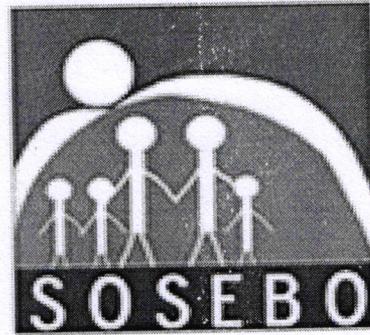




***ANNUAL REPORT  
AND ACCOUNTING  
2013***



**SRI LANKA SOCIAL SECURITY BOARD**

**ANNUAL  
REPORT**

**Samaja Arakshana Piyasa, No: 18, Rajagiriya Road, Rajagiriya.**

## Contents

I	Vision and Mission	1
II	Chairperson's message	2
III	General Manager's message	3
IV	Former Chairmen, General Managers & Present Board of Directors	4
V	Organizational chart - Sri Lanka Social Security Board	5
VI	Activities of Sri Lanka Social Security Board	6
	<b>Administration Division</b>	<b>7</b>
1.1	Establishment of offices and changes	7
1.2	Approved cadre and vacancies	7-8
1.3	Increasing the approved cadre and filling of vacancies	9
1.4	Resignations and retirements - year 2013	9
1.5	Present staff of the Administration Division	9
1.6	Physical wealth	9
1.7	Communication facilities	10
1.8	Transport facilities	10
1.9	Position of vehicles	11
1.10	Administration Division	11
1.11	Computer Unit	12
1.12	Performance during the year 2012	12

## **Social Security Unit**

2.1	Principle function	13
2.2	Service units and District offices	13
2.3	Officers in charge of services and connected officers	14
2.4	Enrolments District wise 2013	15
2.5	Payments of benefits – 2013	16
2.6	Collections from the contributory membership- 2013	16
2.7	Training programmes and mobile workshops	16
2.8	Problems in Social Security Unit	16

## **3. Finance Division**

3.1	Main functions	17
3.2	Finance Division staff	17

## **4. Internal Audit Division**

4.1	Internal Audit Division	18
4.2	Duties	18
4.3	Audit and Management Committee Meetings	19
4.4	Internal Audit Report of the year	19
4.5	Internal Audit Division	20

6.	Thank You	21
----	-----------	----

## **Sri Lanka Social Security Board**

### **Vision**

A proud nation safeguarded by Social Security

### **Mission Statement**

Instituting a proud and dignified Sri Lankan Nation endowed with provisions and safety of the economy, social and cultural stability in keeping with the principles of democracy, while developing favorable and beneficial association with the state and non-state organizations for the establishment of a social security system enriched with all necessary facilities

## **Message of the Chairperson**

Year 2013 could be introduced as the period which paved a very special foundation for social security principles in Sri Lanka as manifested in "Mahinda Chinthana Idiri Dekma" of the President of the Democratic Socialist Republic of Sri Lanka Honorable Mahinda Rajapakse.

I wish to formally present very lucidly and respectfully that Sri Lanka Social Security Board is the one and only state institution which activates the programme of providing a monthly pension for all citizens who are not entitled to a government pension. "Social Security Pension Payment Scheme" is a long standing programme with sufficient benefits. In its operation it is very important and valuable to establish the confidence of the contributory members of the scheme, as well as the institutes service facilities provided by the officers who assist in the performance of the pension schemes of this Board. The establishment of the Head Office of the Board in a permanent and spacious premises facilitating the authentication of the long standing relationship with contributors of the pension schemes is an everlasting victory for us. I take this opportunity to thank and be grateful for the guidance and the assistance provided by the Ministry of Finance and Planning all others who co-operated in this venture.

The Board had face a fair number of challenges in the performance of its activities, relating to Social Security and Pension Programmes. However all have been overcome and while "Surekuma" pension scheme being operated and as a fore-plan a scheme named "Arassawa" has been introduced in the year 2012 and it is a victory for the Board, that this new scheme has got a very high response in the year 2013. On account of the fast increase in the percentage of the elders in the population in our country and the wide publicizing and information provided with respect to "Social Security" the attentiveness of all have been vigilant and attentive. Therefore it is very imperative that a productive programme of work has to be activated with the approval and assistance of the state.

"Social Security" is not only the provision of a monthly pension facility, but also a very wide subject through which certification is done from birth to death of the contributory members and there after the dependents' welfare certifying financial as well as non financial benefits. Paying due attention to the above, it is a very special responsibility to draft a Co-operate Plan with due respect to be carried out within the next 5 years, from 2014-2018.

I value the participation in executing all these activities by the Board of Directors, Honorable Ministers in charge of Finance and Planning, Honorable Minister of Public Administration and Social Services and other Ministers, District Secretaries, Divisional Secretaries, Social Service Officers, Grama Seva Officers, and all Government Officers for their active participation and finally the commitment and dedication of the complete office staff of the Board.

I further expect the association and full co-operation of all to achieve the anticipation of Sri Lanka Social Security Board create a proud and gratified nation safeguarded by Social Security.

**Attorney Sumana Ariyadasa**  
Chairperson  
Sri Lanka Social Security Board.

## **Message of the General Manager**

Sri Lanka Social Security Board is reaching the 18th successful year established by an Act of Parliament No.17 of 1996 subsequently amended by the Act No. 33 of 1999.

From the inception of the establishment of this Board , it has been entrusted with responsibilities of a very wide area of duties considering Social Security of Sri Lanka along with the present financial, Social Cultural and political surroundings, with the leadership of the present Chairperson Attorney Sumana Ariyadasa and I am happy to mention that a very stable foundation had been laid during the year 2013.

During the year 2013 the number of contributory members for our Social Security Pension Schemes stand at 9248 and accordingly the total number of participants by 31/12/2013 is 456,005. And up to that day the recipients of monthly pensions are 15,527 in number. The Board has been able to establish the contributory members confidence as the benefits awarded to them as agreed inclusive of a monthly pension, partial and complete disability benefits and death gratuities without any delay.

The corporate plan prepared during 2013 to be effective from 2014 to 2018 will widen the function of the Board and attention will be given to strengthen physical wealth, management, human resources sector, information Systems and all other areas of the Board enabling it to be the foremost organization with respect to Social Security.

At present it has been estimated that the senior population of Sri Lanka who are over 60 years is in the range of 12.2% and it is calculated that this figure will go up to 25% by the year 2029 of the total population. Sri Lanka Social Security Board will be able to find solutions and winover the economy as well as social challenges and perform a very special duty with the passage of time. This Board is the one and only institution which possesses the strongest social security programme in Sri Lanka.

By the end of the year 2013 our duties have been extended through all districts except in Muthathive and Manner by establishing District Offices in the District Secretariats. I value the service and the dedication of the Chairperson, the Board of Directors and our total Staff for their service as well as their whole hearted enthusiasm in the work.

Finally I appraise and treasure all State Officers for bestowing their continuous assistance given which is the strength to make these proposals a complete success.

Dhammika Padukka  
General Manager  
Sri Lanka Social Security Board

**Former Chairmen****Name**

Mrs. V. Jegarasasingham  
Mr. S. Kariyawasam  
Mr. K. Jayalath  
Mr. R.M.D.B. Bogahakumbura  
Mr. Ananda Gallearachchi  
Mr. D.K.R. Weerasekara  
Mr. Lakshman Hirimuthugoda  
Mr. Sunil Samaraweera (Acting)  
Mr. Sarath Keerthirathna  
Mr. Nimal Chandra Amarasinghe

**Former General Managers****Name**

Mr. Ranathunga Hemachandra  
Mr. Ashoka Peiris  
Mr. B.A. Somapala  
K.G.G. Wijewardhana  
Mr. P.E.C. Nesaiyah  
Mr. J.M. Wijayarathna  
Mrs. N.J. Pathirana  
Mr. K.N.J. Cooray

**Present Board of Directors****Name****Designation**

Sumana Ariyadasa Attorney at Law	Chairperson
Mr. Monteuguu Sarachchandra	Director
Mr. Lal Weerasinghe	Director
Mr. L.A. Rupasinghe	Director
Mr. R.M.S.P.S. Bandara	Director
Mr. Mahinda Bandara	Director
Mr. J.D. Wijekoon Dissanayake	Director



## **Activities of Sri Lanka Social Security Board**

The foremost function of Sri Lanka Social Security Board is to provide pension payments and social security benefits to those who are not entitled to a government pension.

In accordance with the regulations made by the Ministry of Social Services and Social Welfare under section 31 of the Sri Lanka Social Security Board Act No.17 of 1996, six more pension and social security benefit schemes were introduced by an extraordinary gazette notification of the Democratic Socialist Republic of Sri Lanka dated 25<sup>th</sup> September 2006 bearing the number 1464/5.

At present "Surekuma" scheme has been activated as a one beneficial financially and in order to provide the contributory members a high and a safeguarded monthly pension payment.

All those who are in the ages of 18 to 59 years, not entitled to a government pension could be members for the schemes and be entitled to the possibility of drawing a monthly pension as desired to meet their requirements depending on the ability to pay the contributions to the Board.

"Arassawa" preplanned Social Security Benefit scheme was introduced alongside with the "International day of the girl-child which was scheduled for 11<sup>th</sup> September 2012. According to is this scheme the parents or guardians could enroll the children who are below the age of 18 years under their guardianship. Once when the children complete their 18 years of age there enrolments are transferred to "Surekuma" monthly pension payment scheme and they become entitled to a pension and the amount receivable depends on the balance accumulated on their behalf.

## **Benefits of the Schemes**

- To provide a pension at the age of 60 years until demise for the contributory members.
- At the demise of the contributory member the wife/husband is entitled the pension up to the age of 80 years.
- If a contributory member becomes partially and permanently disabled he is entitled to a gratuity payment of Rs.25000/= calculated with respect to the member's age and, after the payment of contributions completely he/she is entitled for the monthly pension after reaching 60 years.
- If a contributory member becomes permanently incapacitated he is entitled to a gratuity up to Rs. 50,000/= calculated with respect to the members age and his total contribution as at date, or a monthly pension from the date on which the member is incapacitated.
- If a contributory member is deceased before retirement the dependents are entitled to a once and for all gratuity.

Any member of the society could obtain membership from the Head Office, Sri Lanka Social Security Board, District Offices, Divisional Secretariats or through Grama Seva Officers and from any other officer to whom the responsibility has been entrusted by the Board.

**Installment payments could be made through Bank Of Ceylon, People's Bank, National Savings Bank, Post Offices and Grama Seva Offices who have been entrusted with the authority.**

## **1. Administration Division**

### **1.1 Establishment of Board offices and subsequent changes**

Social Security Board was first established by Health, Highways and Social Service Ministry at Sawsiripaya under Act no:17 of 1996. After the first meeting of the Board of Directors which was held on 16<sup>th</sup> October 1996, Social Security Board was started and management of activities were commenced. Thereafter Social Security Board was affiliated to the Social Service Ministry with the office premises of the Social Service Department at Borella.

During the second stage the office of the Social Security Board was established in a rented out building at No. 585, Galle Road, Colombo with effect from 1997 March. Thereafter the first Act was revised by Act No:33 of 1999. Then the office of Sri Lanka Social Security Board was established at No: 150 A, Nawala Road, Nugegoda 01/07/2003. Sri Lanka Social Security Board had been affiliated to the Ministry of Finance and Planning with effect from 30-04-2010 and the Head Office has been established at No:125 Nawala Road, Narahenpita with effect from 01-12-2010 and the Office was permanently established at No.18, Rajagiriya Road, Rajagiriya in a five storied building purchased by the Board and the premises is being named "Samaja Arakshana Piyasa" with possibilities of performing more and an entitle service in a spacious building with all facilities. At present the services of the Board had been expanded covering all districts of the island by establishing offices at every District Secretariat.

### **1.2 Approved cadre and vacancies**

The recruitment of staff as requested, had been replied to the Secretary of the Hon. President by Chairman of Salaries and Cadre Committee by his letter dated 17<sup>th</sup> July 1997 bearing No.SR35/339 requesting that the expected recruitment of staff be done in few stages, and it had been recommended that the total staff amounting to 56 only, could be taken in for the year 1997. It had been approved by the Cabinet of Ministers at their meeting held on 03<sup>rd</sup> September 1997, and subsequently approval had been received to recruit the required staff up to 159 numbers. Accordingly thereafter the General Treasury had approved the recruitment of employees up to 88 numbers only. Since the year 1999, on and off transfers and resignations of the existing staff, the position of vacancies prevailed throughout the period, and at present only 105 members of the staff are in employment. The next page indicates as to how the employees are categorized at present. As the anticipated progress of the organization is unable to reach the expected accomplishments, and approval for the arrangements of expanding activities has been granted to increase the cadre to suit the requirements up to 180 in number. Accordingly schemes of recruitment have been drafted and forwarded to Management Services Department on 14/09/2012 and this schedule of recruitment has been approved and the existing vacancies have been filled from inside and action is being taken to fill all approved vacancies as soon as possible.

Designation / Post	Approved Cader	Existing Cader	Proposed Cader
General Manger	01	-	01
D.G.M. (Social Security)	01	01	-
D.G.M. (Finance)	01	01	-
A.G.M.(Finance)	01	01	-
A.G.M.( Insurance/ Pension)	01	-	01
A.G.M. (Social Security)	01	01	-
A.G.M. (Administrator)	01	01	-
Internal Auditor	01	-	01
Manager (Administration)	01	01	-
Manager (IT)	01	-	01
Manager (Promotion)	01	01	-
Manager (Policy)	01	01	-
Manager (Insurance)	01	01	-
Manager (Pension)	01	01	-
Manager (Finance)	01	01	-
Manager (Collection)	01	-	01
Senoir Co-ordinating Officer	06	-	06
Internal Audit Officer	02	02	-
Co-ordinating Officer	49	42	07
Investigating Officer	02	-	02
Data Base Administrator	01	-	01
Book Keeper	02	01	01
Computer Prog. Assisstant (Hardware)	01	-	01
Computer Prog. Assisstant (Software)	01	01	-
Management Assistant	57	36	21
Drivers	09	07	02
K.K.S	34	21	13
<b>Total</b>	<b>180</b>	<b>121</b>	<b>59</b>

**Employments on Contract Basis**

• District Co-ordinating Offier	01
• Management Assistant	05
• Driver	02
• KKS	06
<b>Total</b>	<b>14</b>

### 1.3 Increasing the approved cadre and filling of vacancies

The main reason for the lessening of the results of the envisaged activities as well as efficiency is the result of not entrusting the responsibilities in a proper manner after recruitment of staff that should be in a Board of this nature, as well as the existence of vacancies in the essential posts.

### 1.4 Leaving the services and retirements - 2013

Mr. Wasantha Kumara	Internal Auditor	- Resignation
Mr. Dharmakeerthi	Assistant General Manager (Finance)	- Resignation
Mr. Ashoka Udayakumara	Computer Programmer	- Resignation
Mrs. Thayamathi	Coordinating Officer	- Deserted the Post
Mr. M Rajathurei	Coordinating Officer	- Resignation
Ms. Kanchana Pathiraja	Personal Assistant	- Deserted the Post
Mr. Nalin Krishantha	Management Assistant	- Resignation
Mr. Nimal Chandrathilake	Office Assistant	- Resignation
Ms. Nilusha Veronika	Office Assistant	- Resignation
Mr. Ranil Perera	Driver	- Deserted the Post

### 1.5 Present Staff of the Administration Division

Designation	Present
Assistant General Manager (Acting)	01
Manager (Admin)	01
Management Assistant	04
Office Assistant	02
Messenger	01
Driver	06
<b>Total</b>	<b>15</b>

### 1.6 Physical wealth

Head Office : The Head Office of the Board had been established in a four stored building owned by the Board itself situated at No. 18, Rajagiriya Road, Rajagiriya with effect from 06th March 2013.

District Offices: By 31/12/2013 District Offices have been established in all Districts Secretariats except in the District of Mulative and Manner.

**1.7 Communication facilities**

The organization had three direct telephone lines and after shifting to the present premises the system was further developed to cover all divisions installing 3 more lines along with following staff officers have been provided with direct telephone lines.

Chairman	- 1 Direct Phone No. & 1 Fax No.
Working Director	- 1 Direct Phone No. & 1 Fax No.
General Manager	- 1 Direct Phone No.
Deputy General Manager	- 02 Tele Fax
Assistant General Manager	- 03 Telephones
Internal Auditor	- 01 Telephone
Postal Work	- 02 Telephone
Hotlines	- 01 telephone

In Addition to the above telephone and fax facilities, all 22 District offices also have been provided with telephone facilities. A computer network has been established in the Head Office. Steps have been taken to connect District Offices through VPN system and service functions are been attended to in a very active as well as effective manner.

**1.8 Transport Facilities**

When the Board was formed two vehicles were taken on loan from the Department of Social Service for its activities. Thereafter two additional vehicles were obtained from the Ministry of Social Service. The Board had to incur a very heavy expenditure for repairs to maintain these vehicles in running condition. Even at the end of the year 2006, the Board owned only seven vehicles. They are in running condition now. Even though more transport facilities were required for field work as well as mobile services, no new vehicles have been procured during the last ten year period for these purposes. Although the requirements of new vehicles had been pointed out, no solution has been found up to date. In the year 2008 after a request has been made it was advised to release a vehicle from the Department of Customs. Subsequently a request made to the Finance Ministry was approved and two vehicles from Micro Establishment were bought for the use of the Board.

The vehicle number 250-6090 and the Path Finder (32-4987) were not in usable condition and those have been disposed.

Nissan Juke Car has been purchased in the year 2013. Another van is to be purchased and same are submitted for the approval of the Finance and Planning Ministry

## 1.09 The details of vehicles of the Board :

No. of Vehicles	Model type	Date of first registration	Condition -n very Good	Good	In running Condition after re-pairs	Dilapidated	Condemned
250-6090	Double Cab	1997.10.24			√		
252-5463	Double Cab	1998.08.14			√		
253-2796	Lite ace	1999.07.06			√		
253-2818	Caravan	1999.07.06			√		
KH-4506	Car	2008.09.30		√			
KN-0014	Micro Jeep	2011.01.13		The vehicle has been damaged by an accident, and insurance claim is anticipated.			
KN-0006	Micro Jeep	2011.01.13		√			
KX -0914	Nissan Juke Car	2013.10.23	√				

## 1.10. Administration Division

## Facts which deserves special attention

## ◆ Shortages of personnel

1. The evaluation of personal status and scheme of recruitment have been approved, and the documents have been presented to the Management Services Department for final approved. It is very necessary that those vacancies have to be filled.
2. Sufficient staff has to be recruited.

## ◆ Shortages of physical requirements

1. Among the available vehicles for duty majority of them are very old, and as a result the expenses for repairs are high. Therefore action has to be taken to purchase new vehicles .
2. Fulfillment of human resources and physical requirement in order to decentralize the activities of the Board among the District Offices is necessary.
3. To attend further necessary improvements in the newly acquired building of the Head Office,

**1.11 Computer Unit****Main Functions**

1. Maintenance of all connected information with respect to contributory members of pension and social security schemes and activating software system and all development activities.
2. Establishment of software system in the Head Office and District Officers their maintenance and recommendations of software requirement pertaining necessities.
3. Developing activities pertaining to software and hardware with connected institutions and upgrading the requirements when and where necessary.
4. Take all necessary steps to safeguard the date in the Software System.
5. Organize the safety of the hardware system satisfactory.
6. Submission of recommendations when and where necessary with respect to information evaluation system, preparation of necessary technology and also evaluation of technology.

**1.12. Performances during the year 2013.**

1. Establishment of the computer network system in the new Head Office premises faultlessly and expanding the VPN system in the District Offices.
2. Estimation of computer software as well as hardware requirements to fulfill the necessities and estimating future requirements.
3. Further development of the computer software system prepared and installed by Advant Technologies and to be in connection with them for further improvements of the system.
4. Inaugurating an Internet Web System ([www.ssb.gov.lk](http://www.ssb.gov.lk)) and developing a Face Book.
5. Take necessary steps to obtain a security safe from the Peoples Bank to safeguard the computer data collected on a daily basis. (Back Up)

**Staff**

Computer Programme Assistant	01
Computer Operator	02

**Vacancies in the Unit**

Social Security Officer (Information Technology)	01
Computer Programme Assistant	01
Data Administrator	01

## **2. Social Security Unit**

### **2.1 Principle functions**

- Taking necessary action to enlighten further the officers who are in charge of the subjects and also to indoctrinate the targeted clientele about the pension and social security schemes of the Board, and their benefits.
- After educating the would be clients they would take necessary action to enroll themselves for the schemes.
- After directing the clientele in regular payments of installments after becoming members get them to receive relevant pass books, bank credit forms and any other documents where necessary.
- Take necessary steps to find solutions for any problems faced by the contributory members, and also encourage the inactive members while motivating them to continue their membership.
- Take timely action to pay the membership their pension, partial incapability remuneration, complete incapability payments, death gratuity etc.
- Take all necessary steps with respect to the implementation of pensions and social security schemes of the Board as well as the administration of the 22 district offices and take action to carryout services efficiently.
- Adopt all possible procedures to implement the pension and social security schemes of the Board with coordination of institutions and their officers as well

### **2.2 Service Units and District Offices**

- All service activities pertaining to pension and social security schemes of the Board are implemented by 4 units, namely Deed services. Pension payments, Insurance and Development functions.
- District offices have been established to function in all districts of the island except in the districts of Mulative and Manner.

**2.3 The officers who are involved in the implementation of Pension and Social benefits**

- District coordinating officers have been appointed along with subordinate staff to the District offices and they are in charge of directing, implementing and coordinating as well as direct enrollments of member for the pension and social security benefits schemes.
- In accordance with a circular letter of instructions issued by Ministry of Public Administration authority has been granted to District Secretaries, Divisional Secretaries and through them to Grama Seva Officers as a part of their duty and necessary arrangements have been made to implement the pension and social security benefit schemes in their respective areas through them.
- Action has been taken with the association of officers in various Ministries, Departments and Organizations for the implementation of the pension and social security benefit schemes of the Board.

**Staff of Social security Division - Head Office**

<b>Post</b>	<b>Present</b>
1. Deputy General Manager (Social Security)	1
2. Assistant General Manager (Social Security)	1
3. Assistant General Manager (Pension/ Insurance)	1
4. Managers/ Coordinating Officers	
(a) Deed Services	1
(b) Insurance	1
(c) Pension Payments	1
(d) Sales Promotions	1
(e) Co-ordinating Officers	1
5. Clerk	8
6. K.K.S	2
<b>Total</b>	<b>18</b>

**Staff of District Offices**

1. District Co-ordinating Officers	37
2. Management Assistant	15
3. K.K.S	17
<b>Total</b>	<b>69</b>

**2.4 Social Security Pension Schemes**

District wise New enrollments in 2013

	District	2013
1	Colombo	47
2	Gampaha	509
3	Kaluthara	13
4	Galle	23
5	Matara	652
6	Hambanthota	62
7	Rathnapura	55
8	Kegalle	54
9	Kandy	57
10	Matale	01
11	Nuwaraeliya	68
12	Kurunegala	1898
13	Puttlam	1707
14	Badulla	1210
15	Monaragala	166
16	Anuradhapura	55
17	Polonnaruwa	30
18	Ampara	836
19	Trincoamalee	02
20	Batticaloa	87
21	Kilinochchi	706
22	Jaffna	540
23	Direct	470
	<b>Total</b>	<b>9248</b>

**2.5 Payments of benefits year 2013**

Details	Number	Amount (Rs.)
Payment of pensions	15527	119,521,237.81
Death gratuity payments	129	2,491,977.92
Total disability monthly payments	27	620,584.92
Partial disability gratuity payments	03	57,256.51
<b>Total</b>		<b>119,820,874.62</b>

**2.6 Collection of membership contributions year 2013**

Through enrollments	By installments
Enrollment Collection	6,560,247.00
Through banks	12,543,570.69
DS Divisions	29,734,339.23
Through Post Offices	96,215,400.31
<b>Total</b>	<b>149,717,984.23</b>

**2.7 Mobile workshops and training conducted during the year 2013.**

Details	Number	Amount
Pension and Social Service Development Programmes	10	78,860.00
District wise Awareness Programme	01	44,107.00
Activating at the district level	81	438,612.00
<b>Total</b>	<b>92</b>	<b>557,579.00</b>

**2.8 Problems in the Social Security Unit**

- ◆ As a result of the assignment of officers to District Offices is limited they are not in a position to actively participate in the enlightenment of people with respect to the pension and social security benefits schemes, enrolments, and collections of installments, and the Board has been compelled to obtain the services of officers who do not come under the direct control, of the Board.
- ◆ Lack of sufficient capital for publicity work electronic, and such other publicity activities are fairly weak and as a result, promotional activities of the schemes are progressive sufficiently.
- ◆ As a result of the trained and experienced field officers are resigning in a fairly large scale, the vacancy position is unavoidable and the Board is compelled to recruit new officers and train them where necessary and employ them accordingly.
- ◆ As a result of the non-payment of pensions to those enrolled in agricultural pension payment scheme as equivalent that of Sri Lanka Social Security Board, there are obstacles pertaining to the development of activities in the field level, and the level of enrolments of the pensions schemes have declined, and further, those who have already enrolled have abandoned the scheduled payments of installments.

### **3. Finance Division**

#### **Duties**

- Preparation of accounts and maintaining the financial reports properly.
- Levying the installments from the contributor members to the pension schemes.
- Investing the membership contributions for highest possible rates of interest.
- Preparation and making the payments of the monthly pensions to the qualified members properly and in correct order.
- Maintenance of Bank accounts properly.
- Preparation of financial reports for management activities, General Treasury and the Ministry from time to time.
- Preparation of annual financial statements in accordance with the directives of the Finance Act no.38 of the year 1971 and forwarding them to the Auditor General.
- Preparation of annual income and expenditure statements.
- Provision of all necessary information to the Management enabling it to take requisite decisions.

#### **3.1 General facts**

- Writing of cheques, preparation of accounts and salaries have been computerized and about 18 lacks of rupees are paid out as pension payments, and these pension payments are carried out by Rural Banks distributed all over the island.
- At present payments are made to the recipients by the People's Bank, Bank of Ceylon and National Savings Bank all over the island. The Board has opened an account for those employed broad (RFC) on behalf of them.

#### **3.2 Finance Division staff**

<b>Post</b>	<b>Number present</b>
Deputy General Manager (Finance)	1
Assistant General Manager (Finance)	1
Manager (Finance)	1
Cashier	1
Book Keeper	1
Clerk	7
<b>Total</b>	<b>12</b>

#### **4. Internal Audit Division**

##### **4.1**

- ◆ Identifying the limited internal administrative line up and the boundaries of authority and evaluating the proficiency of administrative functions as well as activities pertaining to duties of the office staff and the quality of functions
- ◆ Examination of income and expenditure and control of finance and check and investigated the as to whether the noels and instigated are follows with respect to expenditure.
- ◆ Evaluation of human directives for understandings and also determine the efficiencies and successfulness. of activities .
- ◆ Examination of assets their control and safety.
- ◆ Examination of the preparation of information which is lined up computerized and also evaluate the safety of computer information .
- ◆ Evaluation of the progress of performance of new programmes and in keeping with the annual plan of activities .

##### **4.2 Duties**

###### **Finance and administration functions**

- ◆ Investigation and appraisal of employees' positions and employees' details and approved numbers of employees .
- ◆ Examination of personal files and requirement of employees.
- ◆ Examination of attendance, arrival, departure and leave taken by employees.
- ◆ Examination of employees welfare activities and their interrelated pursuits.
- ◆ Controlling of employees discipline and examination of administrative procedures in respect of disciplinary matters.
- ◆ Examining vehicle usage and their maintenance.
- ◆ Examining building maintenance activities sanitary and security service area.
- ◆ To be in consideration as well as inspection of the receipt of General Treasury grants as well as receipts of installments from contributory members for pension schemes.
- ◆ Examination of preoperational activities.
- ◆ Examination of all recurrent and capital expenditure.
- ◆ Examination of Bank Accounts, Bank Reconciliation and their drafting and preparation.
- ◆ Examination of matters pertaining to purchases.
- ◆ Examination of the preparation of reports pertaining to accounts, financial documents for presentation.

## **Operational Activities**

- Examination of enrolment of members for pension and Social security Schemes, computing, application issue of deeds.
- Examination of the collection of instalment operations and accountability.
- Examination of the payments of pensions and other benefits.
- Examination of the payments at the occasions of leaving membership.
- Examination of the promotional programmes of the schemes
- Inspection of the field activities.

### Special Investigation Activities

#### Special assignments

Considering the preparation of replies of Audit Inquiries of the Department of Audit.

## **4.3 Audit and Management Committee meetings**

- 28<sup>th</sup> February 2013
- 23<sup>th</sup> April 2013
- 13<sup>th</sup> September 2013
- 30<sup>th</sup> December 2013

## **4.4 Internal Audit Reports presented in the year 2013**

- Recruitment of trainees and the payment of allowances for them.
- Payment of overtime to employers.
- Payment of salaries
- System and methods of payments of pensions .
- Recording of assets and their administration.
- Vehicle usage and their maintenance
- Communication expenditure
- Stocks at hand and Stores control
- Field Examinations
  - Kalutara District
  - Kegalle Distirct

- Special Assignments — Vehicle usage, maintenance  
Examining the progress of Districts Offices  
Handover Motor Bikes to Co-ordinating Officers  
Recommendation of format to a Personal Note Book
- Examining the Personal files
- Examining the expenses of water and electricity
- Investment of contributory installments
- Payment of EPF & ETF
- Obtaining and the settlement of Advances
- Death Gratuity and Disability payments
- Travelling Expenses
- Transfer of members contributions —Divisional Secretariats and District Co-ordinating Officers

**4.5 Internal Audit Division— Positions and Vacancies**

<i>Designation</i>	<i>Approved positions</i>	<i>Occupation as at 31/12/2013</i>	<i>Vacancies</i>
Internal Auditor	01	-	01
Audit Officer	02	02	from 2013/02/14
Investigation Officer	02	-	02

## ACCOUNTING POLICIES

### 1. CORPORATE INFORMATION.

#### 1.1. Domicile and Legal Form

Sri Lanka Social Security Board established by Act No. 17 of the year 1996 by the parliament of Domestic Socialist Republic of Sri Lanka which had been revised by act no.33 of the year 1999 and while expanding its are of services further, under the Ministry of Social Services and Social Welfare is at present actively functioning under the Ministry of Finance and Planning. The head office is located at No. 18, Rajagiriya Road, Rajagiriya, Sri Lanka.

#### 1.2 Principal Activities and Nature of Operations

The main function of Sri Lanka Social Security Board is to certify the provision of a monthly pension and social security benefits for those citizen of Sri Lanka who are not entitled a government pension and through this system of pension and social security benefits scheme, arrangements are well instituted for the payment of a monthly pension, partial and total incapacitation benefits and death gratuity.

#### 1.3 The Number of Employees

The number of employees at the end of the year was 134

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance.

The financial statements of Sri Lanka Social Security Board comprise the Statement of Financial Position, Statement of Financial Performance, Cash Flow Statement, and notes to the financial statements. These statements are prepared in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAs) laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL).

#### 2.2. Basis of Measurement

The financial Statements have been prepared on the historical cost Basis.

No adjustments have been made for inflationary factors in the financial statements

#### 2.2 Functional and presentation Currency.

These financial Statements are presented in Sri Lankan Rupees, which is the Sri Lanka Social Security Board functional currency.

### 3 SIGNIFICANT ACCOUNTING POLICIES

These accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 3.1. Property, Plant and Equipment

The cost of Property, plant and equipments is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are carried at revalued amount less any subsequent depreciation thereon. All other Property, Plant and Equipments are stated at cost less accumulated depreciation. Where an item of Property, plant and equipments comprises major components having different useful lives, they are accounted for as separate item of Property, plant and equipments.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

#### Property, Plant and Equipment- Received as Grant

Property, Plant and Equipment acquired under any grant are capitalized at cost.

Property, Plant and Equipment other freehold land are stated at cost less accumulated depreciation. Free hold land is stated at cost.

Depreciation is charged on all Property, Plant and Equipment other than freehold land to write off the cost over the estimated useful lives.

Depreciation has been provided for the year on pro-rata basis.

Property, Plant and Equipment are depreciated on straight line method as mentioned below, further, that the all Property, Plant and Equipment have been accounted at cost method as prescribe in the SLPSAS 7 - Property, Plant & Equipment.

1. Motor vehicles	20% - p.a.
2. Plant Machinery & Equipment	25%
3. Computer and other fixed assets	25%
4. Communication	20%
5. Furniture & Office Equipment	10% - p.a.
6. Building	4% p.a.
7. Others	10%.
8. Soft Ware	25%

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on de-recognition of the asset. (Calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefit expected from originally assessed standard of performance is recognized as an expense when incurred.

### **3.2 Inventories**

The inventories used during the financial year had been charged to the income & expenditure statement at cost.

Balance stock has been valued at cost, selling price or net realizable value whichever is lower.

### **3.3. Short Term Investment**

Investments in money market instruments with a maturity less than one year are treated as short term investment and are stated at cost.

### **3.4. Cash and Cash equivalents**

Cash and cash equivalents comprise cash in hand and held at bank.

### **3.5. Cash flow Statement**

Cash flow Statement has been prepared using the indirect method.

### **3.6. Liabilities and Provisions**

Liabilities are recognized in the balance sheet when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditors or within one year of the balance sheet date are treated as current liabilities in the Balance sheet.

Provision is recognized if, as a result of a past event, the Sri Lanka Social Security Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

### **3.7. Taxation**

Tax expenses reported in the financial statement and computed in accordance with the provision of the Inland Revenue Act No.10 of 2006 and its amendments thereto.

### **3.8 Employee Benefits**

#### **I. Define Contribution Plan.**

Obligation to define contribution plan are recognized as an expenses in the income statement as incurred. The Sri Lanka Social Security Board contributes 12% and 3% of gross emoluments of employees to Provident Fund and Trust Fund respectively.

## **II. Define Benefit Plan**

Gratuity is a define benefit plan. The Sri Lanka Social Security Board is liable to pay gratuity in terms of the relevant statute. In order to meet this liability , a provision is carried forward in the balance sheet, equivalent to an amount calculated base on a half month's salary of the last of the financial year of all employees for each completed year of service, commencing from the first year of service.

Provision is made for retirement gratuity for all employees in respect of gratuity payable under the payment of gratuity Act No. 12 of 1983. This item is grouped under non current liabilities in the balance sheet.

According to The Treasury, a fund is not necessary, as they will grant the funds when required.

### **3.9. Revenue Recognition**

#### **3.9.1 Revenue Recognition**

Enrolment fees and premium from contributors are accounted on receipt basis whilst interest and all other income is accounted on accrual basis.

#### **3.9.2 Expenditure**

All expenditure incurred in the running of the board has been accounted on accrual basis and all expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the Board has been treated as capital expenditure.

### **3.10. Comparative information**

Where necessary, comparative figures have been rearranged to conform to the current year presentation.

### **3.11. Events occurring after balance sheet date**

All material post balance sheet events have been considered and where appropriate adjustment or disclosures have been made in respective note to the financial statement.

### **3.12. Commitments and contingencies**

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Sri Lanka Social Security Board's control.

### **3.13. Accounting of Grants**

#### **i. Government Grants**

The accounting policy adopted for Government Grants including the methods of presentation are as follows.

- a. Government Grants for purchase of assets are recognized as income over the periods of useful life of the assets.
- b. Other grants received from Fund as well as expenses thereon have been incorporated in the Profit & Loss.

### **3.14 Investment**

Investment in fixed deposit and short term deposit has been stated at cost. Income from such investments has been accounted on accrual basis.

### **3.15 Funds**

Social Security Development Fund is created by total collection from persons who exceeded 60 years of age and paid only less than 25% of their due contribution.

Social Security Incentive Fund is created on the basis of incentive payable for the relevant year.

Social Security Pension Fund and Social Security Insurance Fund is created on the basis of 85% & 15 % respectively on remained fund collection after allocating to the above funds.

### **3.16. Previous Year Adjustments**

Provision for depreciation of assets up to 31.12.2012 has been adjusted for differed revenue as per Accounting Standard.

**SRI LANKA SOCIAL SECURITY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31. DECEMBER 2013**

	NOTE	2013 Rs	2012 Rs
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY PLANT & EQUIPMENT	9	238,003,612	38,236,459
INVESTMENT	10	1,622,672,141	1,519,418,628
<b>TOTAL</b>		<b>1,860,675,753</b>	<b>1,557,655,087</b>
<b>CURRENT ASSETS</b>			
CASH IN HAND AND BANK	11	3,978,759	12,700,186
DEPOSITS	12	75,000	75,000
ADVANCES	13	6,900	17,000
STAFF LOAN	14	3,058,711	3,500,420
OTHER ASSETS	15	118,029,324	189,133,231
<b>TOTAL CURRENT ASSETS</b>		<b>125,148,694</b>	<b>205,425,837</b>
<b>TOTAL ASSETS</b>		<b>1,985,824,447</b>	<b>1,763,080,924</b>
<b>LESS:</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
BANK OVERDRAFTS		-	20,708,353
OTHER LIABILITIES	16	25,003,080	33,553,641
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,003,080</b>	<b>54,261,994</b>
<b>NET CURRENT ASSETS</b>		<b>100,145,614</b>	<b>151,163,842</b>
<b>NON CURRENT LIABILITIES</b>	17	<b>12,521,173</b>	<b>9,996,978</b>
<b>TOTAL LIABILITIES</b>		<b>37,524,252</b>	<b>64,258,972</b>
<b>TOTAL NET ASSETS</b>		<b>1,948,300,195</b>	<b>1,698,821,952</b>
<b>FINANCED BY</b>			
ACCUMILATED FUND	18	(10,586,588)	(70,729,807)
S.L. SOCIAL SECURITY PENSION FUND	19	1,417,904,895	1,429,799,740
S.L. SOCIAL SECURITY INSURANCE FUND	20	285,561,224	261,911,666
S.L. SOCIAL SECURITY INCENTIVE FUND	21	2,635,632	624,618
S.L. SOCIAL SECURITY DEVELOPMENT FUND	22	8,584,323	4,494,782
S.L. SOCIAL SECURITY ELDERS FUND	23	2,396,025	2,547,023
GOVERNMENT & FUND GRANTS	24	241,804,683	70,173,930
<b>Total Equity</b>		<b>1,948,300,195</b>	<b>1,698,821,952</b>

The Accounting Policies and Notes appearing on pages 10 to 16 form an integral part of the financial statements

H.L.S Wijesinghe  
Deputy General Manager (Fin)

Dhammika Padukka  
General Manager (Atg)

Attorney, H.W. Sumana Ariyadasa  
Chairman

Final Accounts 2013  
Sri Lanka Social Board

**SRI LANKA SOCIAL SECURITY BOARD**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE**  
**YEAR ENDED 31ST DECEMBER 2013**

	NOTE	2013 Rs	2012 Rs
<b>TOTAL REVENUE</b>	1	<b>104,116,120</b>	<b>74,547,902</b>
<b>OPERATING EXPENSES</b>			
PERSONAL EMOLUMENTS	2	54,481,275	51,028,231
TRAVELLING EXPENSES	3	829,341	924,865
SUPPLIES & CONSUMABLE ITEMS	4	6,115,773	3,912,968
MAINTENANCE	5	2,418,668	1,735,496
CONTRACTUAL SERVICES	6	10,616,195	19,329,741
OTHER EXPENDITURE	7	1,500	360,229
DEPRECIATION	8	20,125,591	15,792,325
<b>TOTAL EXPENSES</b>		<b>94,588,344</b>	<b>93,083,855</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>9,527,776</b>	<b>(18,535,954)</b>

**SRI LANKA SOCIAL SECURITY BOARD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2013**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2013</b> Rs	<b>2012</b> Rs
Surplus / (Deficit) for the year	9,527,776	(18,535,954)
Less :		
Profit on sale of fixed assets	(2,272,800)	(388,588)
Amortization of Capital Grant	(20,125,591)	(68,800)
Previous Year adjustment		4,207,706
Add :		
Depreciation for the year	20,125,591	15,792,326
Provision for gratuity	2,969,497	2,121,101
<b>Operating Surplus before Working Capital</b>	<b>10,224,473</b>	<b>3,127,791</b>
Increase of Inventories	(1,019,500)	(274,871)
Decrease of trade & other receivables	72,565,115	(84,681,484)
Decrease of pre payments	10,100	(19,099)
Decrease of Accrued Expenses & Payables	(8,575,562)	30,321,576
Gratuity paid during the year	(420,302)	
	<b>62,559,851</b>	<b>(54,653,878)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>72,784,324</b>	<b>(51,526,087)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(218,023,515)	(8,103,260)
Proceeds from sale of fixed assets	2,894,894	3,054,124
Investment	(103,253,513)	(175,564,520)
<b>Net Cash Flow from Investment Activities</b>	<b>(318,382,134)</b>	<b>(180,613,656)</b>
<b>Cash Flow From Financing Activities</b>		
Net Receipt of Internal Funds	243,904,735	228,830,651
Capital Grants	13,680,000	2,658,000
<b>Net Cash Flow From Financing Activities</b>	<b>257,584,735</b>	<b>231,488,651</b>
<b>NET CASH USED</b>	<b>11,986,925</b>	<b>(651,092)</b>
Cash & Cash Equivalents as at 01/01/2013	(8,008,167)	(20,026,745)
Cash & Cash Equivalents as at 31/12/2013	3,978,759	(8,008,167)

**SRI LANKA SOCIAL SECURITY BOARD  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2013**

	Social Security Fund Rs.	GOVERNMENT & FUND GRANTS Rs.	Accumulated Fund Rs.	Total Rs.
<b>Balance as at 1st January 2012</b>	1,470,817,881	59,595,930	(52,203,705)	1,478,210,106
Prior year adjustments	(328,108)	7,000,000	9,852	6,681,744
Transfer during the year	229,158,760	3,578,000	(18,535,954)	214,200,806
<b>Balance as at 31st December 2012</b>	<b>1,699,648,532</b>	<b>70,173,930</b>	<b>(70,729,807)</b>	<b>1,699,092,656</b>
Balance as at 1st January 2013	1,699,648,532	70,173,930	(70,729,807)	1,699,092,656
Prior year adjustments	11,225,692	(50,132,224)	50,615,443	11,708,911
Transfer during the year	6,207,875	221,762,977	9,527,776	237,498,628
<b>Balance as at 31st December 2013</b>	<b>1,717,082,099</b>	<b>241,804,683</b>	<b>(10,586,588)</b>	<b>1,948,300,195</b>

**NOTES**

<b>NOTE 01</b>	<b>2013</b>	<b>2012</b>
<b>INCOME</b>	<b>Rs</b>	<b>Rs</b>
<b>INTEREST INCOME</b>		
INTEREST - DISTRESS LOAN	104,806.81	
INTEREST - SPECIAL ADVANCE	3,222.18	1,699.00
INTEREST - OTHER INCOME	529,377.58	
LOAN TO FUND		2,830,000.00
<b>GRANTS</b>		
GOVERNMENT GRANT - RECURRENT	81,066,426.00	71,138,900.00
<b>OTHER INCOME</b>		
SUNDRY INCOME	13,896.10	119,914.49
SALE OF CONDEMNED & CAPITAL ITEMS	2,272,800.19	388,588.13
DIFFERED REVENUE	20,125,591.35	68,800.00
<b>TOTAL INCOME</b>	<b>104,116,120.21</b>	<b>74,547,901.62</b>

<b>NOTE 02</b>	<b>2013</b>	<b>2012</b>
<b>EXPENCES</b>	<b>Rs</b>	<b>Rs</b>
<b>PERSONAL EMOLUMENTS</b>		
PERSONAL EMOULMENTS - SALARIES & WAGES	40,086,628.72	38,532,255.99
PERSONAL EMOULMENTS - OVERTIME & HOLIDAY PAYMENT	438,698.55	488,558.27
PERSONAL EMOULMENTS -ALLOWANCE - BOARD	193,200.00	267,600.00
PERSONAL EMOULMENTS - OTHER ALLOWANCES	5,480,570.65	3,744,025.56
PERSONAL EMOULMENTS - EPF	4,249,168.27	4,087,384.77
PERSONAL EMOULMENTS - ETF	1,063,511.27	1,026,322.43
PERSONAL EMOULMENTS - GRATUITY	2,969,497.25	2,882,084.00
<b>TOTAL</b>	<b>54,481,274.71</b>	<b>51,028,231.02</b>

<b>NOTE 03</b>	<b>2013</b>	<b>2012</b>
<b>TRAVELLING EXPENSES</b>	<b>Rs</b>	<b>Rs</b>
TRAVELLING - DOMESTIC	829,341.42	924,865.07
<b>TOTAL</b>	<b>829,341.42</b>	<b>924,865.07</b>

<b>NOTE 04</b>	<b>2013</b>	<b>2012</b>
<b>SUPPLIES &amp; CONSUMABLE ITEMS</b>	<b>Rs</b>	<b>Rs</b>
SUPPLIES - STATIONERY	1,833,778.17	1,604,694.51
SUPPLIES - FUEL & LUBRICANT	2,087,058.57	1,417,652.17
SUPPLIES - OTHERS - ADVERTISING	1,356,224.36	89,263.60
SUPPLIES - UNIFORM	128,000.00	159,342.50
SUPPLIES - OTHERS -	710,712.38	642,015.26
<b>TOTAL</b>	<b>6,115,773.48</b>	<b>3,912,968.04</b>

<b>NOTE 05</b>	<b>2013</b>	<b>2012</b>
<b>MAINTENANCE</b>	<b>Rs</b>	<b>Rs</b>
MAINTENANCE EXPENDITURES - BUILDING & STRUCTURE	318,255.28	3,600.00
MAINTENANCE EXPENDITURES - PLANT, MACHINERY & OFFICE EQ	620,564.77	183,474.60
MAINTENANCE EXPENDITURES - VEHICLES	1,479,848.20	1,548,421.34
<b>TOTAL</b>	<b>2,418,668.25</b>	<b>1,735,495.94</b>

<b>NOTE 06</b>	<b>2013</b>	<b>2012</b>
<b>CONTRACTUAL SERVICES</b>	<b>Rs</b>	<b>Rs</b>
CONTRACTUAL SERVICES - TRANSPORT	214,083.00	20,013.50
CONTRACTUAL SERVICES - TELECOMMUNICATION	2,023,981.70	2,278,235.11
CONTRACTUAL SERVICES - POSTAL CHARGES	506,843.50	543,917.90
CONTRACTUAL SERVICES - ELECTRICITY & WATER	2,973,267.70	3,315,136.29
CONTRACTUAL SERVICES - RENTAL & HIRE CHARGES	2,775,891.33	11,320,895.00
CONTRACTUAL SERVICES - OTHERS	2,078,967.89	1,216,009.74
CONTRACTUAL SERVICES - WHT	43,160.05	
AUDIT CHARGES		635,533.00
<b>TOTAL</b>	<b>10,616,195.17</b>	<b>19,329,740.54</b>

<b>NOTE 07</b>	<b>2013</b>	<b>2012</b>
<b>OTHER EXPENDITURE</b>	<b>Rs</b>	<b>Rs</b>
OTHER RECURRENT - AWARNES	-	348,729.00
OTHER RECURRENT - LANGUAGE POLICY	1,500.00	11,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>360,229.00</b>

<b>NOTE 08</b>	<b>2013</b>	<b>2012</b>
<b>DEPRECIATION</b>	<b>Rs</b>	<b>Rs</b>
BUILDING	5,211,842.24	170,703.00
MOTOR VEHICLES	2,636,289.34	3,767,368.00
COMPUTERS	3,122,359.90	3,928,078.00
FURNITURE & OFFICE EQUIPMENT	912,804.70	748,924.00
SOFTWARE DEVELOPMENT	5,976,857.66	5,963,582.00
COMMUNICATIONS	356,680.12	640,360.00
PLANT & MACHINERY	1,822,829.13	513,522.00
OTHERS	85,928.26	59,788.00
<b>TOTAL</b>	<b>20,125,591.35</b>	<b>15,792,325.00</b>

**SRI LANKA SOCIAL SECURITY BOARD**  
**FIXED ASSETS AS AT 31ST DECEMBER 2013**

**NOTE 9**

	BUILDING	MOTOR VEHICLES	FURNITURE & OFFICE EQUIPMENT	COMPUTERS	COMMUNICATION	PLANT & MACHINERY	SOFTWARE	OTHERS	LAND	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST AS AT 01 JANUARY 2013	4,267,574.91	21,858,470.52	12,620,634.19	16,744,266.79	3,620,602.00	6,899,159.80	23,854,326.43	499,479.93		90,364,514.57
ADJUSTMENT TO THE COST		(502,722.68)	152,320.00	1,269,722.00	(1,267,422.00)	(222,891.00)				(570,993.68)
ADDITIONS	149,709,643.75	5,678,080.00	2,110,600.50	2,369,450.00	2,365,450.00	7,163,049.00	92,741.77	680,500.00	47,854,000.00	218,023,515.02
DISPOSALS *		(2,740,000.00)	(840,540.11)	(809,010.00)						(4,389,550.11)
ADJUSTMENT TO THE DISPOSAL			(104,358.16)	(265,245.00)	(3,346.00)					(372,949.16)
<b>COST AS AT 31 DECEMBER 2013</b>	<b>153,977,218.66</b>	<b>24,293,827.84</b>	<b>13,938,656.42</b>	<b>19,309,183.79</b>	<b>4,715,284.00</b>	<b>13,839,317.80</b>	<b>23,947,068.20</b>	<b>1,179,979.93</b>	<b>47,854,000.00</b>	<b>303,054,536.64</b>
ACCUMULATED DEPRECIATION AS AT 01 JANUARY 2013	1,161,994.80	14,656,738.14	8,259,975.69	12,968,039.74	2,576,274.00	6,171,649.60	5,963,581.61	369,804.62		52,128,058.20
ADJUSTMENT TO THE DEPRECIATION		(652,399.96)	(90,684.07)	(1,040,559.19)		(143,391.47)				(1,927,034.69)
DEPRECIATION	5,211,842.24	2,636,289.34	912,804.70	3,122,359.90	356,680.12	1,822,829.13	5,976,857.66	85,928.26		20,125,591.34
DISPOSALS	-	(2,114,656.53)	(840,530.11)	(809,008.00)	-					(3,764,194.64)
ADJUSTMENT TO THE DISPOSAL		(659,554.78)	(65,395.24)	(249,095.56)	(527,504.55)			(9,946.14)		(1,511,496.27)
<b>ACCUMULATED DEPRECIATION AS AT 31 DECEMBER 2013</b>	<b>6,373,837.04</b>	<b>13,866,416.21</b>	<b>8,176,170.97</b>	<b>13,991,736.89</b>	<b>2,405,449.57</b>	<b>7,851,087.26</b>	<b>11,940,439.27</b>	<b>445,786.74</b>	<b>-</b>	<b>65,050,923.94</b>
<b>W.D.V AS AT 31-12-2013</b>	<b>147,603,381.62</b>	<b>10,427,411.63</b>	<b>5,762,485.45</b>	<b>5,317,446.90</b>	<b>2,309,834.43</b>	<b>5,988,230.55</b>	<b>12,006,628.93</b>	<b>734,193.19</b>	<b>47,854,000.00</b>	<b>238,003,612.70</b>

<b>NOTE 10</b>	<b>2013</b>	<b>2012</b>
<b>INVESTMENTS</b>	<b>Rs</b>	<b>Rs</b>
INVESTMENT - FIXED DEPOSITS	1,617,153,979.36	1,519,318,628.00
INVESTMENT - RIDEEREKHA	100,000.00	100,000.00
INVESTMENT - SALE OF VEHICLE	5,418,162.04	-
<b>TOTAL</b>	<b>1,622,672,141.40</b>	<b>1,519,418,628.00</b>

<b>NOTE 11</b>	<b>2013</b>	<b>2012</b>
<b>CASH IN HAND AND BANK</b>	<b>Rs</b>	<b>Rs</b>
003-1-001-5-0350212 QUEENS - PB	3,000.00	3,200.00
174-100-1200350213 - PB	2,044,015.28	2,183.01
174402140350212 - USD	26,359.16	25,132.53
BOC - 228073	754,893.25	(4,869,700.16)
NSB - 1-0-111-010-7557	165,563.20	(1,041,468.01)
PB 1001-4-0350-212	(4,262,295.92)	(14,797,184.70)
JANAJAYA CALL DEPOSITS	4,340,431.92	8,352,739.01
CALL DEPOSITS - BOC	906,791.91	4,316,931.80
<b>TOTAL</b>	<b>3,978,758.80</b>	<b>(8,008,166.52)</b>

<b>NOTE 12</b>	<b>2013</b>	<b>2012</b>
<b>DEPOSITS</b>	<b>Rs</b>	<b>Rs</b>
FUEL DEPOSIT (2012)	75,000.00	75,000.00
<b>TOTAL</b>	<b>75,000.00</b>	<b>75,000.00</b>

<b>NOTE 13</b>	<b>2013</b>	<b>2012</b>
<b>ADVANCES</b>	<b>Rs</b>	<b>Rs</b>
ADVANCES - 3001 - AWARENES PROGRAMME	3,400.00	3,500.00
ADVANCES - 3002 - GOODS & SERVICES	3,500.00	3,500.00
ADVANCES - 3004 - ENTERTAINMENT	-	10,000.00
<b>TOTAL</b>	<b>6,900.00</b>	<b>17,000.00</b>

<b>NOTE 14</b>	<b>2013</b>	<b>2012</b>
<b>STAFF LOAN</b>	<b>Rs</b>	<b>Rs</b>
STAFF LOAN - 3101 - DISTRESS LOAN	1,134,037.84	1,186,541.05
STAFF LOAN - 3102 - FESTIVAL ADVANCE	110,413.19	112,413.19
STAFF LOAN - 3103 - SPECIAL ADVANCE	8,000.00	-
STAFF LOAN - 3104 - DISTRESS LOAN 2	1,806,260.14	2,201,465.34
<b>TOTAL</b>	<b>3,058,711.17</b>	<b>3,500,419.58</b>

<b>NOTE 15</b>	<b>2013</b>	<b>2012</b>
<b>OTHER ASSETS</b>	<b>Rs</b>	<b>Rs</b>
INTESTEST RECEIVABLE FIXED DEPOSITS	116,455,840.30	185,715,463.19
STOCKS	1,398,217.10	378,717.41
INSURANCE INCOME RECEIVABLE	-	3,039,050.00
EX-STAFF RECEIVABLE	175,266.56	-
<b>TOTAL</b>	<b>118,029,323.96</b>	<b>189,133,230.60</b>

<b>NOTE 16</b>	<b>2013</b>	<b>2012</b>
<b>OTHER LIABILITIES</b>	<b>Rs</b>	<b>Rs</b>
CONTROL A/C - EPF	-	311,293.64
ACCURED EXPENSES - ETF	-	77,823.40
CONTROL A/C - SALARIES - PAYEE	5,167.43	-
ACCURED EXPENSES - OTHER ALLOWANCE	391,250.00	2,750.00
ACCURED EXPENSES - OVERTIME	23,864.42	39,584.83
ACCURED EXPENSES - TRAVELLING	78,932.86	353,414.04
ACCURED EXPENSES - STATIONERY	25,504.00	843,829.72
ACCURED EXPENSES - FUEL	7,000.00	45,334.59
ACCURED EXPENSES - SUPPLY OTHERS	3,990.00	68,708.32
ACCURED EXPENSES - MAINTENANCE VEHICLES	-	546,220.40
ACCURED EXPENSES - MAINTENANCE PLANT & MACHINERY	-	53,057.00
ACCURED EXPENSES - TRANSPORT	-	90.00
ACCURED EXPENSES - TELECOMMUNICATION	152,180.61	294,149.93
ACCURED EXPENSES - POSTAL CHARGES	740.00	25,401.00
ACCURED EXPENSES - ELECTRICITY & WATER	194,855.00	279,237.26
ACCURED EXPENSES - CONTARACTURAL SERVICES OTHERS	113,672.59	64,498.48
ACCURED EXPENSES - LANGUAGE POLICY	-	4,000.00
ACCURED EXPENSES - RENT & HIRE CHARGES	570,000.00	1,471,640.00
ACCURED EXPENSES - SALARIES	201,265.74	207,529.06
ACCURED EXPENSES - GRATUITY	-	453,766.75
ACCURED EXPENSES - AUDIT CHARGES	326,413.00	635,533.00
ACCURED EXPENSES - SOFTWARE DEVELOPMENT PROGRAMME	-	5,282,980.61
ACCURED EXPENSES - WHT PAYABLE	9,316,467.24	22,492,174.23
ACCRUED- DISTRESS LOAN	47,234.00	-
ACCRUED- DISTRESS LOAN INTEREST	672.87	-
ACCRUED- DISABILITY PAYMENT	50,248.00	-
ACCRUED- INCENTIVE PAYMENT	2,022,734.51	-
ACCRUED- PENSION PAYMENT	11,310,748.42	-
RECEIPT IN ADVANCE- SECURITY DEPOSIT	-	625.00
REFUNDABLE DEPOSIT	4,000.00	-
EX-STAFF PAYABLE	9,688.95	-
RETENTION PAYABLE	146,450.00	-
<b>TOTAL</b>	<b>25,003,079.64</b>	<b>33,553,641.26</b>

<b>NOTE 17</b>	<b>2013</b>	<b>2012</b>
<b>NON CURRENT LIABILITIES</b>	<b>Rs</b>	<b>Rs</b>
GARUAIY PAYABLE (Note 19 (1))	12,250,469.75	9,701,275.00
INVESTMENT - ARASSAWA - RASHMI NIMESHÁ	227,158.00	227,158.00
INVESTMENT - ARASSAWA - RASANI DILINIKA	43,545.00	43,545.00
SECURITY SERVICE DEPOSIT	-	25,000.00
<b>TOTAL</b>	<b>12,521,172.75</b>	<b>9,996,978.00</b>

<b>NOTE 18</b>	<b>2013</b>	<b>2012</b>
<b>ACCUMILATED FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	(70,729,806.54)	(52,193,852.40)
PRIOR YEAR ADJUSTMENT	50,615,442.77	-
SURPLUS / (DEFICIT) FOR THE YEAR	9,527,775.83	(18,535,954.14)
<b>TOTAL</b>	<b>(10,586,587.94)</b>	<b>(70,729,806.54)</b>

<b>NOTE 19</b>	<b>2013</b>	<b>2012</b>
<b>S.L. SOCIAL SECURITY PENSION FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	1,429,799,739.56	1,258,001,328.32
PREVIOUS YEAR ADJUSTMENT	3,728,811.24	-
THIS YEAR ADJUSTMENT	(193,100,282.96)	-
TRANSFER DURING THE YEAR	177,476,626.97	171,798,411.24
<b>TOTAL</b>	<b>1,417,904,894.81</b>	<b>1,429,799,739.56</b>

<b>NOTE 20</b>	<b>2013</b>	<b>2012</b>
<b>S.L. SOCIAL SECURITY INSURENCE FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	261,911,665.65	218,203,138.88
PREVIOUS YEAR ADJUSTMENT	2,652,585.57	-
THIS YEAR ADJUSTMENT	(34,231,285.24)	-
TRANSFER DURING THE YEAR	55,228,258.13	43,708,526.77
<b>TOTAL</b>	<b>285,561,224.11</b>	<b>261,911,665.65</b>

<b>NOTE 21</b>	<b>2013</b>	<b>2012</b>
<b>S.L. SOCIAL SECURITY INCENTIVE FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	624,618.09	(8,483,698.95)
PREVIOUS YEAR ADJUSTMENT	4,145,523.95	-
THIS YEAR ADJUSTMENT	(2,829,504.75)	-
TRANSFER DURING THE YEAR	694,994.96	9,108,317.04
<b>TOTAL</b>	<b>2,635,632.25</b>	<b>624,618.09</b>

<b>NOTE 22</b>	<b>2013</b>	<b>2012</b>
<b>S.L. SOCIAL SECURITY DEVELOPMENT FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	4,494,782.14	-
PREVIOUS YEAR ADJUSTMENT	1,037,040.23	-
THIS YEAR ADJUSTMENT	1,953,000.00	-
TRANSFER DURING THE YEAR	1,099,500.65	4,494,782.35
<b>TOTAL</b>	<b>8,584,323.02</b>	<b>4,494,782.35</b>

<b>NOTE 23</b>	<b>2013</b>	<b>2012</b>
<b>S.L. SOCIAL SECURITY ELDERS FUND</b>	<b>Rs</b>	<b>Rs</b>
OPENING BALANCE	2,547,023.48	3,097,112.29
PREVIOUS YEAR ADJUSTMENT	(67,565.59)	-
INTEREST DURING THE YEAR	332,067.11	(43,523.81)
PAYMENT FOR SENIOR CITIZENS	(415,500.00)	(506,565.00)
<b>TOTAL</b>	<b>2,396,025.00</b>	<b>2,547,023.48</b>

<b>NOTE 24</b>	<b>2013</b>	<b>2012</b>
<b>GOVERNMENTS &amp; FUND GRANTS</b>	<b>Rs</b>	<b>Rs</b>
CAPITAL- GOVERNMENT	25,007,754.41	69,253,930.00
VEHICLE- GOVERNMENT	528,800.00	920,000.00
CAPITAL -FUND	216,268,128.93	-
<b>TOTAL</b>	<b>241,804,683.34</b>	<b>70,173,930.00</b>

**SRI LANKA SOCIAL SECURITY BOARD**  
Investment Schedule as at 31.12.2013

Investee/ Bank	Certificate No.	Date of		Amount of Investment (Rs)				Period	Int. Rate P.A	Total Interest (Rs)	Maturity Value (Rs)	Interest Receivable - 2013(Rs.)	WHT - 2013 (RS)
		Investment	Maturity	Collection 2013	Reinvested interest 2013	Face Value 2013 (Rs.)	Total Investment Value (Rs.)						
HDFC	FD00000046	2013-01-23	2014-01-23			50,000,000.00	50,000,000.00	12 months	17.25%	8,625,000.00	58,625,000.00	8,105,136.99	648,410.96
PB	174-60-01-00012778-1	2013-11-03	2014-02-02		134,768.51	5,283,393.53	5,418,162.04	3months	10.50%	143,395.74	5,561,557.78	91,960.31	7,356.82
PB	174-600-1000-117916	2013-02-15	2014-02-14	3,005,900.00	1,994,100.00	17,000,000.00	22,000,000.00	12 months	16.35%	3,597,000.00	25,597,000.00	3,153,534.25	252,282.74
PB	174-600-1000-118862	2013-03-05	2014-03-04	1,355,592.00	16,794,119.17	38,850,288.83	57,000,000.00	12 months	16.30%	9,291,000.00	66,291,000.00	7,687,347.95	614,987.84
BOC	74406601	2013-03-06	2014-03-06		3,895,250.10	33,687,152.82	37,582,402.92	12 months	16.50%	6,201,096.48	43,783,499.40	5,113,780.93	409,102.47
HDFC	FD00000050	2013-03-11	2014-03-11		1,744,706.73	15,000,000.00	16,744,706.73	12 months	16.50%	2,762,876.61	19,507,583.34	2,240,579.39	179,246.35
PB	174-60-01-00012920-8	2013-12-20	2014-03-19	3,000,000.00	75,692.05		3,075,692.05	3 months	9.50%	72,047.03	3,147,739.08	9,606.27	768.50
HDFC	FD00000056	2013-04-01	2014-04-01		77,279,086.90	19,720,913.10	97,000,000.00	12 months	15.60%	15,132,000.00	112,132,000.00	11,400,821.92	912,065.75
HDFC	FD 00000058	2013-04-04	2014-04-04		3,451,358.19	27,189,964.49	30,641,322.68	12 months	15.60%	4,780,046.34	35,421,369.02	3,562,116.72	284,969.34
HDFC	FD 0000007	2013-04-10	2014-04-10		16,921,897.72	130,449,411.99	147,371,309.71	12 months	15.25%	22,474,124.73	169,845,434.44	16,378,403.23	1,310,272.26
HDFC	FD 00000009	2013-04-27	2014-04-27		2,312,263.05	17,825,031.25	20,137,294.30	12months	15.25%	3,070,937.38	23,208,231.68	2,094,968.24	167,597.46
HDFC	FD 00000010	2013-05-03	2014-05-03		2,558,984.30	19,726,983.50	22,285,967.80	12months	15.00%	3,342,895.17	25,628,862.97	2,225,543.91	178,043.51
HDFC	FD 00000011	2013-05-04	2014-05-04		2,164,702.50	16,687,500.00	18,852,202.50	12months	15.00%	2,827,830.38	21,680,032.88	1,874,890.28	149,991.22
HDFC	FD00000012	2013-05-08	2014-05-08		1,111,799.86	8,570,766.75	9,682,566.61	12months	14.75%	1,428,178.57	11,110,745.18	931,250.69	74,500.05
HDFC	FD01000392	2013-06-02	2015-06-02		8,973,172.63	66,125,074.65	75,098,247.28	24 months	17.25%	25,908,895.31	101,007,142.59	7,559,718.77	604,777.50
HDFC	FD00000072	2013-06-04	2015-06-04	10,000,000.00			10,000,000.00	24 months	17.25%	3,450,000.00	13,450,000.00	997,191.78	79,775.34
HDFC	FD01000341	2013-06-18	2015-06-18		4,247,819.53	31,303,017.93	35,550,837.46	24 months	16.50%	11,731,776.36	47,282,613.82	3,165,972.53	253,277.80
HDFC	FD000000023	2013-06-28	2015-06-28		1,357,000.00	10,000,000.00	11,357,000.00	24months	16.50%	3,747,810.00	15,104,810.00	960,055.44	76,804.44
HDFC	FD00000024	2013-07-02	2015-07-02		1,357,000.00	10,000,000.00	11,357,000.00	24 months	16.50%	3,747,810.00	15,104,810.00	939,519.49	75,161.56
HDFC	FD00000025	2013-07-04	2015-07-04		17,880,200.00	130,000,000.00	147,880,200.00	24 months	16.50%	48,800,466.00	196,680,666.00	12,099,841.57	967,987.33
HDFC	FD 00000073	2013-07-10	2015-07-10		4,991,000.00	35,000,000.00	39,991,000.00	24 months	16.25%	12,997,075.00	52,988,075.00	3,115,737.16	249,258.97
HDFC	FD01000427	2013-07-19	2015-07-19		4,741,820.76	32,829,000.00	37,570,820.76	24 months	16.25%	12,210,516.75	49,781,337.51	2,776,638.05	222,131.04
HDFC	FD01000429	2013-07-27	2015-07-27		2,310,101.39	15,892,277.05	18,202,378.44	24 months	15.25%	5,551,725.42	23,754,103.86	1,201,606.32	96,128.51
SMIB	SMIB/IFD/0000329	2013-08-23	2014-08-23		4,268,800.00	29,000,000.00	33,268,800.00	12months	12.35%	4,108,696.80	37,377,496.80	1,474,628.17	117,970.25
SMIB	SMIB/IFD/0000334	2013-09-01	2014-09-01		18,370,740.42	120,290,338.01	138,661,078.43	12months	12.60%	17,471,295.88	156,132,374.31	5,839,720.82	467,177.67
SMIB	SMIB/IFD/0000347	2013-10-07	2014-10-07		30,878,179.29	200,000,000.00	230,878,179.29	12months	12.10%	27,936,259.69	258,814,438.98	6,582,242.01	526,579.36
RDB	134031300022	2013-10-21	2014-10-21		3,859,772.41	25,000,000.00	28,859,772.41	12months	12.25%	3,535,322.12	32,395,094.53	697,378.61	55,790.29
HDFC	FD00000034	2013-11-06	2016-11-06		16,100,000.00	100,000,000.00	116,100,000.00	36months	15.50%	53,986,500.00	170,086,500.00	2,760,953.42	220,876.27
RDB	44-00192-9	2013-11-22	2014-11-22		2,550,000.00	15,000,000.00	17,550,000.00	12months	11.50%	2,018,250.00	19,568,250.00	221,178.08	17,694.25
PB	174-60-01-00012852-0	2013-11-29	2014-11-28	2,000,000.00	1,564,000.00	10,000,000.00	13,564,000.00	12months	11.00%	1,492,040.00	15,056,040.00	134,896.74	10,791.74
HDFC	FD00000037	2013-12-06	2014-12-06		16,891,200.00	102,000,000.00	118,891,200.00	12 months	12.50%	14,861,400.00	133,752,600.00	1,058,620.27	84,689.62
				19,361,492.00	270,779,535.50	1,332,431,113.90	1,622,572,141.40			337,304,267.78	1,959,876,409.18	116,455,840.30	9,316,467.23

PB -People's Bank  
HDFC - Housing Development Finance Co-operation Bank of Sri Lanka  
BOC - Bank of Ceylon  
RDB - Regional Development Bank  
SMIB - State Mortgage & Investment Bank

**SRI LANKA SOCIAL SECURITY BOARD**  
**INCOME & EXPENDITURE STATEMENT- PENSION FUND**  
**YEAR ENDED 31ST DECEMBER 2013**

Description	Total Rs	Pension Fund Rs	Insurance Fund Rs	Incentive Fund Rs	S.S Dev. Fund Rs
<b>Member's Contribution</b>					
Enrollment Collection	61,306,773.63	47,370,921.74	8,359,574.42	2,738,699.47	2,837,578.00
Postal Department	100,090,927.75	85,077,288.59	15,013,639.16	-	-
<b>Total Contribution</b>	<b>161,397,701.38</b>	<b>132,448,210.32</b>	<b>23,373,213.59</b>	<b>2,738,699.47</b>	<b>2,837,578.00</b>
<b>Add- Interest Income</b>					
Fixed Deposit	237,574,919.81	201,938,681.84	35,636,237.97	-	-
Savings Deposit	431,644.44	366,897.77	64,746.67	-	-
Other (Distress Loan II)	115,360.62	98,056.53	17,304.09	-	-
<b>Total Interest</b>	<b>238,121,924.87</b>	<b>202,403,636.14</b>	<b>35,718,288.73</b>	<b>-</b>	<b>-</b>
<b>Less- Expenditure</b>					
Pension Payment	(119,521,237.81)	(119,521,237.81)	-	-	-
Contribution Refunds	(10,367,065.85)	(10,367,065.85)	-	-	-
Disability Payment	(620,584.31)	-	(620,584.31)	-	-
Postal Collection	(5,004,546.39)	(4,253,864.43)	(750,681.96)	-	-
Pension Gratuity	(2,491,977.92)	-	(2,491,977.92)	-	-
Incentive Payment	(2,043,704.51)	-	-	(2,043,704.51)	-
S.S Development Exp.	(1,738,077.35)	-	-	-	(1,738,077.35)
Withholding Tax	(23,113,050.87)	(23,113,050.87)	-	-	-
Bank Charges	(120,000.53)	(120,000.53)	-	-	-
<b>Total Expenses</b>	<b>(165,020,245.54)</b>	<b>(157,375,219.49)</b>	<b>(3,863,244.19)</b>	<b>(2,043,704.51)</b>	<b>(1,738,077.35)</b>
<b>Net Balance</b>	<b>234,499,380.71</b>	<b>177,476,626.97</b>	<b>55,228,258.13</b>	<b>694,994.96</b>	<b>1,099,500.65</b>



විගණකාධිපති දෙපාර්තමේන්තුව  
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

FB/J/SSB/1/13/79

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

03 December 2014

The Chairman  
Sri Lanka Social Security Board

**Report of the Auditor General on the Financial Statements of the Sri Lanka Social Security Board for the year ended 31 December 2013 in terms of Section 14 (2) (c) of the Finance Act, No 38 of 1971**

The audit of Financial Statements of the Sri Lanka Social Security Board for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity 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 24(3) of the Sri Lanka Social Security Board Act, No.17 of 1996. My comments and observations which I consider should be published with the Annual Report of the Board 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 Board on 28 August 2014.

**1.2 Management's Responsibility for the Financial Statements**

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

**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 risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of 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 Board'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 the 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 paragraph 2.2 of this report.

### 2. Financial Statements

---

#### 2.1 Qualified Opinion

---

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Social Security Board as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

#### 2.2 Comments on Financial Statements

---

##### 2.2.1 Sri Lanka Public Sector Accounting Standards

---

In preparing the statement of financial position, current and non-current assets and current and non-current liabilities had not been presented broadly in order of liquidity, in terms of paragraph 70 of the Sri Lanka Public Sector Accounting Standard No. 01.

### 2.2.2 Accounting Deficiencies

---

The following observations are made.

- (a) Action had not been taken to revalue 368 linemen of fixed asset which had been fully depreciated by 31 December 2013 and to take those values into books.
- (b) Motor vehicle repair expenses totaling Rs.394,250 had been brought to account as capital expenditure, instead of being accounted as recurrent expenditure.
- (c) Even though the Board had acquired a new building on 27 February 2013 and capitalized, a sum of Rs.286,033 spent on the building which had been taken on rent basis and handed over at-present had been capitalized as fixed assets and it had been depreciated for the entire year.

### 2.2.3 Transactions not Supported by Adequate Authority

---

The following observations are made.

- (a) Without making financial provision and without following the procurement process, a building to operate the Head Office of the Board had been purchased at Rs.195 million from the Pensions Fund in excess of the Government valuation of Rs.165 million.
- (b) Although the new computer system had been set up by incurring an expenditure of Rs.23,947,068 from the Pensions Fund, the Government Procurement Procedure had not been followed in purchasing the system. Similarly, the recovery of contributions and accounting thereof had lieu delayed for several, years by 31 December 2013 and as the new computer system does not have facilities to input information relating to the new schemes introduced by the Board, objectives expected to be fulfilled with the establishment of the computer system had not been achieved.

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

---

The following non-compliances were observed.

<u>Reference to Laws, Rules, Regulations etc.</u>	<u>Non-compliance</u>
---	-----------------------

(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
---	--

(i) Financial Regulation 387	
------------------------------	--

The paying officer should always ensure that the bank balance is sufficient to meet all his payments made by cheques. However cheques valued at Rs.4,262,296 had been written in excess of the balance in a current account.

(ii) Financial Regulation 396	
-------------------------------	--

The payee of each outstanding cheques should be addressed as soon as possible after the expiry of the period of validity, requesting him to return the cheques for revalidation. Without taking such action cheques valued at Rs.151,712 and Rs.641,115 issued in respect of pensions which had lapsed over 6 months had been taken to accounts as income.

(b) Public Enterprises Circular No. PED/25 of 29 July 2004	
--	--

The approval of the Minister of Finance had not been obtained for the investment of Rs.1,622,672,141 as at 31 December 2013.

## 3. Financial Review

---

### 3.1 Financial Results

---

According to the financial statements presented, the operation of Funds of the Board for the year under review had resulted in a surplus of Rs.9,471,426 as against the deficit of Rs.18,535,954 for the preceding year thus showing an improvement of Rs.28,077,380 in the financial results as compared with the preceding year. Earning a profit of Rs.2,272,800 from sale of Motor vehicles and other capital assets, increase of differed revenue by Rs.20,121,558 and the decrease of rent by Rs.8,545,004 due to the purchase of new building had been the reasons for the improvement.

### 3.2 Analytical Financial Review

---

The total assets in the previous year amounting to Rs.1,763,080,924 had increased to Rs.1,985,772,130 or by 13 percent during the year under review while the Funds amounting to Rs.1,698,821,952 in the previous year had increased to Rs.1,948,247,878 or by 15 per cent during the year under review. Further, the total liabilities in the previous year amounting to Rs.64,258,972 had decreased to Rs.37,524,252 or by 42 per cent in the year under review.

According to the financial statements presented the current ratio of 4:1 in the previous year had expanded to 5:1 in the year under review. As such due to further increase in investing funds in the idle current assets, the current assets of the Board had not been managed at the optimum level.

## 4. Operating Review

---

### 4.1 Performance

---

The following matters were observed in the examination of performance of the Board for the year 2013.

- (a) Even though it was planned to enrol 25,000 new contributors in the year 2013, only 9,139 contributors had been enrolled. Accordingly, the enrolment had been only 37 per cent of the target.
- (b) Even though the number of contributors enrolled by the Social Security Board by 31 December 2013 to the Pensions Scheme amounted to 451,783 the dormant contributor of that amounted to 403,714.

Accordingly the number of active members as at 31 December 2013 had been only about 9 per cent

- (c) The contributions of who had cancelled their membership during the year 2013 had withdrawn their contributions of Rs,1,036,065. Receipt of contributions in the year 2012 amounting to Rs.224,605,425 had dropped to Rs.161,397,701 by 28 per cent in the year 2013.

- (d) Even though the 30 awareness programs had been conducted under 8 Heads under the implementation of awareness programs, the related files had not been properly maintained. It was observed that the awareness about the Board and its Pensions Schemes within Sri Lanka had been at a very minimum level.
- (e) Even though it was planned to make necessary amendments to the Act and to issue a new Gazette notification, action had not been taken accordingly.
- (f) Even though the activities such as the provision of facility to ascertain the information of contribution accounts through website established under the development of information system and provision of information to contributors through SMS had been planned, such plan had not been implemented.
- (g) Even though it was planned to establish District Offices in Mannar and Mullaitivu Districts under the decentralization of activities. District Office Development Scheme and enrolling contributors for the Pensions Schemes, action had not been taken as planned.
- (h)\* Although it was planned under conversion of "inactive contributors to active contributors" scheme to 10,000 active contributors, 52 district level programs had been organized and only 922 had been reactivated representing only 9 per cent of the plan. Similarly it was planned to send statement of accounts to members, sending active notifications to inactive members, conducting general awareness programs by media, etc, but no action had been taken accordingly.

#### 4.2 Transactions of Contentious Nature

In terms of Section 21 (2) (b) and (c) of Part iv of the Social Security Board Act, No. 17 of 1996, all money earned out of contributions, interest on investments and profits should be credited to the Fund of the Board. Nevertheless, the Board had set up funds such as Social Security Incentives Fund and Social Security Development Fund and the expenditure incurred from those funds on incentive payments made in respect of collection of contribution and the expenditure incurred on awareness programmers had been charged to those Funds.

#### 4.3 Personnel Administration

Forty five vacancies had existed as at 31 December 2013. Even though the recruitment process had been initiated, no recruitments had been made up to date.

## 5. Accountability and Good Governance

---

### 5.1 Corporate Plan

---

Even though a Corporate Plan for the period 2012 to 2016 had been prepared by the Board in terms of paragraph 5.1.1 of Public Enterprises Circular No. PED/12 of 02 June 2003, it had not been prepared in accordance with provisions in paragraph 5.1.2 of that circular.

### 5.2 Action Plan

---

The Action Plan for the year 2013 had not been properly prepared, in that it had not been prepared in order to achieve the objectives stated in the Corporate Plan and it did not show the activities to be performed periodically by stating the officers responsible for each activity. It had also not been prepared in detail in such manner to achieve the objectives stated in the Corporate Plan.

### 5.3 Internal Audit

---

An Internal Audit Division had been set up in the Board but the Internal Audit Officer had left the post on 14 February 2013. Thereafter an acting Internal Auditor had been carrying out internal audit work since 15 February 2013.

### 5.4 Budgetary Control

---

A Budget for the year 2013 had been prepared by the Board in terms of Section 5.2 of Circular No. PED/12 of 02 June 2013 and it had been revised subsequently. However the Board approvals for such revised budget had not been obtained even by February 2014. As such the Budget had not been used as a key control instrument.

### 5.5 Tabling Annual Reports

---

The annual reports and accounts should be tabled in Parliament within 150 days after the end of an accounting year in terms of paragraph 6.5.3 of the Circular No PED/12 dated 02 June 2003. Nevertheless the annual report and accounts for the year 2012 had been tabled in Parliament even by 20 May 2014.



## 6. Systems and Controls

---

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

- (a) Enrolment of Contributors and Documentation
- (b) Recovery of Instalments and Accounting
- (c) Payment of Pensions and Accounting
- (d) Control over Advances
- (e) Control of Bank Accounts

W.P.C. Wikramaratne  
Acting Auditor General

### **Our Thanks**

Social Security and Pension Schemes have been implemented with the intention of safeguarding the senior citizens who are not entitled to a government pension and to provide them with the provisions of a pension and other social security benefits schemes. We take this opportunity to convey our thanks to all employees of all sections and units namely Administration, Operations and Co-ordination and all other areas of service.

- ◆ Ministry of Finance and Planning
- ◆ Department of Audit
- ◆ Ministry of General Administration and Home Affairs
- ◆ District Secretaries and Divisional Secretaries
- ◆ Social Service offices and Grama Seva Offices
- ◆ Peoples Bank, Bank of Ceylon, National Savings Bank
- ◆ Postal Department
- ◆ Network of Co-operative Rural Banks
- ◆ Others who extended their assistance in various forms for the implementation of schemes

Sri Lanka Social Security Board extends its gratitude and thanks.

Sri Lanka Social Security Board  
Samaja Arakshana Piayasa  
No. 18,  
Rajagiriya road  
Rajagiriya