062,791 had been the main reasons for this deterioration.

An analysis of the financial results of the year under review and the 04 preceding years revealed that the surplus of the Fund in the year 2013 amounted to Rs.57,537,862 had continuously deteriorated to Rs.13,155,579 by the year 2017. However, the contribution of the Fund in re- adjusting the employee emoluments and depreciations for non-current assets to the financial result the contribution of Rs.59,973,904 in the year 2013 had continuously decreased and was Rs.24,416,576 in the year under review.

4. Operating Review

4.1 Performance

4.1.1 Planning

The following observations are made.

(a) It had been noted as a main weakness of the fund had not a definite idea regarding the identification of beneficiaries each welfare programme in the corporate plan prepared in relevant to the period 2013-2017 by the Fund. The Fund had not taken strategies to minimize this weakness and it had been noted that the same weakness still being continued in the corporate plan prepared for the 2018-2022 period. It had been observed that, basic reason to have issues on selecting beneficiaries being the objective widely mentioned in the section 6(a) of the Fund act. No.12 of 1998.

(b) Even though it had been mentioned in the corporate plan of the fund relevant to the period 2013 to 2017 that having large number of Non – Government Organizations are an opportunity to the fund to provide welfare for employees, but action had not been taken to identify strategies to build up coordination with those Non-Government Organizations to use the opportunity.

4.1.2 Performance and Review

The following observations are made with regards to the achievement of Goals in the action plan for the year under review.

(a) Even though planned to conduct 28 awareness programmes costing 1.5 million, conducted only 06 programmes costed Rs.900,000. It was sixty per cent from the total allocation.

(b) Even though a sum of Rs.7 million had been allocated to pay benefits to 100 scholars under professional accident scholarships programme, conducted only 74 programmes for beneficiaries and had been spent Rs.4.6 million and a sum of Rs.2.4 million had saved at the end of the year.

(c) Even though a sum of Rs.2.5 million had been allocated for awarding of gifts to the persons who have rendered execellent service, the programme had not been conducted. But as per the progress report of the action plan furnished to the audit shows that a sum of Rs.0.29 had been spent to pay 33 employers.

(d) As per the 4.3.1 of the Corporate plan prepared for the period of 2013-2017 of the Fund, that equal opportunities should be given for the welfare programmes covering all the areas of the Island. Even though, had been planned to conduct 10 programmes in the action plan for the year under review, 30 programmes had been conducted and out of that 10 programmes had been conducted in Rathnapura and Badulla Districts.

(e) As per the 2017action plan of the Fund, planned to distribute 42 artificial legs and arms during the year under review, but only one special artificial leg had been given to a person out of the selected list. Even artificial legs and arms had not been given to the 14 persons who were selected in 2016 till the end of the year under review.

4.2 Under Utilization of Funds

The following observations are made.

(a) Even though a sum of Rs.80 million had been given by the Department of Treasury operation, the funds had not been used for the programmes systematically to achieve goals of the fund and a sum of Rs.51 million equalent to 64 per cent received during the year under review had been invested in fixed deposits in government banks without achieving goals. As such, the value of the investment at the end of the year under review was Rs.103 million. In addition to that, a sum of Rs.290 million had been invested in Treasury deposits at the end of the year under review.

(b) A sum of Rs.5,924,524 had been allocated in the Financial position statement for the programmes planned to conduct in 2017. Out of above allocation 21 per cent had been used for the programmes in 2018 by the date of audit of 2018. It was observed that, only items required for the programmes had been procured and had further observed to the audit that the Fund had planned programmes without proper management and had implemented programmes unefficiently.

4.3 Underutilization Assets

Three Televisions procured for sum of Rs.364,7871 in 2016 and fixed one television at the entrance of the Labour office premises to publish the objectives of the funds but had not utilized even upto end of the year under review.

4.4 Staff Administration

The approved cadre of the Fund was 18 at the end of the year under review and out of that 02 Assistant Manager Posts remained vacanted. Action had not been taken to recruit for the posts.

5. Sustainable Development

5.1 Achievement of Sustainable Development Goals and Targets

In accordance with the Circular No. NP/SP/SDG/17 of 14 August 2017 issued by the Secretary to the Ministry of National Policies and Economic Affairs, Every public institution should act in compliance with the United Nations Sustainable Development Agenda for the year 2030. The Shrama Wasana Fund had not been aware as to how to take measures relating to the activities under purview of their scope with respect to the year under review.

6. Accountability and Good Governance

6.1 Internal Audit

(a) In terms of section 09 of the Audit and Management Circular No.DMA/2009(i) dated June 2009 issued by the Department of Management and Audit, internal audit reports should be issued at the end of each quarter but only one report had been issued till end of the year under review.

(b) Even though an Internal Audit Plan had been prepared by the Fund for the year 2017 in accordance with format given in the above Circular, definite facts for system analysis, performance appraisal, and special investigations had not been included.

6.2 Procurement and Construction Process

6.2.1 Procurements

Even though procurement plan of the Fund for the year 2017 had been prepared in terms of 4.2 of the procurement guidelines, detail of the procurements for goods valued of Rs.9,882,474 to be procured for the programmes carried out to achive the goals of the Fund had not been included in the procurement plan.

6.3 Unresolved Audit Paragraphs

Post evaluation on the audit paragraph included in to 2.2.5 of the 2016 Auditor General's report of the Fund had not been finalized.

(a) A mutual agreement had not been reached between the Lotteries Board and the Shrama Wasana Fund on the categorise of lotteries and the numbers of lotteries to be printed in each year.

(b) A mutual agreement should be reached between the Lotteries Board and the Shrama Wasana Fund on the prices awarding and how the unclaimed prized are dealt with, but had not done so.

(c) A mutual agreement had not been reached between the Lotteries Board and the Shrama Wasana Fund on the expenditure to be incurred for the conduct of lottery and the value of the prize awarded for each lottery.

7. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls	Observations
(a) Procurement Process	- Not participation of subject specialists for the Technical Evaluation Committees. - Bid opening committee members not sign bid opening reports.

	- Criteria not in the bidding documents were used of bid evaluation.
(b) Expenditure Control incurred for objectives of the fund	- Not used proper criteria for selecting beneficiaries.
	- Lack of selected beneficiaries list signed by responsible officers.
	- Lack of proof and no post evaluation on goods given to selected third parties.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe

Auditor General