

# Annual Report & Accounts

2014



Sri Lanka Bureau of Foreign Employment

## **Vision**

**“Sri Lanka to be the best choice for competent human resources for overseas market”**

## **Mission**

**“Create efficient and equitable pathways for people to benefit from their skills in overseas employment markets securing interest of all stakeholders while contributing to economic growth”**

## **ACKNOWLEDGMENT**

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I take this opportunity to thank the Honorable Minister of Foreign Employment Promotion & Welfare for the assistance and guidance given during the year.

I also wish to thank the Secretary, Ministry of Foreign Employment Promotion & Welfare and Board of Directors, employees of SLBFE and Licensed Foreign Employment Agencies for the co-operation extended during the period under review.

**R.K.OBEYESEKERE**  
**CHAIRMAN**  
**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**

## CONTENTS

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1.	Annual Report	01
2.	Statement of Financial Position	29
3.	Consolidated Income Statement	30
4.	Consolidated Cash Flow Statement	31
5.	Statement of the Changes of Equity - Group	33
6.	Statement of the Changes of Equity – Bureau	34
7.	Accounting Policies & Notes to the Accounts	35
8.	Report of Auditor General	59
9.	SLBFE Comments	84

❖ **Establishment of the Bureau**

Sri Lanka Bureau of Foreign Employment was established under the provisions of Sri Lanka Bureau of Foreign Employment Act. No: 21 of 1985 as amended by Act. No 4 of 1994 and the latest Amendment of Act No.56 of 2009 which comes under the purview of Ministry of Foreign Employment Promotion and Welfare since 22.11.2010.

❖ **Objectives of the Bureau**

The objectives of the Bureau are outlined in section 15 of the aforesaid Act as amended by the latest Amendment Act No. 56 of 2009. Accordingly main objectives are promotion and development of overseas employment for Sri Lankan while assisting and regulating the business of foreign employment and securing welfare and protection of Sri Lankan employed outside Sri Lanka.

❖ **Members of the Board of Directors**

The following Directors represented the Board since 01.01.2014 to 14.06.2014 during the year 2014.

1.	Mr. Amal Senalankadhikara	Chairman
2.	Mr.Rodney M.Perera	Director
3.	Ms. G.D.C.Ekanayake	Director
4.	Mrs.Ashoka Alawatta	Director
5.	Mr.Susil Ranasinghe	Director
6.	Mr.M.P.Pathirana	Director
7	Mr.M.Z.M.Mansoor	Director
8.	Mr.L.A.R.N.Perera	Director
9	Mr.Rohan Somawansa	Director
10.	Mr.B.P.Niyadandupola	Director
11.	Mr.A.R.B.Nihmatdeen	Director

The following Directors represented the Board since 15.06.2014 during the year 2014.

1. Mr.Amal Senalankadhikara	-	Chairman
2. Ms. G.D.C.Ekanayake	-	Director
3. Ashoka Alawatta	-	Director
4. Mr.S.A.A.Perera	-	Director
5. Mr.Susil Ranasinghe	-	Director
6. Mr.M.P.Pathirana	-	Director
7. Mr.H.M.S.Bandara	-	Director
8. L.A.R.N.Perera	-	Director
9. B.P.Niyadandupola	-	Director
10. A.R.B.Nihmatdeen	-	Director
11. Mr.S.E.D.Ratnayake	-	Director

During the year 2014, 11 Board Meetings were held and 177 Board papers were submitted to the Board.

#### ❖ **Audit and Management Committees**

During the year 2014 the committee focused its attention mainly for the observations made by the Auditor General in his Audit Report for the year ended 31<sup>st</sup> December 2011 & 2013, review of cope minutes and other operational matters relating to the outstanding audit queries, inspection of Training centres, procurement matters and annual performance report of the year 2011 to 2013.

#### **Annual Report of the Board of Directors of the Affairs of the Sri Lanka Bureau of Foreign employment**

The Board of Directors of the Sri Lanka Bureau of Foreign employment has pleasure in presenting their annual report for the financial year ended 31<sup>st</sup> December 2014 along with the financial statements of the Bureau for the year 2014.

The Sri Lanka Bureau of Foreign Employment has by now completed 29 year of service to Sri Lankan Employees and other stakeholders of the foreign employment industry.

## Principle Activities

The principle activities under taken by the Bureau during the year under review can be categorized under the following thrust areas.

- ❖ Good Governance and Regulation of the industry of Foreign Employment
- ❖ Protection and empowering Migrant Workers and their families
- ❖ Migration and Development
- ❖ Utilization of corporate resources for supporting business strategies

### ❖ GOOD GOVERNANCE AND REGULATION OF THE INDUSTRY OF FOREIGN EMPLOYMENT

Licensing, Approval, contract registrations, Investigation, Legal division and Signing of MOUs with receiving countries are mainly involved with the activities relating to the regulation of industry of foreign employment. Following activities are performed by the above divisions during the year under review.

- **ISSUING AND CANCELLATION OF LICENSE**

As per the section 24 of the Sri Lanka Bureau of Foreign Employment Act No.21 of the year 1985 a person other than the Bureau shall not carry on the business of a Foreign Employment Agency unless he is the holder of a license issued under this Act.

The licensing division has performed the duties relating to the issuing, renewing and cancellation of the licensed issued under the above Act. Performances of the division were as follows;

	<b>Year 2014</b>	<b>Year 2013</b>
No. of new licenses issued	101	108
No. of licenses renewed	998	926
No. of Awareness Program for License Agents	09	
Celebration of Ifthar Ceremony	-	01
Cancellation of licenses	14	-
Organizing of awarding ceremony	01	-

- **GRANTING OF JOB ORDER APPROVALS AND ADVERTISEMENT APPROVALS TO THE LICENSED AGENCIES.**

	<b>2014</b>	<b>2013</b>
Nos. of Job orders approved	6,184	6,326
Nos. of Job vacancies approved		504,914
Nos. of Advertisements approved (News Papers)	3,232	3,583
Nos. of Job Orders renewed	3,274	2,979

- **GRANTING OF FINAL (DEPARTURE) APPROVALS AND REGISTRATION OF PROSPECTIVE MIGRANTS**

	<b>2014</b>	<b>2013</b>
Nos. of departure approvals granted to the prospective migrant employees	177,896	181,937
Self (individual) registrations	117,054	109,245

- **REGISTRATION OF EMPLOYMENT CONTRACTS**

Action has been taken to read and explained the conditions in the employment contract of the migrant workers in presence of the licensed agent or his authorized representatives before signing it by them. There are 180,775 nos. of contract agreements were authenticated during the year 2014 .

- **LAW ENFORCEMENT**

Investigation Division of the Sri Lanka Bureau of Foreign Employment continued the operations during the year 2014 with the objectives of eradicating malpractices in the business of Foreign Employment and enhancing good practices.

The performance of the investigation division was as follows.

	<i>Year 2014</i>	<i>Year 2013</i>
Nos of complaints received during the year	3,272	3,510
Nos of complaints settled during the year	3,614	2,774
Nos of raids conducted	138	115
No. of inquiry files concluded	-	98
Serve summons & execute warrants	887	
Conduct awareness programme on illegal recruitment and human trafficking	03	-

- **LEGAL ACTIVITIES**

Following duties were performed by the Legal division during the year under review

- Draft and file action against the persons who have committed offences under the Sri Lanka Bureau of Foreign Employment Act.,
- Appearing before courts on behalf of the Sri Lankan employees as well as foreign job seekers who have been cheated or misled by licensed foreign employment Agents and unauthorized personal engaged in the business of foreign Employment.
- Appearing in courts, tribunals and commissions for case filed against the Sri Lanka Bureau of Foreign Employment by various parties.
- Provide Legal instructions to other divisions of the Sri Lanka Bureau of Foreign Employment. Conducting awareness programmes for public officers (law enforcement) .
- Preparing and attesting Legal documents for the Sri Lanka Bureau of Foreign Employment

**Performance of the Legal Division is given below.**

<b>Division/ Activity</b>	<i>Year 2014</i>		<i>Year 2013</i>	
	<b>In Physical</b>	<b>In Financial Terms(Rs.)</b>	<b>In Physical</b>	<b>In Financial Terms(Rs.)</b>
<b>LEGAL DIVISION</b>				
• <b>Appearing in the courts</b>				

No. of New Cases instituted	270	-	143	-
No. of Cases pending	3,031	-	2,908	-
No. of Cases closed	141	-	122	-
No. of cases called in court	3,150	-	3,576	-
Recoveries by litigation	-	4,188,207	-	1,433,688
Fines imposed	-	1,544,000	-	1,195,000
Remittance made to WWF by way of 75 % of fins imposed	-	1,158,000	-	896,250
<b>•Providing legal assistance to the divisional activities</b>				
No. of Reports submitted for renewal of licenses	1,318	-	1,284	-
No. of Insurance payment files completed	379	-	284	-
Preparation / Attestation of Lease Agreements & other agreements	45	-	16	-
No. of legal workshops conducted by other organizations	19	-	-	-
Appearing in Human Rights Commissions and other similar organization provide necessary information as and when required	10	-	-	-
No. of awareness prorammes conducted	04	-	-	-

❖ **PROTECTION AND EMPOWERING MIGRANT WORKERS AND THEIR FAMILIES**

- **WELFARE PROGRAMME CONDUCTED FOR SRI LANKAN EMPLOYEES AND THEIR FAMILY MEMBERS.**

Following programmes were conducted by the welfare division of the Bureau being welfare of Sri Lankan employees and their family members.

	<b>Year 2014</b>		<b>Year 2013</b>	
	<b>Nos.</b>	<b>Amount Rs .Million</b>	<b>Nos.</b>	<b>Amount Rs. Million</b>
Payment of insurance claims	2,728	161.93	2,784	130.52
Providing special financial assistance to the Migrant workers and their family members	69	3.847	163	9.21

Scholarship awarded to the children of Migrant workers	3,064	57.9	-	-
Construction of houses for disabled Migrant workers	Completed 04 In progress 15	1.2 2.33	13 (Under Constructions)	2.3
Payment of hospital bills of Migrant workers	-	-	125	0.21
Providing of bus fare and refreshments to the Migrant workers and their family members	452	0.067	475	0.066
Financial assistance to the Childrens of Migrant workers those who are having special talents (Darudiriya)	1,587	0.753	2008	15.15
Subsidise the interest of Loans obtained by migrant workers & returned	627	0.691	542	0.561
Conduct Medical Camps to provide Medical facilities to the Migrant Worker's families	805 (No. of persons)	0.461	-	-

### Child Protection Programme

300 nos children were benefited 0.52 under these programs and sum of Rs.1.54 million was spent.

- PROVIDING OF WELFARE FACILITIES TO THE SRI LANKAN EMPLOYEES THROUGH AIRPORT COUNTERS AND "SAHANA PIYASA" WELFARE ASSISTANCE CENTRE. - KATUNAYAKE

For the purpose of providing welfare and other facilities to the needy Sri Lankan Employees the SLBFE operates 04 nos. of service counters at Katunayake Airport and "Sahanapiyasa" welfare assistance centre 24 hours on all the 365 days.

The Sri Lankan Employees who returned to Sri Lanka due to various problems arisen at the work place are received by the Bureau staff who deployed in arrival area and handing them over to "Sahanapiyasa" staff to provide necessary welfare facilities. Such as providing of Transport facilities,

Food & Accommodation, Hospitalization.

26 seater bus, ambulance and two vans are kept ready to transport the returnees from airport to "Sahana piyasa".

Total number of persons benefited during the year 2014 was 8,549. (Returnees and persons left for employment abroad).

Passengers who were ill were referred to the hospitals such as Sri Jayawardhanapura hospital, National hospital and Mental hospital or hospitals which are close to their residences on the recommendation of medical officer who attached to the medical centre at Sahana piyasa. Payments for the returnees admitted to the Sri Jayawardhanapura hospital are made by the Bureau.

	<b>Year 2014</b>	<b>Year 2013</b>
Nos of Sri Lankan Employees who were provided foods/ accommodation	-	11,448
Nos of Migrants who were provided transport facilities to their residences and bus stands	169	260
Nos of returnees admitted to the hospitals	197	179
Nos of returnees given bus fare	5,374	7,753

Other than these services Rs. 30,000 is being paid per dead body received from the Airport, as funeral expenses for those who were registered with the Bureau prior to their departure.

Female passengers who were unable to go to their residences alone, steps were taken to contact their NOKs over the phone or by sending telegrams and police messages.

The expenses have been incurred by Bureau in providing above facilities were as follows.

<b>Description</b>	<b>Year 2014</b>	<b>Year 2013</b>
	<i>Amount (Rs)</i>	<i>Amount (Rs)</i>
Bus fare ( migrant workers)	5,767,500	6,902,198
Meals – passengers (Breakfast/ Lunch/ Dinner/ Tea )	585,867	555,768
Fuel Expenses& Vehicle maintenance	5,742,708	3,128,020
Other welfare (infant clothes, soap, infant milk etc.)	157,999	1,302,465
Amount paid as funeral expenses for human remain received at the Airport	5,025,500	2,813,500
<b>Total</b>	<b>17,279,574</b>	<b>14,701,951</b>

- PROVIDING OF WELFARE FACILITIES TO THE SRI LANKAN EMPLOYEES THROUGH AIRPORT COUNTERS AND “SAHANA PIYASA” WELFARE ASSISTANCE CENTRE. - MATTALA

With the intention of enforcement law of the SLBFE operates 02 counters, 01 in the departure terminals and 01 in arrival area at the Airport. In addition Welfare Centre welfare assistance centre in Mattala.

Staff members perform duty on 24 hours on all the 365 days on basis at the Airport and welfare centre under the direct supervision of Manager – Airport Division.

- **Activities / performance at the Departures Terminal of the Airport**

The officers deployed at the lobby countre (left side) check whole the Sri Lankan passport holding passengers and verify the registration. Persons who depart for employment through private contacts and those who return back to the same place of employment(after vacationing in Sri Lanka are facilitated at this countre for registration.

- **Activities / Performance at the welfare centre welfare assistance centre**

Welfare centre the welfare assistance centre of the Bureau has been providing transportation, travel expenses, food and accomadation, medical treatments, hospitalizing etc. for the migrant workers who return to Sri Lanka after having faced various kinds of problems in the countries where they recruited.

The expenses have been incurred by Bureau in providing above facilities were as follows.

<i>Description</i>	<i>Year 2014 (Rs.)</i>	<i>Year 2013 (Rs.)</i>
Bus fare ( migrant workers)	3,400	1,700
Meals – passengers (Breakfast/ Lunch/ Dinner/ Tea )	550	440
Fuel Expenses& Vehicle maintenance (Rs.)	1,310,860	1,109,296
<b>Total</b>	<b>1,314,810</b>	<b>1,138,600.84</b>

- **PROVIDING OF PROTECTION AND RELIEF TO THE SRI LANKAN EMPLOYEES WITH THE ASSISTANCE OF SRI LANKAN MISSIONS AND OTHER AUTHORITIES IN HOST COUNTRIES.**

Following actions have been taken by the Bureau through the Foreign Relation Division(I) and Foreign Relation Division (II).

The Overseas Administrative and Foreign Relation division was established with the objective of co-coordinating activities of Labour Sections of Sri Lankan Missions in labour receiving countries and reviewing the performance.

Presently, the Foreign Relation division is functioning under the supervision of the Additional General Manager, Deputy General Manager, Manager and staff consisting of 20 members including two Assistant Managers, four Executive officers(MVI) ,

**The main functions of the OAD & FR division.**

- 1. Assist to formulate overseas policies relating to migrant workers and implementation of such policies through the Sri Lankan mission.**
- 2. Monitoring & controlling of the overseas Workers Welfare Fund (WWF).**

<b>Description</b>	<b>Amount Rs (million)</b>
Collection of revenue	788.172 (up to oct. 2014)
Expenditure	753.442 (up to oct. 2014)

Twelve (12) WWF committee meetings were held during the year under review.

- 3. Strengthening & capacity building of labour sections of Sri Lankan missions abroad.**

47 officers were appointed in various capacities such as ,Counselors, First Secretary, 2<sup>nd</sup> Secretary, 3<sup>rd</sup> secretary Labour Clerks and minor staff to the Labour sections of the Sri Lanka missions overseas during the year 2014. And given the extensions for 27 officers.

- 4. Monitoring SLBFE Registration at the Missions.**

6810 renewals & first registrations had been made by the Sri Lankan Missions during the year under review.

**5. Attending repatriation of stranded Sri Lankans Overseas.**

	<b>no. of Repatriated</b>	<b>Cost incurred (Rs million)</b>
Under the insurance scheme	850	25.198
Under the WWF	242	9.29
<b>Total</b>	<b>1092</b>	<b>34.488</b>

**6. Attending to death cases of Sri Lankan migrant workers including assistance to dispatch of human remains to Sri Lanka.**

Assisted to obtain death compensations, salary arrears & other dues, blood money etc., on behalf of the deceased Sri Lankans while working abroad.

Preliminary funeral award of Rs.10, 000.00 or Rs.30,000.00 was made to the NOKK for mortal remains brought to Sri Lanka.

➤ <b>No of human remains assisted to bring to Sri Lanka</b>	22	
<b>Total cost incurred</b>		4.95 (LKR million)
➤ <b>Funeral award under W.W.F (No of deaths)</b>	247	
<b>Total cost incurred</b>		5.025 (LKR million)

**7. Arranging of delegations to the exiting labour receiving countries and prospective labour receiving countries to enhance job opportunities and look into the welfare of the Sri Lankan migrant workers.**

<b>Delegations</b>	<b>Nos.</b>	<b>No participated</b>	<b>Cost(LKR.Million)</b>
Sending	36	190	20.062
Receiving	11	127	2.208
<b>Total</b>	<b>47</b>	<b>317</b>	<b>22.27</b>

**8. MOU with Oman was signed for the benefit of Sri Lankans employed in Oman.**

**Performance of the Foreign Relations II Division as follows.**

<b>Activity</b>	<b>Progress</b>	<b>Total Expenses</b>
Number of Credibility Reports Obtained	11	
Pay bus fares who has arrived at the SLBFE seeking assistance	90	68,500
Provide food for the NOKs'	824	137,110

Received complaints	1,320	
Closed Complaints (Self registered employees)	369	
Closed Complaints (Recruited by local agents)	1,264	
Refund deposits of USD 1000 in respect those who have returned from the host countries	693	83,134,000

- RECEIVING AND SETTLEMENT OF COMPLAINTS.**

Conciliation division of the Bureau handle the receiving and settlement of complaints. performance of the division are as follows.

#### Settlement of complaints

	<i>Year 2014</i>	<i>Year 2013</i>
No of complain received	7,213	9,231
Complain settled/closed	6,577	8,447
No of cases compensation paid	434	447
Total amount paid as compensation (Rs.)	20,677,805	21,608,238

- OTHER WELFARE PROGRAMMES**

#### Provide awareness for stakeholders/ SLBFE Officers on safe migration

Conduct awareness programs for General Public (Including North & Eastern Province, on SLBFE services & Safe labour Migration)

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	01	0	09	02	12
Expenditure (Rs .Million)	0.60	0	0.58	0.021	1.201

Conduct awareness / capacity building programs for Government Officials including DOs on SLBFE Services & safe labour migration

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	03	05	10	07	25
Expenditure (Rs .Million)	0.02	0.10	0.005	0.042	0.167

Monitor & Conduct progress review meetings with DOs on duties assign to them.

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	03	24	14	20	61
Expenditure (Rs .Million)	0.06	0.02	0.84	0.05	0.97

**Provide assistance to migrant workers families under WWF**

Provide scholarships / financial assistance for children of MWs for vocational training

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Benefitted	0	0	0	02	02
Expenditure (Rs .Million)	0	0	0	0.015	0.015

**Conduct social development programmes for migrant workers & their family members.**

Empower Rataviruwo Organizations and establish GN level or Samurdhi region-wise societies where necessary. [Capacity Building & material support Provide Training /Counseling & Provide material)

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	40	36	226	94	396
Expenditure (Rs .Million)	0.51	0.088	3.394	0	3.992

Conduct advocacy & awareness raising Rataviru families Programs for development  
(Programs for officers in DSs including GNs)

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	05	11	41	349	406
Expenditure (Rs .Million)	0.049	0.11	0.90	10.351	11.41

Develop information, education & communication [IEC] materials in relation to  
Rataviru family wellbeing development programmes

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of materials	40,000	0	0	0	40,000
Expenditure (Rs .Million)	0.158	0	0	0	0.158

Conduct awareness programmes for children of migrant workers [school level] on  
the upgrading of their educational performance

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	04	06	18	14	42
Expenditure (Rs .Million)	0.08	0.048	0.102	0	0.23

Build houses for Rataviruwo through "Rataviru Piyasa" project [Combining with  
Samurdhi Authority]Mobilization & speedy loan recovery programme with  
"Rataviru Piyasa" beneficiaries

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Loan Issued	1,161	2,542	2,624	1,929	8,256
Completed Houses		448	914	1,921	3,283
Expenditure(Rs. Million ) (Loan issued by Samurdhi Authority)					

## Monitor the recommended families issues with Family Back Ground Reports (FBR)

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Benifitted (Travelling Expenses for DSs)			32	32	64
Expenditure(Rs .Million)			0.74	0.114	0.854

## Pay official mobile phone bills of Dos

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of DOs	837	993	0	993	2,823
Expenditure (Rs .Million)	1.28	1.03	0	0.65	2.96

**Prevention of STD , HIV/AIDS among migrant workers & their family members.**

Conduct sensitizing programs at village level to members of Rataviruwo organization.(Each DO to conduct village level Prevention Campaigns.)

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	0	0	37	10	47
Expenditure (Rs .Million)	0	0	0.047	0	0.047

Conduct Programs for wellbeing development of migrant workers and their families.  
[Family wellbeing programs including alcohol/tobacco prevention program, while promoting happy family concepts among them. Conduct with family day program]

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	623	431	3,552	0	4,606
Expenditure (Rs .Million)	0	0	0	0	0

**Recognize, award & promote the success migrant workers/families****Identify Persons**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Persons	23	0	17	330	370
Expenditure (Rs .Million)	0	0	0	0	0

**Document Success Stories**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Success Stories	23	0	17	330	370
Expenditure (Rs .Million)	0	0	0	0	0

**Assist migrant workers for reintegration****Assist returnees to start up self employment**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Benefitted	100	334	1,405	232	2,071
Expenditure (Rs .Million)	0	0	0.027	0	0

**Provide advisory support for returnees / Train prospective applicants**

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of Benefitted	100	334	1,405	232	2,071
Expenditure (Rs .Million)	0	0	0.027	0	0

Follow up the progress of the given assistance

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	0	334	65	39	438
Expenditure (Rs .Million)	0	0	0	0	0

Provide Self employment loans for returnees through Samurdhi Authority [Including field visit]

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of applications	43	1,213	1,322	594	3,172
Started Projects	43	132	346	59	580
Expenditure (Rs .Million)	0	0	0	0	0

Conduct wellbeing development programs for the deprived migrants who have faced problems in work places [Grants Housing & Self employment-Special Reintegration for returnees with severe problem]

	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total
No of programs	01	01	0	0	02
Expenditure (Rs .Million)	0.025	0.35	0	0	0.375

## ❖ MIGRATION & DEVELOPMENT

### • RECRUITMENT OF SRI LANKANS TO SOUTH KOREA

The Government of Sri Lanka has signed a MOU with the Republic of South Korea to send the workers under the employment permit system.

## Performance of the Recruitment Division

Accordingly, the following activities are carried out by the Recruitment division.

Under the employment permit system, the main activities of Recruitment division are as follows.

- Selection of Job seekers
- Conducting of Korean language training
- Organizing of Korean language test
- Sending workers to South Korea

	<i>Year 2014</i>	<i>Year 2013</i>
No. of Agreements received from South Korea	4,416	4,891
No. of Agreements received from South Korea - Re-entry	115	524
No. of Agreements signed by Job seekers (Normal)	3,625	4,002
No. of Agreements refused to sign (Normal)	130,	120
No. of Agreements signed by Job seekers (Re-entry)	127	507
No. of Agreements refused to sign (Re-entry)	09	25
No. of Agreements signed by Job seekers (Special)	648	749
No. of Agreements refused to sign (Special)	07	15
No. of Job seekers pre – departure trained	3,505	3,903
No. of Bank loans recommended	1,147	1,141
No. of Recruits departed to South Korea	4,120	4,323
No. of Recruits departed to South Korea - Re-entry	185	522

- **Training of prospective Migrants**

<i>Domestic housekeeping and care giving training</i>	<i>Nos. of persons trained in 2014</i>	<i>Nos. of persons trained in 2013</i>
Middle East (Sinhala) – domestic house keeping	11,225	18,054
Literacy	712	1,993
Israel	1,186	1,597
Singapore	359	563
Cyprus	538	593
TOT Programme	06	06

Completed NVQ	7,985	4,101
Five Day Training Programme		
✚ No. of Classes	1,430	1,400
✚ No. of participants	42,810	45,565

- **PLANNING DIVISION**

Scope of the Division:

- Preparation of Corporate Plan and Annual Action Plan, monitoring the progress against implementation of planned activities quarterly and annually, and Implementing and Monitoring Quality Assurance Programmes within the SLBFE.

Functions/activities assigned and their performance:

	Activity	Progress
a	<b>Monitor ISO 9001:2008 Quality Management System</b>	With the view to offer high quality service to the customers of SLBFE ISO 9001:2008 Certification was achieved for the Head office and all branches of SLBFE with effect from 06.11.2012 to 05.11.2015 subject to renewals of the basis of yearly auditing in this year 2014.
	• Conduct Awareness Programmes for SLBFE staff on continual improvements	No of Awareness Programmes -33 No of Awareness Programmes for selected Head Office -01 No of Management Review meetings -2
	• Staff Motivational Programmes	No of Programmes -3
	• Conduct Annual Quality Audit Head office and Branch Office on ISO 9001:2008	Internal Audit – 26 (Head office 2- Branch Office 24) Third Party Audit -1
b	<b>Monitor annual implementation of productivity improvement Programmes ( 5 S Concept)</b>	Continue the implementation of 5S concepts in the SLBFE ,Baththaramulla office, Airport unit,sahanapiysa,07 Regional office, 12 District Office and Training Centers.
	• Staff Training on Productivity improvement	No of Programmes -4
	• Monitor evaluate the	Established Productivity Quality Circles for all Divisions

	Implantation of 5 S Programmers	Filed visits - 30
		Provincial Office Ratnapura has granted National Productivity Award 2012/2013 for Service sector Small Scale on 4 <sup>th</sup> September 2014 by National Productivity Secretariat, Ministry of Productivity Promotions.
c	<b>Monitor and implementation of Organist ion Plans</b>	
	<ul style="list-style-type: none"> <li>Conduct meeting to Prepare annual action Plan</li> </ul>	Prepared Annual Action Plan for the year 2015.
	<ul style="list-style-type: none"> <li>Conduct meeting to review of the performance against Action Plan.</li> </ul>	Performance review meetings were conducted with the participation of Top management and the heads of divisions for performance evaluation -03
d	<b>Facilitate conducting monthly Progress review meeting</b>	
	<ul style="list-style-type: none"> <li>Conduct meeting s review the progress</li> </ul>	Progress review meetings were conducted with the participation of the top Management of the Ministry and SLBFE to review the progress of the activities stated in the report /Minutes - Meetings 07

• **UTILIZATION OF CORPORATE RESOURCES FOR SUPPORTING BUSINESS STRATEGIES**

Administration and Human resources, Finance, Procurements, Maintenance, Transport, Information technology,, Internal Audit and Research divisions were assisted as supporting divisions to achieve the organizational targets of the year 2014. The performances of the above divisions are given below.

- ADMINISTRATION & HUMAN RESOURCES DEVELOPMENT STAFF DETAILS**

	<i>Staff Details</i>	<i>Permanent</i>	<i>Contract</i>	<i>Secondment</i>	<i>Assignment</i>
Year 2013	Nos.	821	248	16	03
Year 2014	Nos.	1,026	70	16	05

### Recruitments

Recruitments made in year 2014

<b>Grade</b>	<b>Designation</b>	<b>Basis of Recruitment</b>	<b>No. of Recruitments</b>
	Financial Management Consultant	Contract	01
M-VI	Press Officer	Permanent	01
M-VI	Liaison Officer	Permanent	01
-	Arabic Language Translators	Contract	01
S-IV	General Assistant s	Contract	17
	House Keeping Trainers	Contract	03
	Instructors	Assignment	03
S-IV	Drivers	Contract	04
S-VI	Driving Assistance	Contract	01
S-VI	Office Aides	Contract	21

### Contract basis employees absorbed into the permanent cadre - 2014

- General Assistant - 135
- Field Assistant - 22
- Drivers - 38
- Driving Assistant - 01
- Office Aides - 16
- Electricians - 02
- A/C Technicians - 02

**Particulars of Staff Departures – Resignations 2014**

<b>Grade</b>	<b>Designation</b>	<b>No. of Recruitments</b>
M-VI	Liaison Officer	01
M-VI	Arabic Language Translators	02
S-IV	General Assistants	06
S-IV	Welfare Assistant	01
S-IV (A)I	Field Assistant	01

**Other Staff Departures - 2014**

<b>Grade</b>	<b>Designation</b>	<b>Reason</b>
M-II	Additional General Manager	Retirement
M-VI	Manager	Retirement
M-VI	Administrative Officer	Retirement
M-VI	System Analysis	Vacation Post
-	Arabic Language Translators	Contract Over
S-II	General Assistant	Terminated
S-IV	General Assistant	Contract over
S-IV	Welfare Assistant	Dead
S-IV (A)I	Field Assistant	Terminated
S-VI	Office Aide	Contract Over

**Internal Promotions -2014**

<b>Designation</b>	<b>Grade</b>	<b>No. of Employees Promoted</b>
Management Trainee	S-I	14
Staff Assistant	S-I	29
Data Entry Operator	S-II	08
Welfare Assistant	S-II	25
General Assistant	S-II	26

**Extension of contract period -2014**

Consultants	02
Coordinator	01
Translators	09
Air Travel Executive	02
General Assistant s	137
Field Assistants	20
Air Ticketing Assistant	01
House Keeping Trainer	01
Drivers	14
Office Aides	09
Electricians / Plumbers	02
AC Technicians	02

**Details of officers participated for training programmes / workshops.**

	No. of Participants
Training Programmes	1,513
Work shops	28

The cost of the training facilities provided to the employees during the year 2014 was Rs. 5,052,030/-

- \* Provisions of financial assistance to the employees for their studies up to PhD Level
- \* Preparation of Annual Training Plan
- \* Familiarization visits to Laboure receiving countries

- **Reimbursement of Medical Expenditure**

The cost of Reimbursement of Medical Expenditure provided to the employees during the year 2014 was Rs .27,460,862.51

- **Staff Loans Scheme**

The details of loans granted to employees during the year 2014.

	No. of Loans Granted	Amount (Rs.)
Distress Loans	393	69,814,229.00
Vehicle Loans	63	30,804,000.00
Reimbursement of Interest of Housing Loans (No. of claims)	704	7,113,141.87
Instant loans	94	2,995,383.00
Festival Advances	758	3,790,000.00

- **Staff Transportation**

Transport facilities are provided for 05 destinations (Matugama, Ratnepura, Nittambuwa, Fort & Horana) Expenditure for Transportation during the year 2014 was Rs. 11,664,288/- .

- **Reimbursement of Daycare Fees**

Employees were reimbursed daycare fees amounting of Rs.202,050/- under the staff welfare scheme during the year 2014 .

### **Procurement Division**

Following services were rendered by the procurement division in Year 2014.

- Procurement of goods and services in time.
- Annual registration of suppliers
- Matters related to the Air port counters.
- Disposal of used assets.
- Protection of assets of the SLBFE through an appropriate insurance coverage.
- Settlement of dues to the suppliers.
- Provision of staff uniforms and other utilities to the staff.
- Renting out buildings for training centers and regional officers.
- Acquisition of required assets for the SLBFE.

### **Maintenance Division**

The maintenance division undertook the supervision and providing all necessary arrangements to maintenance of building, office equipment, utility services & settlement of utility bills during the Year 2014.

### **Information Technology Division**

#### **Program Development Unit**

This unit functions under the supervision of System Analyst and consist of 7 computer programmers. This Unit is responsible for designing and maintaining the computer programs according to the various requirements of the other divisions of SLBFE. The computer programs related to Intranet , web based system and Local Area Network designed and developed by the program development unit. The official Website of SLBFE ([www.slbfe.lk](http://www.slbfe.lk)) is maintained by this unit.

IT system of SLBFE which is installed at Head office, connected with its island wide training centers and regional offices and also with the labour sections of 16 Sri Lankan missions. Almost all the services of SLBFE are now backed by the IT System.

#### **Hardware Unit**

Hardware Unit of the SLBFE consists of 5 nos of Technical Officers and undertakes all maintenance work of the computers and Network of the SLBFE. Responsible for the proper functioning of slbfe network system and trouble shoot as and when required. As a result of proper operation of this unit it has been able to save large amount the money which has to be paid to the outside service providers and able to provide the service without any delay.

### **Infrastructure Development of the IT Division**

All training centers and regional offices have been connected to the main server located at the head office. On line system has implemented to connect all training centers and regional offices through IP/VPN connection. Labour sections of the missions are connected to the main server located at Head office through internet and has implemented online web based system. Enhancing this we have facilitated the local agencies and foreign agencies giving access to online web based recruitment system.

Implemented the application of biometrics for identification of Sri lankan workers recruited for outside Sri lanka.

Implemented a data sharing system with Department of Emigration & Immigration to capture the travel movements of registered migrant workers.

### **Internal Audit Division**

Internal Audit is the evaluation of Management controls and operations performance, and the determination of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations. It involves the appraisal of the plan of organization and all the coordinated methods and measures, in order to recommended courses of action on matters relating to operations and management control.

Internal Audit, being a separate component of internal control, is instituted to determine whether internal controls are well designed and properly operated.

The types of audits conducted by Internal Audit Division: Compliance audit, Management audit and Operations audit.

Compliance audit is the evaluation of the degree of compliance with laws, regulations and managerial policies and operating procedures in the organization, including compliance with accountability measures, ethical standards and contractual obligations.

Management audit is a separate evaluation of the effectiveness of internal controls adapted in the operating and support services units/systems to determine whether they achieve the control objectives over a period of time or as of a specific date. It includes the determination of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations covering specific time frames.

Operations audit is a separate evaluation of the outcome, output, process and input to determine whether government operations, programs and projects are effective, efficient, ethical and economical, including compliance with laws, regulations, managerial policies, accountability measures and contractual obligations.

The importance of assessing the effectiveness, efficiency, ethicality and economy of Bureau operations is to contribute better public service, accountability and governance. The matter of outcomes, outputs, processes, and inputs as well as their correlation with the goals of effectiveness, efficiency, ethicality and economy of operations are the focus in the evaluation.

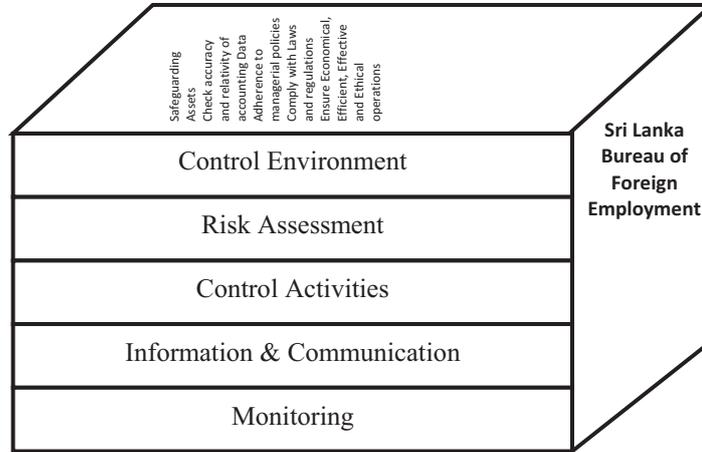
All members of the Internal Audit Division had carried out their examinations by observing the following six main principles so as to ensure a quality audit while discharging their responsibility as a tool of internal control.

1. Conflict of Interest
2. Objectivity and Impartiality
3. Professional Competence
4. Authority and Confidentiality
5. Code of Conduct and Ethics
6. Hierarchy of Applicable Internal Auditing standards and practice

The scope of the Internal Audit was as follows.

- a. Establishment and monitors the achievement of the organization's objectives
- b. Ensure the economical, effective and efficient use of resources
- c. Ensure compliance with established policies, procedures, laws and regulations
- d. Safeguard the organization's assets and interest from losses of all kinds including those arising from fraud, irregularity or corruption

- e. Ensure the integrity and reliability of information, accounts and data, including accountability processes



The Internal Audit division provides its service with the service of three officers of junior Executives and two clerical officers in whom under the internal Auditor.

Those officers carried out 75 investigations on various identified areas during the year under review. The Internal Audit Division had acted as the convener for four Audit Committee Meetings held in the year 2014.

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014**

	Notes	As at 31 December 2014		As at 31 December 2013	
		Group	Bureau	Group	Bureau
		Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>					
<b>NON CURRENT ASSETS :</b>					
Property, Plant & Equipment	1	1,153,608,709	1,063,946,997	1,184,612,033	1,101,854,036
Deferred Tax Assets		229,695		52,143	-
Staff Loans		259,807,901	259,807,901	223,072,116	223,072,116
Investment in Subsidiary Company		0	5,000,000	-	5,000,000
Financial Assets / Treasury Bonds & Fixed Deposits	3	4,070,789,903	3,951,514,903	1,010,679,247	891,404,247
Intangible Software Licence		10,544,625	10,544,625		
Work In Progress - Buildings (Homagama, Rathnapura)	2	65,698,831	65,698,831	17,504,284	17,504,285
<b>Total Non-Current Assets</b>		<b>5,560,679,664</b>	<b>5,356,513,257</b>	<b>2,435,919,823</b>	<b>2,238,834,683</b>
<b>CURRENT ASSETS :</b>					
Stock in Hand	4	14,346,167	13,972,607	9,959,628	9,889,278
Sundry Debtors	5	1,593,261,121	1,582,946,875	1,628,108,549	1,627,066,790
Sundry Deposits		7,720,204	6,204,755	6,197,663	6,082,263
Treasury Bonds & Fixed Deposits Short term Investments	3	2,966,966,381	2,966,966,381	3,482,444,094	3,482,444,094
Staff Loans	6	55,008,735	53,174,094	54,640,788	53,012,511
Sundry Advances		130,011,868	129,158,794	13,868,187	13,868,187
Cash & Cash Equivalent	7	1,914,824,883	1,893,024,624	3,566,639,527	3,544,159,292
<b>TOTAL CURRENT ASSETS</b>		<b>6,682,139,359</b>	<b>6,645,448,130</b>	<b>8,761,858,437</b>	<b>8,736,522,415</b>
<b>TOTAL ASSETS</b>		<b>12,242,819,023</b>	<b>12,001,961,387</b>	<b>11,197,778,260</b>	<b>10,975,357,097</b>
<b>EQUITY AND LIABILITIES :</b>					
<b>Capital and reserves</b>					
Accumulated Fund	10	4,058,803,699	3,935,321,308	3,605,562,888	3,518,644,853
Revaluation Reserve		49,522,346	41,713,346	49,522,346	41,713,346
<b>Total equity</b>		<b>4,108,326,045</b>	<b>3,977,034,654</b>	<b>3,655,085,234</b>	<b>3,560,358,199</b>
<b>Non Current liabilities</b>					
Overseas Workers Welfare Fund		3,238,273,605	3,238,273,605	3,085,022,159	3,085,022,159
Provision for Gratuity ( Long Term )		175,072,840	172,384,934	134,851,459	133,020,147
Deferred Foreign Aid and Grants		777,591	777,591	777,591	777,591
Interest Bearing Borrowings		5,822,029	-	2,297,263	-
Insurance Fund		0	-	9,458,929	-
Special Distress Fund		500,000	-	500,000	-
		<b>3,420,446,065</b>	<b>3,411,436,130</b>	<b>3,232,907,401</b>	<b>3,218,819,897</b>
<b>Current liabilities</b>					
Taxation		264,654,263	261,891,507	153,507,884	147,888,745
Agency Creditors		296,835,013	297,778,313	237,475,697	238,740,947
Accrued Expenses		123,463,949	162,290,403	105,921,930	121,488,279
Sundry Creditors & Borrowings	8	1,010,078,183	898,751,329	943,519,721	837,740,383
Migrant Workers' Contributions		6,572,054	6,572,054	6,110,128	6,110,128
Kuwait Compensation Payable		2,975,504,815	2,975,504,815	2,822,217,375	2,822,217,375
Pre Paid Licence Fees		7,731,000	7,731,000	13,551,066	13,551,066
Provision for Gratuity		2,971,182	2,971,182	4,865,090	4,865,090
Bank Overdraft	9	26,236,454	-	22,616,733	3,576,988
		<b>4,714,046,913</b>	<b>4,613,490,603</b>	<b>4,309,785,624</b>	<b>4,196,179,001</b>
<b>Total Liabilities</b>		<b>8,134,492,978</b>	<b>8,024,926,733</b>	<b>7,542,693,025</b>	<b>7,414,998,898</b>
<b>Total equity and liabilities</b>		<b>12,242,819,023</b>	<b>12,001,961,387</b>	<b>11,197,778,260</b>	<b>10,975,357,097</b>

The Accounting policies and Notes on pages 36 to 58 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 24.07.2015 and signed on their behalf.

M.A.D.Chandrawansa

D.G.M.FINANCE

Nandapala Wickramasuriya  
Chairman

G.N.Jayasuriya  
Director

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2014**

	Notes	Year Ended		Year Ended	
		' 31 December 2014		' 31 December 2013	
		Group	Bureau	Group	Bureau
		Rs.	Rs.	Rs.	Rs.
<b>Revenue</b>					
Operating Income	20	1,907,256,776	1,849,093,352	1,588,465,523	1,541,310,327
Other Operating Income	21	1,630,245,094	1,612,244,631	1,351,184,832	1,329,876,868
		<u>3,537,501,870</u>	<u>3,461,337,983</u>	<u>2,939,650,355</u>	<u>2,871,187,195</u>
Staff Costs	22	(837,924,560)	(819,464,418)	(687,473,024)	(670,992,410)
Establishment Expenses	22	(301,765,670)	(293,547,351)	(251,114,457)	(244,483,733)
Operational Costs	22	(274,351,406)	(259,826,613)	(255,686,419)	(245,020,772)
Advertisement & Publicity	22	(201,447,662)	(201,133,337)	(84,302,488)	(82,030,721)
Business Promotion Expenses	22	(105,742,296)	(98,677,993)	(52,148,591)	(45,648,305)
Worker's Welfare Fund Expenses	22	<u>(1,356,295,660)</u>	<u>(1,372,116,594)</u>	<u>(1,282,727,235)</u>	<u>(1,273,294,305)</u>
Excess of Income Over Expenditure before tax		459,974,615	416,571,678	326,198,141	309,716,949
Tax		(123,333,676)	(116,640,070)	(91,571,807)	(86,720,746)
Reversal of Deferrd Tax		<u>177,552</u>			
Excess of Income Over Expenditure for the period		<u>336,818,492</u>	<u>299,931,608</u>	<u>234,626,334</u>	<u>222,996,203</u>
<b>Other Comprehensive Income</b>					
Exchange Gain / loss in translating foreign operations		35,197,591	35,520,118	11,601,352	11,649,013
Actuarial gain / Loss on pension plans		9,638,178	9,638,178	8,503,555	8,503,555
Other Comprehensive Income		<u>44,835,769</u>	<u>45,158,296</u>	<u>20,104,907</u>	<u>20,152,568</u>
Total comprehensive (expenses)/income for the period		<u>381,654,260</u>	<u>345,089,904</u>	<u>254,731,241</u>	<u>243,148,771</u>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.12.2014**

	Year Ended ' 31 December 2014		Year Ended ' 31 December 2013	
	Group Rs.	BUREAU Rs.	Group Rs.	BUREAU Rs.
<b>Cash Flows From Operating Activities</b>				
Cash generated from Operations	1,136,598,197	1,128,555,245	(1,269,769,301)	(1,280,763,674)
Depreciation	158,212,816	151,311,039	162,510,196	158,364,034
Interest income	(479,323,131)	(465,823,481)	(388,505,200)	(372,287,978)
Gratuity provision	57,381,846	56,525,254	25,488,012	25,097,342
Cash Received on Disposal of Fixed Assets	(3,853,869)	-	(2,138,393)	-
Revaluation Reserve	(7,809,000)	-	-	-
Exchange Gain Loss	35,197,591	35,520,118	11,601,352	11,649,013
Taxpaid	(5,002,237)	(2,637,308)	(49,310,896)	(46,571,811)
Increase Deferred Tax	-	-	(120,145)	-
Deferred Tax Assets	(177,552)	-	(52,143)	-
Adjustment for the year 2014	71,623,219	71,623,217	2,150,402	2,502,940
<b>Net Cash generated from operating activities</b>	<b>962,847,881</b>	<b>975,074,084</b>	<b>(1,508,146,116)</b>	<b>(1,502,010,135)</b>
<b>Cash flows from investment activities</b>				
Investment income	465,978,238	452,523,316	377,322,921	361,105,699
Interest on Staff Loans	13,344,892	13,300,164	11,182,279	11,182,279
Cash received from disposal of fixed assets	(10,544,625)	(10,544,625)	2,138,393	-
investment in fixed assets	(128,617,228)	(113,145,071)	(486,066,826)	(480,215,404)
Construction of building	(48,194,547)	(48,194,546)	-	-
Long term investment	(3,060,110,656)	(3,060,110,656)	3,298,800,702	3,311,800,702
<b>Net Cash used in investing activities</b>	<b>(2,768,143,925)</b>	<b>(2,766,171,417)</b>	<b>3,203,377,469</b>	<b>3,203,873,276</b>
<b>Cash flows from financing activities</b>				
Gratuity Paid	(9,711,794)	(9,711,794)	(3,988,401)	(3,988,401)
Funds credited to consolidated Fund	-	-	-	-
Special Distress Fund	500,000	-	500,000	-
Interest Bearing Borrowings	5,822,029	-	2,297,263	-
Insurance Fund	-	-	9,458,929	-
Contract Agreement Registration System	153,251,446	153,251,446	-	-
<b>Net cash used in financing activities</b>	<b>149,861,681</b>	<b>143,539,652</b>	<b>8,267,791</b>	<b>(3,988,401)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,655,434,364)</b>	<b>(1,647,557,681)</b>	<b>1,703,499,144</b>	<b>1,697,874,740</b>
<b>At the start of period</b>	<b>3,544,022,793</b>	<b>3,540,582,305</b>	<b>1,840,523,648</b>	<b>1,842,707,566</b>
<b>(Decrease)/increase</b>	<b>(1,655,434,364)</b>	<b>(1,647,557,681)</b>	<b>1,703,499,145</b>	<b>1,697,874,740</b>
<b>At the end of period</b>	<b>1,888,588,429</b>	<b>1,893,024,624</b>	<b>3,544,022,793</b>	<b>3,540,582,305</b>

**NOTE : Statement of Cash Flows for the period of ended 31.12.2014****Cash generated from Operations**

<b>Net Profit before taxation, and extraordinary items</b>	<b>459,974,615</b>	<b>416,571,678</b>
<b>Working Capital Changes</b>	-	
Decrease Stock in Hand	(4,386,539)	(4,083,329)
Increase in Accrued Expenses	17,542,019	40,802,124
Increase in Deposits	(1,522,541)	(122,492)
Decrease in Shortterm Investment	515,477,713	515,477,713
Increase in Sundry Creditors	66,558,462	61,010,946
Increase in Members Contribution	461,926	461,926
Decrease Debtors	34,847,428	44,119,915
Decrease in Staff Loans	(367,947)	(161,583)
Increase in Deffered Foreign Aid and Grants	0	0
Decrease in Advances	(116,143,681)	(115,290,607)
Increase in Agency Creditors	59,359,316	59,037,366
Special Distress Fund		
Interast Bearing Borrowings	3,524,766	
Insurance Fund	(9,458,929)	
Increase in Kuwait Compensation	153,287,440	153,287,440
Decrease in Interest Bearing Borrowings	-	-
Increase Deferred Tax		
Deferred Tax Assets		
Increase Staff Loans	(36,735,785)	(36,735,785)
Decrease in Other Financial Assets	-	-
Increase in Pre paid Licences fees	(5,820,066)	(5,820,066)
	<b>676,623,582</b>	<b>711,983,568</b>
	<b>1,136,598,197</b>	<b>1,128,555,245</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**

**Statement of Changes in Fund & Reserve for the year ended 31.12.2014**

Group

	Accumulated Fund	Funds transfer to Consolidated Funds	Receivable Dividends	Retained Earnings	Total Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01.01.2012</b>	<b>3,085,264,467</b>	-	-	<b>716,327,645</b>	<b>3,801,592,112</b>
Total Comprehensive income for the period			-	175,102,165	175,102,165
Funds Transfer to Consolidated Fund		(625,000,000)			(625,000,000)
Prior Year Adjustment SLFEA				(2,142,241)	(2,142,241)
Expenses Under Provided				(24,381,052)	(24,381,052)
Over provision of Expenses				22,366,573	22,366,573
Under Provision of Interest				67,029	67,029
Reversal of Provision for bad debtors				855,357	855,357
Transfer to Accumulated Fund				643,995	643,995
<b>Balance as at 31.12.2012</b>	<b>3,085,264,467</b>	<b>(625,000,000)</b>	-	<b>888,839,471</b>	<b>3,349,103,938</b>
<b>Balance as at 01.01.2013</b>	3,085,264,467	(625,000,000)	-	888,839,471	3,349,103,938
Total Comprehensive income for the period				254,731,241	254,731,241
Expenses Under Provided				(441,033)	(441,033)
Over provision of Expenses				3,712	3,712
Under provision of Income for prior Years				2,099,830	2,099,830
Correction of loan Recovery Duplicated				65,200	65,200
<b>Balance as at 31.12.2013</b>	3,085,264,467	(625,000,000)	-	1,145,298,421	3,605,562,888
<b>Balance as at 01.01.2014</b>	3,085,264,467	(625,000,000)	-	1,145,298,421	3,605,562,888
Total Comprehensive income for the period			-	381,654,260	381,654,260
Expenses Under Provided				(10,070,201)	(10,070,201)
Over provision of Expenses				64,054,785	64,054,785
Under provision of Income for prior Years				17,601,966	17,601,966
Correction of loan Recovery Duplicated					
<b>Balance as at 31.12.2014</b>	<b>3,085,264,467</b>	<b>(625,000,000)</b>	-	<b>1,598,539,231</b>	<b>4,058,803,699</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**

**Statement of Changes in Fund & Reserve for the year ended 31.12.2014**

**Bureau**

	Accumulated Fund	Funds transfer to Consolidated Funds	Receivable Dividends	Retained Earnings	Total Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2012	3,006,890,833	-	2,760,033	718,468,620	3,728,119,486
Total Comprehensive income for the period - Bureau			-	170,744,500	170,744,500
Funds Transfer to Consolidated Fund		(625,000,000)			(625,000,000)
Expenses Under Provided				(24,381,052)	(24,381,052)
Over provision of Expenses				22,366,573	22,366,573
Under Provision of Interest				67,029	67,029
Reversal of Provision for bad debtors				855,357	855,357
Transfer to Accumulated Fund				643,945	643,945
<b>Balance as at 31.12.2012</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>2,760,033</b>	<b>888,764,972</b>	<b>3,273,415,836</b>
<b>Balance as at 01.01.2013</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>2,760,033</b>	<b>888,764,972</b>	<b>3,273,415,836</b>
Total Comprehensive income for the period				243,148,771	243,148,771
Expenses Under Provided				(441,033)	(441,033)
Over provision of Expenses				356,250	356,250
Under provision of Income for prior Years				2,099,830	2,099,830
Correction of loan Recovery Duplicated				65,200	65,200
<b>Balance as at 31.12.2013</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>2,760,033</b>	<b>1,133,993,990</b>	<b>3,518,644,854</b>
<b>Balance as at 01.01.2014</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>2,760,033</b>	<b>1,133,993,990</b>	<b>3,518,644,854</b>
Total Comprehensive income for the period - Bureau			-	345,089,904	345,089,904
Expenses Under Provided				(10,070,201)	(10,070,201)
Over provision of Expenses				64,054,785	64,054,785
Under provision of Income for prior Years				17,601,966	17,601,966
Correction of loan Recovery Duplicated					
<b>Balance as at 31.12.2014</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>2,760,033</b>	<b>1,550,670,444</b>	<b>3,935,321,308</b>

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

### **1. REPORTING ENTITY**

Sri Lanka Bureau of Foreign Employment is a Public Corporation established under Act No.21 of 1985. The main activities of the Bureau is promotion & development of overseas employment for Sri Lankan while assisting and regulating the business of Foreign Employment securing welfare and protection of Sri Lankans employee out of the country. The registered office is located at No.234, Denzil Kobbakaduwa Mawatha , Koswawatta, Battaramulla and the Principal place of business is situated at the above adders.

A fully on subsidiary, Sri Lanka Foreign Employment Agency (pvt) Ltd was incorporated in Year 1996. The mean the Principal activities of the company is Training to upgrade the skills and recruitment for foreign employment. And also the company has performed business operations related to the Insurance industries.

### **2. BASIS OF PREPARATION**

The Financial Statements of the Bureau have been prepared in accordance with Sri Lanka Accounting Standard (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka. The financial Statements of the subsidiary company are consolidated with the financial statements of the Bureau.

### **3. ACCOUNTING POLICIES**

The Sri Lanka Foreign Employment Agency (Pvt) Ltd is a fully owned subsidiary company. The financial year of the Bureau and company ends on 31<sup>st</sup> December.

## Notes to the Accounts

### 1. Property Plant & Equipment

Items of Property Plant & Equipment are measured at cost or valuation less accumulated depreciation

The Property Plant & Equipment except Motor Vehicles & other equipment revalued at Rs.43,019,866 in year 2010, are shown in the financial statements at cost less accumulated depreciation or revalued amount less accumulated depreciation. Provision for depreciation is calculated annually on cost or revalued amount on (straight line basis).Over the estimated useful life of assets no depreciation has been provided on the year of disposal.

	<i>Bureau</i>
Wooden Furniture	7.5%
Steel Furniture	7.5%
Other office Equipment	20%
Motor Vehicles	20%
Computers	25%
Building & Partitioning	7.5%
Electrical Goods & Accessories	20%
Sundry Equipment	50%
Library Books	50%

Cost of leasehold properties is allocated equally during the period of lease as depreciation.

The revaluation of land & building will be made in once a every five years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2014**

**1. CONSOLIDATED PROPERTY, PLANT & EQUIPMENT**

	Lease Hold Land	Free Hold Land	Building	Partitioning Works	Motor Vehicle	Workers' Welfare Fund Fixed Assets	Furniture & Other Office Equipment	Computers	Electrical Goods & Accessories	Sundry Equipment	Library Books	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>DESCRIPTION</b>												
<b>COST 01.01.14</b>	74,854,347	85,638,796	769,868,989	39,692,772	210,197,786	540,819,077	146,550,328	175,314,322	77,963,985	2,355,209	1,120,417	2,124,376,030
Disposals	-	-	-	-	8,995,000	-	-	-	-	-	-	8,995,000
Additions-BUREAU	-	-	-	1,090,814	263,838	91,380,724	7,817,528	12,489,890	33,744	-	68,533	113,145,071
Additions-SLFEA	-	-	829,197	-	8,704,875	-	4,438,085	1,500,000	-	-	-	15,472,157
<b>Balance at 31.12.14</b>	<u>74,854,347</u>	<u>85,638,796</u>	<u>770,698,186</u>	<u>40,783,586</u>	<u>210,171,499</u>	<u>632,199,801</u>	<u>158,805,941</u>	<u>189,304,212</u>	<u>77,997,729</u>	<u>2,355,209</u>	<u>1,188,950</u>	<u>2,243,998,257</u>
<b>ACCUMELATED FOR DEPRECIATION:</b>												
<b>Balance at 01.01.14</b>	9,918,841	-	300,566,236	21,629,066	116,284,916	198,148,153	90,862,414	126,287,225	72,596,614	2,115,777	1,095,825	939,505,067
Charge for 2014-BUREAU	2,537,487	-	56,373,282	3,021,085	29,987,754	19,412,578	12,403,431	25,741,846	1,692,543	83,064	57,968	151,311,038
Charge for 2014 SLFEA	-	-	779,400	-	4,350,096	-	1,749,636	22,644	-	-	-	6,901,776
	<u>12,456,328</u>	-	<u>357,718,918</u>	<u>24,650,151</u>	<u>150,622,766</u>	<u>217,560,732</u>	<u>105,015,481</u>	<u>152,051,715</u>	<u>74,289,157</u>	<u>2,198,841</u>	<u>1,153,793</u>	<u>1,097,717,881</u>
On Disposals	-	-	-	-	7,328,333	-	-	-	-	-	-	7,328,333
<b>Balance at 31.12.14</b>	<u>12,456,328</u>	-	<u>357,718,918</u>	<u>24,650,151</u>	<u>143,294,433</u>	<u>217,560,732</u>	<u>105,015,481</u>	<u>152,051,715</u>	<u>74,289,157</u>	<u>2,198,841</u>	<u>1,153,793</u>	<u>1,090,389,548</u>
<b>WRITTEN DOWN VALUE at 31.12.14</b>	<u>62,398,019</u>	<u>85,638,796</u>	<u>412,979,268</u>	<u>16,133,435</u>	<u>66,877,066</u>	<u>414,639,069</u>	<u>53,790,460</u>	<u>37,252,498</u>	<u>3,708,572</u>	<u>156,368</u>	<u>35,157</u>	<u>1,153,608,709</u>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT  
FOR THE PERIOD ENDED 31.12.2014**

**1. PROPERTY, PLANT & EQUIPMENT -BUREAU**

	Lease Hold Land	Free Hold Land	Free Hold Building	Partitioning Works	Motor Vehicle	Workers' Welfare Fund Fixed Assets	Furniture & OtherOffice Equipment	Computers	Electrical Goods & Accessories	Sundry Equipment	Library Books	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>DESCRIPTION</b>												
Cost - at 01.01.14	74,854,347	28,938,795	754,280,989	39,692,772	187,724,136	540,819,077	138,870,729	173,500,076	77,963,985	2,355,209	1,120,417	2,020,120,534
Revaluation Gain												-
Disposals/ Transfers	-											-
Additions	-	-	-	1,090,814	263,838	91,380,724	7,817,528	12,489,890	33,744	-	68,533	113,145,071
<b>Cost - at 31.12.2014</b>	<u>74,854,347</u>	<u>28,938,795</u>	<u>754,280,989</u>	<u>40,783,586</u>	<u>187,987,974</u>	<u>632,199,801</u>	<u>146,688,257</u>	<u>185,989,967</u>	<u>77,997,729</u>	<u>2,355,209</u>	<u>1,188,950</u>	<u>2,133,265,605</u>
<b>PROVISION FOR DEPRECIATION:</b>												
<b>Depreciation at 01.01.14</b>	<u>9,918,841</u>	<u>-</u>	<u>300,371,386</u>	<u>21,629,066</u>	<u>100,483,524</u>	<u>198,148,153</u>	<u>86,932,412</u>	<u>124,715,970</u>	<u>72,596,614</u>	<u>2,115,777</u>	<u>1,095,825</u>	<u>918,007,569</u>
for the year	2,537,487	-	56,373,282	3,021,085	29,987,754	19,412,578	12,403,431	25,741,846	1,692,543	83,064	57,968	<b>151,311,038</b>
On Disposals/ Transfers	-		356,744,668	24,650,151	130,471,278	217,560,732	99,335,843	150,457,816	74,289,157	2,198,841	1,153,793	1,069,318,607
<b>Depreciation at 31.12.2014</b>	<u>12,456,328</u>	<u>-</u>	<u>356,744,668</u>	<u>24,650,151</u>	<u>130,471,278</u>	<u>217,560,732</u>	<u>99,335,843</u>	<u>150,457,816</u>	<u>74,289,157</u>	<u>2,198,841</u>	<u>1,153,793</u>	<u>1,069,318,607</u>
<b>WRITTEN DOWN</b>												
<b>Balance at 31.12.2014</b>	<u>62,398,019</u>	<u>28,938,795</u>	<u>397,536,321</u>	<u>16,133,435</u>	<u>57,516,696</u>	<u>414,639,069</u>	<u>47,352,414</u>	<u>35,532,151</u>	<u>3,708,572</u>	<u>156,368</u>	<u>35,157</u>	<u>1,063,946,997</u>

## 2. Work in Progress

Capital expenditure incurred in connection with the construction works is shown at cost.

<b>Capital Work In Progress</b>	<b>GROUP</b>	<b>BUREAU</b>	<b>GROUP</b>	<b>BUREAU</b>
	<b>2014 - Rs.</b>	<b>2014 - Rs.</b>	<b>2013 - Rs.</b>	<b>2013 - Rs.</b>
WIP – Mathugama	33,649	33,649	-	-
WIP – Katharagama	12,304,564	12,304,564	1,161,505	1,161,505
WIP – Homagama	736,740	736,740	736,740	736,740
WIP – Tangall	3,109,218	3,109,218	-	-
WIP – Rathnapura	15,781,661	15,781,661	5,819,218	5,819,218
WIP- Haliela	25,196836	25,196836	7,733,158	7,733,158
WIP-Dambulla	8,536,163	8,536,163	2,053,664	2,053,664
<b>Total</b>	<b>65,698,831</b>	<b>65,698,831</b>	<b>17,504,285</b>	<b>17,504,285</b>

## 3. Financial Assets - Treasury Bonds & Fixed Deposits

A sum of Rs.5,000,000/- invested in fully owned subsidiary namely Sri Lanka Foreign Employment Agency (Pvt) Ltd and investments to be matured after one year from the balance sheet date are shown as Long Term Investments.

The fixed deposit of Rs.100,000,000/- has been kept in Sri Lanka Samurdhi Authority to implement the Rataviru Housing Loan Scheme

<b>Treasury Bonds &amp; Fixed Deposits</b>	<b>GROUP</b>	<b>BUREAU</b>	<b>GROUP</b>	<b>BUREAU</b>
	<b>2014 - Rs.</b>	<b>2014 - Rs.</b>	<b>2013 - Rs.</b>	<b>2013 - Rs.</b>
Treasury Bonds – Korean Welfare Fund	628,160,341	628,160,341	<b>189,669,046</b>	<b>189,669,046</b>
Treasury Bonds – WWF Members Contribution	5,631,225	5,631,225	-	-
Treasury Bond for Gratuity Provision	141,296,144	141,296,144	-	-
Treasury Bonds	3,036,346,668	3,036,346,668	499,663,581	499,663,581
Fixed Deposits - ( Long Term )	259,355,525	140,080,525	321,346,620	202,071,620
<b>Total Investments to be Matured after 12 months</b>	<b>4,070,789,903</b>	<b>3,951,514,903</b>	<b>1,010,679,247</b>	<b>891,404,247</b>

	GROUP	BUREAU	GROUP	BUREAU
<b>Short Term Investments of Funds</b>	2014 - Rs.	2014 - Rs.	2013 - RS.	2013- RS.
Treasury Bonds	339,388,588	339,388,588	2,670,786,429	2,670,786,429
Treasury Bonds –(Gratuity Provision)	-	-	136,391,917	136,391,917
Treasury Bonds –(WWF-Members Contributions)			5,085,098	5,085,098
Treasury Bonds –(Korean Welfare)	189,669,046	189,669,046	599,386,510	599,386,510
Fixed Deposits - ( Short Term )	3,618,507,631	3,618,507,631	2,944,591,391	2,944,591,391
State Institution Temporary Surplus Trust Fund	108,195,650	108,195,650	155,692,985	155,692,985
A/C BOCA/C DFCA/USD/(73-394)-832	232,554,952	232,554,952	229,321,784	229,321,784
<b>Less: Short Term Investments to be matured within 3 months</b>	(1,521,349,485)	(1,521,349,485)	(3,258,812,022)	(3,258,812,022)
<b>Total Investments to be matured within 03 months to 9 months</b>	<b>2,966,966,381</b>	<b>2,966,966,381</b>	<b>3,482,444,094</b>	<b>3,482,444,094</b>

#### 4. Inventories

Inventories are valued at the lower of cost or net realizable value, after making allowance for obsolete and slow moving items. The inventories are consisting of the following items.

- i. Stationery and other consumable items
- ii. Educational Equipment purchased to distribute among the children of migrant employees

	GROUP	BUREAU	GROUP	BUREAU
<b>Stock in Hand</b>	2014 - RS.	2014 - RS.	2013 - RS.	2013 - RS.
Stock In Hand	14,346,167	13,972,607	10,016,475	9,946,125
Less: Cost of Slow Moving Items	-	-	56,846	56,846
<b>Total</b>	<b>14,346,167</b>	<b>13,972,607</b>	<b>9,959,628</b>	<b>9,889,278</b>

## 5 Receivables

Receivables are stated at the amounts they are estimated to be realize, based on a review of all outstanding accounts at the year end if necessary.

Sundry Debtors	GROUP	BUREAU	GROUP	BUREAU
	2014 - Rs.	2014 - Rs.	2013 - Rs.	2013 - Rs.
Interest receivable on Investments	278,342,901	278,314,153	163,399,277	162,842,830
Labour Con. Agree. Fees. L/M	1,185,548,646	1,185,548,646	1,360,548,646	1,360,548,646
Cess Commission Receivable	2,084,250	2,084,250	2,873,500	2,873,500
Refundable Deposit	162,258	162,258	167,258	167,258
Other Receivable	12,453,401	411,646	3,563,573	36,875
Pre Payments	52,820,693	52,820,693	49,536,934	49,238,786
Salary advance	111,400	111,400	86,600	86,600
WHT5%	1,118,392		-	-
Payee tax	200	200	-	-
Loan to sifea (pvt) ltd	153,340	15,153,340	153,340	13,153,340
Amount Receivable from S/L Mission in Rome Italy	887,610	887,610	887,610	887,610
Funds Receivable(Kwt.Com.Case No.28912)	156,000	156,000	156,000	156,000
Receivable Recruitment Fees			1,775,700	1,775,700
Korean Exams fees			1,332,755	1,332,755
VAT & WH VAT recoverable	1,340,623		3,326,267	
Advance payment for renovation			500,000	
Receivable Dividends from SLFEA	3,510,033	3,510,033	-	3,510,033
Funds receivable from Ministry of External Affairs	6,374,400	6,374,400	6,374,400	6,374,400
Commission Receivable SLIC	10,784,729		6,096,332	
Premium Receivable			2,622,561	
Re-Entry Korean Charges	3,846,440	3,846,440		
Collection Of Air Tickets	4,480,385	4,480,385	787,274	787,274
Interest Receivable from SLFEA				3,194,794
Loan for Rataviru programme			25,000	25,000
ITQ Lanka (PVT) LTD			40,910	40,910
Special Loan schme Non Domestic	104,182	104,182		
Payment for Kahagolla Land	20,034,475	20,034,475	20,034,475	20,034,475
Overseas Advance	1,611,965	1,611,965		
Economic Service Charges			40	-
Amount of Recivable fro Ministry	7,334,796	7,334,796	-	-
Suspense A.C	3	3	3	3
Israel Visa & Documents Attest			625,300	
<b>Total</b>	<b>1,593,261,121</b>	<b>1,582,946,875</b>	<b>1,628,108,549</b>	<b>1,627,066,790</b>

## 6. Staff Loans

Staff Loans	GROUP	BUREAU	GROUP	BUREAU
	2014 - RS.	2014 RS.	2013 - RS.	2013 RS.
Interest Free Loans			-	-
Distress Loans	198,958,855	197,174,214	169,385,460	167,786,183
Vehicle Loans	113,737,305	113,737,305	106,711,263	106,711,263
Festival Advances	958,050	908,050	931,700	902,700
Instant Loan to Staff	1,162,426	1,162,426	684,481	684,481
<b>Total</b>	<b>314,816,637</b>	<b>312,981,995</b>	<b>277,712,904</b>	<b>276,084,627</b>

\*Loan Balance to be recovered within 12Month=      **55,008,735**      **53,174,094**      **223,072,116**      **223,072,116**

\* Loan Balance can be after 12 Month =      **259,807,901**      **259,807,901**      **54,640,788**      **53,012,511**  
**314,816,636**      **312,981,995**      **277,712,904**      **276,084,627**

7 CASH & CASH EQUIVALENT	GROUP	BUREAU	GROUP	BUREAU
	2014 - RS.	2014 - RS.	2013 - RS.	2013 - RS.
B/C Offshore Banking Unit – 2305	53,212,669	53,212,669	43,594,120	43,594,120
B/C Corporate Branch A/c 1672	5,443,513	5,443,513	-	-
B/C Corporate Branch – 1650	25,316,447	25,316,447	14,925,840	14,925,840
P/B ,Queens Branch A/C No. - 1069	907,164	907,164	1,207,164	1,207,164
P/B, Queens Branch A/C No. 033 100 161791068	630,761	630,761	452,321	452,321
P/B, Battaramulla A /C No. 208 1001 51791068	69,023,906	69,023,906	4,972,143	4,972,143
B/C Corporate Br - A/C No. 1834	61,386,283	61,386,283	44,901,654	44,901,654
DFCA USD ( 106 )	305,435	305,435	301,198	301,198
RFC/0033/030	210,007	210,007	197,809	197,809
B/C Corporate Branch A/C No. 1825	210,263	210,263	228,263	228,263
B/C Corporate Branch A/C No. 1816	19,886,553	19,886,553	18,013,713	18,013,713
B/C Corporate Branch A/C 1939	8,345,214	8,345,214	7,271,061	7,271,061
BOC Taprobane Branch A/C NO.2026582	51,730	51,730	51,730	51,730
HSBC A/C No. 001749035101	-	-	2,520,391	2,520,391
B/C Corporate Branch –A.C. 73469314	100,000	100,000	100,000	100,000
NSB – Battaramulla – A.C No. 100800442461	11,396,394	11,396,394	2,011,998	2,011,998

BOC Cor..Bra. A/C 9290730 (welfare North )	3,967,787	3,967,787	3,986,487	3,986,487
Current Account of Rataviru	438,100	438,100		
Katunayake	154,610	154,610	114,610	114,610
Airport			40,000	40,000
Kurunegala			19,870	19,870
Coin Imprest	693	693	693	693
kegalle	5,000	5,000		
York street	1,130	1,130	1,130	1,130
Approval	(6,660)	(6,660)	(270)	(270)
Pinwatta	5,000	5,000	5,000	5,000
Jaffna	276	276		
Keselwatta IT	780	780	780	780
Seeduwa T.C	80,000	80,000		
Peoples Bank A/c No-100183694176	1,357,761		5,550,249	
Peoples Bank A/c No-100103694830(Narahenpita 2)	25,000		25,000	
Peoples Bank Queens Branch 033402102466473	197,294		62,992	
BOC A/C 9099724	4,560,014		498,767	
Savings Account – NSB – 02-19304	9,013		8,609	
Savings Account – NSB – 02-20396	48,170		46,008	
Savings Account – NSB – 02-24499	4,356		4,161	
Savings Account – NSB – 02-18634	14,662		14,004	
Savings Account – NSB – 02-40494	68,491		65,418	
Savings Account – 106110016703	15,505,498		16,195,028	
Cash in Hand	10,000		10,000	
P/B Queens Bra.Savings (A.C No.00332620672391)	321,973	321,973	207,565	207,565
NSB Head Qua. Bra. A.C.No. 100010908843	4,009,144	4,009,144	12,278	12,278
NSB Head Qua. Bra. A.C.No. 100010814989	5,599,469	5,599,469	14,461	14,461
Savings A/C 2620212743 Videshika	10,032,045	10,032,045	4,119,274	4,119,274
Savings A.C No. 2620213079 Siyatha	8,536,659	8,536,659	2,729,832	2,729,832
Additional petty cash imprest -sahanapiyasa	100,000	100,000	120,000	120,000
Cash Impres tBogawanthalawa			15,000	15,000
Cash Imprest Athurugiriya	15,000	15,000	15,000	15,000
CASH IN TRANSIT			38,234	38,234
Cash and & Bank Balance Foreign Missions	81,987,794	81,987,794	133,157,923	133,157,923
Investments to be matured within 03 months	1,521,349,485	1,521,349,485	3,258,812,022	3,258,812,022
<b>Total</b>	<b>1,914,824,883</b>	<b>1,893,024,624</b>	<b>3,566,639,527</b>	<b>3,544,159,292</b>

A cash shortage of Rs.1,058,276 was reported in the labour section of Abudhabi mission due to non banking of the collections by the officer who accepted monies. A complaint was made to CID to investigate this and take legal action on this matter.

8.

Sundry Creditors	GROUP	BUREAU	GROUP	BUREAU
	2014 - RS.	2014- RS.	2013 - RS.	2013- RS.
Loan Scheme Money Held For Korean T.T.	4,563,693	4,563,693	4,563,693	4,563,693
Insurance Claim Received from N.I.C.	3,455,474	3,455,474	3,474,174	3,474,174
Deposit for salaries & Settlement of complaints	19,886,101	19,886,101	17,738,269	17,738,269
Retention Money Payable	12,275,825	12,275,825	12,275,825	12,275,825
Refundable Tender Deposit	1,405,952	1,405,952	1,023,438	1,023,438
Guarantee Money From Cashiers	25,000	25,000	25,000	25,000
IPEC Project with ILO	4,047,418	4,047,418	4,061,143	4,061,143
Deposit for Korean Visa Fees	33,620,705	33,620,705	31,707,119	31,707,119
Deposit for Korean Ticket Fees	110,303,844	110,303,844	134,541,914	134,541,914
Deposit for Korean Pre Departure Loan	5,239,383	5,239,383		
Deposit for Korean Examination fees	4,202,461	4,202,461		
With Holding Tax			44,730	
VAT	36,318,651	35,215,531	22,857,827	17,622,877
Sundry Creditors	28,655,287	28,655,287	27,383,397	27,383,397
Suspense Account				
Nations Building Tax	5,104,467	5,104,467	11,633,746	11,633,746
Stamp Duty	160,600	160,600	25	25
Un present Cheque	60,992			
Provision for Gratuity ( Short Term )			229,107	229,107
Recruitment Chargers For Foreign Employment	6,961,143	6,961,143	279,275	279,275
Deposit for Kuwait Insurance	15,460	15,460	15,460	15,460
Project Prevention of Trafficking	554,111	554,111	554,111	554,111
Refundable deposit female domestic workers	532,488,999	532,488,999	543,758,638	521,158,638
Food supplier payable	14,511,507	14,511,507	9,966,641	9,966,641
Money Deposited By Migrant Workers	820,870	820,870	820,870	820,870
Re-entry Korean charges			514,888	514,888
Service Creditors	11,767		11,767	
Economic Service Charges	(41)			
Refundable Deposit Cyprus	31,000,000	31,000,000		
Interest Bearing Borrowings	926,388		1,000,002	-

Other Payable	1,517,067		15,753,543	-
Other Creditors	3,906,310			
Refundable Deposit	10,000			
Refundable Deposit Korean	18,350,000			
Sri Lanka Insurance Corporation	64,332,880		46,704,684	
Death Claim Payable	21,108,371		9,813,000	
Safe Accounts – Overseas	36,725,282	36,725,282	34,981,989	34,981,989
Deposit for Repatriation Cost	7,462,696	7,462,696	8,014,554	3,397,893
Return of Slips Payment	49,520	49,520		
<b>TOTAL</b>	<b>1,010,078,183</b>	<b>898,751,329</b>	<b>943,519,721</b>	<b>837,740,383</b>

<b>9 Bank Overdraft</b>	<b>GROUP</b>	<b>BUREAU</b>	<b>GROUP</b>	<b>BUREAU</b>
	<b>2014 - RS.</b>	<b>2014 - RS.</b>	<b>2013 - RS.</b>	<b>2013 - RS.</b>
B/C Corpo.Br- A/C (697)1672			3,576,987.55	3,576,988
SLFEA – BOC A/C				
SLFEA – Union Bank				
SLFEA – NDB Bank	26,236,454		19,039,745.62	
<b>Total</b>	<b>26,236,454</b>	<b>-</b>	<b>22,616,733.17</b>	<b>3,576,988</b>

10

<b>Accumulated Fund</b>	<b>GROUP</b>	<b>BUREAU</b>	<b>GROUP</b>	<b>BUREAU</b>
	<b>2014 - RS.</b>	<b>2014 - RS.</b>	<b>2013 - RS.</b>	<b>2013 - RS.</b>
Balance As at 01.01.2014	3,605,562,888	3,518,644,854	3,349,103,938	3,273,415,837
Add: Prior Year Adjustment	71,586,550	71,586,550	1,727,709	2,080,247
Adjustment for the year 2014				-
<b>Less :Funds Transfer to Consolidated Fund</b>			-	-
<b>Add: Excess/(Loss) of Income Over Expenditure</b>	<b>381,654,260</b>	<b>345,089,904</b>	<b>254,731,241</b>	<b>243,148,771</b>
Balance as at 31.12.2014	<b>4,058,803,699</b>	<b>3,935,321,308</b>	<b>3,605,562,888</b>	<b>3,518,644,854</b>

### 11. Prior Year adjustments

The nature of prior period errors and affect of these errors to the line items of the financial statements are given below.

<i>Nature of the error</i>	<i>Group Rs.</i>	<i>Bureau Rs.</i>	<i>Line item affected</i>
<b>Expenditure pertaining to the previous years</b>			
• Advance settlement	20,000	20,000	Accumulated Fund & Sundry Advance
• Building Rent-Galle	1,034,372	1,034,372	Accumulated Fund & Building rent
• Instructor salaries	3,745,893	3,745,893	Accumulated Fund & Training activity
• Economics Services Charges	3,870,973.28	3,870,973.28	Accumulated Fund & Economics Services Charges
<b>Income Pertaining to the previous years</b>			
• Full Refund	5,980	5,980	Accumulated fund & Agency Creditors.
• Refundable Deposit	168,205	168,205	Accumulated fund & Refundable Deposit
• Distress Loan	22,000	22,000	Accumulated fund & Distress Loan
• Cash with Embassy	1,073,602	1,073,602	Accumulated fund & Cash with Embassy
• Vehicle Loan	65,200	65,200	Accumulated fund & Vehicle Loan
• Provision for depreciation-Office Furniture	63,975	63,975	Accumulated fund & Provision for depreciation
	<b>10,070,200</b>	<b>10,070,200</b>	Accumulated fund
Over provision of Expenditure	(22,953,022.06)	(22,953,022.06)	Accumulated fund & Cash Imprest With Embassy
• Overseas Workers welfare Fund	(39,761,274.79)	(39,761,274.79)	Accumulated fund & Cash Imprest With Embassy
• Overseas Workers welfare Fund	(539,109.63)	(539,109.63)	Accumulated fund & Receivable from Ministry
• Expenses of Telephone	(433,631.11)	(433,631.11)	Accumulated fund & Expenses of Telephone
• Expenses of Telephone	(22,652)	(22,652)	Accumulated fund & Expenses of Telephone
• Recovery of Telephone Charges	(9,750,900)	(9,750,900)	Accumulated fund & Agency Creditors
• Registration fees	(7,851,066.11)	(7,851,066.11)	Accumulated fund & License fees Income

<ul style="list-style-type: none"> <li>• License fees</li> <li>• Recovery of Loan</li> <li>• Recovery of Festival Advance</li> </ul>	(172,030.2)	(172,030.2)	Accumulated fund & Distress Loan
	(3,000)	(3,000)	Accumulated fund & Festival Advance
<ul style="list-style-type: none"> <li>• Slow Move Items</li> <li>• Depreciation-Electrical goods</li> </ul>	(56,846.2)	(56,846.2)	Accumulated fund & Slow Move
	(113,218)	(113,218)	Accumulated fund & Provision for depreciation
Under provision of Expenses in previous year	<b>(81,656,750)</b>	<b>(81,656,750)</b>	Accumulated fund
<b>TOTAL</b>	<b>(71,586,550)</b>	<b>(71,586,550)</b>	

## 12. Provision for Gratuity

	GROUP	BUREAU
	2014 - RS.	2014 - RS.
Provision As at 01.01.2014	139,716,549	137,885,237
Actuarial ( gain ) /Less	9,638,178	9,638,178
Past Service Cost	27,370,270	26,513,676
Interest on Obligation	11,030,819	11,030,819
Benefit Paid	(9,711,794)	(9,711,794)
<b>Provision as at 31.12.2014</b>	<b>178,044,022</b>	<b>175,356,116</b>

The SLBFE maintains a non contributory defined benefit plan providing for Gratuity benefits to its employees .

In order to meet this liability a provisions have been made by using projected unit **credit method** described in the Sri Lanka Accounting Standards and mortality table published with the standard.

Following key assumptions were made in calculation at the above figures.

Rate of Discount	-	8% p.a.
Salary Increment Rate	-	1.84%
Retirement Age	-	60 years

Gratuity payments to be settled within 12 months have been shown under current liabilities and payments due after 12 months have been shown under noncurrent liabilities.

### 13. Taxation.

The Sri Lanka Bureau of Foreign Employment is liable to pay income tax on taxable income of Bureau and Workers Welfare Fund in accordance with the provisions of the Act No. 10 of 2006 and is subsequent amendments. The Provision of Income Tax is based on the elements of Income and Expenditure reported in the Financial statements.

### 14. Foreign Aid Account

The Depreciable assets and capital grants such as computers and other office equipments received from IOM,ILO and Sri Lanka Anti Nacotic Association have been shown as differed Foreign Aid grants. Foreign Aid relate to specific capital expenditure are treated as different income, which is then credited to income statement over the related assets useful life. Other grants are credited to the income statement in the period which they are utilized.

### 15. Overseas Workers Welfare Fund.

Fees collected registration of contract agreements by the foreign missions are credited as receipts and total expenditure incurred in respect of Labor welfare work abroad is debited as expenditure.

The remainder is shown as current liability in the balance sheet.

### 16. Kuwait Compensation Account

The balance shown in the accounts represents the net value of unsettled compensation claims & the interest and exchange gain earned from the investment of such funds. Bureau intends to distribute these funds among the claimants for whom compensation was awarded by the United Nation Compensation Committee.

### 17. Contingent Liabilities

There are 15 numbers pending court cases filed by the employees and outsiders against the Bureau. (Three cases in Supreme Court, Three cases in Court of Appeal, One case in High Court(Colombo) ,Three cases in District Courts and Five cases in labor court).

The contingent liabilities of the cases are as follows.

<u>Case No.</u>	<u>Liability</u>
CA Application 259/2013	1,007,596
LT 1/3/2012	100,000
LT/6R/7015	16,000
LT 8/697/2013	<u>225,000</u>
	<u>1,348,596</u>

### 18. Foreign currency transaction

All foreign currency transaction is converted to Sri Lankan Rupees at the rate of prevailing at the time the transactions were affected. Monetary assets and liabilities denominated in foreign currencies are converted to Sri Lankan Rupees equivalents using yearend foreign exchange rate published by Central bank of Sri Lanka. The resulting gains and losses are accounted as other comprehensive income.

### 19. Income

In the case of agency recruitment facilities fees & recruitment fees are calculated as follows:

Salary Rs.	Fees Payable Rs.	Facilities Fees. Rs.	Recruitment Fees Rs.	Agency Portion (70%) Rs.	Remarks
Below 5,000	3,200	200	900	2,100	
5,000– 10,000	5,200	200	1,500	3,500	
10,000-20,000	7,700	200	2,250	5,250	
Above 20,000	10,200	200	3,000	7,000	

Fees collected on Bureau individual recruitments the total receipts have been accounted as facilities fees and recruitment fees.

Registration fees (individual), Registration fees (Agency), License fees, Training fees, Cess Income, Investment income & other income is ascertained on a accrual basis.

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2014**

Description	2014			2013
	Bureau Rs.	W.W.F. Rs.	Total Rs.	Rs.
<b>Income</b>				
Recruitment Fees - Agency	351,547,500	175,773,750	527,321,250	511,056,500
Recruitment Fees - Individual	588,756,600	65,417,400	654,174,000	600,521,500
Facilities Fees	58,804,400	-	58,804,400	58,311,200
Licence Fees	70,050,000	-	70,050,000	80,209,500
Cess	292,226,077	-	292,226,077	21,951,865
Korean Administration Fees	20,681,335	-	20,681,335	21,694,482
Re-Entry Korean Fee - Documentation & System Main	3,294,503	-	3,294,503	9,295,840
Training Fees	-	159,807,926	159,807,926	180,857,021
Korean Training Fees	-	62,733,861	62,733,861	57,412,419
<b>Total</b>	<b>1,385,360,415</b>	<b>463,732,937</b>	<b>1,849,093,352</b>	<b>1,541,310,327</b>
<b>Add: Other Income</b>				
Foreign Aid and Grants	-	-	-	214,959
Contribution Received From ILO Project	-	-	-	-
<b>Commission received to Air ticketing Unit</b>	<b>4,750,132</b>		<b>4,750,132</b>	<b>7,043,486</b>
Interest from Investments	268,666,048	183,857,269	452,523,316	361,105,699
Reimbursement of Expenses for Overseas Workers	-	<b>707,232,003</b>	<b>707,232,003</b>	617,550,479
Welfare Fund	-	-	-	11,182,279
Interest from Staff Loans	13,300,164	-	13,300,164	750,000
Dividends SLFEA	0	-	-	-
Profit of Sale of Fixed Assets	-	-	-	-
Sundry Income	422,522,113	11,916,902	434,439,015	332,029,966
<b>Contribution to WWF (From Bureau)</b>	<b>(290,000,000)</b>	<b>290,000,000</b>		
	<b>419,238,458</b>	<b>1,193,006,173</b>	<b>1,612,244,631</b>	<b>1,329,876,868</b>
<b>Total Income</b>	<b>1,804,598,873</b>	<b>1,656,739,111</b>	<b>3,461,337,983</b>	<b>2,871,187,195</b>
<b>Less : Expenditure</b>				
<b>Staff Costs</b>	<b>772,447,395</b>	<b>47,017,022</b>	<b>819,464,418</b>	<b>670,992,410</b>
<b>Establishment Expenses</b>	<b>193,782,939</b>	<b>99,764,412</b>	<b>293,547,351</b>	<b>244,483,733</b>
<b>Operational Costs</b>	<b>233,447,869</b>	<b>26,378,744</b>	<b>259,826,613</b>	<b>245,020,772</b>
<b>Advertisement &amp; Publicity</b>	<b>92,909,843</b>	<b>108,223,494</b>	<b>201,133,337</b>	<b>82,030,721</b>
<b>Business Promotion Expenses</b>	<b>98,677,993</b>	<b>-</b>	<b>98,677,993</b>	<b>45,648,305</b>
<b>Worker's Welfare Fund Expenses</b>	<b>-</b>	<b>1,372,116,594</b>	<b>1,372,116,594</b>	<b>1,273,294,305</b>
<b>Total Expenditure</b>	<b>1,391,266,040</b>	<b>1,653,500,266</b>	<b>3,044,766,306</b>	<b>2,561,470,246</b>
<b>Excess of Income Over Expenditure</b>	<b>413,332,833</b>	<b>3,238,844</b>	<b>416,571,678</b>	<b>309,716,949</b>
<b>Less : Provision for Taxation</b>	<b>115,733,193</b>	<b>906,876</b>	<b>116,640,070</b>	<b>86,720,746</b>
<b>Balance Carried Forward to Accumulated Fund</b>	<b>297,599,640</b>	<b>2,331,968</b>	<b>299,931,608</b>	<b>222,996,203</b>
<b>Other Comprehensive Income</b>				
Exchange Gain/loss in translating foreign operations		35,520,118	35,520,118	11,649,013
Actuarial Gain on Gratuity Provision	9,638,178		9,638,178	8,503,555
Revaluation Surplus				
Actuarial gain / Loss on pension plans				
<b>Other Comprehensive Income</b>	<b>9,638,178</b>	<b>35,520,118</b>	<b>45,158,296</b>	<b>20,152,568</b>
<b>Total Comprehensive Income</b>	<b>307,237,818</b>	<b>37,852,086</b>	<b>345,089,904</b>	<b>243,148,771</b>

	GROUP	BUREAU	GROUP	BUREAU
	2014 - RS.	2014 - RS.	2013 - RS.	2013 - RS.
<b>Operating Income</b>				
Recruitment Fees - Agency	527,321,250	527,321,250	511,056,500	511,056,500
Recruitment Fees - Individual	654,174,000	654,174,000	600,521,500	600,521,500
Facilities Fees	58,804,400	58,804,400	58,311,200	58,311,200
License Fees	70,000,000	70,050,000	80,209,500	80,209,500
Cess Income	292,213,827	292,226,077	21,951,865	21,951,865
Korean Administration Fees	20,681,335	20,681,335	21,694,482	21,694,482
Re-Entry Korean Fee – Documentation & System Maintenance	3,294,503	3,294,503	9,295,840	9,295,840
Korean Training Fees	62,733,861	62,733,861	57,412,419	57,412,419
Advertisement Approval	105,965		79,265	
Training Income	159,807,926	159,807,926	180,857,021	180,857,021
Recruiting Income	17,668,677		10,103,863	
Agency Claim	3,668,000		3,129,000	
Insurance Fund Surplus	9,435,065			
Insurance Commission	25,136,369			
Income Medical Center	2,198,363			
Other Income	17,236		33,843,068	
<b>Total</b>	<b>1,907,256,776</b>	<b>1,849,093,352</b>	<b>1,588,465,523</b>	<b>1,541,310,327</b>

21		GROUP	BUREAU	GROUP	BUREAU
		2014 - RS.	2014 - RS.	2013 - RS.	2013 - RS.
	<b>Other Operating Income</b>				
	Foreign Aid and Grants			214,959	214,959
	<b>Commission received to Air ticketing Unit</b>	4,750,132	4,750,132	7,043,486	7,043,486
	Interest from Investments	465,978,238	452,523,316	361,105,699	361,105,699
	Reimbursement of Expenses for Overseas Workers Welfare Fund	707,232,003	707,232,003	617,550,479	617,550,479
	Interest from Staff Loans	13,344,892	13,300,164	11,182,279	11,182,279
	Sundry Income	435,085,959	434,439,015	332,029,966	332,029,966
	Interest on Savings			949,109	-
	Interest on Fixed Deposit			15,268,113	-
	Profit on Disposal of Vehicle	3,853,869			
	Other Income			5,840,742	750,000
	<b>Total</b>	<b>1,630,245,094</b>	<b>1,612,244,631</b>	<b>1,351,184,832</b>	<b>1,329,876,868</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**STATEMENT OF COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31.12.2014**

Description	Group 2014 Rs.	'2014		Bureau 2014 Rs.	Group 2013 Rs.	Bureau 2013 Rs.
		Bureau Rs.	W.W.F. Rs.			
<b>22 Staff Costs</b>						
Salaries & Wages	421,172,890	387,645,983	20,487,876	408,133,859	347,652,343	336,152,897
Staff Welfare	110,330,313	103,185,020	6,123,495	109,308,514	81,981,502	80,902,867
E.P.F. & E.T.F.	51,716,198	48,089,625	2,531,033	50,620,658	59,305,085	58,288,631
Reim. of Interest on Housing Loans	7,887,594	7,493,214	394,380	7,887,594	6,730,235	6,730,235
Bonus	90,807,525	84,717,608	4,458,821	89,176,430	70,039,233	68,463,288
Overtime	68,388,558	64,264,150	3,382,324	67,646,474	73,772,296	72,903,434
Travelling	24,348,233	17,777,013	6,571,220	24,348,233	16,449,044	16,414,633
Gratuity	57,381,846	53,748,250	2,777,004	56,525,254	25,488,012	25,097,342
Staff Training	5,891,403	5,526,532	290,870	5,817,403	6,055,273	6,039,083
	<b>837,924,560</b>	<b>772,447,395</b>	<b>47,017,022</b>	<b>819,464,418</b>	<b>687,473,024</b>	<b>670,992,410</b>
<b>Establishment Expenses</b>						
Printing ,Stationery & Consumable	47,705,444	42,202,088	4,194,324	46,396,413	40,493,196	39,587,769
Telephone & Postage	48,279,085	42,948,378	4,363,588	47,311,966	45,613,547	44,594,454
Rent	68,031,573	30,148,453	37,883,120	68,031,573	47,809,672	47,809,672
Maintenance of Premises	22,185,705	10,352,988	10,342,297	20,695,285	15,910,284	14,522,747
Audit Fees	795,271	566,065	29,206	595,271	708,768	533,768
Electricity	48,729,717	38,144,765	9,921,017	48,065,782	44,283,196	43,719,693
Security Charges	48,410,309	19,879,560	27,897,650	47,777,210	42,293,903	41,672,022
Cost of piece rate workers	30,390	28,871	1,520	30,390	31,175	31,175
Directors Fees & Traveling	1,157,630	579,719	30,512	610,230	-	643,500
Water	6,479,689	2,731,054	3,625,920	6,356,974	6,942,870	6,804,183
Cost of Slow Moving Items	-	-	-	-	-	-
Consultancy & Legal Fees	9,960,857	6,200,998	1,475,259	7,676,257	5,591,617	4,564,751
	<b>301,765,670</b>	<b>193,782,939</b>	<b>99,764,412</b>	<b>293,547,351</b>	<b>249,678,228</b>	<b>244,483,733</b>
<b>Operational Costs</b>						
Depreciation of Fixed Assets	158,212,816	131,898,461	19,412,578	151,311,039	162,510,196	158,364,034
Motor Vehicle Running Expenses	61,439,159	55,190,131	3,630,578	58,820,710	63,492,974	58,460,658
Hiring of Vehicles	23,920,791	22,724,751	1,196,040	23,920,791	11,581,887	11,315,495
Economics Service Charges	3,757,661	3,707,438	50,223	3,757,661	-	-
Computer Running Expenses	4,730,387	4,527,996	202,391	4,730,387	4,251,246	4,162,104
Maintenance of Office Equipment	10,156,178	8,597,484	1,387,889	9,985,373	8,942,520	8,731,282
Financial Charges(Loan Interest,Lease Charges,Lease	5,998,945	1,625,264	95,257	1,720,521	2,182,141	1,721,228
Newspapers & Periodicals	1,575,644	1,346,225	194,209	1,540,434	1,389,434	1,353,334
Bad debtors	374,348	355,631	18,717	374,348	144,112	144,112
Loss of Sale of Fixed Assets	-	-	-	-	-	-
General Expenses	4,185,478	3,474,487	190,862	3,665,350	1,191,909	768,525
	<b>274,351,406</b>	<b>233,447,869</b>	<b>26,378,744</b>	<b>259,826,613</b>	<b>255,686,419</b>	<b>245,020,772</b>
<b>Advertisement &amp; Publicity</b>						
Advertisements	48,116,197	26,992,392	20,809,479	47,801,872	42,911,684	40,776,572
Cost of T.V.Programmes	86,494,758	28,474,089	58,020,670	86,494,758	8,646,606	8,646,606
Cost of Radio Programmes	44,907,110	19,173,629	25,733,481	44,907,110	7,280,446	7,280,446
Awareness Programmes	21,929,597	18,269,734	3,659,864	21,929,597	25,463,753	25,327,097
	<b>201,447,662</b>	<b>92,909,843</b>	<b>108,223,494</b>	<b>201,133,337</b>	<b>84,302,488</b>	<b>82,030,721</b>
<b>Business Promotion Expenses</b>						
Business Promotion Mission	20,464,297	20,464,297	-	20,464,297	26,983,037	25,905,405
Grant Incentives for Recruitment of Non	-	0	0	0	-	-
Market promotional Activities	64,008,956	56,944,653	-	56,944,653	14,701,564	11,526,883
Expenses of Korean project and Recruitment	20,349,740	20,349,740	-	20,349,740	8,973,804	6,725,831
Expenses						
Receiving Delegation From Lab.Rece.Countries	10,597	10,597	-	10,597	-	-
Direct Expenses For Air Ticket Unit	6,214	6,214	-	6,214	6,214	6,214
Seminars & Workshops	902,493	902,493	-	902,493	1,483,972	1,483,972
	<b>105,742,296</b>	<b>98,677,993</b>	<b>-</b>	<b>98,677,993</b>	<b>52,148,591</b>	<b>45,648,305</b>

Annual Report & Accounts - 2014

Description	Group 2014 Rs.	'2014		Bureau 2014 Rs.	Group 2013 Rs.	Bureau 2013 Rs.
		Bureau Rs.	W.W.F. Rs.			
<b>Worker's Welfare Fund</b>						
Training Activities	148,317,736		148,317,736	148,317,736	163,881,622	159,841,808
Expenses on Overseas Workers Welfare Fund	707,232,003	-	<b>707,232,003</b>	<b>707,232,003</b>	617,550,479	617,550,479
Cost of Insurance of Migrant Workers	223,694,803	-	239,515,737	239,515,737	249,472,235	249,472,235
Scholarships to Children's of Migrant Empl.	88,121,526	-	88,121,526	88,121,526	1,737,061	1,737,061
Distribution of School Books	1,184,414	-	1,184,414	1,184,414	18,235,657	18,235,657
Interest Subsidy on Bank Loans	515,295	-	515,295	515,295	531,118	531,118
Welfare Centre - Seeduwa	14,556,386	-	14,556,386	14,556,386	21,678,950	21,678,950
Interest on Migrant Workers' Contributions	461,925	-	461,925	461,925	553,446	553,446
Conciliation & Other welfare work local and abroad	982,557	-	982,557	982,557	575,569	575,569
Re-Intrigation Programme	260	-	260	260	479,000	479,000
IOM Project Expenses	-	-	-	-	-	-
Social welfare Programme for Migrant workers	5,121,680	-	5,121,680	5,121,680	6,201,753	6,201,753
Housing Programme for Low income Migrant	39,009	-	39,009	39,009	-	-
Housing Programme for disabled Migrant Workers.	2,556,180	-	2,556,180	2,556,180	5,268,642	5,268,642
Expenses of pre departure orientation centre	-	-	-	-	-	-
Welfare Facilities to the Migrant Workers	629,613	-	629,613	629,613	169,282	169,282
Legal Aid to Migrant Workers	604,485	-	604,485	604,485	-	-
Foreign Travel on Overseas audit	3,315,498	-	3,315,498	3,315,498	1,572,458	1,572,458
Special Award Scheme of Funeral Expen.	5,105,600	-	5,105,600	5,105,600	1,290,500	1,290,500
Study Tours to labour receiving countries	10,235,862	-	10,235,862	10,235,862	4,407,854	4,407,854
Medical Bill for Migrant Workers	1,225,087	-	1,225,087	1,225,087	4,401,232	4,401,232
Training Of Trainees On SLBFE Activities	-	-	-	-	-	-
Payment of VAT & NBT on account of registration	16,867,594	-	16,867,594	16,867,594	10,962,285	10,962,285
Daru Diriya Programme Expenses	5,299,928	-	5,299,928	5,299,928	12,987,904	12,987,904
Child Protection Uplifting Programme	142,593	-	142,593	142,593	901,000	901,000
Providing bus fair & Refreshment to the	381,380	-	381,380	381,380	502,166	502,166
Mathu Aswanu Udesa Lama Ketha Aswadduma	4,900	-	4,900	4,900	-	-
Medical Camp to the MIG.Workers and their families	31,642	-	31,642	31,642	94,599	94,599
International Migrant Day Expenses	175	-	175	175	8,094,700	8,094,700
Expenses of Rataviru Project	84,577,052	-	84,577,052	84,577,052	37,817,875	37,817,875
PRE DEPARTURE ORIENTATION EXPENSES	185,415	-	185,415	185,415	499,805	499,805
Expenses OF Welfare of Korean Recruitment	190,230	-	190,230	190,230	7,685,900	7,685,900
Sahana piyasa-Mattala	8,236	-	8,236	8,236	-	-
Expenses of the rataviru Magazine	3,190	-	3,190	3,190	-	-
Rataviru Talant star	34,703,406	-	34,703,406	34,703,406	105,174,143	99,781,027
	<b>1,356,295,660</b>	-	<b>1,372,116,594</b>	<b>1,372,116,594</b>	<b>1,282,727,235</b>	<b>1,273,294,305</b>

## 22. Expenditure

The expenses incurred by the Bureau on the Workers Welfare which can not be directly identifiable are apportioned on the following basis for the year 2005 as recommended by Public Enterprises Department of the General Treasury.

### Rate

Salaries & Wages	5%
Overtime	5%
E.P.F. & Wages	5%
Bonus	5%
Traveling & Subsistence	5%
Gratuity	5%
Staff Welfare & Training	5%
Compensation for employees	5%
Printing Stationery & Consumables	5%
Telephone & Postage	5%
Building Rent	5%
Maintenance of Premises	5%
Audit Fees	5%
Water & electricity	5%
Security Charges	5%
Cost of Piece rate Workers	5%
Director fees & Traveling	5%
Consultancy & legal fees	5%
Motor Vehicle running expenses	5%
Leasing of Vehicles	5%
Debit Tax	5%
Economic service Charges	5%
Computer running cost	5%
Maintenance of Equipment	5%
Financial Charges	5%
Newspapers & Periodicals	5%
Provision for Bad Debtors	5%

General Expenses	5%
Loss on Sale of Assets	5%
Advertisements	5%
TV & radio Programme	5%
Awareness Programme	5%

#### Deferred Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as deferred expenditure. Such expenditure is written off over the period, to which it relates, on a straight – line basis.

#### Unsettle Bills

The Payment Vouchers Pertaining to the year 2014 have not been settled due to non availability on proper approvals and various other reasons such as not relevant to the objective of the SLBFE. The relevant services have already been obtained, the liability will arise on these bills The details of the creditors and nature of expenditure are as follows.

Name of the Suppler	Nature of Expenditure	Amount Rs.
Associated news pear of Ceylon ltd.	Advertisements	649,799
Asian media publication	Advertisements	206,727
Express news papers	Advertisements	100,000
Welfare Association Department of Immigration	Advertisements	200,000
Lumbini College CRI	Radio Programmers	250,000
Lak Viru Radio	Radio Programmers	125,000
A.M.Umarath	Rataviru Project	10,335
Athula Kumara	Rataviru Project	60,917
CFC Tanning Center	Rataviru Project	173,600
River side Holiday	Rataviru Project	12,430

Fendly creations	Printing	88,000
Amal Printing	Printing	357,665
Homagama MPCS	Printing	65,250
Sri Lanka Telecom	Telephone Bills	18,986.19
Suresh Kumar	Telephone Bills	10,240
Express Holding Company	Hiring of vehicle	5,043,881
<b>Total</b>		<b>7,372,830</b>

### 23. Transaction with Related Parties

(i) The Sri Lanka Foreign Employment Agency (Pvt)Ltd has claimed a sum of Rs.3,983,000/- as 70% Agency commission from the Bureau during the year 2014.

(ii) The Licensees of the following Foreign Employment Agencies served as a board members of the Sri Lanka Bureau of Foreign Employment in year 2014. The 70% portion of the recruitment fees which has been refunded to them in year 2014 were as follows.

<i>Name of the Director</i>	<i>Agency</i>	<i>Amount Refunded (Rs.)</i>
Mr.B.P.Niyandadupola	Deshakthee Lanka Enterprises (L.L. NO.1534)	7,616,000
Mr.A.R.B.Nihmatdeen	Q.P.Employment (pvt) Ltd (L.L.1316)	18,142,250
Mr.M.M.Mansoor	Fa Enterprises (Pvt)Ltd (L.L.428)	2,723,000
Mr.L.A.R.Perera	Lagodan (Pvt)Ltd	5,061,000
Mr.S.E.D.Rathnayake	Asliya ForeignEmployment Agency	140,000

### 24. Granting of NBT & VAT concession for the Registration Fees to be paid by the Domestic Sector

As per the decision taken by the Board of Directors of the Bureau the action has been taken to grant NBT & VAT concession for the Registration Fees made by the domestic sector Sri Lankan employees those who were left employment through their own channels. During the Year 2014, the SLBFE has incurred a sum of Rs. 16,867,594 as a welfare measure provided by the Bureau.

**25. Other Transactions**

07 nos fixed deposit accounts opened in National Savings Bank for the winners of the VideshaRekiya Lottery winners have not been shown in final accounts.

**Fixed Deposit A/C Nos**

20001-90-14730

20001-90-14985

20001-90-15027

20001-90-15051

20001-90-15078

20001-90-15094

20001-90-15892

**Unidentified debits made to the Bank A/C No.1650**

The values of following two Cheques have been debited to our current No.1650 at Bank of Ceylon, Corporate Branch. Since the above Cheques were stolen and presented to the Bank after making forged signatures.

Cheque No	Date of debited	Value - Rs
239481	11.09.2009	400,000.00
239482	12.10.2009	400,000.00

We have made a complaint to Fraud Investigation Unit at Mirihana Police Station on this matter and investigations are carried out by them. There is a pending court case at Kaduwela M/C on this matter.



**විගණකාධිපති දෙපාර්තමේන්තුව**  
**கணக்காய்வாளர் தலைமை அதிபதியின் திணைக்களம்**  
**Auditor General's Department**



මගේ අංකය  
எனது இல.  
My No. }

YS/G/SLBFE/1/14/04

ඔබේ අංකය  
உமது இல.  
Your No. }

දිනය  
திகதி  
Date }

08 December 2015

The Chairman  
Sri Lanka Bureau of Foreign Employment

Report of the Auditor General on the Consolidated Financial Statement of the Sri Lanka Bureau of Foreign Employment and its Subsidiary Company for the year ended 31 December 2014 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of consolidated financial statements of the Sri Lanka Bureau of Foreign Employment and its Subsidiary Company for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the consolidated comprehensive statement of income, statement of changes in funds and reserves and cash flow statement for the year then ended 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 18(3) of the Sri Lanka Bureau of Foreign Employment, Act, No.21 of 1985. My comments and observations which I consider should be published with the Annual Report of the Bureau in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act, was issued to the Chairman of the Bureau on 11 August 2015.

## 1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Sri Lanka 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.



### 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 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 judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Bureau'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 Bureau'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 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.

### 1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraphs 2.2 and 2.3 of this report.



## 2. Financial Statements

### 2.1 Qualified Opinion

#### 2.1.1 Opinion -Group

In my opinion, except for the effects of the matters described in paragraph 2.2 and 2.3 of this report, the consolidated financial statements give a true and fair view of the financial position of the Sri Lanka Bureau of Foreign Employment and its Subsidiary Company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### 2.1.2 Opinion – Bureau

In my opinion, except for the effects of the matters described in paragraph 2.3 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Bureau of Foreign Employment as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### 2.2 Comments on Financial Statements-Group

The Sri Lanka Foreign Employment Agency (Private) Company Ltd with authorized capital of Rs.100 million had been established on 06 October 1996 by the Cabinet Memorandum No. 96/1019/107/028 dated 18 April 1996 and Rs.5 million out of the issued share capital of Rs.5,000,040 had been obtained as an investment of the Bureau.

The following observations are made in this connection.

- (a) In terms of Section 15 (e) of the Sri Lanka Bureau of Foreign Employment Act, the Sri Lanka Bureau of Foreign Employment had been delegated powers to recruit Sri Lankans who leave for employment outside Sri Lanka and the Subsidiary Company of the Bureau had established a Company solely for the fulfilment of the above objectives under its Article of Association. The need for the establishment of a separate company for the same objective in addition to the Bureau is questionable to the audit.



- (b) No dividend whatsoever had been received from that Subsidiary Company after the year 2009 and a dividend of Rs.3,510,033 was receivable as at 31 December 2014. A dividend had not been declared for the year under review.
- (c) Despite the lack of experience regarding insurance, the Subsidiary Company had been allowed to act as an agency for insuring migrants.
- (d) The Bureau had granted a loan amounting to Rs.20 million to the Company in the year 2012 and it had been settled out of the insurance premiums collected and paid to the Company by the Bureau. According to the request made for another additional loan for the settlement of the taxes in arrears to the Department of Inland Revenue in the year under review, the Bureau had granted a loan amounting to Rs.20 million to the Company on 19 August 2014.

### **2.2.1 Failure to Disclose Transactions with the Related Parties**

The Sri Lanka Foreign Employment Agency had entered into an agreement with a Medical Centre for obtaining medical reports required for the workers who proceed abroad for non-domestic services. Accordingly, the building, furniture and other basic infrastructure facilities required for the maintenance of that centre were provided and 30 per cent of the total gross income of the Medical Centre had been paid to the Agency. The relevant transaction had not been disclosed in the financial statements in accordance with the Sri Lanka Accounting Standard 24.

## **2.3 Comments on Financial Statements- Bureau**

### **2.3.1 Sri Lanka Accounting Standards**

The following observations are made

#### **(a) Sri Lanka Accounting Standard 01**

Although the basic information and the significant accounting policies adopted should be disclosed in the financial statements, an adequate disclosure had not been made in that connection.



**(b) Sri Lanka Accounting Standard 07**

The cash flow statement had not been furnished in accordance with the relevant format. The following matters were observed in connection with the preparation of cash flow statement.

- i In adjusting previous year adjustments to the cash flow statement, a sum of Rs.36,609 had been overstated.
- ii In the adjustment of working capital movements, long term employees loan amounting to Rs.36,735,785 had been taken into consideration.
- iii Although the payment of gratuity amounted Rs.9,711,794 in accordance with the cash flow statement for the year under review, according to the ledger, a sum of Rs. 9,168,874 had been paid in cash. Accordingly, the net cash flow derived from the financial activities had been understated by Rs.542,920.

**(c) Sri Lanka Accounting Standard 08**

Without taking action to restore the financial statement of the preceding year after retrospectively adjusting the corrections of the previous years, corrections amounting to Rs.71,586,550 had been adjusted to the financial statements of the current year.

**(d) Sri Lanka Accounting Standard 12**

Adequate disclosures had not been made on differed tax and income tax.

**(e) Sri Lanka Accounting Standard 16**

In case the expected condition of any asset differs comparatively from the previous estimates, the remaining value, effective life and the methods of depreciation of the assets should be reviewed at the end of the each financial year. Nevertheless, action had not been taken accordingly in respect of the property, plant and equipment valued at Rs.2, 029,472,463.



(f) **Sri Lanka Accounting Standard 19**

In the computation of the profit upon the actuarial estimate during the year under review, payment of gratuity amounting to Rs.9,711,794 had not been taken into consideration.

(g) **Sri Lanka Accounting Standard 20**

The necessary adjustments had not been made on the nature and the amount of the grants amounting to Rs.777,591 shown in the financial statement as at 31 December 2014 under the differed foreign aid and grants.

(h) **Sri Lanka Accounting Standard 36**

In case the assets show an impairment position during a specified period, the book value and the market value of such assets should be compared and if the book value is less than the market value, such difference should be written off. But it had not been so done.

(i) **Sri Lanka Accounting Standard 38**

Adequate disclosures had not been made on intangible assets.

(j) **Sri Lanka Accounting Standard 39**

The value of the investments should be shown at the amortized value in the financial statement, whereas action had not been accordingly on the investments amounting to Rs.8, 559,105,769.

**2.3.2 Accounting Deficiencies**

The following observations are made

- (a) Fixed deposit interest income of Rs.3,899,535 relating to the year under review had been understated.
- (b) The adjustments required to be made on the financial fraud of 29,295 Emirates Dirham (Approximately Rs.1,058,276) committed at the Workers Welfare Division of the Sri Lanka Mission in Abudhabi, had not been effected in the financial statements.



### 2.3.3 Unreconciled Control Accounts

According to the financial statements and the schedules furnished therewith differences in 05 assets accounts and 02 liabilities accounts amounting to Rs.8,108,532 and Rs.2,534,377 respectively were observed. Action had not been taken to identify and settle such differences.

### 2.3.4 Unexplained Differences

The following matters were observed.

- (a) The Kuwait Compensation Fund payable as at the end of the year under review amounted to Rs.2,975,504,815, whereas the value of the assets relating to that amounted to Rs.2,829,570,793. Accordingly, a difference of Rs.145,934,022 between the Fund and the assets was observed.
- (b) Although the cash balance of the Welfare Divisions maintained in the Sri Lankan Missions Abroad according to the financial statements amounted to Rs.81,987,794, the balance according to the cash books attested by the Missions amounted to Rs.84,728,193. Although this difference had occurred in the course of copying journal entries, action had not been taken to rectify it.

### 2.3.5 Lack of Evidence for Audit

Schedules and supporting documents for the examination of 06 balances amounting to Rs.150,219,284 had not been furnished to audit.

### 2.4 Accounts Receivable and Payable

The following matters were observed.

- (a) Out of the Labour Contract Agreement Fees collected by the Welfare Divisions of the Foreign Missions from the year 2003 up to the end of the year under review and remitted to the Bureau through the General Treasury, a sum of Rs.1,185,548,646 further remained receivable from the General Treasury.



- (b) Action had not been taken to settle the refundable bid deposits amounting to Rs.583,680 older than two years as at the end of the year under review .
- (c) Action had not been taken even by June 2015 to recover a sum of Rs.368,750 that remained recoverable as at the end of the year under review from 144 Foreign Employment Agencies.
- (d) The licence fees amounting to Rs.4,930,000 paid by Foreign Employment Agencies for applying for the registration during the period 2008-2013 had been taken to income on the approval of the Board of Directors instead of taking action to refund the money.
- (e) Action had not been taken to settle the balance of Rs.18,350,000 that remained refundable to the Korean migrants by the Sri Lanka Foreign Employment Agency from June 2006 to January 2007
- (f) No follow up action whatsoever had been taken on the deposits of Rs.1,210,968 that remained receivable by the Bureau according to the Consolidated Balance Sheet.
- (g) The Agency had deposited a sum totalling Rs.19,886,101 over a period of 6 years up to the end of the year under review for the settlement of migrants' disputes/ complaints of the migrants and action had not been taken to settle those balances even by June 2015.
- (h) The Bureau had not taken action to pay a sum of Rs.3,455,474 out of the sum received from the insurers as insurance indemnity from the year 2009 to the year 2013 to the migrants concerned.



## 2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
-----	-----
<p>(a) Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985 Section 15</p>	<p>A sum of Rs.134,484,433 had been spent during the year 2013 and the years under review on a project not included in the objectives.</p>
<p>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</p> <p>(i) Financial Regulation 371(2)</p>	<p>Even though ad-hoc sub imprests should be settled immediately after the completion of the relevant purpose, an unsettled balance of Rs.3,698,704 existed by the end of the year under review and a sum of Rs.1,999,500 out of that had not been settled even by 28 February 2015.</p>
<p>(ii) Financial Regulation 395(d)</p>	<p>The Bank Reconciliation Statements of the Bureau and the Labour Welfare Divisions of the Bureau maintained in Sri Lanka Foreign Missions had not been prepared and furnished before the fifteenth day of the month following.</p>



- (iii) Financial Regulation 757
- (i) Boards of Survey of 12 Labourer Welfare Divisions of the Bureau maintained in Sri Lanka Missions Abroad , Training Centres and Regional Offices of the Bureau had not been conducted and furnished the reports thereon to audit as at the end of the year under review.
- (ii) Action had not been taken even by 31 March 2015 to dispose of 521 units of unserviceable inventory items that existed in the Training Centres.
- (c) Public Administration Circular No. 41/90 of 10 October 1990  
Paragraph 2.11
- Even though 51 motor vehicles had been deployed for the use of the Bureau during the year under review, fuel consumption of those motor vehicles had not been tested once in 06 months.
- (d) Paragraph 04 of the Public Administration Circular No. 02/99 of 26 February 1999
- The Bureau had purchased 101 mobile phones valued at Rs.854,611 during the years 2013, 2014 and up to February 2015 for the officers of the Bureau without the recommendation of the Secretary to the Line Ministry.
- (e) Public Enterprises Circular No.PED/12 dated 02 June 2003.  
Section 9.3.1. (viii)
- Even though the vacancies occurring in managerial levels should be filled according to a succession plan, due to the absence such a plan, the Bureau had failed to appoint permanent officers to the posts that had become vacant.



## Section 8.3.9

Notwithstanding the instructions given to the effect that, no expenditure of the Line Ministry or other public institutions should be incurred by the Public Enterprises, mobile phone charges amounting to Rs.88,790 of 04 officers employed in the Ministry had been settled.

- (f) Sub-section (iii) of Paragraph 06 of the Public Enterprises Circular No.PED/57 dated 11 February 2011.

The Bureau had paid financial sponsorship of Rs.1,000,000 for a musical workshop while a sum of Rs.1,000,000 had been donated to the Past Pupils' Association of a college without prior approval of the Minister of Finance.

- (g) Procurement Guidelines 2006  
Section 5.4.12

Even though the particulars of payments made to cover the Value Added Tax should be brought to the notice of the Commissioner General of Inland Revenue with copy to the Auditor General on or before the fifteenth day of the month following the payments, it had not been so done.

- (h) Procurement Manual Supplement No.  
19

Even though the approval of the Secretary to the Line Ministry for the repairs costing over Rs.200,000 should be obtained, the relevant approval had not been obtained in connection with 06 instances of repairs of the year under review costing Rs.1,536,646.



- (i) Circular No.PF/FS/05 (iii) dated 01 September 2010 of the Secretary to the Treasury  
Paragraph 3.3

Even though the cost of purchase of accessories required for the supply of Internet facilities should be borne by the officers personally, dongles for 66 officers of the Bureau had been purchased with the funds of the Bureau.

- Paragraph 2.3.2 (ii)

Even though instructions had been issued that the numbers of the mobile phones, the bills of which are settled by the Government should be included in the Internal Directory of the institution, only the mobile phone numbers of the staff officers of the Bureau had been included in the Telephone Directory.

- (j) Cabinet Paper No.04/0427/020/002 and the Cabinet Decision dated 12 May 2004

According to the test check, a sum of Rs.30,909,020 had been paid to a Non-Governmental media institutions in respect of publicity and promotional activities during the year under review contrary to the Cabinet decision.

- (k) Letter No.PRE/2015/43 dated 22 i November 2014 of the Commissioner of Elections.  
Paragraph No.05(ii)

One hundred and sixteen officers of the Bureau had been attached to the Badulla Provincial Office for the implementation of Rataviru Organizations Empowerment



Programmes in Badulla and Monaragala Districts from 01 December 2014 to 31 January 2015 and provided with 10 motor vehicles on hired basis, and contrary to the letter of the Commissioner of Election and a sum of Rs.9,439,935 comprising Rs.4,314,111 and Rs.5,125,824 as salaries and allowances of the officers and the vehicle rentals respectively had been paid in respect of that period.

- ii Contrary to the Circular, the Welfare Division of the Bureau had, jointly with the Department of Divineguma Development, forwarded housing loan applications of 43 Rataviru persons to the Assistant Commissioner of Samurdhi in Colombo District in 02 instances during the period of Presidential Election.

Paragraph 07 (i)

Contrary to the provisions in the Circular, 13 persons had been recruited to the Bureau on contract basis during the period in which nominations for the Presidential election had been called.

## 2.6 Transactions not supported by Adequate Authority

A post of Welfare Officer for the Labour Welfare Division of Sri Lankan Mission in Japan had not been approved and salaries and allowances totalling Rs.10,521,835 had been paid from the years 2012 to 2014 for a post not approved.



### 3. Financial Review

#### 3.1 Financial Results

The operations of the Bureau and its Subsidiary Company for the year under review had resulted in a pre-tax surplus of Rs.459,974,615 as compared with the corresponding surplus for the preceding year amounting to Rs. 326,198,141, thus indicating an improvement of Rs.133,776,474 or 41 per cent in the financial result for the year under review. The increase in the income had been the main reason for this improvement.

#### 3.2 Legal Actions Instituted Against or/ by the Bureau

Fifteen cases had been filed against the Bureau by external parties and the officers of the Bureau as at the end of the year under review and the value identified by the Bureau as a liability relating to 04 cases amounted to Rs.1,348,596. Nevertheless, it had not been disclosed in the financial statements.

### 4. Operating Review

#### 4.1 Performance

The following matters were observed.

- (a) According to the Action Plan of the Bureau, the financial progress of 07 project had ranged between 46 per cent to 94 per cent and the Bureau had not implemented 08 projects. Further, the increase in the actual expenditure as against the expected estimated expenditure of 05 projects had ranged between 82 per cent to 170 per cent.
- (b) The expenditure of the Welfare Division in the Sri Lankan Mission Abroad for the year under review is analyzed below.



<u>Type of Expenditure</u>	<u>Amount</u>	<u>Percentage</u>
	Rs.	
Direct expenditure of the staff of the Sri Lankan Missions Abroad.	419,300,801	57.63
Direct expenditure incurred on the migrants.	232,978,562	32.02
other welfare activities of the staff.	<u>75,281,190</u>	<u>10.35</u>
	<u>727,560,553</u>	<u>100.00</u>

The entire Labourers Welfare Divisions in the Sri Lankan Mission Abroad had incurred a low expenditure of about 32 per cent on the welfare activities of its migrant employees and it was observed that, the number of unsettled complains stood at 7,556 while the number of detainees in the security homes stood at 431 and the number of persons died had been 315 and the number of persons in prisons, in police custody and the persons hospitalized had been 75 by the end of the year under review. Accordingly, it was observed that the contribution made by the Bureau with regard to the issues of the migrant community was at a minimal level.

- (c) An imprest of Rs.6,342,582 had been issued to the Welfare Division of Sri Lankan Mission in Japan during the year under review and out of which, a sum of Rs.5,385,002 had been spent. It had been spent as a sum of Rs.5,098,056 for the staff of the Bureau and a sum of Rs.286,946 for the welfare of the workers. Accordingly, the expenditure incurred for the welfare of the migrant workers had ranged between 4 per cent to 6 per cent and the number of registered workers who proceeded Japan from the year 2012 up to the year under review was 337 while the number of complaints was 30.

#### 4.2 Management Inefficiencies

The following matters were observed.

- (a) According to the internal audit reports, the financial control of the Labourer Welfare Division of Sri Lankan Missions in Abudabi and Lebanon had been at a weak level and the utilization of physical assets and the performance were not up to the adequate level.



- (b) Loan amounting to Rs.2,352,771 granted to 31 officers had been outstanding from 11 months to 110 months.
- (c) A sum of Rs.3,757,661 had been paid as economic service charge during the year under review and it had been identified as an expenditure of the year. However, that payment had not been identified as a decrease of a tax liability in the computation of the Income Tax.

### 3 Operating Inefficiencies

The following matters were observed.

- (a) Although Sri Lanka Foreign Employment Agency had received insurance indemnity for a sum of Rs.2,065,000 payable to 10 migrant workers in the year 2013, the Bureau had not taken a proper step to pay that money to the migrant workers concerned.
- (b) Out of the funds received from the United Nations Compensations Commission for the payment of compensation to the Sri Lankans employed in Kuwait who were victimized to hazards during the invasion of Kuwait by Iraq in the year 1990, the Bureau had not implemented a proper programme to pay the balance sum of Rs.2,975,504,815 to the workers concerned.
- (c) The Bureau had paid a sum of Rs.20 million to the State Resources Management Corporation Ltd. for the purchase of a land belonging to the Kahagolla Engineering Service Company Limited valued at Rs.95 million on the basis of 99 years lease. In terms of the Decision No.10/2013 (M-01) dated 17 January 2013 of the Board of Directors, it had been informed that the freehold tenure of the buildings and the land be obtained on the payment of Rs.20 million. But action had not been taken to obtain freehold tenure.
- (d) The Provident Fund Scheme maintained by the Bureau on behalf of the migrant workers is dormant at present and the Bureau had not taken to release contributions of Rs.6,572,054 of 1620 migrants that had been retained by the Bureau as at the end of the year under review.



#### 4.4 Payments Contrary to the Objective

The Bureau had spent a sum of Rs.84,527,351 for the Rataviru Project by the end of the year under review and the following observations are made in this connection.

- (a) During the period from April to December in which the election was held, the expenditure had increased by Rs.17,731,248 and Rs.17,148,865 or 151.7 per cent and 143 per cent respectively and the expenditure had increased by 46 per cent and 43 per cent in relation to the average expenditure during May and November. A sum of Rs.10,800,750 or 13 per cent out of the total expenditure relating to 10 vouchers had been incurred on the publicity that was not relevant to the project and the General Manager (Promotion and Foreign Relations) had informed that he was unaware of that matter.
- (b) A sum of Rs.6,014,450 had been paid deviating from the tender procedure to print posters, exhibition boards and banners for the Rataviru Bakmaha Ulela programme. Out of that posters valued at Rs.1,399,975 had been printed and distributed before the grant of the approval of the Chairman of the Bureau. Further, without calling for quotations, private media institution had been selected for its live telecast and a payment amounting to Rs.1,399,975 had been made in that respect.
- (c) Even though the Board of Directors had approved a cost estimate of Rs. 4,844,000 for the implementation of the Rataviru Empowerment Programme in the Matara District, 1600 umbrellas and T-shirts valued at Rs.2,048,850, which had not been included in the estimate, had been purchased and distributed. But, the particulars on their distribution had not been made available to audit. Further, umbrellas and T-shirts had been distributed in that area on 08 April 2014 that was close to the conduct of the Southern Provincial Council Election and it was observed in audit that the relevant payment was contrary to the objectives of the Bureau.



#### 4.5 Transactions of Contentious Nature

The following observations are made.

- (a) Although expenditure of Rs.5,301,873 of the Bureau relating to the year under review had been brought to account, the cheques relating to those transactions had not been handed over as the transactions were of contentious nature.
- (b) Expenditure amounting to Rs.4,667,368 pertaining to the year under review was applicable to the period during which affairs had been limited according to the Circular of the Commissioner of Election and therefore, the payments had not been made.
- (c) Even though an officer appointed as a Consultant to the Welfare Division of Sri Lankan Mission in Lebanon on contract basis was entitled to a transport allowance of USD 350 in terms of the letter of appointment, a vehicle rental charges of USD 2,793.32 had been reimbursed in addition. Further, arrangements have been made to provide accommodation facilities to the above officer and his family members in a hotel for maximum of 14 days without calling for quotations and due to obtaining accommodation in the hotel for additional 14 days, USD 2,450 had been paid in excess. Despite being agreed to provide a house at a monthly rental of USD1,500 in terms of the Letter of the former officer in charge of the Labour Division dated 10 February 2014, accommodations had been obtained in a hotel for additional 14 days. The payment of USD 5,050 for the supply of this accommodation facilities had been made by a cheque, whereas according to the receipts produced by the hotel, it had been certified that money had been received in Lebanon Pounds.

#### 4.6 Apparent Irregularities

The following observations are made.

- (a) One hundred and seventy five dongles valued at Rs.479,000 had been purchased to award as presents to the media personnel who participated in 02 workshops conducted for educating the media personnel which was not an objective of the Bureau.



- (b) A sum totalling Rs.7,406,304 comprising Rs.2,854,000 for the supply of food for 5200 participants. Rs.3,627,000 for the purchase of T-shirts and caps and Rs.925,304 for the purchase of 3000 Gas Balloons and 30 banners had been paid to a private institution in connection with the Foreign Employment Awareness Walk scheduled for 27 and 29 April 2014 in Gampaha and Colombo. An approved programme for this purpose and approval of the Board of Directors as well had not been obtained. Further, proper procurement guidelines had also not been followed. Moreover, the documents produced relating to the above payments could not be accepted and as the purchases had not been properly made through the stores of the Bureau, there was no evidence to establish the receipt of those goods to the stores.
- (c) Although a sum of Rs.1,713,600 had been paid to the Selacine Institute in respect of conducting a publicity programme for educating the foreign employment seekers in Hambantota district on 09 May 2014, no supporting document whatsoever had been furnished to audit to confirm the conduct of a programme of this nature.
- (d) A sum of Rs.12,612,500 exceeding the limits of the financial authority of the Chairman had been approved in respect of the expenditure of the foundation stone laying ceremony of the Migrants Resources Centre at Haliela. Although it had been stated that a sum of Rs.9,157,060 had been spent, a sum of Rs.8,048,648 out of that had not been utilized for the above purpose.
- (e) The total value of the supply contract amounting to Rs.16,550,100 for the distribution of school books and equipment to 11,000 school students of selected 9375 Rataviru families in the Northern, Eastern, Sabaragauwa and Central Provinces for the celebration of Migrants' Day had been divided and implemented under 04 procurement activates in respect of 04 provinces. It was accordingly observed that the above contract had deviated from the Ministry procurement process.



- (f) A sum of Rs.1,000.000 had been paid by a Bank Draft to the officer in charge of the Migrants Resources Centre, Batdulla to provide relief to Rataviru families who were rendered destitute by the landslide at Koslanda, Meeriyabedda area without the prior approval of the Board of Directors.
- (g) It had been disclosed at the examination carried out by the Internal Audit Division that the funds of the Bureau had been misappropriated based on the false information made through the journal voucher submitted for the settlement of the advance amounting to Rs.1,985,100 obtained for the Risks and Capacity Census and Workshop of the Colombo District. Further, this expenditure had been incurred during the course of Presidential Election contrary to Paragraph 05 (i) of the Letter No.PRE/2015/43 dated 22 November 2014 of the Commissioner of Elections.

#### 4.7 Underutilized Assets

The following observations are made

- (a) The Equipment valued at Rs.492,796 purchased in the year 2009 for the sewerage system costing Rs.60,831,694 installed in the year 2004 had been kept unsecured in the store without being utilized.
- (b) Five motor vehicles purchased in the years 1999 and 2009 remained idle while 02 motor vehicles purchased in the year 2009 remained underutilized.

#### 4.8 Uneconomic Transactions

The following observations are made.

- (a) The Bureau had obtained a building of which construction work had not been completed for a monthly rent of Rs.300,000 for Galle District Training Centre. On completion of the construction, the lessor had increased the monthly rental up to the Government assessed value of Rs.400,000 and the Bureau had taken action to increase the monthly rental surpassing the decision agreed at the procurement process.



- (b) Despite the availability of an Information Technology Unit with a Information Technology Consultant and 24 officers, a sum of Rs.780,000 had been paid to a private institution for the redevelopment of the website of the Bureau without calling of competitive bids.
- (c) A sum of Rs.27,545,985 spent in the year under review for the Rataviru Talents Star Project was observed in audit as an uneconomic expenditure due to the abandonment of the relevant project.
- (d) The Technical Evaluation Committee had not paid attention to the relevant matters in connection with the lease of a building for the office premises for processing of agreements and as such the Bureau had to pay rentals of Rs.2,625,000 and Rs.1,926,000 respectively for the period from December 2014 to 13 March 2015 for two buildings.

#### 4.9 Identified Losses

The following matters were observed.

- (a) Action had not been taken to deduct the input tax amounting to Rs.23,430,210 included in the sum of Rs.218,681,760 paid as the insurance premiums to the National Insurance Trust Fund and the Sri Lanka Foreign Employment Agency relating to the years 2011 and 2012 and the Value Added Tax amounting to Rs.5,635,915 included in the mobilization advance of Rs.58,549,800 paid for the construction of Migrant Training Centre at Tangalle as input tax. As a result, the Bureau had incurred a loss of Rs.29,066,125.
- (b) The sum of Emirates Dirham 29,295 (Approximately Rs.1,058,276) collected during 03 to 09 June 2014 by the clerk attached to the Labour Welfare Division of Sri Lankan Mission in Abudabi had not been promptly banked in terms of Financial Regulation 187(3) and the existence of a cash shortage in the Welfare Division by that amount had not been subjected to a proper investigation by the Bureau and the officer concerned had been released from the service of the Bureau.



#### 4.10 Resources of the Bureau given to other Government Institutions

The following matters were observed.

- (a) Four motor vehicles belonging to the Bureau and obtained on hire basis had been given to the relevant Ministry and other Government Institutions contrary to Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003. The Bureau had spent a sum of Rs.4,126,716 in the year under review in that respect.
- (b) Ten officers of the Bureau had been deployed in the services of the Ministry and other Institutions of the Government and sums of Rs.5,425,814 and Rs.5,637,205 had been paid as salaries and allowances during the years 2013 and 2014 respectively.

#### 4.11 Staff Administration

The particulars of the staff of the Bureau as at 31 December 2014 had been as follows.

- (a) Even though a permanent staff of 1216 under 22 posts of the Bureau had been approved as at 31 December 2014, the actual permanent staff had been 1116 and 100 vacancies were observed. Without taking action to fill the vacancies in the approved cadre, 70 and 21 officers on contact and secondment basis respectively had been deployed.
- (b) One hundred and sixty seven officers had been recruited on contract basis for 08 unapproved posts and a sum of Rs.60,188,791 had been paid as their salaries and allowances during the year 2014.



## 5. Accountability and Good Governance

### 5.1 Corporate Plan

Even though the Bureau had prepared a Corporate Plan for the years 2011 to 2015, in terms of Section 5:1:2 of the Public Enterprise Circular No. PED/12 of 02 June 2003 as amended by the Circular No. PED/47 dated 18 December 2007, an evaluation of the progress of the achievement of targets in the Corporate Plan by the end of each year, activities not implemented and slow moving had not been carried out and a report on future action had not been prepared and that matters had not been brought to the notice of the Board of Directors.

### 5.2 Procurement Plan

The following matters were observed.

- (a) Even though the Board of Directors had approved Rs.20 million for the purchase of T-shirts and Jackets for the migrants who participated in the South Korean Employment Promotion Programmes during the period from September 2013 to September 2014, a total cost estimate according to Paragraph 4.3 of the Procurement Guidelines had not been prepared. Further, the limit allowed for the adoption of the Shopping Method in terms of the Procurement Supplementary Manual 28 and the Procurement Directive 2.14.1 dated 04 July 2014 was Rs.5 million and that method had been adopted for the above purchase amounting to Rs.6,840,000. Further, due to the failure to examine the prequalification of the bidders in terms of the Paragraph 3.12 of the Procurement Guidelines, the bidder had failed to supply the order of the Jackets.
- (b) Notwithstanding the preparation of a specification of sarees at a cost of Rs.20,563 by the Bureau for the purchase of sarees for the uniforms of the officers, deviating from that, the Procurement Committee of the Department had awarded the said contract to the Rataviru Entrepreneurship and Development Co-operative Society in the Badulla District contrary to the Paragraph 3.12 of the Procurement Guidelines. Accordingly, sarees with



another specification had been purchased in place of the originally prepared specification and that expenditure had been fruitless. As a result of changing specification, a sum of Rs.1,279,200 had been overpaid for the purchase of sarees.

- (c) A sum of Rs.38,306,628 had been paid contrary to the Procurement Supplementary Manual 21 and Guideline 3.4 dated 23 February 2012 for providing food and beverages to the Korean Residential Trainees from March 2013 to March 2014.
- (d) Two cheques amounting to Rs.400,000 obtained by placing forged signatures in September 2009 had been shown as unidentified debit balances and immediate action had not been taken on that fraud.
- (e) In dispatching workers to Korea in the years 2007 and 2008, air tickets purchased for 62 workers who did not proceed abroad had not been handed over to them. Nevertheless, the Bureau had not taken proper action forthwith in respect of the resultant financial loss of Rs.2,264,660.
- (f) The approval of the Cabinet of Ministers had been received to set up Migrant Training Centres cover all the districts. Accordingly, a sum of Rs. 50,372,816 had been spent for the construction of Migrant Resources Centres at Kataragama, Homagama, Kahagolla and Dambulla during the period from the year 2007 to 2010. Nevertheless, the work of those construction projects had not been completed up to the end of the year under review.



## 6. Systems and Controls

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

- (a) Accounting
- (b) Procurement Process
- (c) Motor Vehicles Control
- (d) Income Generated and Services Supplied through Sri Lanka Foreign Missions
- (e) Activities of Foreign Employment Agencies
- (f) Utilization of Assets

H.M.Gamini Wijesinghe

Auditor General

Comments and observation of the Sri Lanka Bureau of Foreign Employment on the report of the Auditor General on the Financial Statements of the Sri Lanka Bureau of Foreign Employment for the year ended 31 December 2014 in terms of section 14(2)(C) of the Finance Act No. 38 of 1971.

Auditor General's Report	SLBFE Comments
<p><b>2. Financial Statements</b> -----</p> <p><b>2:1 Qualified Opinion</b> -----</p> <p><b>2.1.1 Opinion –Group</b> -----</p> <p>In my opinion, except for the effects of the matters described in paragraph 2.2 and 2.3 of this report, the consolidated financial statements give a true and fair view of the financial position of the Sri Lanka Bureau of Foreign Employment and its subsidiary company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.</p> <p><b>2.1.2 Opinion – Bureau</b> -----</p> <p>In my opinion, except for the effects of the matters described in paragraph 2.3 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Bureau of Foreign Employment as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.</p> <p><b>2.2 Comments on Financial Statements – Group</b> -----</p> <p>The Sri Lanka Foreign Employment Agency (Private) Company Ltd with authorized capital of Rs.100 million had been established on 06 October 1996 by the Cabinet Memorandum No. 96/1019/107/028 dated 18 April 1996 and Rs.5 million out of the issued share capital of Rs.5,00,040 had been obtained as an investment of the Bureau.</p> <p>The following observations are made in this connection.</p>	

<p><b>(a)</b> In terms of Section 15 (e) of the Sri Lanka Bureau of Foreign Employment Act, the Sri Lanka Bureau of Foreign Employment had been delegated powers to recruit Sri Lankans who leave for employment outside Sri Lanka and the Subsidiary Company of the Bureau had established a Company solely for the fulfillment of the above objectives under its Article of Association. The need for the establishment of a separate company for the same objective in addition to the Bureau is questionable to the audit.</p> <p><b>(b)</b> No dividend whatsoever had been received from that Subsidiary Company after the year 2009 and a dividend of Rs.3,510,033 was receivable as at 31<sup>st</sup> December 2014. A dividend had not been declared for the year under review.</p> <p><b>(c)</b> Despite the lack of experience regarding insurance, the Subsidiary Company had been allowed to act as an agency for insuring migrants.</p> <p><b>(d)</b> The Bureau had granted a loan amounting to Rs.20 million to the Company in the year 2012 and it had been settled out of the insurance premiums collected and paid to the Company by the Bureau. According to the request made for another additional loan for the settlement of the taxes in arrears to the Department of Inland Revenue in the year under review, the Bureau had granted a loan amounting to Rs.20 million to the Company on 19 August 2014.</p> <p><b>2.2.1 Failure to Disclose Transactions with the Related Parties</b> -----</p> <p>The Sri Lanka Foreign Employment Agency had entered into an agreement with a Medical Centre for obtaining medical reports required for the workers who proceed abroad for non-domestic services. Accordingly, the building, furniture and other basic infrastructure facilities required for the maintenance of that centre were provided and 30 per cent of the total gross income of the Medical Centre had been paid to the Agency. The relevant transaction had not been disclosed in the financial statements in accordance with the Sri Lanka Accounting Standard 24.</p>	<p>Sri Lanka Foreign Employment Agency (Private) Ltd was incorporated, under registration No NV22504/mixed/96/5 with the Registrar of Companies, on a Cabinet approval Memorandum No.96/1019/107/028 dated 18th April 1996. It was in accordance with the legal provisions.</p> <p>In the year 2016, Approval of the Board of Directors of SLBFE was granted to retain the profit with the Subsidiary company for the development of it without paying it to the Bureau.</p> <p>This practice has been discontinued since 30<sup>th</sup> March 2015. This insurance for migrant workers is now handled by the SLBFE.</p> <p>Non payment of taxes would have lead to huge amount of penalty. Upon the request of Secretary to the Ministry of Foreign Employment ,with the approval of the Board of Directors, A additional Rs. 20Million Loan was granted to the Subsidiary company to settle the tax liability charging 5%(p.a)Interest for the loan. Board approval was obtained for the recovery plan within 36 months with interest. Recovery is in progress.</p> <p>Actions have been taken to present the relevant disclosures in this regard in the financial statements of year 2015.</p>
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<p><b>2.3 Comments on Financial Statements- Bureau</b></p> <hr/> <p><b>2.3.1 Sri Lanka Accounting Standards</b></p> <hr/> <p>The following observations are made.</p> <p><b>(a) Sri Lanka Accounting Standard 01</b></p> <hr/> <p>Although the basic information and the significant accounting policies adopted should be disclosed in the financial statements, an adequate disclosure had not been made in that connection.</p> <p><b>(b) Sri Lanka Accounting Standard 07</b></p> <hr/> <p>The cash flow statement had not been furnished in accordance with the relevant format. The following matters were observed in connection with the preparation of cash flow statement.</p> <p>i In adjusting previous year adjustments to the cash flow statement a sum of Rs.36,609 had been overstated.</p> <p>ii In the adjustment of working capital movements, long term employees loan amounting to Rs.36,735,785 had been taken into consideration.</p> <p>iii Although the payment of gratuity amounted Rs.9,711,794 in accordance with the cash flow statement for the year under review, according to the ledger, a sum of Rs.9,168,874 had been paid in cash. Accordingly, the net cash flow derived from the financial activities had been understated by Rs.542,920.</p> <p><b>(C) Sri Lanka Accounting Standard 08</b></p> <hr/> <p>Without taking action to restore the financial statement of the preceding year after retrospectively adjusting the corrections of the previous years, corrections amounting to Rs.71,586,550 had been adjusted to the financial statements of the current year.</p>	<p>Action has been taken to rectify it by amending the reporting format of the financial statements of the year 2016.</p> <p>Relevant adjustments were made in the financial statements of the year 2015.</p> <p>Relevant adjustments were made in the financial statements of the year 2015.</p> <p>Relevant adjustments were made in the financial statements of the year 2015.</p> <p>Relevant adjustments were made in the financial statements of the year 2015.</p>
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**Sri Lanka Accounting Standard 12**

- (d) Adequate disclosures had not been made on differed tax and income tax.

The required adjustments would be made in the financial statements of year 2016.

(e) **Sri Lanka Accounting Standard 16**

In case the expected condition of any asset differs comparatively from the previous estimates, the remaining value, effective life and the methods of depreciation of the assets should be reviewed at the end of the each financial year. Nevertheless, action had not been taken accordingly in respect of the property, plant and equipment valued at Rs.2,029,472,463.

Necessary corrective measures are being taken. Financial Statements in compliance with the relevant standard will be presented in the year 2016.

(f) **Sri Lanka Accounting Standard 19**

In the computation of the profit upon the actuarial estimate during the year under review, payment of gratuity amounting to Rs.9,711,794 had not been taken into consideration.

Gratuity provision was made on projected unit credit method as per the SLAS 19 and payment of Rs.9,711,794 has been considered in revised financial statements.

(g) **Sri Lanka Accounting Standard 20**

The necessary adjustments had not been made on the nature and the amount of the grants amounting to Rs.777,591 shown in the financial statement as at 31 December 2014 under the deferred foreign aid and grants.

This was disclosed under the deferred foreign aid & grants in the form of depreciable assets received from various Local and International Organizations. Required adjustments in this regard were made in the financial statements in the year 2015.

(h) **Sri Lanka Accounting Standard 36**

In case the assets show an impairment position during a specified period, the book value and the market value of such assets should be compared and if the book value is less than the market value, such difference should be written off. But it had not been so done.

The required adjustments would be made in the financial statements of the year 2016 after analysis.

(i) **Sri Lanka Accounting Standard 38**

Adequate disclosures had not been made on intangible assets.

This asset has been shown as intangible assets in the revised financial statements.

<p><b>(j) Sri Lanka Accounting Standard 39</b> -----</p> <p>The value of the investments should be shown at the amortized value in the financial statement whereas action had not been accordingly on the investments amounting to Rs.8,559,105,769.</p> <p><b>2.3.2 Accounting Deficiencies</b> -----</p> <p>The following observations are made.</p> <p>(a) Fixed Deposit interest income of Rs.3,899,535 relating to the year under review had been understated.</p> <p>(b) The adjustments required to be made on the financial fraud of 29,295 Emirates Dirham (Approximately Rs.1,058,276) committed at the Workers Welfare Division of the Sri Lanka Mission in Abudhabi, had not been effected in the financial statements.</p> <p><b>2.3.3 Un reconciled Control Accounts</b> -----</p> <p>According to the financial statements and the schedules furnished therewith differences in 05 assets accounts and 02 liabilities accounts amounting to Rs.8,108,532 and Rs.2,534,377 respectively were observed. Action had not been taken to identify and settle such differences.</p> <p><b>2.3.4 Unexplained Differences</b> -----</p> <p>The following matters were observed.</p> <p>(a) The Kuwait Compensation Fund payable as at the end of the year under review amounted to Rs.2,975,504,815 whereas the value of the assets relating to that amounted to Rs.2,829,570,793. Accordingly, a difference of Rs.145,934,022 between the Fund and the assets was observed.</p>	<p>The required adjustments would be made in the financial statements of the year 2016.</p> <p>Action has been taken to rectify fixed deposit interest income in the financial statements of the year 2015.</p> <p>This Financial Fraud was disclosed in the notes to the revised financial statements of 2014 and the necessary adjustments were made in the financial statements of the year 2015 accordingly.</p> <p>Assistance of Chartered Accountancy firm was obtained to prepare the required reconciliations in this regard. Necessary adjustments will be completed in the year 2016 as per their recommendations.</p> <p>The reason for difference was due to, non investment of the exact interest income received, under the same investment asset category. However, it was found that above funds have been invested in other investments.</p>
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<p>(e) Action had not been taken to settle the balance of Rs.18,350,000 that remained refundable to the Korean migrants by the Sri Lanka Foreign Employment Agency from June 2006 to January 2007.</p> <p>(f) No follow up action whatsoever had been taken on the deposits of Rs.1,210,968 that remained receivable by the Bureau according to the Consolidated Balance Sheet.</p> <p>(g) The Agency had deposited a sum totaling Rs.19,886,101 over a period of 6 years up to the end of the year under review for the settlement of migrants disputes/complaints of the migrants and action had not been taken to settle those balances even by June 2015.</p> <p>(h) The Bureau had not taken action to pay a sum of Rs.3,455,474 out of the sum received from the insurers as insurance indemnity from the year 2009 to the year 2013 to the migrants concerned.</p> <p><b>2.5 Non-Compliance with Laws, Rules, Regulations and Management Decisions.</b></p> <p>-----</p> <p>The following non-compliances were observed.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Reference to Laws, Rules, Regulations and Management Decisions</th> <th style="text-align: left; border-bottom: 1px solid black;">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>(a) Sri Lanka Bureau of Foreign Employment Act No.21 of 1985 Section 15</p> </td> <td style="vertical-align: top;"> <p>A sum of Rs.134,484,433 had been spent during the year 2013 and the years under review on a project not included in the objectives.</p> </td> </tr> </tbody> </table>	Reference to Laws, Rules, Regulations and Management Decisions	Non-Compliance	<p>(a) Sri Lanka Bureau of Foreign Employment Act No.21 of 1985 Section 15</p>	<p>A sum of Rs.134,484,433 had been spent during the year 2013 and the years under review on a project not included in the objectives.</p>	<p>At present, SLFEA settles all the claims received during the same month. It seems that those migrants had not returned to Sri Lanka or still stay in Korea illegally. As such they did not make the claims. However, arrangements have been made to settle the claims referred to SLFEA without any delay.</p> <p>Actions will be taken in this regard to recover amounts from the respective institutions.</p> <p>Rs.6,564,979/- remaining unsettled balance from the above amount as at 31<sup>st</sup> December 2015. Settlements have been delayed due to incompleteness of the necessary source documents.</p> <p>Rs.1,001,735/- remaining unsettled balance from the above amount as at 31<sup>st</sup> December 2015. Settlements have been delayed due to incompleteness of the necessary source documents.</p> <p>According to the section 14.1 of the SLBFE Act the Minister in charge of Foreign Employment can give written instructions to the SLBFE to carry out specific duties. Accordingly, Rataviru Talent Star programme was initiated as per the instructions of the previous Minister and the approval of the Board of Directors. Presently, this programme is not in operation.</p>
Reference to Laws, Rules, Regulations and Management Decisions	Non-Compliance				
<p>(a) Sri Lanka Bureau of Foreign Employment Act No.21 of 1985 Section 15</p>	<p>A sum of Rs.134,484,433 had been spent during the year 2013 and the years under review on a project not included in the objectives.</p>				

<p>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.</p>	<p>(i) Financial Regulation 371(2) Even though ad-hoc sub imprests should be settled immediately after the completion of the relevant purpose, an unsettled balance of Rs.3,698,704 existed by the end of the year under review and a sum of Rs.1,999,500 out of that had not been settled even by 28 February 2015.</p>	<p>There is an ongoing Internal audit investigation with regard to the transactions of the imprest and actions will be taken based on the recommendation of that report.</p>
<p>(ii) Financial Regulation 395(d)</p>	<p>The Bank Reconciliation Statements of the Bureau and the Labour Welfare Divisions of the Bureau maintained in Sri Lanka Foreign Missions had not been prepared and furnished before the fifteenth day of the month following.</p>	<p>Currently, Bank reconciliations of foreign missions are prepared on 15<sup>th</sup> of the following month and forwarded through e-mail. Action would be taken to correct rest of the system of the Bureau in future.</p>
<p>(iii) Financial Regulation 757</p>	<p>(i) Board of Survey of 12 Labourer Welfare Divisions of the Bureau maintained in Sri Lanka Missions Abroad, Training Centres and Regional Offices of the Bureau had not been conducted and furnished the reports thereon to audit as at the end of the year under review.</p>	<p>Action has been taken to submit respective physical verification reports in 2015 to the Audit.</p>

	(ii) Action had not been taken even by 31 March 2015 to dispose of 521 units of unserviceable inventory items that existed in the Training Centres.	Disposal of unserviceable inventory items has been made from time to time in the year 2015 upon recommendations of the committee of disposal of such items.
(C) Public Administration Circular No. 41/90 of 10 October 1990 Paragraph 2.11	Even though 51 motor vehicles had been deployed for the use of the Bureau during the year under review, fuel consumption of those motor vehicles had not been tested once in 06 months.	Request was made to Lanka Auto Mobile Association with regard to testing the fuel consumption of vehicles and they confirmed that they do not perform such duties. Hence, arrangements are in progress to get this tested from other institutions.
(d) Paragraph 04 of the Public Administration Circular No. 02/99 of 26 February 1999	The Bureau had purchased 101 mobile phones valued at Rs.854,611 during the years 2013,2014 and up to February 2015 for the officers of the Bureau without the recommendation of the Secretary to the Line Ministry.	This practice has been discontinued since January 2015 .
(e) Public Enterprises Circular No. PED/12 dated 02 June 2003. Section 9.3.1. (viii)	Even though the vacancies occurring in managerial levels should be filled according to a succession plan, due to the absence such a plan, the Bureau had failed to appoint permanent officers to the posts that had become vacant.	Approval was granted for the new scheme of recruitment (SOR) on 26 <sup>th</sup> November 2015. Accordingly; Actions will be taken in future to fill the vacancies in staff grade officers. Also action would be taken to prepare succession plan in future.

<p>Section 8.3.9.</p>	<p>Notwithstanding the instructions given to the effect that, no expenditure of the Line Ministry or other public institutions should be incurred by the Public Enterprises, mobile phone charges amounting to Rs.88,790 of 04 officers employed in the Ministry had been settled.</p>	<p>The drivers have been released to the Ministry and other institutions for the projects related to welfare activities of Sri Lankan employees and paid Rs.500/- out of their Mobile telephone bills based on the service requirements &amp; excess had been recovered from the salary. Currently no reimbursement of their telephone bills has been made.</p>
<p>(f) Sub-section (iii) of Paragraph 06 of the Public Enterprises Circular No. PED/57 dated 11 February 2011.</p>	<p>The Bureau had paid financial sponsorship of Rs.1, 000,000 for a musical workshop while a sum of Rs.1, 000,000 had been donated to the Past Pupils Association of a college without prior approval of the Minister of Finance.</p>	<p>This payment was made according to the Financial Authority for Advertisements &amp; Publicity granted to Chairman by the Board of Directors. The respective payments in this case is referred to as a sponsorship for a development program of a government school.</p>
<p>(g) Procurement Guidelines 2006 Section 5.4.12</p>	<p>Even though the particulars of payments made to cover the Value Added Tax should be brought to the notice of the Commissioner General of Inland Revenue with copy to the Auditor General on or before the fifteenth day of the month following the payments, it had not been so done.</p>	<p>VAT payment reports are submitted Quarterly to the Commissioner General of Inland Revenue and steps have been taken to send them with copy to the Auditor General at present.</p>
<p>(h) Procurement Manual Supplement No. 19</p>	<p>Even though the approval of the Secretary to the Line Ministry for the repairs costing over Rs.200,000 should be obtained, the relevant approval had not been obtained in connection with 06 instances of repairs of the year under review costing Rs.1,536,646.</p>	<p>This payment was made according to the Financial Authority limits granted to chairman by the Board of Directors. Such practice has discontinued and the approval of the secretary of the line ministry is obtained currently.</p>

<p>(i) Circular No PF/FS/05(iii) dated 01 September 2010 of the Secretary to the Treasury</p> <p>Paragraph 3.3</p> <p>Paragraph 2.3.2(ii)</p>	<p>Even though the cost of purchase of accessories required for the supply of Internet facilities should be borne by the officers personally, dongles for 66 officers of the Bureau had been purchased with the funds of the Bureau.</p> <p>Even though instructions had been issued that the numbers of the mobile phones, the bills of which are settled by the Government should be included in the Internal Directory of the institution, only the mobile phone numbers of the staff officers of the Bureau had been included in the Telephone Directory.</p>	<p>SLBFE supplied above equipments to officers with the objective of achieving more effective &amp; efficient service using new technology. This practice has been discontinued effective from 9<sup>th</sup> September 2015.</p> <p>The telephone &amp; fax numbers of respective divisions. Mobile numbers of Managers, Assistant Managers, Technical staff &amp; officers assigned for specific tasks included in our telephone Directory. In addition to above, we have included all drivers' Mobile numbers in the internal web site.</p> <p>Limited telephone numbers were included in the Internal Directory in order to reduce the cost of printing charges of it.</p>
<p>(j) Cabinet Paper No. 04/0427/020/002 and the Cabinet Decision dated 12 May 2004</p>	<p>According to the test check a sum of Rs.30,909,020 had been paid to a Non-Governmental media institutions in respect of publicity and promotional activities during the year under review contrary to the Cabinet decision.</p>	<p>SLBFE used a TV channel which could telecast the information relevant to the Bureau through satellite technology in order to access Middle east &amp; other overseas countries.</p> <p>Also Our advertisements were telecast in Government channels namely ITN, Natational Rupavahini, Wasantham, EYE. The specific criteria maintained by the Sri Lankan Electronic Media system is that, every such channel has specific spectators and listeners attributed to same. Therefore, the other private channels had to be used with the intention of giving wide publicity of our activities among more audience &amp; listeners at a given time.</p>

(k) Letter No PRE/2015/43 dated 22 November 2014 of the Commissioner of Elections.

Paragraph No 05(ii)

i One hundred and sixteen officers of the Bureau had been attached to the Badulla Provincial Office for the implementation of Rataviru Organizations Empowerment programmes in Badulla and Monaragala Districts from 01 December 2014 to 31 January 2015 and provided with 10 motor vehicles on hired basis and contrary to the letter of the Commissioner of Election and a sum of Rs.9,439,935 comprising Rs.4,314,111 and Rs.5,125,824 as salaries and allowances of the officers and the vehicle rentals respectively had been paid in respect of that period.

SLBFE deployed above officers & assigned vehicles from June 2014, for the project implemented by Ministry of Economic Development for community empowerment, in order to implement the field tasks related to our scope. Also several projects were handled by Sociology Division of SLBFE and the vehicles & the staff was used for the same.

Approval of the Board of Directors was obtained on 18<sup>th</sup> November 2014 under the Board Paper No. 154/2014(M10) in this regard. Accordingly, above programme was carried out on the approval obtained before the issuance of the letter of Commissioner of Election no PRE/2015/43 dated 22<sup>nd</sup> November 2014.

<p>Paragraph 07 (i)</p> <p>ii. Contrary to the Circular the Welfare Division of the Bureau had, jointly with the Department of Divineguma Development forwarded housing loan applications of 43 Rataviru persons to the Assistant Commissioner of Samurdhi in Colombo District in 02 instances during the period of presidential Election.</p> <p>Contrary to the provisions in the Circular, 13 persons had been recruited to the Bureau on Contract basis during the period in which nominations for the Presidential election had been called.</p> <p><b>2.6 Transactions not supported by Adequate Authority</b> -----</p> <p>A post of Welfare Officer for the Labour Welfare Division of Sri Lankan Mission in Japan had not been approved and salaries and allowances totaling Rs.10,521,835 had been paid from the years 2012 to 2014 for a post not approved.</p>	<p>Cabinet Paper No.01/2013 dated 16.01.2013 presented to the Cabinet seeking approval to carry out above as a joint programme, between Ministry of Foreign Employment and Ministry of Economic Development, The Cabinet of Ministers approved it on 24<sup>th</sup> January 2013. This programme continued since 2013, SLBFE forwarded the details of Sri Lankan employees seeking housing loans to the Department of Divineguma and did not offer loans directly. All other procedures were completed by Department of Divineguma for the granting of loans.</p> <p>This programme was continued as it started before announcement of Presidential Election as it serves for relevant category of the society.</p> <p>Respective interviews were held on August and October 2014 and letters of appointment were handed over to Director (Administration) before the announcement of Presidential Election. Only, they have reported to the duty on 1<sup>st</sup> week of December 2014.</p> <p>Promotion of job opportunities in Japan for Sri Lankans was the main objective of appointing Welfare Officer to Sri Lankan Mission. Approval of the Board of Directors was obtained before the appointment of the officer although provision of carder was not approved. The service of the same officer terminated on 12.04.2015.</p>
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<p><b>3. Financial Review</b> -----</p> <p><b>3.1 Financial Results</b> -----</p> <p>The operations of the Bureau and its Subsidiary Company for the year under review had resulted in a pre-tax surplus of Rs.459,974,615 as compared with the corresponding surplus for the preceding year amounting to Rs.326,198,141 thus indicating an improvement of Rs.133,776,474 or 41 per cent in the financial result for the year under review . The increase in the income had been the main reason for this improvement.</p> <p><b>3.2 Legal Actions Instituted Against or/by the Bureau</b> -----</p> <p>Fifteen cases had been filed against the Bureau by external parties and the officers of the Bureau as at the end of the year under review and the value identified by the Bureau as a liability relating to 04 cases amounted to Rs.1,348,596. Nevertheless, it had not been disclosed in the financial statements.</p> <p><b>4. Operating Review</b> -----</p> <p><b>4.1 Performance</b> -----</p> <p>The following matters were observed.</p> <p>(a) According to the Action Plan of the Bureau, the financial progress of 07 projects had ranged between 46 per cent to 94 per cent and the Bureau had not implemented 08 projects. Further, the increase in the actual expenditure as against the expected estimated expenditure of 05 projects had ranged between 82 per cent to 170 per cent.</p>	<p>Those liabilities were shown in the notes to the revised financial statements.</p> <p>SLBFE prepares Annual Action Plan analyzing the previous year's data. Hence, Variations should be expected. However Variation of 82% -170% is not justified. Certain projects were not carried out due to practical difficulties in implementation;</p> <p>Cautionary measures are exercised in the estimation of the new action plan.</p>
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(b) The expenditure of the Welfare Division in the Sri Lankan Mission Abroad for the year under review is analyzed below.

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Percentage</u>
	Rs.	
Direct Expenditure of the staff of the Sri Lankan Missions Abroad	419,300,801	57.63
Direct expenditure incurred on the migrants	232,978,562	32.02
Other welfare activities of the staff	75,281,190	10.35
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	727,560,553	100.00
	=====	=====

The entire Labourers Welfare Divisions in the Sri Lankan Mission Abroad had incurred a low expenditure of about 32 per cent on the welfare activities of its migrant employees and it was observed that the number of unsettled complains stood at 7,556 while the number of detainees in the security homes stood at 431 and the number of persons died had been 315 and the number of persons in prisons, in police custody and the persons hospitalized had been 75 by the end of the year under review. Accordingly, it was observed that the contribution made by the Bureau with regard to the issues of the migrant community was at a minimal level.

(c) An imprest of Rs. 6,342,582 had been issued to the Welfare Division of Sri Lankan Mission in Japan during the year under review and out of which, a sum of Rs.5,385,002 had been spent. It had been spent as a sum of Rs. 5,098,056 for the staff of the Bureau and a sum of Rs.286,946 for the welfare of the workers. Accordingly, the expenditure incurred for the welfare of the welfare of the migrant workers had ranged between 4 per cent to 6 per cent and the number of registered workers who proceeded Japan from the year 2012 up to the year under review was 337 while the number of complaints was 30.

We have to deploy sufficient staff in order to provide welfare facilities for the Sri Lankan employees. Their salaries, subsistence and rent etc. have been paid according to the circulars followed by Ministry of Foreign Affairs. Therefore, it is clear that the above payments were made on reasonable basis. Furthermore, expenses related to Workers Welfare has been dispensed as per requests from the respective missions based on needs

The respective expenses incurred for the staff of the Missions also related to performing welfare activities for the Sri Lankan employees which cannot be assessed only in financial terms.

SLBFE appointed Labour Welfare Officer with the approval of Board of Directors to promote job opportunities in Japan for Sri Lankans. However, respective officer has carried out welfare activities of Sri Lankan employees as well.

Migrant workers issues are minimal in first world country like Japan, hence the very low level of expenditure on welfare activities.

<p><b>4.2 Management Inefficiencies</b> -----</p> <p>The following matters were observed.</p> <p>(a) According to the internal audit reports, the financial control of the Labourer Welfare Division of Sri Lankan Missions in Abudhabi and Lebanon had been at a weak level and the utilization of physical assets and the performance were not up to the adequate level.</p> <p>(b) Loan amounting to Rs. 2,352,771 granted to 31 officers had been outstanding from 11 months to 110 months.</p> <p>(c) A sum of Rs. 3,757,661 had been paid as economic service charge during the year under review and it had been identified as an expenditure of the year. However, that payment had not been identified as a decrease of a tax liability in the computation of the Income Tax.</p> <p><b>4.3 Operating Inefficiencies</b> -----</p> <p>The following matters were observed.</p> <p>(a) Although Sri Lanka Foreign Employment Agency had received insurance indemnity for a sum of Rs.2,065,000 payable to 10 migrant workers in the year 2013, the Bureau had not taken a proper step to pay that money to the migrant workers concerned.</p> <p>(b) Out of the funds received from the United Nations Compensations Commission for the payment of compensation to the Sri Lankans employed in Kuwait who were victimized to hazards during the invasion of Kuwait by Iraq in the year 1990, the Bureau had not implemented a proper programme to pay the balance sum of Rs.2,975,504,815 to the workers concerned.</p>	<p>Due to lack of trained staff in the accounting unit of the Labour section, actions have been taken to recruit experienced staff for these units. We have instructed them to carry out their duties in order not to have such instances in future. Visiting bureau audit teams have been notified of this requirement.</p> <p>Steps are being taken by Administration &amp; Human Resource division to recover above balances.</p> <p>Above amount has been deducted as tax credit in the income tax computation for the year under review.</p> <p>So far we have settled Rs.800,000/- out of the above balance. Settlements have been delayed for these Sri Lankan employees due to lack of sufficient documents.</p> <p>Several times, SLBFE had published paper advertisements and sent awareness letters to victims in this regard. Some of them were unable to get any compensation due to various reasons such as lack of sufficient supporting documents; Few of them have gone back for foreign employment etc. Majority of the present balance in the above account represents the interest income received on the investments made. We pay Rs. 75,000/- as compensation upon receiving sufficient documents at present.</p>
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<p>(c) The Bureau had paid a sum of Rs.20 million to the State Resources Management Corporation Ltd. For the purchase of land belonging to the Kahagolla Engineering Service Company Limited valued at Rs.95 million on the basis of 99 years lease. In terms of the Decision No.10/2013 (M-01) dated 17 January 2013 of the Board of Directors, it had been informed that the freehold tenure of the buildings and the land be obtained on the payment of Rs.20million. But action had not been taken to obtain freehold tenure.</p> <p>(d) The Provident Fund Scheme maintained by the Bureau on behalf of the migrant workers is dormant at present and the Bureau had not taken to release contributions of Rs. 6,572,054 of 1620 migrants that has been retained by the Bureau as at the end of the year under review.</p> <p><b>4.4 Payments Contrary to the Objective.</b> -----</p> <p>The Bureau had spent sum of Rs. 84,527,351 for the Rataviru Project by the end of the year under review and the following observations are made in this connection.</p> <p>(a) During the period from April to December in which the election was held, the expenditure had increased by Rs.17,731,248 and Rs.17,148,865 or 151.7 per cent and 143 per cent respectively and the expenditure had increased by 46 per cent and 43 per cent in relation to the average expenditure during May and November. A sum of Rs.10,800,750 or 13 per cent out of the total expenditure relating to 10 vouchers had been incurred on the publicity that was not relevant to the project and the General Manager (promotion and Foreign Relations) had informed that he was unaware of that matter.</p> <p>(b) A sum of Rs.6,014,450 had been paid deviating from the tender procedure to print posters, exhibition boards and banners for the Rataviru Bakmaha Ulela Programme. Out of that posters valued at Rs.1,399,975 had been printed and distributed before the grant of the approval of the Chairman of the Bureau. Further, without calling for quotations, private media institution had been selected for its live telecast and a payment amounting to Rs.1,399,975 had been made in that respect.</p>	<p>Secretary to the Ministry of Foreign Employment Promotion &amp; Welfare has sent letters several times, to the Secretary of Ministry of State Resources &amp; Enterprises Development with regard to acquisition of this land. SLBFE is seeking legal advice to act in this regard.</p> <p>SLBFE maintains above Deposits separately &amp; release funds as per the requests made by respective migrant workers. Actions has been taken to credit interest on the balances annually. Payments have been delayed due to lack of sufficient information &amp; not being present for the claim.</p> <p>Above expenses related to Rataviru project, according to records a mobile services has been carried out to gather information of the migrant families in Badulla and as such expenditure has increased.</p> <p>As per the instructions of Hon. Minister &amp; Director(Admin), We had selected an institution among the service providers of such a nature, at lowest cost, as this work has to be completed urgently.</p> <p>A private media institution which telecasted in foreign countries through satellite technology has been selected as this program has to be telecast over overseas countries.</p>
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<p>(c) Even though the Board of Directors had approved a cost estimate of Rs. 4,844,000 for the implementation of the Rataviru Empowerment Programme in the Matara District, 1600 umbrellas and T- shirts valued at Rs.2,048,850 ,which had not been included in the estimate, had been purchased and distributed. But, the particulars on their distribution had not been made available to audit. Further, Umbrellas and T-shirts had been distributed in that area on 08 April 2014 that was close to the conduct of the Southern Provincial Council Election and it was observed in audit that the relevant payment was contrary to the objectives of the Bureau.</p> <p><b>4.5 Transactions of Contentious Natures</b> ----- The following observations are made.</p> <p>(a) Although expenditure of Rs.5,301,873 of the Bureau relating to the year under review had been brought to account, the cheques relating to those transactions had not been handed over as the transactions were of contentious nature.</p> <p>(b) Expenditure amounting to Rs.4,667,368 pertaining to the year under review was applicable to the period during which affairs had been limited according to the Circular of the Commissioner of Election and therefore, the payments had not been made.</p>	<p>Board of Directors approved Rs 30Million for the Entire project cost. although, cost of T-shirts &amp; Umbrellas had not been included for the initial program cost estimate held in Matara. SLBFE intended to strengthen Rataviru Organizations &amp; build up a strong relationship between SLBFE &amp; them utilizing such expenses .</p> <p>Notes to the Financial statements disclosed in this regard &amp; payments were made in year 2015 &amp; 2016 with the approval of Board of directors.</p> <p>Provisions &amp; disclosures were made in year 2015 Financial statements in this regard. Payments were made in year 2015 &amp; 2016 with the approval of Board of directors.</p>
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(c) Even though an officer appointed as a Consultant to the Welfare Division of Sri Lanka Mission in Lebanon of Contract basis was entitled to a transport allowances of U\$D 350 in terms of the letter of appointment, a vehicle rental charges of U\$D 2,793.32 had been reimbursed in addition. Further, arrangements have been made to provide accommodation facilities to the above officer and his family members in a hotel for maximum of 14 days without calling for quotations and due to obtaining accommodation in the hotel for additional 14 days, U\$D 2,450 had been paid in excess. Despite being agreed to provide a house at a monthly rental of U\$D1,500 in terms of the Letter of the former officer in charge of the Labour Division dated 10 February 2014, accommodations had been obtained in a hotel for additional 14 days. The payment of U\$ D 5,050 for the supply of this accommodation facilities had been made by a cheque, whereas according to the receipts produced by the hotel, it had been certified that money had been received in Lebanon pounds.

Upon request of respective officer, Chairman of SLBFE had approved a Letter OAD/02/02/03/10-11 dated 03.01.2014 to provide accommodation in Comfort Hotel from 07.02.2014 to 06.03.2014 for him & his family ,until getting approval from Workers Welfare Fund Committee. Request was forwarded to Workers Welfare Fund Committee on 26.02.2014 & approval has been granted. Committee report was forwarded to Board of Directors on 22.05.2014 as well.

Respective officer has explained, that the Ambassador has not granted permission for him to move to the accommodation selected by the Consul in Lebanon.

He was entitled to a transport allowances of U\$D 350 .However we had to reimburse daily rental charges as there was no driver for him to use, Even the vehicle assigned to him.

#### 4.6 Apparent Irregularities

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The following observations are made.

(a) One hundred and seventy five dongles valued at Rs.479,000 had been purchase to award as presents to the media personnel who participated in 02 workshops conducted for educating the media personnel which was not an objective of the Bureau.

As per the annual action plan, workshops were conducted & Respective Dongles were awarded to media personnel for the participation of workshops .SLBFE wanted to provide technical assistance for Media personnel addressing their IT requirements. This project was carried out as per the instructions of previous subject Minister & with the approval of the former Chairman.

<p>(b) A sum totaling Rs.7,406,304 comprising Rs.2,854,000 for the supply of food for 5200 participants. Rs.3,627,000 for the purchase of T-Shirts and caps and Rs.925,304 for the purchase of 3000 Gas Balloons and 30 banners had been paid to a private institution in connection with the Foreign Employment Awareness Walk scheduled for 27 and 29 April 2014 in Gampaha and Colombo. An approved programme for this purpose and approval of the Board Directors as well had not been obtained. Further, proper procurement guidelines had also not been followed. Moreover, the documents produced relating to the above payments could not be accepted and as the purchases had not been properly made through the stores of the Bureau, there was no evidence to establish the receipt of those goods to the stores.</p>	<p>Procurement Department had completed this work within a shorter period of time &amp; this was included in annual action plan. Board of Directors has approved annual action plan &amp; Budget. Above items were directly received by a responsible officer who was the officer in charge of the program (Sales Promotion Executive) as there was no time to receive them in the main store.</p>
<p>(c) Although a sum of Rs.1,713,600 had been paid to the Selacine Institute in respect of conducting a publicity programme for educating the foreign employment seekers in Hambanthota District on 09 May 2014 no supporting document whatsoever had been furnished to audit to confirm the conduct of a programme of this nature.</p>	<p>As it was government affiliated institution, without calling for quotations, respective payment was made on the approval of the chairman.</p>
<p>(d) A sum of Rs.12,612,500 exceeding the limits of the financial authority of the Chairman had been approved in respect of the expenditure of the foundation stone laying ceremony of the Migrant Resources Centre at Haliele. Although it had been stated that a sum of Rs.9,157,060 had been spent, a sum of Rs.8,048,648 out of that had not been utilized for the above purpose.</p>	<p>Board of Directors has approved expenditure estimate of Rs 12,612,500 for the foundation stone laying ceremony, of the Migrant Resources Centre at Haliele under Board paper No 117/2014 dated 25.09.2014 . It was notified to complete the task within shorter period(Two Days ).Hence shortcomings have been occurred happened in procurement process ,Manager (Procurement) has informed that, necessary steps will be taken to overcome such practices with the recommendation of DGM(Admin &amp; HR)</p>
<p>(e) The total value of the supply contract amounting to Rs.16,550,100 for the distribution of school books and equipment to 11,000 school students of selected 9,375 Rataviru families in the Northern, Eastern, Sabaragamuwa and Central Central Provinces for the celebration of Migrants Day had been divided and implemented under 04 procurement activates in respect of 04 provinces. It was accordingly observed that the above contract had deviated from the Ministry procurement process.</p>	<p>This procurement had to be completed within very shorter period of time, Hence it had been divided and implemented under 04 procurement activates with the approval of Chairman. The deviation from the Ministry procurement process was noted to overcome such kind of deficiencies in future</p>

<p>(f) A sum of Rs.1,000,000 had been paid by a Bank Draft to the officer in charge of the Migrant Resources Centre, Badulla to provide relief to Rataviru families who were rendered destitute by the landslide at Koslanda , Meeriyabedda area without the prior approval of the Board of Directors.</p> <p>(g) It had been disclosed at the examination carries out by the Internal Audit Division that the funds of the Bureau had been misappropriated based on the false information made through the journal voucher submitted for the settlement of the advance amounting to Rs. 1,985,100 obtained for the Risks and Capacity Census and Workshop of the Colombo District, Further this expenditure had been incurred during the course of Presidential Election contrary to paragraph 05(i) of the Letter No. PRE/2015/43 dated 22 November 2014 of the Commissioner of Elections.</p> <p><b>4.7 Underutilized Assets</b> ----- The following observations are made</p> <p>(a) The Equipment valued at Rs.492,796 purchase in the year 2009 for the sewerage system costing Rs. 60,831,694 installed in the year 2004 had been kept unsecured in the store without being utilized.</p> <p>(b) Five motor vehicles purchase in the years 1999 and 2009 remained idle while 02 motor vehicles purchased in the years 2009 remained underutilized.</p>	<p>This payment was made under emergency situation.</p> <p>There is an ongoing investigation in this regard and one officer was interdicted. Actions will be taken to prevent this kind of practices in future.</p> <p>There is an ongoing investigation in this regard and one officer was interdicted. Actions will be taken to prevent this kind of practices in future.</p> <p>This particular item has been purchased on the advice of the service provider as a spare for an emergency use. Steps has been subsequently taken to store above item safely.</p> <p>Repairs of above vehicles have not been done as it would have been more expensive. Actions are being taken to dispose above vehicles under proper procurement procedure.</p>
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<p><b>4.8 Uneconomic Transactions</b> ----- The following observations are made</p> <p>(a) The Bureau had obtained a building of which construction work had not been completed for a monthly rent of Rs.300,000 for Galle District Training Centre. On completion of the construction, the lessor had increased the monthly rental up to the government assessed value of Rs.400,000 and the Bureau had taken action to increase the monthly rental surpassing the decision agreed at the procurement process.</p> <p>(b) Despite the availability of an Information Technology Unit with a information Technology Consultant and 24 officers, a sum of Rs.780,000 had been paid to a private institution for the redevelopment of the website of the Bureau without calling of competitive bids.</p> <p>(c) A sum of Rs. 27,545 985 spent in the year under review for the Rataviru Talents Star Project was observed in audit as an uneconomic expenditure due to the abandonment of the relevant project.</p> <p>(d) The Technical Evaluation Committee had not paid attention to the relevant matters in connection with the lease of a building for the office premises for processing of agreements and as such as Bureau had to pay rentals of Rs.2,625,000 and Rs.1,926,000 respectively for the period from December 2014 to 13 March 2015 for two buildings.</p>	<p>This building was obtained at a monthly rental of Rs.300,000/-and subsequently made changes, which required for a training centre as per the requirement of SLBFE .Since above changes resulted a material amount of value addition, according to the valuation report obtained from Government Valuation Department. The value of the building was higher than earlier. Accordingly, we have paid Rs.400,000/- as monthly rental which was the assessed value.</p> <p>Officers of SLBFE do not have proper training to develop a web site even if they are competent in Bureau activities. Upon obtaining approval from higher management, respective work completed calling for quotations from registered suppliers.</p> <p>Above programme has been abandoned &amp; not in operation at present.</p> <p>As there were certain additions to the building according to the requirements of the Bureau, Considerable time has spent through procurement process to complete the requirement and enter into a rental agreement, As such, SLBFE has paid rental for both buildings for the same period as matter of urgency.</p>
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**4.9 Identifies Losses**

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The following matters were observed.

- (a) Action had not been taken to deduct the input tax amounting to Rs.23,430,210 included in the sum of Rs.218,681,760 paid as the insurance premiums to the National Insurance Trust Fund and the Sri Lanka Foreign Employment Agency relating to the years 2011 and 2012 and the Value Added tax amounting to Rs. 5,635,915 included in the mobilization advance of Rs. 58,549,800 paid for the construction of Migrant Training Centre at Tangalle as input tax. As a result the Bureau had incurred a loss of Rs.29,066,125.
  
- (b) The sum of Emirates Dirham 29,295(Approximately Rs.1,058,276) collected during 03 to 09 June 2014 by the clerk attached to the Labour Welfare Division of Sri Lanka Mission in Abudhabi had not been promptly banked in terms of Financial Regulation 187(3) and the existence of a cash shortage in the Welfare Division by that amount had not been subjected to a proper investigation by the Bureau and the officer concerned had been released from the service of the Bureau.

**4:10 Resources of the Bureau given to other Government Institutions.**

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The following matters were observed

- (a) Four motor vehicles belonging to the Bureau and obtained on hire basis had been given to the relevant Ministry and other Government Institutions contrary to Section 8.3..9. of the Public Enterprises Circular No. PED/12 of 02 June 2003. The Bureau had spent a sum of Rs.4,126,716 in the year under review in that respect.
  
- (b) Ten officers of the Bureau had been deployed in the services of the Ministry and other Institutions of the Government and sums of Rs.5,425,814 and Rs.5,637,205 had been paid as salaries and allowances during the years 2013 and 2014 respectively.

Former Chairman has instructed to issue warning letters to respective officers instead of issuing charge sheet as it did not amount to a fraud.

Accordingly, warning letters were issued to former DGM(Finance) and subject officer by Administration & Human Resources Division on 13.08.2015.

Complaint has been lodged in criminal investigation department in this regard and investigations are in progress accordingly.

Even though the vehicles were assigned to the duties of the line Ministry, action has been taken not to release them subsequently.

08 officers have been reported to SLBFE duty while two of them have resigned from the job.

**4.11 Staff Administration**  
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The particulars of the staff of the Bureau as at 31 December 2014 had been as follows.

- (a) Even though a permanent staff of 1216 under 22 posts of the Bureau had been approved as at 31 December 2014, the actual permanent staff had been 1,116 and 100 vacancies were observed. Without taking action to fill the vacancies in the approved cadre, 70 and 21 officers on contract and secondment basis respectively had been deployed.
- (b) One hundred and sixty seven officers had been recruited on contract basis for 08 unapproved posts and a sum of Rs.60,188,791 had been paid as their salaries and allowances during the year 2014.

**5. Accountability and Good Governance**  
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**5.1 Corporate Plan**  
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Even though the Bureau had prepared a Corporate Plan for the years 2011 to 2015 in terms of Section 5:1:2 of the Public Enterprises Circular No. PED/12 of 02 June 2003 as amended by the Circular PED/47 dated 18 December 2007, an evaluation of the progress of the achievement of targets in the Corporate Plan by the end of each year, activities not implemented and slow moving had not been carried out and a report on future action had not been prepared and that matters had not been brought to the notice of the Board of Directors.

Respective officers were deployed to perform SLBFE service requirements. However, considerable number of employment contracts among them were cancelled. The 22 posts could not be utilized to allocate certain specialty services such as airline ticketing, Financial Consultancy, IT Consultancy etc. As such the Bureau was compelled to obtain such services on contract basis.

Certain specialty services such as airline ticketing, Financial Consultancy, IT Consultancy were performed by those staff. As such the Bureau was compelled to obtain such services on contract basis. Considerable number of employment contracts among them were cancelled.

Progress Report of Annual Action plan was submitted to Ministry of Foreign Employment, Auditor Generals Department and Public Enterprises Department after evaluating non operative and slow moving sectors in year 2014. Furthermore, Board of Directors was notified accordingly.

## 5.2 Procurement Plan

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The following matters were observed.

- (a) Even though the Board of Directors had approved Rs.20 million for the purchase of T-shirts and Jackets for the migrants who participated in the South Korean Employment Promotion Programmes during the period from September 2013 to September 2014 , a total cost estimate according to Paragraph 4.3 of the Procurement Guidelines had not been prepared. Further the limit allowed for the adoption of the Shopping Method in terms of the Procurement Supplementary Manual 28 and the Procurement Directive 2.14.1 dated 04 July 2014 was Rs.5 million and that method had been adopted for the above purchase amounting to Rs.6,840,000. Further, due to the failure to examine the prequalification of the bidders in terms of the Paragraphs 3.12 of the Procurement Guidelines, the bidder had failed to supply the order of the jackets.
- (b) Notwithstanding the preparation of a specification of sarees at a cost of Rs.20,563 by the Bureau for the purchase of sarees for the uniforms of the officers, deviating from that ,the Procurement Committee of the Department had awarded the said contract to the Rataviru Entrepreneurship and Development Co-operative Society in the Badulla District contrary to the paragraph 3.12 of the Procurement Guidelines. Accordingly, sarees with another specification had been purchase in place of the originally prepared specification and that expenditure had been fruitless. As a result of changing specification a sum of Rs.1,279,200 had been overpaid for the purchase of sarees.

Performance guarantee bond provided by the supplier was encashed as he failed to provide the order.

Secretary to the Ministry instructed to provide handloom sarees for all grades & It was decided to purchase them accordingly. Therefore, price was changed.

Further, respective supplier's contribution to encourage Rataviruwo also taken into consideration.

<p>(C) A sum of Rs. 38,306,628 had been paid contrary to the Procurement Supplementary Manual 21 and Guideline 3.4 dated 23 February 2012 for providing food and beverage to the Korean Residential Trainees from March 2013 to March 2014.</p> <p>(d) Two cheques amounting to Rs.400,000 obtained by placing forged signatures in September 2009 had been shown as unidentified debit balances and immediate action had not been taken on that fraud.</p> <p>(e) In dispatching workers to Korea in the years 2007 and 2008, air tickets purchased for 62 workers who did not proceed abroad had not been handed over to them. Nevertheless, the Bureau had not taken proper action forthwith in respect of the resultant financial loss of Rs.2,264,660.</p> <p>(f) The approval of the Cabinet of Ministers had been received to set up Migrant Training Centres cover all the districts. Accordingly a sum of Rs.50,372,816 had been spent for the construction of Migrant Resources Centres at Kataragama, Homagama, Kahagolla and Dambulla During the period from the year 2007 to 2010. Nevertheless the work of those construction projects had not been completed up to the end of the year under review.</p>	<p>At the commencement of this project, there was no confirmation on receiving employment agreements for the Korean Residential Trainees.</p> <p>Hence ,We requested quotations from 10 registered suppliers through registered post without advertising in newspapers &amp; completed the procurement. Presently, we follow procurement guidelines &amp; select supplier for this procurement.</p> <p>We have recalled the investigation report in this regard &amp; Disciplinary order will be issued according to the outcome of investigation report.</p> <p>Action is being taken to recover the loss from respective officers as per the recommendations of the investigation report with the approval of Board of Directors. Monthly deductions are currently taking place.</p> <p>Delays had happened Due to various issues; hence facts mentioned in the Audit query are correct. Decision to construct Migrant resource centre in Kataragama has now changed, to a construction of Holiday Bungalow for Migrant workers &amp; staff in the same land. Arrangements are in progress in this regard. Construct buildings in Homagama &amp; Kahagolla is expected after obtaining legal clearance for lands. Ministry of Finance had not granted approval for the contractor recommended by the TEC for the construction of Building in Dambulla</p>
<p><b>6. Systems and Controls</b> -----</p> <p>Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention in needed in respect of the following areas of systems and control.</p> <p>(a) Accounting</p>	<p>Highest possible Steps have been taken to include income &amp; Expenditure into accounting records of SLBFE in proper manner .Actions were taken to introduce new accounting system. Consultancy service of chartered accountancy firm is being obtained to improve the accounting system.</p>

<p>(b) Procurement Process</p>	<p>After evaluating the weaknesses identified in systems &amp; controls &amp; recommendations in Audit Reports, Action is being in progress to make procurement process more effective.</p>
<p>(c) Motor Vehicles Control</p>	<p>Vehicle request for official duties &amp; allocation of vehicles are handled through computer program &amp; all the records are computerized in this regard.</p>
<p>(d) Income Generated and Services Supplied through Sri Lanka Foreign Missions</p>	<p>Most of the time, Income earned from foreign missions are being used to meet the expenditures of management of respective missions while excess funds are being credited to SLBFE accounts. Proper instructions &amp; procedure have been given to Labor sections of respective Missions, with regard to Credit of collections they made to SLBFE bank accounts. Also they were educated on the disbursement procedure from the same collection.</p>
<p>(e) Activities of Foreign Employment Agencies</p>	<p>Now, Respective divisions have been informed about the procedures to be followed with regard to issuing new licenses &amp; renewing of them</p>
<p>(f) Utilization of Assets</p>	<p>While SLBFE conducts annual asset verifications, instructions have been given to maximum utilization &amp; safeguard of them.  In future instruction letters will be issued in this regard.</p>