

# **Annual Report & Accounts**

**2012**



**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 interests of all stakeholders while contributing to economic growth”

## **ACKNOWLEDGMENT**

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I take this opportunity to thank Hon.Dilan Perera, Minister of Foreign Employment Promotion and Welfare for the guidance given in carrying out the policy decision during the period.

I also wish to thank the Board of Directors, Licensed Foreign Employment Agencies, Officers and other categories of employees, of the Bureau for the co-operation extended to me in implementing the objectives set out in the SLBFE Act during the period ended 31<sup>st</sup> December 2012.

**AMAL SENALANKADHIKARA**  
**CHAIRMAN**  
**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**

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### 1. 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. At present it functions under the Ministry of Foreign Employment Promotion and Welfare.

### 2. Objectives of the Bureau

The objectives of the Bureau are out lined in section 15 of the Act No.21 of 1985. Accordingly main objectives are promotion and development of overseas employment for Sri Lankans while assisting and regulating the business of foreign employment and securing welfare and protection of Sri Lankans employed outside Sri Lanka.

### 3. Members of the Board of Directors

The following Directors represented the Board since 01.01.2012 to 11.05.2012.

1.	Mr. Amal Senalankadhikara	Chairman
2.	Mr.T.N.Gamlath	Working Director
3.	Mrs.Malani Gamage	Director
4.	Mrs.Sumithra Rahubadda	Director
5.	Mr.W.M.Seneviratne	Director
6.	Mr.H.D.P.Gamage	Director
7.	Mr.R.A.Ananda Kusumsiri	Director
8.	Mr.H.D.I.Wickremasinghe	Director

The following Directors represented the Board since 15.06.2012 to 31.12.2012.

1.	Mr. Amal Senalankadhikara	Chairman
2.	Mr.IAnzar	Director
3.	Mr.E.M.S.B.Ekanayake	Director
4.	Mrs.Ashoka Alawatta	Director
5.	Mr.Susil Ranasinghe	Director
6.	Mr.M.P.Pathirana	Director

7	Mr.Rohan Somawansa	Director
8.	Mr.M.Z.M.Mansoor	Director
9.	Mr.L.A.R.N.Perera	Director
10.	Mr.B.P.Niyadandupola	Director
11.	Mr.A.R.B.Nihatdeen	Director

During the year 2012, 10 Board Meetings were held and 154 Board Papers were submitted to the Board.

#### 4. Audit and Management Committees

During the year 2012 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 and other operational matters relating to the outstanding audit queries, Corporate Plan of the Bureau disposal of old documents ,collection of Revenue, Expenses made by the Bureau on account of the Ministry of Foreign Employment Promotion & Welfare Activities of the subsidiary company, outstanding debtors and creditors accounts, procurement of Air ticket for Korean job seekers.

#### 5. Senior Management

1.	Mr. Amal Senalankadhikara	Chairman
2.	Mr.Tharanga Naleen Gamlath	Working Director (Up to 11.02.2012)
3.	Mr.H.Batagoda	General Manager
4.	Mr.K.O.D.D.Fernando	Addl.General Manager (International Affairs)
5	Mrs.Kisholi Perera	Addl. General Manager (Local Affairs)
5.	Mr.M.A.D.Chandrawansa	Deputy General Manager (Finance)
6.	Mrs.M.A.C.K.Premasiri	Deputy General Manager ( Legal)
7.	D.D.P.Senanayake	Deputy General Manager (Foreign Relation )
8.	Mrs.K.M.K.P.Herath	Deputy General Manager (Approval)
9.	Mr.R.K.K.M.P.Randeniya	Deputy General Manager (Social Development)
10.	Mr.P.P.Weerasekara	Actg. Deputy General Manager (Airport & Licensing)
11.	Mr.B.W.M.P.K.T.Hettiarachchi	Actg. Deputy General Manager ( Administration & HR)
12.	Mr.A.K.U.Rohana	Actg. Deputy General Manager (Training)
13.	Mrs. Vasantha Munasinghe	Actg. Deputy General Manager ( Internal Audit)
14.	Mr.M.R.C.B.Ekanayake	Actg. Deputy General Manager ( Planning & IT)

## **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 2012 along with the financial statements of the Bureau for the year 2012.

The Sri Lanka Bureau of Foreign Employment has by now completed 27year 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.

1. Good Governance and Regulation of the industry of Foreign Employment
2. Protection and empowering Migrant Workers and their families
3. Migration and Development
4. Utilization of corporate resources for supporting business strategies

### **1. 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 licenses issued under the above Act. Performances of the division were as follows;

	<b>Year 2012</b>	<b>Year 2011</b>
No. of Application received for new licenses	-	205
No. of new licenses issued	135	75
No. of licenses renewed	816	792
Payment of Cess calculation	-	88*
No. of licenses cancelled	-	28
No. of Awareness Program for License Agents	03	06
No. of Appearances for Court cases	-	257
Celebration of Ifthar Ceremony	01	01
Registration of Foreign Employment Promotion Assistant	359	194

Direct recoveries by the Licensing division

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

	<b>2012</b>	<b>2011</b>
Nos. of Job orders approved	10,558	9,222
Nos. of Job vacancies approved	644,966	624,233
Nos. of Advertisements approved (News Papers)	2,700	3,266
Nos. of Permissions Granted for Interviews & Seminars	107	133
Nos. of Permissions Granted to Distribute Handbills, Display Banners, Posters & TV, Radio, Advertisements	128	161

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

	<b>2012</b>	<b>2011</b>
Nos. of departure approvals granted to the prospective migrant employees	176,495	147,321
	<b>2012</b>	<b>2011</b>
Self (individual) registrations	102,025	118,692

### ❖ 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. During the year 2012, No. of contract agreements authenticated during the year 2012 were 175,625.

### ❖ LAW ENFORCEMENT

Investigation Division of the Sri Lanka Bureau of Foreign Employment continued the operations during the year 2012 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 2012</i>	<i>Year 2011</i>
Nos of complaints received during the year	2,833	2559
Nos of complaints settled during the year	1,753	-
Amount recovered to settle complaints (in Rupees)	7,066,665	-
Nos of raids conducted	77	98
No. of inquiry files concluded	47	-

### ❖ LEGAL ACTIVITIES

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

- a. Draft and file action against the persons who have committed offences under the Sri Lanka Bureau of Foreign Employment Act.,
- b. 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 persons engaged in the business of foreign Employment.

- c. Appearing in courts, tribunals and commissions for case filed against the Sri Lanka Bureau of Foreign Employment by various parties.
- d. Provide Legal instructions to other divisions of the Sri Lanka Bureau of Foreign Employment. Conducting awareness programmes for public officers (law enforcement) .
- e. Preparing and attesting Legal documents for the Sri Lanka Bureau of Foreign Employment

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

Division/ Activity	Year 2012		Year 2011	
	progress		progress	
	In Physical	In Financial Terms(Rs.)	In Physical	In Financial Terms(Rs.)
<b>LEGAL DIVISION</b>				
<b>•Appearing in the courts</b>				
No. of New Cases instituted	303		727	
No. of Cases pending	2,887		2,443	
No. of Cases closed	126		420	
No. of cases called in court	3,133		2,930	
Recoveries by litigation		3,487,638		4,798,109
Fines imposed		1,296,000		3,516,500
Remittance made to WWF by way of 75 % of fins imposed		934,500		1,717,750
<b>•Providing legal assistance to the divisional activities</b>				
No. of Reports submitted for renewal of licenses	916		916	
No. of Insurance payment files completed	273		358	
Attestation of Lease Agreement	04		-	

## 2. 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.

	Year 2012		Year 2011	
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
Payment of insurance claims	2,884	405,926,489	4691	193,061,884
Providing special financial assistance to the Migrant workers and their family members	104	3,980,318	77	2,258,650
Scholarship awarded to the children of Migrant workers	2,715	52,420,000	1821	34,095,000
Construction of houses for disabled Migrant workers	Completed 01 In progress 08		12	3,164,226
Payment of hospital bills of Migrant workers	10	134,720	07	108,500
Providing of bus fare and refreshments to the Migrant workers and their family members	292	9,391	467	39,200
Financial assistance to the Childrens of Migrant workers those who are having special talents (Mathuaswanu)	6,526	1,035,450	240	5,198,000

### Child Protection Programme

08 nos of child protection of migrant workers and amount spent for these programmes was Rs.123,000/-

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

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 2012 was 8163. (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 2012</b>	<b>Year 2011</b>
Nos of Sri Lankan Employees who were provided foods and accommodation	300	4776
Nos of Migrants who were provided transport facilities to their residences and bus stands	300	1878
Nos of returnees admitted to the hospitals	85	138
Nos of returnees given bus fare	7,170	7373

For the pregnant ladies who are not willing to go to their homes arrangements have been made to accommodate them at the Salvation Army Hostel by paying Rs, 1500/- person, per month until the delivery.

Other than these services Rs. 10,000 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.

<i>Description</i>	<i>Year 2012</i>	<i>Year 2011</i>
	<i>Amount (Rs)</i>	<i>Amount (Rs)</i>
Bus fare ( migrant workers)	5,439,300	5,197,100
Meals – passengers (Breakfast/ Lunch/ Dinner/ Tea )	783,356	501,394
Meals – staff (Dinner/ Breakfast, for officers who are working on night shifts)	305,624	1,082,926.70
Fuel Expenses& Vehicle maintenance	2,587,612	1,654,935.70 516,341
Electricity Bills	810,890	6,119,128
Water Bills	534,881	599,971.34
Maintenance of building	-	133,930
Other welfare (infant clothes, soap, infant milk etc.)	1,057,625	737,700
Expenses of medical treatment for residential Migrant workers and their children's/infants	-	59,908.22
Amount paid as funeral expenses for human remain received at the Airport	2,270,000	2,210,000
<b>Total</b>	<b>13,789,288</b>	<b>18,813,334.96</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).

- (a) Assist to formulate overseas policies relating to Sri Lankan employees and implementation of such policies through the Sri Lankan Mission.
- (b) Strengthening of capacity building of labour sections of Sri Lankan missions. 42 officers were appointed in the various capacities such as First Secretary, 2<sup>nd</sup> Secretary, 3<sup>rd</sup> Secretary, Labour Clerks and minor staff to the Labour sections of the Sri Lankan Missions.
- (c) Attending to repatriation of stranded Sri Lankans.

The details of the repatriations are given below.

	<b>2012</b>		<b>2011</b>	
	<i>Nos of persons repatriated</i>	<i>Cost Rs. Million</i>	<i>Nos of persons repatriated-</i>	<i>Cost Rs. Million</i>
Under the migrant workers insurance scheme	935	27.34	622	15.49
Under workers welfare fund	665	26.07	461	13.71
Through other sources and utilization of money deposited by NOKs	-	-	650	17.6
<b>Total</b>	<b>1,600</b>	<b>53.41</b>	<b>1,733</b>	<b>46.81</b>

- (d) Monitoring SLBFE Registration at the Missions.

4,043 renewals & first registrations has been made by the Sri Lankan Missions during the year under review.

(e) 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 was made to the NOKK for mortal remains brought to Sri Lanka
- |   |   |                  |
|---|---|------------------|
| ✚ | No. of human remains assisted to bring to Sri Lanka | 26               |
|   | Total cost incurred                                 | Rs.6.7(Million)  |
| ✚ | Funeral award under WWF (No. of deaths)             | 188              |
|   | Total cost incurred                                 | Rs.2.36(Million) |

#### ❖ 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 2012</i>	<i>Year 2011</i>
No of complain received	9,030	9,181
Complain settled/closed	7,818	9,153
No of cases compensation paid	316	555
Total amount paid as compensation (Rs.)	14,039,257	1,650,219

##### Nature of complaints

<b>By Nature</b>	<i>Year 2012</i>	<i>Year 2011</i>
Breach of Contract	1,396	2398
Harassment	1,427	1077
Lack of communications	1,056	834
Nonpayment of agreed wages	1,809	1696
Others	693	1941
Sickness	1,576	-
Not sent back after completion of contract period	1,073	1,444

## ❖ OTHER WELFARE PROGRAMMES

**a. Rataviruvo Programme**

Activity	Nos.
• Conducting District level meetings	25
• Establishment of District level committees	01
• Conducting Divisional level meetings	275
• Establishment of Divisional level committees	275
• No. of leaflets developed	125,000

**b. Prevention of HIV/Aids among migrant workers in Sri Lanka**

• Steering committee meetings	01
• Training of trainers	01
• Refresher training of trainers	01

**c. Provide welfare facilities/assistance for the migrant workers & their family members****d. Reduce trauma among migrant workers**

• Development curriculum	01
• Establishment of center	02

**e. Reintegration programmes targeting returned migrant workers**

• Conducting steering committee meetings	06
• Provide information or services and facilities available to returning skill Migrant workers to establish business ventures	12

❖ **PRE- DEPARTURE ORIENTATION DIVISION**

In year 2012 it has been established the Pre-departure Orientation Programme domestic female workers.

The Pre-Departure Orientation programme (PDO) emphasizes the welfare and protection prospective and expects to reduce cost of migration ,maximize human development and empower migrants. The duration is limited to one day (24 hours).

Primary objective of PDO is to enable prospective workers with the means to adapt to their new work environment and cope with difficulties in adjusting, which are often experiences especially during their first few months of working abroad. At every stage of migration process, access to authentic information is a precondition to safe migration and it should be started at pre-migration stage. Pre-Departure orientation is a strategy at pre-migration stage which provides authentic information to the needy persons for safe migration. The objectives of pre-departure orientation are;

- Value addition for government, economy and migrant workers
- Migrants aware on their responsibilities with enhanced capacity for integration
- Maximize benefit from employment of migrant labour
- Reduced vulnerability
- Informed decision regarding safe migration
- Empowerment of individual migrants
- Maximum gain from migration

**3. MIGRATION & DEVELOPMENT**

- ❖ To develop the promotional activities of the Foreign Employment sector on 05<sup>th</sup> November 2012 separate section was established as International Marketing Division and following activities were made in year under review.

	<b>Activity</b>	<b>Amount (Rs. Million)</b>
01	Road Show – Jordan & Kuwait	5.45
02	Road Show – Oman	2.65
03	Road Show – Bahrain	3.38
04	Business Employment Promotion Programme in KSA	0.26
05	Job promotion for Italy	0.003

- ❖ Arranging of delegation to the exiting receiving countries and prospective labour receiving countries to enhance job opportunities and look into the welfare of the sri lankan migrant workers.

	<b>2012</b>		<b>2011</b>	
	<b>Nos.</b>	<b>Cost Rs .Million</b>	<b>Nos.</b>	<b>Cost Rs .Million</b>
Delegations				
Sending	51	57.466	64	38.39
Receiving	07	2.76	81	0.5

In recognition of the activities of protection and welfare of Sri Lankan workers, the SLBFE currently provides extensive services to Sri Lankan workers before and after leaving the country.

- a. Grading of Overseas employment agents who have registered with 13 Sri Lankan Missions was completed.
- b. Preparation of operational manual of labour section with assistance of ILO was in progress.
- c. MOU with Kuwait was signed for the benefit of Sri Lankans employed in Kuwait.

- d. Consultative forum of head of missions and home based officers of the labour sections was held in Amman, Jordan and several policy decisions was taken for the betterment of the Industry.

#### ❖ 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 2012</i>	<i>Year 2011</i>
No. of Agreements received from South Korea	4,621	5,674
No. of Agreements received from South Korea - Re-entry	217	-
No. of Agreements signed by Job seekers (Normal)	4,498	5,497
No. of Agreements refused to sign (Normal)	133	177
No. of Agreements signed by Job seekers (Re-entry)	208	-
No. of Agreements refused to sign (Re-entry)	09	-
No. of Visa received	4,240	5,454
No. of Job seekers pre – departure trained	4,410	5,371
No. of Job seekers Language trained in Korean Language	9,027	-
No. of Bank loans recommended	793	1,383
No. of Recruits departed to South Korea	4,101	5,342
No. of Recruits departed to South Korea - Re-entry	107	-

❖ **PLANNING DIVISION**

- ✚ Scope of the Division
  - Preparation of corporate plan and annual work (Action) plan for the SLBFE.
  - Implementation of planned activities with the assistance of the respective heads of divisions.
  - Monitoring progress of the implementation of activities by conducting regular progress review meeting.
  - Preparation of reports on quarterly basis over the performance of activities outlined in the annual action plan.
  - Preparation of monthly progress reports in respect of all the activities of the SLBFE and the other reports at the request of the Ministry and other parties.
  - Upgrading system and procedures that assist the SLBFE to carry out its activities efficiently and effectively.
  
- ✚ Performance of the Planning division – Year 2012
  - Prepare Corporate Plan for the next four years 2013 to 2016
  - Prepare Annual Action Plan for the next year (2013)
  - 5s Programme
  
- ✚ Continue the implementation of 5s concepts in the SLBFE
  - ISO Programme
  
- ✚ With the view to offer high quality service to the customers of SLBFE ISO 9001:2008 certification was achieved for the Head office with effect from 06.11.2012
  
- ✚ Performance Review
  
- ✚ Performance review meetings were conducted with the participation of top management and the heads of divisions monthly, quarterly and annually for performance evaluation.
- ✚ Performance reports were prepared on monthly and quarterly basis.
- Other Reports
  
- ✚ Special reports were prepared to submit to the Ministry and other Govt .Agencies.

#### 4. 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 2012. 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 2011	Nos.	747	67	15	02
Year 2012	Nos.	830	83	15	02

Recruitments, extension of contract periods, promotion,& staff departures – year 2012 were as follows

	<i>New Recruits</i>	<i>Extension of contract period</i>	<i>Promotions</i>	<i>Resignations</i>	<i>Other Departures</i>
Permanent Basis	101	-	220	10	06
Contract Basis	30	50	-	06	06
Secondment Basis	02	-	-	-	02
Assignment Basis	03	-	-	-	02
<b>Total</b>	<b>136</b>	<b>50</b>	<b>220</b>	<b>16</b>	<b>16</b>

##### Staff Training

- Provision of financial assistance to the employees for their studies up to PhD. level
- Preparation of annual training plan
- Familiarization visits to labour receiving countries.

**Staff Loan Scheme**

The Number of loans and Advances granted to employees of the Bureau were as follows.

2012				2011	
	<i>Type of Loan</i>	<i>Number of Loans Granted</i>		<i>Number of Loans Granted</i>	<i>Expenditure (Rs.)</i>
1.	Distress Loan –	336	47,252,593	334	42,520,861
2.	Vehicle Loans				
	- Car -	17	10,644,900	12	7,434,700
	- Motor Bicycle -	02	418,275	46	13,688,850
	- Three-wheeler -	27	7,944,475	-	-
3.	Instant Loan	56	1,420,869	80	1,500,000
4.	Festival Advance	626	3,130,000	593	2,965,000
6.	Housing Loan – Reimbursement 2/3 claims	1,023	6,572,058	1,055	5,386,389

**Medical Expenditure Reimbursement**

Employees were reimbursed medical expenditure under the medical scheme operated by the SLBFE during the year 2012 as mentioned below.

	<i>In door</i>	<i>Out door</i>	<i>*Death/ **Personal Accident</i>	<i>Total No. of Claims</i>	<i>Total Cost (Rs.)</i>
Year 2012	223	3,711	01	3,913	17,511,412

**Staff Transport**

Group Transport facilities were provided to the staff from 5 destinations. ( Rathnapura, Mathugama, Nittambuwa, Horana & Maradana )

### **Land acquisitions & Construction**

Tangalle - Construction works of academic building at Tangalle has been Completed.  
Rathnapura - Designing part of the Construction has been completed.  
Mathugama - Construction of academic building & Training centre have been completed.  
24 hours Migrant Resources centre & Air ticketing unit - 24 hours Migrant Resources centre & Air ticketing unit continued their services at head office premises in Year 2012 too.

### **Reimbursement of Daycare Fees**

Employees have reimbursed daycare fees under staff welfare scheme during the year 2012, Rs.135,750/-

### **Procurement Division**

Following services were rendered by the procurement division in Year 2012.

- 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.
- Provision of service.
- 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 under took the supervision and providing all necessary arrangements to maintenance of building, office equipment, utility services& settlement of utility bills during the Year 2012.

### Financial Highlights

Revenue generated for last five years is given below.

	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Recruitment fees (Agency)	385,016	406,885	420,111	388,551	491,972
Recruitment Fees (Bureau & Individual)	470,061	475,750	581,541	645,097	544,049
Facilities Fees	46,619	49,154	53,181	52,722	56,818
License Fees	7,130	8,340	8,510	7,480	28,610
Cess	8,786	27,085	29,325	20,449	28,702
Korean & Other Training Fees	55,223	11,321	52,206	213,879	284,842
Korean Administrative fees	96,991	32,559	19,287	26,827	20,580
Re-Entry Korean Fees	-	-	-	-	2,012
Investment Income	429,366	486,085	520,461	616,925	420,614
Reimbursement of Expenses of WWF	275,747	339,398	395,394	371,419	530,302
Others	29,527	16,272	29,337	56,386	61,809
<b>Total</b>	<b>1,804,466</b>	<b>1,852,849</b>	<b>2,109,353</b>	<b>2,399,735</b>	<b>2,470,310</b>

### Expenditure

Expenditure incurred by the Bureau for the services rendered is classified in the accounts under two headings namely Bureau & Worker's Welfare Fund. The expenses on administrative purposes are borne by the Bureau while expenses for welfare for migrant employees are debited to Worker's Welfare Fund.

A summarized expenditure for the previous 5 years is stated below.

	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Staff cost	332,662	400,414	414,419	470,784	507,366
Establishment Expenses	133,832	135,956	166,599	175,910	206,430
Operational Expenses	133,947	129,555	148,566	166,708	216,802
Advertisement & Publicity	27,707	45,884	47,952	47,799	49,683
Business Promotion	47,876	28,010	10,838	65,849	90,632
Welfare & Training	617,926	622,502	729,901	873,536	1,146,187
<b>Total</b>	<b>1,293,949</b>	<b>1,362,321</b>	<b>1,518,275</b>	<b>1,800,587</b>	<b>2,217,100</b>

**Profit (surplus)**

Profit before taxation of the Bureau for the last 5 years were as follows

	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Surplus	510,518	490,528	591,076	599,148	253,210

The value of assets acquired during the year as given

	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Land and Buildings	10,081	485	34,907	17	220,112
Motor Vehicles	22,211	8,419	293	22,850	78,856
Computers	19,185	4,577	11,683	14,897	47,114
Furniture & Other Equipment	32,947	42,148	25,258	30,253	52,652

Finance Division of the Bureau is entrusted with the collection of revenue, settlement of bills, investment of funds, disbursement of compensation for Gulf war victims etc.

❖ **INFORMATION TECHNOLOGY DIVISION**

Information Technology Division functions under direct supervision of Deputy General Manager (Planning & Information Technology) and the Manager (Information Technology). The staff of the division has been organized as three units to maximize the productivity of the SLBFE.

▪ **Training unit**

This unit functions under the supervision of an executive officer. Training unit conducts training programmes and workshops to enhance the IT knowledge of the all officers of the SLBFE. And local recruiting agents. Under this programme, staff officers, and clerical officers, officers from local agencies and mission appointed staff have been given training facilities since 2000. The staff of the IT division serves as the resource personals for conduction trainings.

In addition to the conduction in-house training courses, the officers who are working in various divisions of the Bureau have been directed to follow the external program to uplift their knowledge.

▪ **Program Development Unit**

This unit functions under the supervision of the system analyst. It consists with 4 senior computer programmers and 5 Assistant computer programmers. Designing and maintainthe computer programmes (web based and intranet programs) according to the requirement of the SLBFE operations by this unit. The designing and updating of the official website of the SLBFE ([www.slbfe.lk](http://www.slbfe.lk)) is a special task of this unit.

▪ **Hardware Unit**

This unit functions under the supervision of an Administrative Officer. Hardware unit of the SLBFE consists of 5 members of technical officers and undertakes all maintenance work of the IT related equipments and the IT infrastructure of SLBFE. As a result of proper operations of this unit it has been able to save large amount of money which has to the outside parties and it can be able to provide the services without delays.

▪ **Infrastructure development of the IT section**

Regional Offices and District Training centres of the SLBFE are linked with the main servers at Head office through an IP/VAN connection. As a result of this online connection, it is able to decentralize the activities of SLBFE. And also the facilities have been provided to the special unit situated at Bandaranaike International Airport to check the Bureau registration of Migrant Employees and renew their registration. This facility has been provided on 24 hours on all the 365 days.

Migrant Resource Centre has been established to provide information for the public in 24 hours in all 365 days.

Established 05 IT Centers for the beneficiary of the Children of the Migrant workers as well as the employees to provide IT skills training with the assistant of SLANA and Microsoft.

### **Internal Audit Division**

The internal audit is an independent and objective appraisal within an organization. Accordingly, this division continued to provide an independent and objective consultancy service to the management to improve the organization's controls, governance and risk management during the year under review too. Besides, this division was able to make an immense contribution to ensure three Es (Economy, Efficiency and Effectiveness) of the transactions taken place during the year 2012 through its audit findings and recommendations.

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

01. Integrity
02. Objectives
03. Competencies
04. Confidentiality

The scope of the Internal Audit as set out by various statutes and professional Bodies 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 interests 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.

11Accordingly, the management of the SLBFE had really assessed the manpower requirement of this division and provide with the service of three officers of Junior Executives and three clerical officers in addition to the Internal Auditor.

Those officers had contributed to carry out 60 investigations on various identified areas to the Chairman during the year under review. Manpower, the Internal Audit Division had acted as the convener for four Audit Committee Meetings held in the year 2012.

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012**

	Notes	As at 31 December 2012		As at 31 December 2011		As at 01 January 2011	
		Group	Bureau	Group	Bureau	Group	Bureau
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>							
<b>NON CURRENT ASSETS :</b>							
Property, Plant & Equipment	1	729,770,913	656,527,175	472,750,188	390,795,941	482,300,275	404,956,166
Deferred Tax Assets		0					
Investment in Subsidiary Company			5,000,000				
Treasury Bonds & Fixed Deposits	3	4,309,479,949	4,203,204,949	4,056,567,924	4,015,792,964	3,359,769,029	3,312,419,674
Work In Progress - Buildings	2	141,402,468	141,402,468	158,298,684	158,298,684	84,926,536	84,926,536
<b>Total Non-Current Assets</b>		<b>5,180,653,330</b>	<b>5,006,134,592</b>	<b>4,687,616,797</b>	<b>4,564,887,589</b>	<b>3,926,995,841</b>	<b>3,802,302,377</b>
<b>CURRENT ASSETS :</b>							
Stock in Hand	4	14,330,924	14,330,924	12,243,133	12,243,133	6,340,864	6,340,864
Sundry Debtors	5	1,684,576,133	1,674,794,822	1,194,156,962	1,193,590,056	1,077,638,987	1,069,164,089
Sundry Deposits		4,612,954	4,497,554	17,705,463	17,599,463	17,791,391	17,791,391
Short term Investments	3	1,094,858,438	1,094,858,438	889,551,925	889,551,925	2,741,540,506	2,741,540,506
Staff Loans	6	239,720,718	238,314,379	223,845,671	222,349,165	206,263,984	206,263,984
Sundry Advances		31,450,635	31,039,534	32,032,155	31,977,975	18,027,414	18,027,414
Cash & Bank Balances	7	1,847,044,871	1,842,707,566	2,108,634,809	2,102,986,227	184,025,640	170,075,593
<b>TOTAL CURRENT ASSETS</b>		<b>4,916,594,673</b>	<b>4,900,543,217</b>	<b>4,478,170,117</b>	<b>4,470,297,944</b>	<b>4,251,628,786</b>	<b>4,229,203,841</b>
<b>TOTAL ASSETS</b>		<b>10,097,248,003</b>	<b>9,906,677,809</b>	<b>9,165,786,913</b>	<b>9,035,185,533</b>	<b>8,178,624,627</b>	<b>8,031,506,218</b>
<b>EQUITY AND LIABILITIES :</b>							
<b>Capital and reserves</b>							
Accumulated Fund	10	3,349,103,937	3,273,415,837	3,802,726,833	3,729,254,230	3,376,796,902	3,302,183,283
Revaluation Reserve		41,713,346	41,713,346	41,713,346	41,713,346	42,600,956	42,600,956
<b>Total equity</b>		<b>3,390,817,283</b>	<b>3,315,129,183</b>	<b>3,844,440,179</b>	<b>3,770,967,576</b>	<b>3,419,397,858</b>	<b>3,344,784,239</b>
<b>Non Current liabilities</b>							
Provision for Gratuity ( Long Term )		126,733,230	125,292,588	136,801,793	134,830,051	113,583,285	110,239,100
Deffered Foreign Aid and Grants		710,662	710,662	700,852	700,852	680,146	680,146
		<b>127,443,892</b>	<b>126,003,250</b>	<b>137,502,645</b>	<b>135,530,903</b>	<b>114,263,430</b>	<b>110,919,245</b>
<b>Current liabilities</b>							
Taxation		111,234,237	107,727,074	124,186,226	117,654,642	114,281,794	99,910,906
Agency Creditors		215,943,664	216,711,914	157,791,213	158,809,713	123,079,307	123,079,307
Accrued Expenses		73,647,216	102,454,442	55,961,169	54,852,937	45,973,726	45,973,726
Sundry Creditors & Borrowings	8	746,474,594	613,606,197	208,390,243	159,861,732	258,045,778	203,263,269
Migrant Workers' Contributions		5,574,053	5,574,053	5,085,098	5,085,098	4,679,415	4,679,415
Overseas Workers Welfare Fund		2,769,275,712	2,769,275,712	2,323,444,761	2,323,444,761	1,956,925,140	1,956,925,140
Kuwait Compensation Payable		2,640,315,984	2,640,315,984	2,303,706,838	2,303,706,838	2,139,330,971	2,139,330,971
Deferred Tax Liability		120,145					
Pre Paid Licence Fees		9,880,000	9,880,000	4,150,000	4,150,000	2,640,000	2,640,000
Bank Overdraft	9	6,521,223	0	1,128,540	1,121,333	7,207	0
		<b>6,578,986,828</b>	<b>6,465,545,376</b>	<b>5,183,844,088</b>	<b>5,128,687,053</b>	<b>4,644,963,337</b>	<b>4,575,802,733</b>
<b>Total Liabilities</b>		<b>6,706,430,720</b>	<b>6,591,548,626</b>	<b>5,321,346,733</b>	<b>5,264,217,956</b>	<b>4,759,226,768</b>	<b>4,686,721,979</b>
<b>Total equity and liabilities</b>		<b>10,097,248,003</b>	<b>9,906,677,809</b>	<b>9,165,786,913</b>	<b>9,035,185,533</b>	<b>8,178,624,627</b>	<b>8,031,506,218</b>

M.A.D.Chandrawansa

D.G.M.Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
 Approved and signed for and on behalf of the Board of Directors.

**Amal Senalankadhikara**  
 Chairman

**Susil Ranasinghe**  
 Director

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2012**

	Notes	Year Ended		Year Ended	
		' 31 December 2012		' 31 December 2011	
		Group Rs.	Bureau Rs.	Group Rs.	Bureau Rs.
Revenue					
Operating Income	19	1,466,021,193	1,457,587,430	1,366,809,745	1,355,006,830
Other Operating Income	19	1,033,265,361	1,012,723,415	1,054,120,645	1,044,728,392
		<u>2,499,286,554</u>	<u>2,470,310,845</u>	<u>2,420,930,390</u>	<u>2,399,735,222</u>
Staff Costs		(520,928,442)	(507,365,922)	(484,721,485)	(470,783,517)
Establishment Expenses		(212,887,023)	(206,429,647)	(182,282,776)	(175,910,488)
Operational Costs		(226,971,855)	(216,802,298)	(174,031,116)	(166,708,343)
Advertisement & Publicity		(50,497,813)	(49,683,380)	(48,122,372)	(47,799,296)
Business Promotion Expenses		(93,978,488)	(90,632,213)	(66,317,950)	(65,849,388)
Worker's Welfare Fund Expenses		<u>(1,135,127,410)</u>	<u>(1,146,187,261)</u>	<u>(867,072,500)</u>	<u>(873,536,020)</u>
Excess of Income Over Expenditure before tax		258,895,523	253,210,124	598,382,192	599,148,170
Tax		(88,884,048)	(87,727,184)	(144,875,671)	(144,500,671)
Excess of Income Over Expenditure for the period		<u>170,011,476</u>	<u>165,482,941</u>	<u>453,506,521</u>	<u>454,647,499</u>
Other Comprehensive Income					
Exchange Gain / loss in translating foreign operations		5,090,690	5,261,558	7,212,392	7,212,392
Revaluation Surplus		-	-	-	-
Actuarial gain / Loss on pension plans		-	-	-	-
Other Comprehensive Income		<u>5,090,690</u>	<u>5,261,558</u>	-	-
Total comprehensive (expenses)/income for the period		<u>175,102,165</u>	<u>170,744,499</u>	<u>460,718,913</u>	<u>461,859,891</u>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.12.2012**

	Year Ended	
	' 31 December 2012	
	Group Rs.	BUREAU Rs.
<b>Cash Flows From Operating Activities</b>		
Cash generated from Operations	961,472,739	910,603,223
Depreciation	137,501,805	131,657,259
Interest income	(440,386,090)	(430,846,218)
Gratuity provision	18,264,845	18,129,427
Cash Received on Disposal of Fixed Assets	-	-
Profit on Disposal	(601,339)	-
Loss from disposal	122,485	122,485
Revaluation Reserve	-	-
Exchange Gain Loss	(5,090,690)	(5,261,558)
Taxpaid	(102,351,435)	(98,363,265)
Prior Year Adjustments	(11,723,877)	(16,382,182)
<b>Net Cash generated from operating activities</b>	<b>557,208,442</b>	<b>509,659,170</b>
<b>Cash flows from investment activities</b>		
Investment income	430,154,750	420,614,878
Interest on Staff Loans	10,231,340	10,231,340
Cash received from disposal of fixed assets	3,582,589	-
investment in fixed assets	(384,466,410)	(381,838,035)
Construction of building	0	0
Long term investment	(252,912,025)	(187,411,985)
<b>Net Cash used in investing activities</b>	<b>(193,409,755)</b>	<b>(138,403,801)</b>
<b>Cash flows from financing activities</b>		
Gratuity Paid	(5,781,308)	(5,412,697)
Funds credited to consolidated Fund	(625,000,000)	(625,000,000)
Bank of Ceylon Corporate Branch A/c 1672 (Over Draft )	-	-
<b>Net cash used in financing activities</b>	<b>(630,781,308)</b>	<b>(630,412,697)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(266,982,621)</b>	<b>(259,157,328)</b>
<b>At the start of period</b>	<b>2,107,506,269</b>	<b>2,101,864,894</b>
<b>(Decrease)/increase</b>	<b>(266,982,621)</b>	<b>(259,157,328)</b>
<b>At the end of period</b>	<b>1,840,523,649</b>	<b>1,842,707,566</b>

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

**15. Statement of Changes in Equity for the year ended 31.12.2012**

Group

	Accumulated Fund	Funds transfer to Consolidated Funds	Over / Under Stated Accounts	VAT Arreous	Receivable Dividends	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2010	3,005,650,847						3,005,650,847
Total Comprehensive income for the period Bureau- 2010						295,292,451	295,292,451
Total Comprehensive income for the period Agency- 2010	79,613,620.00						79,613,620
Balance as at 31.12.2010	3,085,264,467	-	-	-	-	295,292,451	3,380,556,918
Balance as at 01.01.2011	3,085,264,467					295,292,451	3,380,556,918
Total Comprehensive income for the period - 2011						460,718,913	460,718,913
Under Stated Depreciation OWWF			1,935,990				1,935,990
Under Stated Motor Vehicle OWWF			1,935,990				1,935,968
Agency refund - Briteway International			(47,575)				(47,575)
Economic Service Charges			(3,787,277)				(3,787,277)
Correction of Opening Balance error			(4,103,810)				(4,103,810)
VAT 1/3 Recoveries				(1,122,754)			(1,122,754)
VAT arreours				(5,349,283)			(5,349,283)
Scholarship Expenses year 2010			(29,145,000)				(29,145,000)
<b>Balance as at 31.12.2011</b>	<b>3,085,264,467</b>	<b>-</b>	<b>(33,211,682)</b>	<b>(6,472,037)</b>	<b>-</b>	<b>756,011,364</b>	<b>3,801,592,090</b>
<b>Balance as at 01.01.2012</b>	<b>3,085,264,467</b>	<b>-</b>	<b>(33,211,682)</b>	<b>(6,472,037)</b>	<b>-</b>	<b>756,011,364</b>	<b>3,801,592,113</b>
Total Comprehensive income for the period						175,102,165	175,102,165
Funds Transfer to Consolidated Fund		(625,000,000)					(625,000,000)
Under Provision of Depreciation 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			643,943				643,943
<b>Total</b>	<b>3,085,264,467</b>	<b>(625,000,000)</b>	<b>(35,802,073)</b>	<b>(6,472,037)</b>	<b>-</b>	<b>931,113,529</b>	<b>3,349,103,887</b>

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

**15. Statement of Changes in Equity for the year ended 31.12.2012**

**Bureau**

	Accumulated Fund	Funds transfer to Consolidated Funds	Over / Under Stated Accounts	VAT Arreous	Receivable Dividends	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2010	3,006,890,833						3,006,890,833
Total Comprehensive income for the period - 2010						295,292,451	295,292,451
Balance as at 31.12.2010	3,006,890,833	-	-	-	-	295,292,451	3,302,183,284
Balance as at 01.01.2011	3,006,890,833	-	-	-	-	295,292,451	3,302,183,284
Total Comprehensive income for the period - 2011						461,859,891	461,859,891
Under Stated Depreciation OWWF			1,935,990				1,935,990
Under Stated Motor Vehicle OWWF			1,935,970				1,935,970
Agency refund - Briteway International			(47,575)				(47,575)
Economic Service Charges			(3,787,277)				(3,787,277)
Correction of Opening Balance error			(4,103,793)				(4,103,793)
VAT 1/3 Recoveries				(1,122,754)			(1,122,754)
VAT arreous				(5,349,283)			(5,349,283)
Overstated rent SLFEA			1,000,000				1,000,000
Receivable Dividends Year 2006 / 2007					2,760,033		2,760,033
Scholarship Expenses year 2010			(29,145,000)				(29,145,000)
<b>Balance as at 31.12.2011</b>	<b>3,006,890,833</b>	<b>-</b>	<b>(32,211,685)</b>	<b>(6,472,037)</b>	<b>2,760,033</b>	<b>757,152,342</b>	<b>3,728,119,486</b>
<b>Balance as at 01.01.2012</b>	<b>3,006,890,833</b>	<b>-</b>	<b>(32,211,685)</b>	<b>(6,472,037)</b>	<b>2,760,033</b>	<b>757,152,342</b>	<b>3,728,119,486</b>
Total Comprehensive income for the period - Bureau				-	-	170,744,499	170,744,499
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			643,943				643,943
<b>Total</b>	<b>3,006,890,833</b>	<b>(625,000,000)</b>	<b>(32,659,835)</b>	<b>(6,472,037)</b>	<b>2,760,033</b>	<b>927,896,842</b>	<b>3,273,415,835</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 objective of the Bureau is promotion & development of overseas employment for Sri Lankans 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, DenzilKobbakaduwaMawatha, Koswawatta, Battaramulla.

### **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. This is the 1<sup>st</sup> consolidated financial statements of Sri Lanka Bureau of Foreign Employment and its subsidiary company prepared in accordance with SLFRS – Sri Lanka Accounting Standards. The effect of the transition to SLFRS on previously reported financial position, financial performance and cash flows of the group is provided in note no. 4.1 and 4.2 to the financial statements.

### **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.

### **4. EXPLANATION OF TRANSITION TO SLFRS**

The accounting policies set out in note three have been applied in preparing the financial statements for the year 2012 together with comparative information for the year ended 2011 and opening SLFRS statement of the financial position as at 1<sup>st</sup> January 2012 being the transition date of SLFRS for the Bureau and its subsidiary company.

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012**

**Reconciliation of SLAS to SLFRS**  
**Group**

	Notes	Under SLAS	Adjustments	Under SLFRS	Under SLAS	Adjustments	Under SLFRS
		31 December 2011		31 December 2011	1 January 2011		1 January 2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>							
<b>NON CURRENT ASSETS :</b>							
Property, Plant & Equipment	1	472,750,188	Nil	472,750,188	482,300,275	Nil	482,300,275
Long term Investments		4,056,567,924	Nil	4,056,567,924	3,359,769,029	Nil	3,359,769,029
Work In Progress - Buildings	4	158,298,684	Nil	158,298,684	84,926,536	Nil	84,926,536
<b>Total Non-Current Assets</b>		<b>4,687,616,797</b>	<b>Nil</b>	<b>4,687,616,797</b>	<b>3,926,995,841</b>	<b>Nil</b>	<b>3,926,995,841</b>
<b>CURRENT ASSETS :</b>							
Stock in Hand	6	12,243,133	Nil	12,243,133	6,340,864	Nil	6,340,864
Sundry Debtors	9	1,194,156,962	Nil	1,194,156,962	1,077,638,987	Nil	1,077,638,987
Sundry Deposits		17,705,463	Nil	17,705,463	17,791,391	Nil	17,791,391
Short term Investments	3	2,923,155,934	-2,033,604,009	889,551,925	2,741,540,506	Nil	2,741,540,506
Staff Loans	5	223,845,671	Nil	223,845,671	206,263,984	Nil	206,263,984
Sundry Advances		32,032,155	Nil	32,032,155	18,027,414	Nil	18,027,414
Cash & Bank Balances	8	75,030,800	2,033,604,009	2,108,634,809	184,025,640	Nil	184,025,640
<b>TOTAL CURRENT ASSETS</b>		<b>4,478,170,117</b>	<b>Nil</b>	<b>4,478,170,117</b>	<b>4,251,628,786</b>	<b>Nil</b>	<b>4,251,628,786</b>
<b>TOTAL ASSETS</b>		<b>9,165,786,913</b>	<b>Nil</b>	<b>9,165,786,913</b>	<b>8,178,624,627</b>	<b>Nil</b>	<b>8,178,624,627</b>
<b>EQUITY AND LIABILITIES :</b>							
<b>Capital and reserves</b>							
Accumulated Fund	7	3,802,726,833	Nil	3,802,726,833	3,376,796,902	Nil	3,376,796,902
Revaluation Reserve		41,713,346	Nil	41,713,346	42,600,956	Nil	42,600,956
<b>Total equity</b>		<b>3,844,440,179</b>	<b>Nil</b>	<b>3,844,440,179</b>	<b>3,419,397,858</b>	<b>Nil</b>	<b>3,419,397,858</b>
<b>Non Current liabilities</b>							
Provision for Gratuity ( Long Term )		136,801,793	Nil	136,801,793	113,583,285	Nil	113,583,285
Deffered Foreign Aid and Grants		700,852	Nil	700,852	680,146	Nil	680,146
		<b>137,502,645</b>	<b>Nil</b>	<b>137,502,645</b>	<b>114,263,430</b>	<b>Nil</b>	<b>114,263,430</b>
<b>Current liabilities</b>							
Taxation		124,186,226	Nil	124,186,226	114,281,794	Nil	114,281,794
Agency Creditors		157,791,213	Nil	157,791,213	123,079,307	Nil	123,079,307
Accrued Expenses		55,961,169	Nil	55,961,169	45,973,726	Nil	45,973,726
Sundry Creditors & Borrowings	12	208,390,243	Nil	208,390,243	258,045,778	Nil	258,045,778
Migrant Workers' Contributions		5,085,098	Nil	5,085,098	4,679,415	Nil	4,679,415
Overseas Workers Welfare Fund		2,323,444,761	Nil	2,323,444,761	1,956,925,140	Nil	1,956,925,140
Kuwait Compensation Payable		2,303,706,838	Nil	2,303,706,838	2,139,330,971	Nil	2,139,330,971
Pre Paid Licence Fees		4,150,000	Nil	4,150,000	2,640,000	Nil	2,640,000
Bank Overdraft	13	1,128,540	Nil	1,128,540	7,207	Nil	7,207
		<b>5,183,844,088</b>	<b>Nil</b>	<b>5,183,844,088</b>	<b>4,644,963,337</b>	<b>Nil</b>	<b>4,644,963,337</b>
<b>Total Liabilities</b>		<b>5,321,346,733</b>	<b>Nil</b>	<b>5,321,346,733</b>	<b>4,759,226,768</b>	<b>Nil</b>	<b>4,759,226,768</b>
<b>Total equity and liabilities</b>		<b>9,165,786,913</b>	<b>Nil</b>	<b>9,165,786,913</b>	<b>8,178,624,627</b>	<b>Nil</b>	<b>8,178,624,627</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT AND ITS SUBSIDIARY COMPANY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012**

**Reconciliation of SLAS to SLFRS**  
**BUREAU**

	Notes	Under SLAS	Adjustments	Under SLFRS	Under SLAS	Adjustments	Under SLFRS
		31 December 2011	Rs.	31 December 2011	1 January 2011	Rs.	1 January 2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>							
<b>NON CURRENT ASSETS :</b>							
Property, Plant & Equipment	1	390,795,941	Nil	390,795,941	404,956,166	Nil	404,956,166
Long term Investments		4,015,792,964	Nil	4,015,792,964	3,312,419,674	Nil	3,312,419,674
Work In Progress - Buildings	4	158,298,684	Nil	158,298,684	84,926,536	Nil	84,926,536
<b>Total Non-Current Assets</b>		<b>4,564,887,590</b>	<b>Nil</b>	<b>4,564,887,590</b>	<b>3,802,302,377</b>	<b>Nil</b>	<b>3,802,302,377</b>
<b>CURRENT ASSETS :</b>							
Stock in Hand	6	12,243,133	Nil	12,243,133	6,340,864	Nil	6,340,864
Sundry Debtors	9	1,193,590,056	Nil	1,193,590,056	1,069,164,089	Nil	1,069,164,089
Sundry Deposits		17,599,463	Nil	17,599,463	17,791,391	Nil	17,791,391
Short term Investments	3	2,923,155,934	-2,033,604,009	889,551,925	2,741,540,506	Nil	2,741,540,506
Staff Loans	5	222,349,165	Nil	222,349,165	206,263,984	Nil	206,263,984
Sundry Advances		31,977,975	Nil	31,977,975	18,027,414	Nil	18,027,414
Cash & Bank Balances	8	69,382,218	2,033,604,009	2,102,986,227	170,075,593	Nil	170,075,593
<b>TOTAL CURRENT ASSETS</b>		<b>4,470,297,944</b>	<b>Nil</b>	<b>4,470,297,944</b>	<b>4,229,203,841</b>	<b>Nil</b>	<b>4,229,203,841</b>
<b>TOTAL ASSETS</b>		<b>9,035,185,533</b>	<b>Nil</b>	<b>9,035,185,533</b>	<b>8,031,506,218</b>	<b>Nil</b>	<b>8,031,506,218</b>
<b>EQUITY AND LIABILITIES :</b>							
<b>Capital and reserves</b>							
Accumulated Fund	7	3,729,254,230	Nil	3,729,254,230	3,302,183,283	Nil	3,302,183,283
Revaluation Reserve		41,713,346	Nil	41,713,346	42,600,956	Nil	42,600,956
<b>Total equity</b>		<b>3,770,967,576</b>	<b>Nil</b>	<b>3,770,967,576</b>	<b>3,344,784,239</b>	<b>Nil</b>	<b>3,344,784,239</b>
<b>Non Current liabilities</b>							
Provision for Gratuity ( Long Term )		134,830,051	Nil	134,830,051	110,239,100	Nil	110,239,100
Deffered Foreign Aid and Grants		700,852	Nil	700,852	680,146	Nil	680,146
		<b>135,530,903</b>	<b>Nil</b>	<b>135,530,903</b>	<b>110,919,245</b>	<b>Nil</b>	<b>110,919,245</b>
<b>Current liabilities</b>							
Taxation		117,654,642	Nil	117,654,642	99,910,906	Nil	99,910,906
Agency Creditors		158,809,713	Nil	158,809,713	123,079,307	Nil	123,079,307
Accrued Expenses		54,852,937	Nil	54,852,937	45,973,726	Nil	45,973,726
Sundry Creditors & Borrowings	12	159,861,732	Nil	159,861,732	203,263,269	Nil	203,263,269
Migrant Workers' Contributions		5,085,098	Nil	5,085,098	4,679,415	Nil	4,679,415
Overseas Workers Welfare Fund		2,323,444,761	Nil	2,323,444,761	1,956,925,140	Nil	1,956,925,140
Kuwait Compensation Payable		2,303,706,838	Nil	2,303,706,838	2,139,330,971	Nil	2,139,330,971
Pre Paid Licence Fees		4,150,000	Nil	4,150,000	2,640,000	Nil	2,640,000
Bank Overdraft	13	1,121,333	Nil	1,121,333	0	Nil	-
		<b>5,128,687,053</b>	<b>Nil</b>	<b>5,128,687,053</b>	<b>4,575,802,733</b>	<b>Nil</b>	<b>4,575,802,733</b>
<b>Total Liabilities</b>		<b>5,264,217,956</b>	<b>Nil</b>	<b>5,264,217,956</b>	<b>4,686,721,979</b>	<b>Nil</b>	<b>4,686,721,979</b>
<b>Total equity and liabilities</b>		<b>9,035,185,533</b>	<b>Nil</b>	<b>9,035,185,533</b>	<b>8,031,506,218</b>	<b>Nil</b>	<b>8,031,506,219</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2012**

**Reconciliation of comprehensive income**  
**Group**

	Year Ended			Year Ended		
	' 31 December 2012			' 31 December 2011		
	Under SLAS	Adjustments	Under SLFRS	Under SLAS	Adjustments	Under SLFRS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue						
Operating Income	1,466,021,193	Nil	1,466,021,193	1,366,809,745	Nil	1,221,171,671
Other Operating Income	1,033,265,361	Nil	1,033,265,361	1,054,120,645	Nil	1,061,333,039
	2,499,286,554	Nil	2,499,286,554	2,420,930,390	Nil	2,282,504,710
Staff Costs	(520,928,442)	Nil	(520,928,442)	(484,721,485)	Nil	(484,721,485)
Establishment Expenses	(212,887,023)	Nil	(212,887,023)	(182,282,776)	Nil	(182,282,776)
Operational Costs	(226,971,855)	Nil	(226,971,855)	(174,031,116)	Nil	(174,031,116)
Advertisement & Publicity	(50,497,813)	Nil	(50,497,813)	(48,122,372)	Nil	(48,122,372)
Business Promotion Expenses	(93,978,488)	Nil	(93,978,488)	(66,317,950)	Nil	(66,317,950)
Worker's Welfare Fund Expenses	(1,135,127,410)	Nil	(1,135,127,410)	(867,072,500)	Nil	(721,434,426)
Excess of Income Over Expenditure before tax	258,895,523	Nil	258,895,523	598,382,192	Nil	605,594,586
Tax	(88,884,048)	Nil	(88,884,048)	(144,875,671)	Nil	144,875,671
Excess of Income Over Expenditure for the period	170,011,476	Nil	170,011,476	453,506,521	Nil	460,718,915
Other Comprehensive Income						
Exchange Gain / loss in translating foreign operations		5,090,690	5,090,690		7,212,392	7,212,392
Revaluation Surplus						
Actuarial gain / Loss on pension plans						
Other Comprehensive Income						
Total comprehensive (expenses)/income for the period	170,011,476	5,090,690	175,102,165	453,506,521	7,212,392	467,931,307

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2012**

**Reconciliation of comprehensive income  
Bureau**

	Year Ended ' 31 December 2012			Year Ended ' 31 December 2011		
	Under SLAS	Adjustments	Under SLFRS	Under SLAS	Adjustments	Under SLFRS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Operating Income</b>						
Recruitment Fees - Agency	491,972,250	NIL	491,972,250	388,551,750	NIL	388,551,750
Recruitment Fees - Individual	544,049,300	NIL	544,049,300	645,097,000	NIL	645,097,000
Facilities Fees	56,818,485	NIL	56,818,485	52,722,400	NIL	52,722,400
Licence Fees	28,610,000	NIL	28,610,000	7,480,000	NIL	7,480,000
Cess Income	28,702,383	NIL	28,702,383	20,449,073	NIL	20,449,073
Korean Administration Fees	20,580,416	NIL	20,580,416	26,826,786	NIL	26,826,786
Re-Entry Korean Fee - Documentation & System Maintenance	2,012,319	NIL	2,012,319	-	NIL	0
Training Fees	231,298,245	NIL	231,298,245	145,638,074	NIL	145,638,074
Korean Training Fees	53,544,032	NIL	53,544,032	68,241,747	NIL	68,241,747
<b>Total Operating Income</b>	<b>1,457,587,430</b>	<b>NIL</b>	<b>1,457,587,430</b>	<b>1,355,006,830</b>	<b>NIL</b>	<b>1,355,006,830</b>
<b>Add: Other operating Income</b>						
Foreign Aid and Grants	208,643	NIL	208,643	438,798	NIL	438,798
Contribution Received From ILO Project	850	NIL	850	2,161,731	NIL	2,161,731
Commission received to Air ticketing Unit	4,666,046	NIL	4,666,046	6,028,413	NIL	6,028,413
Interest from Investments	420,614,878	NIL	420,614,878	616,925,030	NIL	616,925,030
Reimbursement of Expenses for Overseas Workers	530,302,135	NIL	530,302,135	371,419,257	NIL	371,419,257
Foreign Currency Exchange Gain / (Loss)	5,261,558	(5,261,558)	0	7,212,392	(7,212,392)	0
Interest from Staff Loans	10,231,340	NIL	10,231,340	9,563,395	NIL	9,563,395
Profit of Sale of Fixed Assets	-	NIL	0	-	NIL	0
Sundry Income	46,699,523	NIL	46,699,523	38,191,767	NIL	38,191,767
<b>Total Other operating Income</b>	<b>1,017,984,973</b>	<b>NIL</b>	<b>1,012,723,415</b>	<b>1,051,940,784</b>	<b>NIL</b>	<b>1,044,728,392</b>
<b>Total Operating &amp; Other Operating Income</b>	<b>2,475,572,403</b>	<b>NIL</b>	<b>2,470,310,845</b>	<b>2,406,947,614</b>	<b>NIL</b>	<b>2,399,735,222</b>
<b>Less : Expenditure</b>						
<b>Staff Costs</b>	(507,365,922)	NIL	(507,365,922)	(470,783,517)	NIL	(470,783,517)
<b>Establishment Expenses</b>	(206,429,647)	NIL	(206,429,647)	(175,910,488)	NIL	(175,910,488)
<b>Operational Costs</b>	(216,802,298)	NIL	(216,802,298)	(166,708,342)	NIL	(166,708,342)
<b>Advertisement &amp; Publicity</b>	(49,683,380)	NIL	(49,683,380)	(47,799,296)	NIL	(47,799,296)
<b>Business Promotion Expenses</b>	(90,632,213)	NIL	(90,632,213)	(65,849,388)	NIL	(65,849,388)
<b>Worker's Welfare Fund Expenses</b>	(1,146,187,261)	NIL	(1,146,187,261)	(873,536,019)	NIL	(873,536,019)
<b>Total Expenditure</b>	<b>(2,217,100,720)</b>	<b>NIL</b>	<b>(2,217,100,720)</b>	<b>(1,800,587,050)</b>	<b>NIL</b>	<b>(1,800,587,050)</b>
<b>Excess of Income Over Expenditure</b>	<b>258,471,683</b>	<b>NIL</b>	<b>253,210,125</b>	<b>606,360,564</b>	<b>NIL</b>	<b>599,148,172</b>
<b>Less : Provision for Taxation</b>	(87,727,184)	NIL	(87,727,184)	(144,500,671)	NIL	(144,500,671)
<b>Balance Carried Forward to Accumulated Fund</b>	<b>170,744,499</b>	<b>NIL</b>	<b>165,482,941</b>	<b>461,859,893</b>	<b>NIL</b>	<b>454,647,501</b>
<b>Other Comprehensive Income</b>						
Exchange Gain/loss in translating foreign operations	-	5,261,558	5,261,558	-	7,212,392	7,212,392
<b>Revaluation Surplus</b>						
<b>Actuarial gain / Loss on pension plans</b>						
<b>Other Comprehensive Income</b>						
<b>Total Comprehensive Income</b>	<b>170,744,499</b>	<b>5,261,558</b>	<b>170,744,499</b>	<b>461,859,893</b>	<b>7,212,392</b>	<b>461,859,893</b>

## Notes to the Accounts

### 1. Property Plant & Equipment

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.

	<b>Bureau</b>
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 chief valuer has been requested to value the Land & buildings owned by the Bureau. The action will be taken to make necessary accounting treatments in year 2013 after receipt of his report. The revaluation of land & building will be made in once a every five years.

### 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>2012 - Rs.</b>	<b>2012 - Rs.</b>	<b>2011 - Rs.</b>	<b>2011 Rs.</b>
WIP - Mathugama	24,209,649	24,209,649	91,048,701	91,048,701
WIP - Katharagama	921,180	921,180	875,000	875,000
WIP - Homagama	736,740	736,740	132,500	132,500
WIP - Tangall	109,715,681	109,715,681	64,350,318	64,350,318
WIP - Rathnapura	5,819,218	5,819,218	1,892,166	1,892,166
	-	-		-
<b>Total</b>	<b>141,402,468</b>	<b>141,402,468</b>	<b>158,298,684</b>	<b>158,298,684</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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

DESCRIPTION	Lease Hold Land Rs.	Free Hold Land Rs.	Free Hold Property Rs.	Partitioning Works Rs.	Motor Vehicle Rs.	Workers' Welfare Fund Fixed Assets Rs.	Furniture & Other Office Equipment Rs.	Computers Rs.	Electrical Goods & Accessories Rs.	Sundry Equipment Rs.	Library Books Rs.	Total Rs.
<b>COST 01.01.12</b>	48,854,347.00	73,382,795.35	336,869,196.00	31,155,635.40	123,889,610.00	216,890,317.02	108,081,029.81	100,246,105.76	72,441,206.29	2,080,159.44	868,134.41	1,114,758,536.48
Disposals	-	-	-	-	3,975,000.00	1,376,485.83	151,286.00	591,370.00	-	-	-	6,094,141.83
Additions-BUREAU	26,000,000.00	-	194,111,934.35	3,942,650.24	78,856,325.20	32,864,001.40	13,235,661.92	47,113,561.29	2,327,673.00	77,565.00	204,880.00	398,734,252.40
Additions-SLFEA	-	-	-	<b>278,828.00</b>	132,946.00	-	<b>408,814.45</b>	<b>1,807,784.58</b>	-	-	-	2,628,373.03
<b>Balance at 31.12.12</b>	<u>74,854,347.00</u>	<u>73,382,795.35</u>	<u>530,981,130.35</u>	<u>35,377,113.64</u>	<u>198,903,881.20</u>	<u>248,377,832.59</u>	<u>121,574,220.18</u>	<u>148,576,081.63</u>	<u>74,768,879.29</u>	<u>2,157,724.44</u>	<u>1,073,014.41</u>	<u>1,510,027,020.08</u>
<b>PROVISION FOR DEPRECIATION:</b>												
<b>Balance at 01.01.12</b>	4,844,268.00	-	205,351,020.00	16,095,105.00	47,780,297.67	149,320,684.00	67,380,338.20	81,566,775.84	69,612,158.00	1,796,269.00	774,521.00	644,521,436.71
Charge for 2012-BUR	2,537,087.00	-	39,823,585.00	2,594,687.00	34,038,425.00	23,717,957.34	8,758,405.00	19,582,642.00	1,232,402.00	217,034.00	195,035.00	132,697,259.34
Charge for 2012 SLFEA	-	-	-	-	4,572,868.25	-	931,471.84	340,205.20	-	-	-	5,844,545.29
	7,381,355.00	-	245,174,605.00	18,689,792.00	86,391,590.92	173,038,641.34	77,070,215.04	101,489,623.04	70,844,560.00	2,013,303.00	969,556.00	783,063,241.34
On Disposals	-	-	-	-	993,750.00	1,104,095.00	118,009.00	591,280.00	-	-	-	2,807,134.00
<b>Balance at 31.12.12</b>	<u>7,381,355.00</u>	<u>-</u>	<u>245,174,605.00</u>	<u>18,689,792.00</u>	<u>85,397,840.92</u>	<u>171,934,546.34</u>	<u>76,952,206.04</u>	<u>100,898,343.04</u>	<u>70,844,560.00</u>	<u>2,013,303.00</u>	<u>969,556.00</u>	<u>780,256,107.34</u>
<b>WRITTEN DOWN</b>												
<b>VALUE at 31.12.12</b>	<u>67,472,992.00</u>	<u>73,382,795.35</u>	<u>285,806,525.35</u>	<u>16,687,321.64</u>	<u>113,506,040.28</u>	<u>76,443,286.25</u>	<u>44,622,014.14</u>	<u>47,677,738.59</u>	<u>3,924,319.29</u>	<u>144,421.44</u>	<u>103,458.41</u>	<u>729,770,912.74</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2012

1. PROPERTY, PLANT & EQUIPMENT

	Lease Hold Land	Free Hold Land	Free Hold 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>												
Cost - at 01.01.12	48,854,347.00	8,903,795.35	336,869,196.00	31,155,635.40	99,088,906.33	216,890,317.02	103,695,059.43	98,545,079.92	72,441,206.29	2,080,159.44	868,134.41	1,019,391,836.59
Revaluation Gain												
Disposals/ Transfers	-					1,376,485.83	151,286.00	591,370.00				2,119,141.83
Additions	26,000,000.00	-	194,111,934.35	3,942,650.24	78,856,325.20	32,864,001.40	13,235,661.92	47,113,561.29	2,327,673.00	77,565.00	204,880.00	398,734,252.40
<b>Cost - at 31.12.2012</b>	<b>74,854,347.00</b>	<b>8,903,795.35</b>	<b>530,981,130.35</b>	<b>35,098,285.64</b>	<b>177,945,231.53</b>	<b>248,377,832.59</b>	<b>116,779,435.35</b>	<b>145,067,271.21</b>	<b>74,768,879.29</b>	<b>2,157,724.44</b>	<b>1,073,014.41</b>	<b>1,416,006,947.16</b>
	74,854,347.00		539,884,925.70	35,098,285.64	177,945,231.53	248,377,832.59	116,779,435.35	145,067,271.21	74,768,879.29	2,157,724.44	1,073,014.41	
<b>PROVISION FOR DEPRECIATION:</b>												
Depreciation at 01.01.12	4,844,268.00	-	205,351,020.00	16,095,105.00	34,892,094.00	149,320,684.00	65,470,366.00	80,439,411.00	69,612,158.00	1,796,269.00	774,521.00	628,595,896.00
for the year	2,537,087.00	-	39,823,585.00	2,594,687.00	34,038,425.00	23,717,957.34	8,758,405.00	19,582,642.00	1,232,402.00	217,034.00	195,035.00	132,697,259.34
On Disposals/ Transfers	7,381,355.00	-	245,174,605.00	18,689,792.00	68,930,519.00	173,038,641.34	74,228,771.00	100,022,053.00	70,844,560.00	2,013,303.00	969,556.00	761,293,155.34
	-					1,104,095.00	118,009.00	591,280.00				1,813,384.00
<b>Depreciation at 31.12.2012</b>	<b>7,381,355.00</b>	<b>-</b>	<b>245,174,605.00</b>	<b>18,689,792.00</b>	<b>68,930,519.00</b>	<b>171,934,546.34</b>	<b>74,110,762.00</b>	<b>99,430,773.00</b>	<b>70,844,560.00</b>	<b>2,013,303.00</b>	<b>969,556.00</b>	<b>759,479,771.34</b>
<b>WRITTEN DOWN</b>												
Balance at 31.12.2012	67,472,992.00	8,903,795.35	285,806,525.35	16,408,493.64	109,014,712.53	76,443,286.25	42,668,673.35	45,636,498.21	3,924,319.29	144,421.44	103,458.41	656,527,175.82
<b>WRITTEN DOWN</b>												
VALUE at 31.12.11	12,625,126.00		188,770,984.55	18,503,551.87	21,552,392.50	70,707,102.76	34,543,126.12	14,521,960.46	1,897,279.96	610,553.44	51,568.46	363,783,646.12

### 3. Investments

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.

Treasury Bonds & Fixed Deposits	GROUP	BUREAU	GROUP	BUREAU
	2012 - Rs.	2012 Rs.	2011 - Rs.	2011Rs.
Treasury Bonds - Korean Welfare Fund	660,481,571	660,481,571		
Treasury Bonds - WWF Members Contribution	5,085,098	5,085,098		
Treasury Bond for Gratuity Provision	123,756,601	123,756,601		
Treasury Bonds	3,413,881,679	3,413,881,679	4,010,792,964	4,010,792,964
Fixed Deposits - ( Long Term )	106,275,000	-	45,775,000	-
<b>Total</b>	<b>4,309,479,949</b>	<b>4,203,204,949</b>	<b>4,056,567,964</b>	<b>4,010,792,964</b>

Short Term Investments of Funds	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 - RS.	2011 - RS.	2011 RS.
Fixed Deposits - ( Short Term )	2,286,096,713	2,286,096,713	2,004,234,374	2,004,234,374
State Institution Temporary Surplus Trust Fund	145,564,516	145,564,516	714,719,160	714,719,160
A/C BOCA/C DFCA/USD/(73-394)-832	220,786,208	220,786,208	197,132,580	197,132,580
<b>Less: Short Term Investments to be matured within 3 months</b>	<b>(1,557,588,999)</b>	<b>(1,557,588,999)</b>	<b>(2,026,534,189)</b>	<b>(2,026,534,189)</b>
<b>Total</b>	<b>1,094,858,438</b>	<b>1,094,858,438</b>	<b>889,551,925</b>	<b>889,551,925</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

Stock in Hand	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011RS.
Stock In Hand	14,387,770	14,387,770	12,299,979	12,299,979
Less: Cost of Slow Moving Items	56,846	56,846	56,846	56,846
<b>Total</b>	<b>14,330,924</b>	<b>14,330,924</b>	<b>12,243,133</b>	<b>12,243,133</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.

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Sundry Debtors	GROUP	BUREAU	GROUP	BUREAU
	2012 - Rs.	2012 Rs.	2011 - Rs.	2011 Rs.
Interest receivable on Investments	136,723,922	136,066,185	152,437,639	152,437,639
Labour Con. Agree. Fees. L/M	1,446,958,337	1,446,958,337	1,005,522,196	1,005,522,196
Cess Commission Receivable	2,774,500	2,774,500	1,028,250	1,028,250
Refundable Deposit	167,358	167,358	139,358	139,358
Other Receivable	12,362,975	15,928,920	5,899,469	5,899,469
Pre Payments	36,827,198	36,827,198	24,175,832	24,175,832
Salary advance	146,800	146,800	285,500	285,500
WHT5%	1,118,392	-	-	-
Payee tax	125,873	125,873	-	-
Loan to sfea (pvt) ltd	104,802	20,104,802	104,802	104,802
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	1,499,250	1,499,250	1,451,350	1,451,350
Advertisement Income Receivable			672	
VAT recoverable	2,207,875		3,326,267	
Receivable Dividends from SLFEA		2,760,033		2,760,033
Commission Receivable SLIC	2,806,644			
Premium Receivable	30,247,140			
Collection Of Air Tickets	9,461,457	10,391,957		
<b>Total</b>	<b>1,684,576,133</b>	<b>1,674,794,822</b>	<b>1,195,414,945</b>	<b>1,194,848,039</b>
Provision For Bad Debtors			(1,257,983)	(1,257,983)
<b>Total</b>	<b>1,684,576,133</b>	<b>1,674,794,822</b>	<b>1,194,156,962</b>	<b>1,193,590,056</b>

### 6. Staff Loans

Staff Loans	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011RS.
Interest Free Loans	4,200	4,200	30,600	30,600
Distress Loans	155,216,941	153,837,601	139,191,246	137,726,740
Vehicle Loans	83,358,631	83,358,631	83,791,510	83,791,510
Festival Advances	755,798	728,798	678,100	678,100
Instant Loan to Staff	383,149	383,149	154,215	122,215
<b>Total</b>	<b>239,718,718</b>	<b>238,312,379</b>	<b>223,845,671</b>	<b>222,349,165</b>

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 2012

7 CASH & CASH EQUIVALENT	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011 RS.
B/C FCBU - DDUSD(144) - 4324	36,762,461	36,762,461	1,319,252	1,319,252
B/C Corporate Branch A/c 1672	22,798,680	22,798,680	0	0
B/C Cor.Branch - 1650	58,832,912	58,832,912	12,936,285	12,936,285
P/B,Que. St- A/C(2914) - 1069	1,582,164	1,582,164	464,714	464,714
P/B,Queens -A/C0307(033 100 161791068 )	218,444	218,444	70,165	70,165
P/B,Battaramulla New -A/C208 1001 51791068)	5,538,177	5,538,177	3,268,727	3,268,727
A/C (148-1) - ( 1834 )	35,604,131	35,604,131	27,042,975	27,042,975

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DFCA USD ( 106 ) - 851	289,995	289,995	258,933	258,933
RFC/0033/030	193,273	193,273	170,073	170,073
B/C Corporate Br- A/C (140-9) - 1825	234,263	234,263	441,714	441,714
B/C Co.BrA/C (1375) - ( 1816 )	61,294	61,294	1,121,544	1,121,544
B/C Co.BrA/C (1950) - 1939	4,342,506	4,342,506	1,192,501	1,192,501
BOC Taprobane Branch A/C NO.2026582	51,730	51,730	51,130	51,130
HSBC a/c no. 001749035101	44,317,389	44,317,389	-	-
Boc -corporate branch –A.C. 73469314	100,000	100,000	-	-
BOC Cor..Bra. A/C 9290730 (welfare North )	51,023	51,023	51,273	51,273
Bureau	122,993	122,993	106,475	106,475
Galle	-	-	1	1
Tangalle	9,579	9,579	-	-
Katunayake	157,860	157,860	73,679	73,679
Coin Imprest	693	693	693	693
York street	2,000	2,000	-	-
Pinwatta	5,000	5,000	5,000	5,000
Keselwatta IT	780	780	780	780
Pannipitiya	31,028	31,028	-	-
Peoples Bank A/c No-100183694176	1,317,441	1,317,441	4,560,308	
Peoples Bank A/c No-100103694830(Narahenpita 2)	25,000		100,000	
Peoples Bank Queens Branch 033402102466473	61,846		229,131	
Peoples Bank A/c No-119100273694176	22,214			
BOC A/C 9099724	839,023		614,157	
Savings Account - NSB - 02-19304	8,223		7,853	
Savings Account - NSB - 02-20396	43,946		41,967	
Savings Account - NSB - 02-24499	3,974		3,796	
Savings Account - NSB - 02-18634	13,376		12,774	
Savings Account - NSB - 02-40494	62,483		59,671	
Savings Account - 106110016703	1,929,779			
Cash in Hand	10,000		18,926	
P/B Queens Bra.Savings (A.C No.00332620672391)	87,919	87,919	14,415	14,415
NSB Head Qua. Bra. A.C.No. 100010908843	259,031	259,031	2,957,137	2,957,137
NSB Head Qua. Bra. A.C.No. 100010814989	4,446,676	4,446,676	347,944	347,944
Savings A/C 2620212743 Videshika	1,408,719	1,408,719	1,410,379	1,410,379
Savings A.C No. 2620213079 Siyatha	1,417,102	1,417,102	2,339,944	2,339,944
CASH IMPREST- PRE DEPARTURE ORINATION UNIT	1	1	-	-
Cash imprest- mathugama resource centre	100,000	100,000		
Additional petty cash imprest-sahana piyasa	100,000	100,000		
CASH IN TRANSIT	227,182	227,182		
Cash with Embassy	1,587,632	1,587,632		
Cash Imprest Foreign Missions	64,175,931	64,175,931	20,806,303	20,806,303
Investments to be matured within 03 months	1,557,588,999	1,557,588,999	2,026,534,189	2,026,534,189
<b>Total</b>	<b>1,847,044,871</b>	<b>1,842,707,566</b>	<b>2,108,634,809</b>	<b>2,102,986,227</b>

8.

Sundry Creditors	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011 - RS.
Loan Scheme Money Held For Korean T.T.	4,563,693	4,563,693	17,399,465	17,399,465
Insurance Claim Received from N.I.C.	3,629,174	3,629,174	7,753,964	4,393,964
Deposit for salaries & Settlement of	14,000,000	14,000,000	14,530,607	14,530,607

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complaints				
Retention Money Payable	12,318,069	12,318,069	5,963,629	5,963,629
Refundable Tender Deposit	635,288	635,288	623,531	623,531
Guarantee Money From Cashiers	25,000	25,000	50,000	50,000
IPEC Project with ILO	3,147,308	3,147,308	441,672	441,672
Deposit for Korean Visa Fees	13,102,200	13,102,200	-	-
Deposit for Korean Ticket Fees	134,123,441	134,123,441	84,798,450	84,798,450
WHT 5%	44,730	-	51,480	6,750
VAT	20,124,244	12,540,059	23,654,734	15,801,118
Sundry Creditors	74,059,860	73,629,949	-	-
Nations Building Tax	3,994,142	3,994,142	9,584,736	9,584,736
Stamp Duty	133,600	133,600	-	-
Provision for Gratuity ( Short Term )	229,107	229,107	229,107	229,107
Recruitment Chargers For Foreign Employment	147,145	147,145	786,237	786,237
Deposit for Kuwait Insurance	15,460	15,460	15,460	15,460
Collection of Air Tickets	-	-	4,682,896	4,682,896
Project Prevention of Trafficking	554,111	554,111	554,111	554,111
Refundable deposit female domestic workers	330,907,560	330,907,560	-	-
Food supplier payable	4,410,234	4,410,234	-	-
Money Deposited By Migrant Workers	927,503	927,503	-	-
Re-entry korean charges	725,920	725,920	-	-
Service Creditors	-	-	270,022	-
Economic Service Charges	123,980		346,164	
Lease Creditors	958,341		4,387,916	
Interest Bearing Borrowings	500,004			
Other Payable	5,936,116		1,979,063	
Nawala Rent Advance	-		200,000	
Refundable Deposit	26,832,000		30,087,000	
Insurance Fund	35,086,404			
Sri Lanka Insurance Corporation	45,624,150			
MBSL Insurance Corporation	8,310,676			
Suspence Account	(148,865)	(148,865)		
Death Claim Payable	400,000			
Soft Logic Information	1,037,900			
<b>TOTAL</b>	<b>746,674,594</b>	<b>613,606,197</b>	<b>208,390,244</b>	<b>159,861,732</b>

9 Bank Overdraft	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011 RS.
B/C Corpor.Branch (64-1)1650	0			
B/C Corpo.Br- A/C (697)1672	0	-	1,121,333	1,121,333
SLFEA - BOC A/C	0		5,764	
SLFEA - Union Bank	0		1,444	
SLFEA - NDB Bank	0			
	6,521,222.95			
<b>Total</b>	<b>6,521,222.95</b>	<b>-</b>	<b>1,128,541</b>	<b>1,121,333</b>

10

Accumulated Fund	GROUP	BUREAU	GROUP	BUREAU
	2012 - RS.	2012 RS.	2011 - RS.	2011 RS.
Balance as per account	3,802,726,833	3,729,254,230	3,380,556,896	3,305,943,316
Less: Prior Year Adjustments	(2,590,318)	(448,149)	(38,548,978)	(38,548,978)
Adjustments made in the year	(2,764,001)	(2,764,001)		
<b>Funds Transfer to Consolidated Fund</b>	(625,000,000)	(625,000,000)		(0)
Add: Excess/(Loss) of Income Over Expenditure	175,102,165	170,744,499	460,718,915	461,859,893
Adjustments made in the year	1,629,258	1,629,258		
Balance as at 31.12.2012	<b>3,349,103,937</b>	<b>3,273,415,836</b>	<b>3,802,726,833</b>	<b>3,729,254,231</b>

## 11. Prior Year adjustments

<i>Nature of the error</i>	<i>Amount of the correction</i>	<i>Line item affected</i>
<b>(a) Adjustment for under provision of expenditure</b>		
Staff Welfare	297,415.00	Profit brought forward from previous year
Awareness programme	12,557.00	Do
Seminars & Workshops	68,940.00	Do
Training activities	160,669.63	Do
Overtime	41,512.72	Do
Hiring of vehicles	14,235.00	Do
International Migrant Day Expenses	446,975.00	Do
Publicity Expenses	119,975.00	Do
Electricity Expenses	763.52	Do
Depreciation of Fixed Assets	1,040,000.00	Do
Interest of Members	1,547.00	Do
Under provision of VAT for prior year	22,176,462	Do

<b>(b) Adjustments for overprovision of Expenditure</b>		Do
Telephone	(574,518.67)	Do
Scholarship Expenses	(71,209.50)	Do
Training activities	(45,975.00)	Do
Overtime	(19,000.00)	Do
Electricity	(91,544.84)	Do
Water	(31,805.74)	Do
Gratuity	(21,532,519.00)	Do
<b>(c) Under provision of interest income</b>	(20,569.00)	Do
Do	(46,460.00)	Do
<b>(d) Reversal of provision for bad debtors</b>	(855,357.85)	Do
<b>(e) Amount transfer to Accumulated fund</b>	(643,943)	Do
<b>Total</b>	<b>448,149.27</b>	Do

### 11. Provision for Gratuity

The Bureau is liable to pay gratuity in terms of the relevant statute, Act No. 12 of 1983.

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 arriving at the above figures.

Rate of Discount	-	10% p.a.
Salary Increment Rate	-	1.84%
Retirement Age	-	60 years

### 12. 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.

### 13. Foreign Aid Account

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.

### 14. Overseas Workers Welfare Fund.

Fess collected registration of contract agreements by the foreign missions are credited as receipts and total expenditure incurred in respect of Labour welfare work abroad is debited as expenditure. The remainder is shown as current liability in the balance sheet.

**15. 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.

**16. Contingent Liabilities**

There are 17 numbers pending court cases filed by the employees and outsiders against the Bureau. (Three cases in Supreme Court, Four cases in Court of Appeal, Four cases in District Courts and six cases in labor court).

Since these cases are still pending the actual liability cannot be accounted.

**17. Foreign currency transaction**

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

**18. 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 31.12.2012**

Description	2012			2011
	Bureau Rs.	W.W.F. Rs.	Total Rs.	ACTUAL Rs.
<b>Income</b>				
Recruitment Fees - Agency (Note -14)	327,981,500	163,990,750	491,972,250	388,551,750
Recruitment Fees - Individual (Note -14)	489,297,300	54,752,000	544,049,300	645,097,000
Facilities Fees	56,818,485	-	56,818,485	52,722,400
Licence Fees	28,610,000	-	28,610,000	7,480,000
Cess Income	28,702,383	-	28,702,383	20,449,073
Korean Administration Fees	20,580,416		20,580,416	26,826,786
Re-Entry Korean Fee - Documentation & System Maintenance	2,012,319		2,012,319	-
Training Fees		231,298,245	231,298,245	145,638,074
Korean Training Fees		53,544,032	53,544,032	68,241,747
<b>Total</b>	<b>954,002,403</b>	<b>503,585,027</b>	<b>1,457,587,430</b>	<b>1,355,006,830</b>
<b>Add: Other Income</b>				
Foreign Aid and Grants	-	208,643	208,643	438,798
Contribution Received From ILO Project	-	850	850	2,161,731
Commission received to Air ticketing Unit	4,666,046		4,666,046	6,028,413
Interest from Investments (Note - 10)	317,872,542	102,742,336	420,614,878	616,925,030
Reimbursement of Expenses for Overseas Workers Welfare Fund	-	530,302,135	530,302,135	371,419,257
Interest from Staff Loans	10,231,340	-	10,231,340	9,563,395
Profit of Sale of Fixed Assets		-	-	-
Sundry Income (Note - 11)	25,692,656	21,006,867	46,699,523	38,191,767
Contribution to WWF (From Bureau)	(96,000,000)	96,000,000		
	<b>262,462,584</b>	<b>750,260,831</b>	<b>1,012,723,415</b>	<b>1,044,728,392</b>
<b>Total Income</b>	<b>1,216,464,987</b>	<b>1,253,845,858</b>	<b>2,470,310,845</b>	<b>2,399,735,222</b>
<b>Less : Expenditure</b>				
<b>Staff Costs</b>	<b>486,232,641</b>	<b>21,133,281</b>	<b>507,365,922</b>	<b>470,783,517</b>
<b>Establishment Expenses</b>	<b>155,506,506</b>	<b>50,923,141</b>	<b>206,429,647</b>	<b>175,910,488</b>
<b>Operational Costs</b>	<b>190,438,622</b>	<b>26,363,675</b>	<b>216,802,298</b>	<b>166,708,342</b>
<b>Advertisement &amp; Publicity</b>	<b>41,084,614</b>	<b>8,598,766</b>	<b>49,683,380</b>	<b>47,799,296</b>
<b>Business Promotion Expenses</b>	<b>90,632,213</b>	<b>-</b>	<b>90,632,213</b>	<b>65,849,388</b>
<b>Worker's Welfare Fund Expenses</b>	<b>-</b>	<b>1,146,187,261</b>	<b>1,146,187,261</b>	<b>873,536,019</b>
<b>Total Expenditure</b>	<b>963,894,597</b>	<b>1,253,206,124</b>	<b>2,217,100,720</b>	<b>1,800,587,050</b>
<b>Excess of Income Over Expenditure</b>	<b>252,570,390</b>	<b>639,734</b>	<b>253,210,124</b>	<b>599,148,172</b>
<b>Less : Provision for Taxation</b>	<b>87,505,541</b>	<b>221,642</b>	<b>87,727,184</b>	<b>144,500,671</b>
<b>Balance Carried Forward to Accumulated Fund</b>	<b>165,064,849</b>	<b>418,092</b>	<b>165,482,941</b>	<b>454,647,501</b>
<b>Other Comprehensive Income</b>				
Exchange Gain/loss in translating foreign operations	5,261,558		5,261,558	7,212,392
Revaluation Surplus				
Actuarial gain / Loss on pension plans				
<b>Other Comprehensive Income</b>	<b>5,261,558</b>	<b>-</b>	<b>5,261,558</b>	<b>7,212,392</b>
<b>Total Comprehensive Income</b>	<b>170,326,408</b>	<b>418,092</b>	<b>170,744,499</b>	<b>461,859,893</b>

## Annual Report 2012

19		GROUP	BUREAU	GROUP	BUREAU
	<b>Operating Income</b>	<b>2012 - RS.</b>	<b>2012 RS.</b>	<b>2011 - RS.</b>	<b>2011 RS.</b>
	Recruitment Fees - Agency	491,972,250	491,972,250	388,551,750	388,551,750
	Recruitment Fees - Individual	544,049,300	544,049,300	645,097,000	645,097,000
	Facilities Fees	56,818,485	56,818,485	52,722,400	52,722,400
	Licence Fees	28,610,000	28,610,000	7,480,000	7,480,000
	Cess Income	28,702,383	28,702,383	20,449,073	20,449,073
	Korean Administration Fees	20,580,416	20,580,416	26,826,786	26,826,786
	Re-Entry Korean Fee - Documentation & System Maintenance	2,012,319	2,012,319	-	-
	Korean Training Fees	53,544,032	53,544,032	68,241,747	68,241,747
	Training Fees	231,298,245	231,298,245	145,638,074	145,638,074
	Advertisement Approval	374,514		276,152	
	Training Income	-		2,442,934	
	Recruiting Income	4,983,195		5,009,629	
	Agency Claim	2,887,500		4,074,200	
	Agency Commission	188,555			
	<b>Total</b>	<b>1,466,021,194</b>	<b>1,457,587,430</b>	<b>1,366,805,745</b>	<b>1,355,006,830</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 2012**

20		GROUP	BUREAU	GROUP	BUREAU
	<b>Other Operating Income</b>	<b>2012 - RS.</b>	<b>2012 RS.</b>	<b>2011 - RS.</b>	<b>2011 RS.</b>
	Foreign Aid and Grants	208,643	208,643	438,798	438,798
	Contribution Received From ILO Project	850	850	2,161,731	2,161,731
	<b>Commission received to Air ticketing Unit</b>	<b>4,666,046</b>	<b>4,666,046</b>	<b>6,028,413</b>	<b>6,028,413</b>
	Interest from Investments (Note - 10)	420,614,878	420,614,878	616,925,030	616,925,030
	Reimbursement of Expenses for Overseas Workers Welfare Fund	530,302,135	530,302,135	371,419,257	371,419,257
	Foreign Currency Exchange Gain / (Loss)	-	-	-	-
	Interest from Staff Loans	10,231,340	10,231,340	9,563,395	9,563,395
	Sundry Income	46,699,523	46,699,523	38,191,767	38,191,767
	Interest on Savings	720,912		6,118	
	Interest on Fixed Deposit	8,818,962		3,744,048	
	Rent Income	-		1,200,000	
	Profit on Disposal of Vehicle	601,339		2,962,055	
	Other Income	10,400,735		1,480,033	
	<b>Total</b>	<b>1,033,265,363</b>	<b>1,012,723,415</b>	<b>1,054,120,645</b>	<b>1,044,728,392</b>

**SRI LANKA BUREAU OF FOREIGN EMPLOYMENT**  
**STATEMENT OF COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31.12.2012**

Description	Group 2012 Rs.	'2012		Bureau 2012 Rs.	Group 2011 Rs.	Bureau 2011 Rs.
		Bureau Rs.	W.W.F. Rs.			
<b>Staff Costs</b>						
Salaries & Wages	254,950,004	234,569,195	11,400,263	245,969,458	252,963,864	243,372,645
Staff Welfare	80,890,301	76,097,776	3,506,019	79,603,795	57,043,660	55,918,930
E.P.F. & E.T.F.	39,544,632	38,204,647	493,610	38,698,256	33,853,061	32,985,642
Reim. of Interest on Housing Loans	6,546,671	6,227,557	319,114	6,546,671	4,915,511	4,915,511
Bonus	53,354,496	51,829,527	-	51,829,527	51,394,120	49,706,623
Overtime	50,699,120	49,618,772	465,226	50,083,999	49,874,636	49,274,785
Travelling	10,186,374	9,104,048	908,741	10,012,789	8,105,577	8,038,327
Gratuity	18,264,845	14,350,910	3,778,516	18,129,427	21,231,121	21,231,121
Compensation Expenses	-	-	-	-	-	-
Staff Training	6,492,000	6,230,208	261,791	6,492,000	5,339,933	5,339,933
	<b>520,928,442</b>	<b>486,232,641</b>	<b>21,133,281</b>	<b>507,365,922</b>	<b>484,721,484</b>	<b>470,783,517</b>
<b>Establishment Expenses</b>						
Printing, Stationery & Consumable	39,959,165	35,812,917	3,327,033	39,139,949	23,991,549	23,970,973
Telephone & Postage	37,968,382	34,747,424	2,370,316	37,117,740	37,392,316	36,815,135
Rent	38,660,416	19,591,856	19,068,560	38,660,416	36,282,535	36,150,408
Maintenance of Premises	14,529,693	12,246,711	1,681,063	13,927,774	9,658,036	8,235,599
Audit Fees	980,415	805,415	-	805,415	753,182	578,182
Electricity	37,596,998	32,058,975	5,056,221	37,115,195	30,944,707	29,635,656
Security Charges	30,250,078	13,261,841	16,489,917	29,751,757	32,269,435	32,088,931
Cost of piece rate workers	4,040	4,040	-	4,040	290,351	290,351
Directors Fees & Traveling	952,961	606,751	5,250	612,001	887,340	484,701
Water	5,329,239	2,530,634	2,673,829	5,204,463	4,761,995	4,670,432
Cost of Slow Moving Items	-	-	-	-	56,846	56,846
Consultancy & Legal Fees	6,655,637	3,839,945	250,952	4,090,897	4,994,485	2,933,274
	<b>212,887,023</b>	<b>155,506,506</b>	<b>50,923,141</b>	<b>206,429,647</b>	<b>182,282,776</b>	<b>175,910,488</b>
<b>Operational Costs</b>						
Depreciation of Fixed Assets	137,501,805	109,574,691	22,082,568	131,657,259	85,012,336	81,926,415
Motor Vehicle Running Expenses	45,098,866	41,083,309	1,823,854	42,907,163	36,712,393	34,037,302
Hiring of Vehicles	16,554,424	15,710,132	719,291	16,429,424	12,978,788	12,785,532
Expenses for Job Net Work	-	-	-	-	-	-
Debit Tax	-	-	-	-	1,477,902	1,477,902
Economics Service Charges	9,627,983	8,983,953	644,030	9,627,983	15,977,272	15,977,272
Computer Running Expenses	4,788,611	4,417,742	275,604	4,693,346	7,295,968	7,295,968
Maintenance of Office Equipment	4,874,237	4,272,800	601,437	4,874,237	4,107,484	3,948,324
Financial Charges(Loan Interest,Lease Charges,Lease Int	1,329,549	827,657	26,182	853,839	1,369,736	791,636
Newspapers & Periodicals	1,109,893	977,879	81,954	1,059,833	932,770	932,770
Provision for Bad debtors	-	-	-	-	1,216,985	1,216,985
Loss of Sale of Fixed Assets	122,485	122,485	0	122,485	-	-
General Expenses	5,964,002	4,467,974	108,755	4,576,729	6,949,481	6,318,236
	<b>226,971,855</b>	<b>190,438,622</b>	<b>26,363,675</b>	<b>216,802,298</b>	<b>174,031,116</b>	<b>166,708,342</b>
<b>Advertisement &amp; Publicity</b>						
Advertisements	20,175,279	15,305,754	4,055,092	19,360,846	17,741,287	17,418,211
Cost of T.V.Programmes	1,419,557	1,266,532	153,025	1,419,557	5,165,603	5,165,603
Cost of Radio Programmes	12,882,401	9,189,555	3,692,846	12,882,401	13,218,300	13,218,300
Awareness Programmes	16,020,576	15,322,773	697,803	16,020,576	11,997,183	11,997,183
	<b>50,497,813</b>	<b>41,084,614</b>	<b>8,598,766</b>	<b>49,683,380</b>	<b>48,122,372</b>	<b>47,799,296</b>
<b>Business Promotion Expenses</b>						
Business Promotion Mission	49,357,705	46,082,248	-	46,082,248	17,857,135	17,577,151
Grant Incentives for Recruitment of Non Domestic & Market promotional Activities	-	0	0	0	-	-
Expenses of Korean project and Recruitment Expenses	9,632,883	9,632,883	-	9,632,883	12,070,800	12,070,800
25 th Anniversary of SLBFE	26,512,980	26,442,163	-	26,442,163	30,872,158	30,683,579
Awarding Ceremoney Expenses	-	-	-	-	2,743,364	2,743,364
Receiving Delegation From Lab.Rece.Countries	-	-	-	-	-	-
Direct Expenses Fof Air Ticket Unit	-	-	-	-	198,455	198,455
Seminars & Workshops	8,474,920	8,474,920	-	8,474,920	2,576,038	2,576,038
	<b>93,978,488</b>	<b>90,632,213</b>	<b>-</b>	<b>90,632,213</b>	<b>66,317,950</b>	<b>65,849,388</b>

Annual Report 2012

Description	Group 2012 Rs.	'2012		Bureau 2012 Rs.	Group 2011 Rs.	Bureau 2011 Rs.
		Bureau Rs.	W.W.F. Rs.			
<b>Worker's Welfare Fund</b>						
Training Activities	201,031,305		212,103,040	212,103,040	162,987,226	170,970,274
Expenses on Overseas Workers Welfare Fund	530,314,019	-	<b>530,302,135</b>	<b>530,302,135</b>	371,419,257	371,419,257
Cost of Insurance of Migrant Workers	225,326,646	-	225,326,646	225,326,646	210,560,400	210,560,400
Scholarships to Children's of Migrant Empl.	54,476,691	-	54,476,691	54,476,691	36,231,592	36,231,592
Distribution of School Books	14,671,862	-	14,671,862	14,671,862	2,411,980	2,411,980
Interest Subsidy on Bank Loans	433,673	-	433,673	433,673	745,689	745,689
Welfare Centre - Seeduwa	18,400,040	-	18,400,040	18,400,040	16,682,164	16,682,164
Interest on Migrant Workers' Contributions	504,889	-	504,889	504,889	460,733	460,733
Conciliation & Other welfare work local and abroad	2,142,532	-	2,142,532	2,142,532	8,628,837	8,628,837
World Bank ILO Project Expenses	850	-	850	850	2,161,731	2,161,731
Re-Intrigation Programme	189,262	-	189,262	189,262		-
Social welfare Programme for Migrant workers	10,142,538	-	10,142,538	10,142,538	3,606,232	3,606,232
Housing Programme for disabled Migrant Workers.	2,901,510	-	2,901,510	2,901,510	2,473,383	2,473,383
Welfare Facilities to the Migrant Workers	262,360	-	262,360	262,360	446,662	446,662
Foreign Travel on Overseas audit	3,884,515		3,884,515	3,884,515		-
Conduct Instructors Training Programme	27,109	-	27,109	27,109		-
Special Award Scheme of Funeral Expen.	90,000	-	90,000	90,000	150,000	150,000
Study Tours to labour receiving countries	4,786,440	-	4,786,440	4,786,440	3,359,896	1,840,367
Medical Bill for Migrant Workers	119,784	-	119,784	119,784	371,657	371,657
Payment of VAT & NBT on account of registration fees	11,871,366		11,871,366	11,871,366	26,967,343	26,967,343
Daru Diriya Programme Expenses	1,136,007		1,136,007	1,136,007	1,350,833	1,350,833
Child Protection Uplifting Programme	120,000		120,000	120,000	39,330	39,330
Providing bus fair & Refreshment to the Complainer	139,653		139,653	139,653	148,179	148,179
Mathu Aswanu Udesa Lama Ketha Aswadduma	1,460,254		1,460,254	1,460,254	2,952,023	2,952,023
Medical Camp to the MIG.Workers and their families	1,047,581		1,047,581	1,047,581		-
International Migrant Day Expenses	44,861,986		44,861,986	44,861,986	11,658,353	11,658,353
Expenses Of Natural Disasters	-		-	-	1,259,000	1,259,000
Expenses of Rataviru Project	4,003,503		4,003,503	4,003,503		
Pre departure orientation programme	781,037		781,037	781,037		
	<b>1,135,127,410</b>	<b>-</b>	<b>1,146,187,261</b>	<b>1,146,187,261</b>	<b>867,072,500</b>	<b>873,536,019</b>

**21. Expenditure**

The expenses incurred by the Bureau on the Workers Welfare which can not be directly identifiable are apportioned on the following basis from 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.

**22. Transaction with Related Parties**

- (i) The Sri Lanka Foreign Employment Agency (Pvt) Ltd has claimed a sum of Rs.3,085,125/- as 70% Agency commission from the Bureau during the year 2012.
- (ii) The Licensees of the following Foreign Employment Agencies served as a board members of the Sri Lanka Bureau of Foreign Employment in year 2012. The 70% portion of the recruitment fees which has been refunded to them in year 2012 were as follows.

<i>Name of the Director</i>	<i>Agency</i>	<i>Amount Refunded (Rs.)</i>
Mr.H.D.I.Wickramasinghe	Colombo International Services (Pvt)Ltd (LLNO.567)	410,400
Mr.R.A.AnandaKusumsiri	Kusumsiri Recruitment (Pvt)Ltd (L.L.800)	107,475
Mr.B.P.Niyandadupola	Deshakthee Lanka Enterprises (L.L. NO.1534)	6,975,900
Mr.A.R.B.Nihmatdeen	Q.P.Employment (pvt) Ltd (L.L.1316)	14,218,850
Mr.M.M.Mansoor	Fa Enterprises (Pvt)Ltd (L.L.428)	755,850

**23. 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 2012, the SLBFE has incurred a sum of Rs. 11,871,366 as a welfare measure provided by the Bureau.

**24. 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 அ்திபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය }  
எனது இல. } YS/G/SLBFE/2012/FS  
My No }

ඔබේ අංකය }  
உமது இல }  
Your No. }

දිනය }  
திகதி } 09 April 2014  
Date }

The Chairman  
Sri Lanka Bureau of Foreign Employment

Report of the Auditor General on the Consolidated Financial Statements of the Sri Lanka Bureau of Foreign Employment and Its Subsidiary Company for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

The audit of Financial Statements of the Sri Lanka Bureau of Foreign Employment and Its Subsidiary Company for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the consolidated comprehensive income statement, 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 18(3) of the Sri Lanka Foreign Employment Bureau 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 furnished to the Chairman of the Bureau on 25 October 2013.

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.

අංක 306/72 පොල්දූව පාර,  
பத்தரமுல்லை, தென்மேற்குப் பகுதி, இலங்கை  
දුරකථනය }  
தொலைபேசி } 2887028 -34  
Telephone }

இல. 306/72, பொல்துவ வீதி,  
பத்தரமுல்லை இலங்கை  
ආශ්‍රිත අංකය }  
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දුරකථන අංකය }  
#- மெயில் } oaggov@slt.net.lk  
E-mail }

1:3 Auditor's Responsibility  
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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. 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 judgements, including the assessment of the 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 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 qualified audit opinion.

1:4 Basis for Qualified Audit Opinion  
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My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements  
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2:1 Qualified Opinion  
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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 Bureau of Foreign Employment as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In my opinion, except for the effects of the matters described in paragraph 2.2 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 2012 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

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### 2:2:1 Accounting Deficiencies

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The employment Agencies had deposited a sum of Rs.258,832 in the Bureau in the years 2010 and 2011 for the settlement of complaints of emigrants. That amount had been credited by Journal Entry to the Expenditure on Settlement of Complaints of Emigrants Account and as such, the expenditure for the year had been understated by that amount.

### 2:2:2 Unreconciled Control Accounts

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The following observations are made.

Particulars of Accounts	Balance according to Financial Statements	Balance according to Consolidated Schedules	Difference
-----	-----	-----	-----
	Rs.	Rs.	Rs.
Balance of Distress Loans	155,216,941	155,213,833	3,108
Balance of Motor Vehicles Loans	83,358,631	83,405,346	46,715
Agency Creditors	215,943,664	223,590,871	7,647,207
Charges for Supply of Facilities	56,818,485	56,673,000	145,485
Labour Agreement Charges (Missions)	1,446,958,337	1,446,843,893	114,444

2:2:3 Suspense Accounts  
-----

A Suspense Account balance of Rs.148,865 existed under the sundry creditors and action had not been taken for the settlement.

2:2:4 Accounts Receivable and Payable  
-----

The following observations are made.

- (a) In deciding on the settlement of complaints of emigrants, the money deposited with the Bureau by the respective Employment Agencies had been retained by the Bureau without being paid to the emigrants promptly. The money so retained from the year 2008 up to 31 December 2012 amounted to Rs.13,741,167.
- (b) Out of the Labour Contract Agreements charges recovered by the Foreign Missions during the period 2003 to 31 December 2012 amounting to Rs.2,596,463,468 and remitted to the Bureau through the General Treasury and receivable by the Bureau from the year 2003, a sum of Rs.1,446,843,893 remained receivable by the Bureau.
- (c) Out of the money received as insurance indemnity from the year 2009 to the year 2012, a sum of Rs.3,629,174 had been shown as creditors in the financial statements without being paid to the emigrant labour.
- (d) The money received from the United Nations Compensation Commission for the payment of Compensation for the distress caused to Sri Lankans employed in Kuwait due to the invasion of Kuwait by Iraq in the year 1990, had been retained in temporary deposits until payment to them. The interest earned on those deposits during the respective periods had also been credited to that Fund and a further balance of Rs.2,431,078,149 remained as at 31 December 2012. Action had not been taken during the year under review either to settle the balance or credit it to the Consolidated Fund.
- (e) The Bureau had deposited a sum of Rs.6,195,396 with different institutions and action had not been taken for the recovery of those deposits.

<u>Particulars</u>	<u>Amount</u>
	Rs.
Refundable Deposits	167,358
Other Receivables	642,875
Sri Lankan Embassy in Italy	887,610
Sundry Deposits	<u>4,497,553</u>
	<u>6,195,396</u>

- (f) Distress Loans and Motor Vehicle Loans outstanding from 18 officers amounting to Rs.4,918,736 had not been recovered over periods ranging from 05 to 60 months.

#### 2:2:5 Lack of Evidence for Audit

-----

The evidence indicated against the following items had not been furnished to audit.

<u>Item</u>	<u>Value</u>	<u>Evidence not made available</u>
	Rs.	
Sundry Deposits - Debit	167,358	(a) Sundry Deposits
- Credit	26,832,000	(b) Deposit Receipts
Sundry Creditors	74,059,860	(a) Detailed Schedules
		(b) Confirmation of Balances

#### 2:2:6 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) Sri Lanka Foreign Employment Bureau Act, No. 21 of 1985 Section 15	Even though the objective of the Bureau is the promotion of better employment opportunities to the Sri Lankan labour in the Foreign Job Market, contrary to that a sum of Rs.1,000,000 had been spent on the upliftment of volley ball sport.

(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

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- |                                 |  |
|---------------------------------|--|
| (i) Financial Regulation 371(2) | Advances amounting to Rs.3,645,507 granted in 31 instances had not been settled even by 31 December 2012. The settlement of advances granted to certain officers had taken more than 03 years. |
| (ii) Financial Regulation 756   | The Foreign Employment Office maintained in the Embassy Office in Seoul had not furnished the Board of Survey Reports as at 31 December 2012.  |
| (iii) Financial Regulation 1646 | The Daily Running Charts and the Monthly Performance Summaries of all pool motor vehicles of the Bureau had not been furnished to the Auditor General.   |

2:2:7 Transactions not supported by Adequate Authority

-----

Even though a post of Labour Welfare Officer for the Labour Welfare Division of the Sri Lanka Embassy in Japan had not been approved, a sum of Rs.5,103,405 had been paid as salaries to an officer attached to that unapproved post by the Bureau for the year 2012.

3. Financial Review

3:1 Financial Results

-----

According to the financial statements presented, the operations of the Bureau and the Subsidiary for the year under review had resulted in a pre-tax surplus of Rs.258,895,523 as compared with the corresponding surplus of Rs.598,382,192 for the preceding year, thus indicating a deterioration of Rs.339,486,669 or 57 per cent of the consolidated financial results of the year under review. The increase of the Welfare Fund expenditure, operating expenditure, administrative expenditure and the trade promotion expenditure of the year under review as compared with the preceding year by sums of Rs.268,054,910, Rs.52,940,739, Rs.30,604,247 and Rs.27,660,538 respectively had been the major factors affecting the deterioration of the financial results.

3:2 Legal Actions instituted against or by the Institution  
-----

External parties had filed 11 cases against the Bureau while the Bureau had filed 303 cases against external parties as at 31 December 2012.

3:3 Unusual Increase in Expenditure  
-----

An analysis of the expenditure shown in the consolidated financial statements for the year under review revealed unusual increases in the expenditure of the year under review as compared with the preceding year as shown below.

Category of Expenditure -----	2012	2011	Variance	
	Rs.	Rs.	Rs.	Percentage
Trade Promotion – Foreign Mission Offices	49,357,705	17,857,135	31,500,570	176
Seminars and Workshops	8,474,920	2,576,038	5,898,882	229

4. Operating Review  
-----4:1 Performance  
-----

The following observations are made.

- (a) A Complaints Settlement Division had been established in the Bureau for making complaints about the difficulties caused to the persons employed as domestic servants. The complaints received by that Division should be investigated and settled by providing clear solutions and the relevant files should be closed thereafter. Nevertheless, audit test checks revealed instances of finalization of action by making minutes in the files that the complaint was withdrawn by telephone calls and indicating through non-formal letters that the complaint had been settled.

- (b) The Progress according to the Performance Report on Employee Welfare Activities for the year 2012 is given below.
- (i) Even though a target of 500 children had been launched in the year 2012 for the supply of the financial and advising services for the children of emigrants whose education has been disrupted to acquire vocational education and training, financial assistance had been provided only to 16 children to undergo training.
- (ii) An estimate of Rs.1.3 million had been made for the year 2012 for providing assistance to 50 persons for earning income through self employment with the objective of improving the income of emigrants returning to the country totally disabled due to accidents caused while being employed abroad. Self employment assistance had been provided only to two disabled persons in the year under review
- (c) A land of 1 acre 0 roods 19.5 perches in extent belonging to the Government had been made available to the Bureau in 11 August 1997 for the construction of a Circuit Bungalow for the emigrants at Katharagama. Forwarding the plan for the construction to the line Ministry and inviting bids for testing of soil of the land only had been done up to the end of the year 2012.

#### 4:2 Management Inefficiencies

-----

A sum of Rs.340 million had been assessed as the income to be earned through the Diplomatic Mission in the year 2012. Out of the sum of Rs.529 million collected, the actual income earned after deduction of Rs. 345 million comprising the refundable and non-refundable deposits of clients and deposits on safe houses, amounted to Rs. 284 million. As such the sum of Rs.56 million or 16 per cent of the estimated income had not been collected. Similarly, non-achievement of the targeted income at the Diplomatic Mission levels was also observed. Details appear below.

Diplomatic Mission	Assessed Income	Actual Income	Variance	
	Rs.Millions	Rs.Millions	Rs.Millions	Percentage
Jeddah	16	05	11	69
Lebanon	20	11	09	45
Qatar	110	64	46	42
Abu Dhabi	16	10	06	38

4:3 Operating Inefficiencies  
-----

The following observations are made.

- (a) According to paragraph 1.1 of the conditions on the payment of compensation from the Relief Insurance Fund, the Fund should bear the cost of air tickets under the procedure for the repatriation of persons emigrated for employment and subject to serious harassment. The value of air tickets of 524 seriously harassed emigrants in the year under review totalling Rs.18,348,183 had been paid from the Employees Welfare Fund and action had not been taken to recover the expenditure from the Insurance Fund.
- (b) A formal procedure had not been followed for the collection and accounting for the registration fee charges and the Korean Training Fees collected by the Bureau.
- (c) The employment agencies established in the Middle East Countries and Cities such as Riyadh, Kuwait, Jeddah, Jordan, Qatar, Oman and Lebanon had obtained the labour requirements of the employers from the Foreign Employment Agencies in Sri Lanka. In that connection the Bureau had not launched a formal course of action for the Agencies to carry out a proper evaluation of those employers and the labour for providing job opportunities. As such, it had not been possible to prevent the repatriation of 1,428 labourers before the completion of employment period and the retention of 671 emigrants in the safe houses of Diplomatic Missions. Similarly it had not been possible to maintain at the minimum level the 12,681 complaints received and 202 emigrants imprisoned in those countries.
- (d) Even though an expenditure of Rs.26,466,500 had been estimated for the International Emigrants Day, a sum of Rs.1,182,381 exceeding the estimate had been spent. Out of that, a sum of Rs.24,079,633 had been spent on the purchase of T Shirts, caps and umbrellas, printing of notices and calendars, venues of celebrations and decoration of lorries.

- (e) Sri Lanka Foreign Employment Bureau Act has devolved the powers on the Bureau for the issue of licences to the Foreign Employment Agencies, determination of qualifications required for the licence holder, specifying the security deposits, renewal of licences and cancellation of licences. Accordingly the Act had made provision for a strict control of the licence holders and for the protection of the emigrant labour. Nevertheless, contrary to such provisions the Bureau had introduced a methodology for the registration of Foreign Employment Promotion Assistants from the year 2012 for a registration fee Rs.5,000. Accordingly, 434 Foreign Employment Promotion Assistants had been appointed on considering only the copy of the National Identity Card, the Certificate of the Grama Niladhari and an oath of attestation.
- (f) Even though a sum of Rs.3,460,000 had been received as licence fees for the applications for registration as foreign employment Agencies from the year 2008 to 2011, action had not been taken even up to the end of the year under review for the registration of those institutions or for the refund of the money.

#### 4:4 Identified Losses

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The following observations are made.

- (a) Officers of the Bureau had planned a tour of Italy from 02 to 09 September 2012. As that tour had been postponed to 09 to 16 September 2012, an additional sum of Rs.32,342 had been spent for the cancellation of tickets and obtaining insurance again.
- (b) The Bureau had obtained a land 04 acres in extent belonging to the Matugama Pradeshiya Sabha on a 30 year lease on 03 September 2003 for the construction of a Foreign Service Training Institute. The annual lease rent of Rs.380,000 payable in respect of each 05 year period had not been paid for the 05 year period from the year 2009 to the year 2003 and the 30 per cent penalty of Rs.342,000 for three years delay had been paid.

4:5 Idle and Underutilization Assets  
-----

The Urban Development Authority had decided on 03 November 2010 to grant a 50 year lease of a land 05 acres in extent situated in the Homagama Pitipana area to the Bureau for the establishment of a Training Centre. In accordance with the decision of the Cabinet of Ministers dated 15 January 2010, the Internal Valuation Committee of the Urban Development Authority had valued the land for a sum of Rs.52 million. The bureau had paid a sum of Rs.26 million on 26 February 2010 as 50 per cent of the value of the land. The physical title of the land had been transferred to the Bureau by the agreement No. 10/08/2426 dated 04 March 2010. The Urban Development Authority had, by letter No. 5/5/10/1/11/3/Pro 21 V dated 15 September 2011, informed the Bureau to settle the balance amount. The 50 per cent payment had been made without paying adequate attention to obtain a valuation from the Chief Valuer. The Bureau had not made use of the land for the intended purpose even up to 14 May 2013.

4:6 Resources of the Bureau given to other Government Institutions  
-----

The following observations are made.

- (a) In terms of Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the resources of Public Enterprises should not be used by the line Ministries. Nevertheless, 06 motor vehicles belonging to the Bureau and hired by the Bureau had been used by the Ministry and the Presidential Secretariat. The Bureau had spent a sum of Rs.4,459,024 in that connection during the year under review.
- (b) Four officers of the Bureau had been deployed in the services of the Ministry and other institutions contrary to the above mentioned circular. The Bureau had paid a sum of Rs.2,085,345 during the year under review as their salaries and allowances while sums totalling Rs.839,266 had been spent by the Bureau in 09 instances in connection with the activities of the Ministry of Foreign Employment Promotion and Welfare.

## 4:7 Staff Administration

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The particulars of the staff of the Bureau as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Excess	Number of Vacancies
Staff Grades	237	257	20	--
Non-staff Grades	472	541	69	--
Minor Grades	178	133	--	45
<b>Total</b>	<b>887</b>	<b>931</b>	<b>89</b>	<b>45</b>

The following observations are made.

- (a) According to the restructure proposals for the staff of the Bureau, a staff of 887 for 24 posts of the Bureau had been approved by the letter No. DMS/E4/46/4/27/274/1 dated 06 September 2010 of the Department of Management Services and a staff of 931 had been recruited. Out of that, the numbers recruited under contract, secondment and assignment basis had been 83, 15 and 03 respectively.
- (b) Seventeen officers had been recruited for 09 posts not approved and a sum of Rs.7,238,789 had been paid as salaries and allowances during the year under review.

## 4:8 Motor Vehicles Utilization

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The following observations are made.

- (a) The Bureau had a fleet of 57 motor vehicles out of which 31 had been pool motor vehicles. A sum of Rs.14,038,184 had been paid for motor vehicles procured on hire basis to various intuitions from January 2012 to 31 December 2012 without utilizing properly the motor vehicles of the Bureau for its daily requirements.

- (b) Contrary to the Public Enterprises Circular No. PED/50 of 28 July 2008, the officers of the Bureau had obtained additional fuel in excess of the limits without obtaining the formal approval.

5. Accountability and Good Governance

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5:1 Action Plan

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A sum of Rs.1,769,315 had been spent for the conduct of the residential workshop for the Senior Management of the Bureau and the Officers of the Ministry for 13 to 15 January 2012 for the purpose of preparing the Corporate Plan and the Action Plan. The Corporate Plan and the Action Plan so prepared had been revised from time to time and the revised Action Plan for the year 2012 had been presented to audit after the close of the year of accounts on 15 March 2013.

6. Systems and Controls

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

- (a) Accounting
- (b) Motor Vehicles Control
- (c) Regularization and Control of the Activities of Foreign Employment Agencies
- (d) Collection of Income
- (e) Assets Control

H.A.S. Samaraweera,  
Auditor General.

Report of the Auditor General on the Consolidated Financial Statements of the Sri Lanka Bureau of Foreign Employment and its Subsidiary Company for the year ended 31 December 2012 in terms of section 14(2)(C) of the Finance Act No. 38 of 1971.

Report of the Auditor General	Observations of the Chairman																
<p><b>2.2</b> <b>Comments on Financial Statements</b> -----</p> <p><b>2.2.1. Accounting Deficiencies</b> -----</p> <p>The employment Agencies had deposited a sum of Rs.258,832 in the Bureau in the years 2010 and 2011 for the settlement of complaints of emigrants. That amount had been credited by Journal Entry to the Expenditure on Settlement of Complaints of Emigrants Account and as such, the expenditure for the year had been understated by that amount.</p> <p><b>2.2.2 Unreconciled Control Accounts</b> -----</p> <p>The following observations are made.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars of Accounts -----</th> <th style="text-align: right;">Balance according to Financial Statements Rs. -----</th> <th style="text-align: right;">Balance according to Consolidated Schedules Rs. -----</th> <th style="text-align: right;">Deference  Rs. -----</th> </tr> </thead> <tbody> <tr> <td>Balance of Distress Loans</td> <td style="text-align: right;">155,216,941</td> <td style="text-align: right;">155,213,833</td> <td style="text-align: right;">3,108</td> </tr> <tr> <td>Balance of Motor Vehicles Loans</td> <td style="text-align: right;">83,358,631</td> <td style="text-align: right;">83,405,346</td> <td style="text-align: right;">46,715</td> </tr> <tr> <td>Agency creditors</td> <td style="text-align: right;">215,943,664</td> <td style="text-align: right;">223,590,871</td> <td style="text-align: right;">7,647,207</td> </tr> </tbody> </table>	Particulars of Accounts -----	Balance according to Financial Statements Rs. -----	Balance according to Consolidated Schedules Rs. -----	Deference  Rs. -----	Balance of Distress Loans	155,216,941	155,213,833	3,108	Balance of Motor Vehicles Loans	83,358,631	83,405,346	46,715	Agency creditors	215,943,664	223,590,871	7,647,207	<p>Steps are being taken to correct this difference in final accounts of the year 2013</p> <p>Steps are being taken to correct this difference in final accounts of the year 2013</p> <p>Steps are being taken to correct this difference in final accounts of the year 2013</p>
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Agency creditors	215,943,664	223,590,871	7,647,207														

Charges for supply facilities	of	56,818,485	56,673,000	145,485	Amount shown in schedule is correct. Actions are being taken to correct the amount mentioned in accounts.
Labour Agreement Charges (Missions)		1,446,958,337	1,446,843,893	114,444	Actions are being taken to correct this difference in final accounts of the year 2013.
<b>2.2.3. Suspense Accounts</b>					
A Suspense Account balance of Rs.148,865 existed under the sundry creditors and action had not been taken for the settlement.					
<b>2.2.4. Accounts Receivable and Payable</b>					
The following observations are made.					
<b>(a)</b>					
In deciding on the settlement of complaints of emigrants, the money deposited with the Bureau by the respective Employment Agencies had been retained by the Bureau without being paid to the emigrants promptly. The money so retained from the year 2008 up to 31 December 2012 amounted to Rs.13,741,167.					A sum of Rupees 3,991,703 out of this money has already been settled and steps are being taken to settle the balance.
<b>(b)</b>					
Out of the Labour Contract Agreements charges recovered by the Foreign Missions during the period 2003 to 31 December 2012 amounting to Rs.2,596,463,468 and remitted to the Bureau through the General Treasury and receivable by the Bureau from the year 2003, a sum of Rs.1,446,843,893 remained receivable by the Bureau.					A sum of Rupees 147,251,115/- out of this money has already been recovered. Requests are being made frequently to recover the balance from the General Treasury.
<b>(c)</b>					
Out of the money received as insurance indemnity from the year 2009 to the year 2012, a sum of Rs.3,629,174 had been shown as creditors in the financial statements without being paid to the emigrant labour.					A sum of Rupees 173,700/- out of this money has already been settled and Steps have been taken to settle the balance.

<p>(d) The money received from the United Nations Compensation Commission for the payment of Compensation for the distress caused to Sri Lankans employed in Kuwait due to the invasion of Kuwait by Iraq in the year 1990, had been retained in temporary deposits until payment to them. The interest earned on those deposits during the respective periods had also been credited to that Fund and a further balance of Rs.2,431,078,149 remained as at 31 December 2012. Action had not been taken during the year under review either to settle the balance or credit it to the Consolidated Fund.</p>	<p>Steps are being taken to settle these monies.</p>																				
<p>(e) The Bureau had deposited a sum of Rs.6,195,396 with different institutions and action had not been taken for the recovery of those deposits.</p>	<p>These deposits have been made on account of the various services obtained by the Bureau. Steps are being taken to recover the amounts which are recoverable.</p>																				
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<b>2.2.5. Lack of evidence for Audit</b>			
-----			
The evidence indicated against the following items had not been furnished to audit.			
<b>Item</b>	<b>Value</b>	<b>Evidence not made available</b>	
-----	-----	-----	
	<b>Rs.</b>		
Sundry Deposits- Debit	167,358	(a) Sundry Deposits	Steps will be taken to submit these documents to the audit.
Credit	26,832,000	(b) Deposit Receipts	
Sundry Creditors	74,059,860	(a) Detailed Schedules	Steps will be taken to submit these documents to the audit.
		(b) Confirmation of Balances	
<b>2.2.6. Non-compliance with Laws, Rules, Regulations and Management Decisions</b>			
-----			
The following non-compliances were observed.			
	<b>Reference to Laws, Rules, Regulations, etc</b>	<b>Non-compliance</b>	
	-----	-----	
(a)	Sri Lanka Foreign employment Bureau Act, No.21 of 1985 Section15	Even though the objective of the Bureau is the promotion of better employment opportunities to the Sri Lanka labour in the Foreign Job Market, contrary to that a sum of Rs.1,000,000 had been spent on the upliftment of volley ball sport.	

<p>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.</p> <p>(i) Financial Regulation 371(2) Advances amounting to Rs.3,645,507 granted in 31 instances had not been settled even by 31 December 2012. The settlement of advances granted to certain officers had taken more than 03 years.</p> <p>(ii) Financial Regulation 756 The Foreign Employment Office maintained in the embassy Office in Seoul had not furnished the Board of Survey Reports as at 31 December 2012.</p> <p>(iii) Financial Regulation 1646 The daily Running Charts and the Monthly performance Summaries of all pool motor vehicles of the Bureau had not been furnished to the Auditor General.</p>	<p>The advances valued at Rs. 3,382,324.50 out of this have already been settled. Action are being taken to recover the balance amount of Rs.263,183/-.</p> <p>Report of the Board of Survey as at 31.12.2013 has been submitted to the auditors.</p> <p>Though there was no possibility to submit in time these documents were submitted later.</p>
<p><b>2.2.7</b></p> <p><b>Transactions not supported by Adequate Authority</b></p> <p>-----</p> <p>Even though a post of Labour Welfare Officer for the Labour Welfare Division of the Sri Lanka Embassy in Japan had not been approved, a sum of Rs.5,103,405 had been paid as salaries to an officer attached to that unapproved post by the Bureau for the year 2012.</p>	<p>The service of this Labour Welfare Officer is essential to promote Japan as a better labour market for Sri Lankans and to get the settlement of labour disputes of Sri Lankans in Japan at present. This appointment was approved by the Board of Directors on 07.07.2009.</p>



Category of Expenditure	2012	2011	Variance		
	Rs.	Rs.	Rs.	%	
Trade Promotion- Foreign Mission Officers	49,357,705	17,857,135	31,500,570	176	These expenses have been incurred with a view to obtain more employment opportunities for Sri Lankans
Seminars and Workshops	8,474,920	2,576,038	5,898,882	229	These expenses have been incurred on account of the officers who participated for the seminars organized on the promotion of foreign employment industry.
<b>4</b>	<b>Operating Review</b>				
<b>4.1</b>	<b>Performance</b>				
	The following observations are made.				
(a)	A Complaints Settlement Division had been established in the Bureau for making complaints about the difficulties caused to the persons employed as domestic servants. The complaints received by that Division should be investigated and settled by providing clear solutions and the relevant files should be closed thereafter. Nevertheless, audit test checks revealed instances of finalization of action by making minutes in the files that the complaint was withdrawn by telephone calls and indicating through non-formal letters that the complaint had been settled.				These files have been closed after informing by the complainants that they withdraw their complaints.
(b)	The Progress according to the Performance Report on Employee Welfare Activities for the year 2012 is given below.				
(i)	Even though a target of 500 children had been launched in the year 2012 for the supply of the financial and advising services for the children of emigrants whose education has been disrupted to acquire vocational education and training, financial assistance had been provided only to 16 children to undergo training.				Granting of these financial assistance have been limited to this number due to the fact that the number of parties interested to obtain financial assistance and vocational education provided by the Bureau was limited only to this number.

<p>(ii) An estimate of Rs.1.3 million had been made for the year 2012 for providing assistance to 50 persons for earning income through self employment with the objective of improving the income of emigrants returning to the country totally disabled due to accidents caused while being employed abroad. Self employment assistance had been provided only to two disabled persons in the year under review.</p> <p>(c) A land of 1 acre 0 roods 19.5 perches in extent belongs to the Government had been made available to the Bureau in 11 August 1997 for the construction of a Circuit Bangalow for emigrants at Kataragama. Forwarding the plan for the construction to the line Ministry and inviting bids for testing of soil of the land only had been done up to the end of the year 2012.</p> <p><b>4.2 Management Inefficiencies</b></p> <hr/> <p>A sum of Rs.340 million had been assessed as the income to be earned through the Diplomatic Mission in the year 2012. Out of the sum of Rs.629 million collected, the actual income earned after deduction of Rs.345 million comprising the refundable and non-refundable deposits of clients and deposits on safe houses, amounted to Rs. 284 million. As such the sum of Rs.56 million or 16 percent of the estimated income had not been collected. Similarly, non-achievement of the targeted income at the Diplomatic Mission levels was also observed. Details appear below.</p>	<p>Only two persons who were eligible for assistance and number of requests made were limited only to this number.</p> <p>Further necessary action is being taken in connection of this construction.</p> <p>There may be instances where the targets of income could not be achieved due to reasons beyond the control over there Bureau and these targets of income could only be achieved on the demand of job opportunities received for Sri Lankans from these countries. It should be considered the collection of contract fees paid locally and directly to the Bureau for most of the Sri Lankans and such income derived in such manner .</p>
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Diplomatic Mission	Assessed Income	Actual Income	Variance	
	Rs. Millions	Rs. Millions	Rs. Millions	Percentage
Jeddah	16	05	11	69
Lebanon	20	11	09	45
Qatar	110	64	46	42
Abu Dhabi	16	10	06	38
<b>4.3</b>	<b>Operating Inefficiencies</b>			
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	The following observations are made.			
(a)	According to paragraph 1.1 of the conditions on the payment of compensation from the Relief Insurance Fund, the fund should bear the cost of air tickets under the procedure for the repatriation of persons emigrated for employment and subject to serious harassment. The value of air tickets of 524 seriously harassed emigrants in the year under review totaling Rs.18,348,183 had been paid from the employees Welfare Fund and action had not been taken to recover the expenditure form the Insurance Fund.	Steps have been taken to recover the expenses which could be recovered out of the Insurance Fund and the expenses which could not be recovered as such have only been charged to Workers Welfare Fund.		
(b)	A formal procedure had not been followed for the collection and accounting for the registration fees charges and the Korean Training Fees collected by the Bureau.	The proper procedure for accounting of registration fees charged by the Bureau has been introduced. Training and registration fees collected from Korean recruits are being computerized.		
(c)	The employment agencies established in the Middle East Countries and Cities such as Riyadh,Kuwait,Jeddah,Jordan,Qatar,Oman and Lebanon had obtained the labour requirements of the employers from the Foreign Employment Agencies in Sri Lanka. In that connection	These situation is occurred due to the facts that certain sponsors do not complied with the terms and conditions of the service agreements, requests made by family members in Sri Lanka and ill healthiness of the workers etc.		

the Bureau had not launched a formal course of action for Agencies to carry out a proper evaluation of those employers and the labour for providing job opportunities. AS such, it had not been possible to prevent the repatriation of 1,428 labourers before the completion of employment period and the retention of 671 emigrants in the safe houses of Diplomatic Missions. Similarly it had not been possible to maintain at the minimum level the 12,681 complaints received and 202 emigrants imprisoned in those countries.

and such disputes have been minimized by the steps taken to provide appropriate training and awareness for Sri Lankan employees and intervention by the labour sections of foreign missions.

(d) Even though an expenditure of Rs.26,466,500 had been estimated for the International Emigrants Day, a sum of Rs.1,182,381 exceeding the estimate had been spent . Out of that a sum of Rs.24,079,633 had been spent on the purchase of T Shirts, caps and umbrellas, printing of notices and calendars, venues of celebrations and decoration of lorries.

These expenses have been made as an item of this programme which had been implemented with a view to provide welfare for the families of Sri Lankan employees such as promoting the coordination between the Bureau and the family members of the Sri Lankan employees to promote the concept of securing foreign employment in a safety manner etc.

(e) Sri Lankan Foreign Employment Bureau Act has devolved the powers on the Bureau for issue of licences to the Foreign Employment Agencies, determination of qualifications required for the licence holder , specifying the security deposits, renewal of licence and Cancellation of licences .Accordingly the Act had made provision for a strict control of the licence holders and for the protection of the emigrant labour. Nevertheless, contrary to such provisions the Bureau had introduced a methodology for the registration of Foreign Employment Promotion Assistants from the year 2012 for a registration fees Rs.5000. Accordingly, 434 Foreign Employment Promotion Assistants had been appointed on considering only the copy of the National Identity Card, the Certificate of the Grama Niladhari and an oath of attestation.

To minimize malpractices and corruptions affecting to the Sri Lankan employees by the sub agents and Foreign Employment Promotion Assistants affiliated to the foreign employment agencies, the registration of Foreign Employment Promotion Assistants were made by the Bureau after obtaining these documents considered as adequate.

<p>(f) Even though a sum of Rs.3,460,000 had been received as licence fees for the applications for registration as foreign employment Agencies from the year 2008 to 2011, action had not been taken even up to the end of the year under review for the registration of those institutions or for the refund of the money.</p>	<p>No licenses are issued for the Foreign Employment Agents who have not fulfilled necessary requirements and if the relevant parties concerned request the Bureau to refund their deposits only after having deducted the expenses incurred by the Bureau.</p>
<p><b>4.4 Identified Losses</b> -----</p> <p>The following observations are made.</p> <p>(a) Officers of the Bureau had planned a tour of Italy from 02 to 09 September 2012. As that tour had been postponed to 09 to 16 September 2012, an additional sum of Rs.32,342 had been spent for the cancellation of tickets and obtaining insurance again.</p> <p>(b) The Bureau had obtained a land 04 acres in extent belongings to the Mathugama Pradeshiya Sabha on a 30 year lease on 03 September 2003 for the construction of a Foreign Service Training Institute. The annual lease rent of Rs.380,000 payable in respect of each 05 year period had not been paid for the 05 year period from the year 2009 to the year 2003 and the 30 per cent penalty of Rs.342,000 for three years delay had been paid.</p>	<p>As the parties of those countries who expected to discuss the process of sending Sri Lankans to Italy for employment had to attend to another official matter the relevant official tour was postponed accordingly.</p> <p>This land was obtained on lease in year 2003 for a period of 30years to construct the SLBFE Training Centre. Constructions were started and lease rental were paid up to the year 2008. Subsequently constructions works were abandoned. In year 2010 it has been decided to re-start the construction works. Accordingly the constructions were completed after payment of rental and surcharges. Though we have requested a concession for the surcharge the provincial council did not agree for that.</p>
<p><b>4.5 Idle and Underutilization Assets</b> -----</p> <p>The Urban Development Authority had decided on 03 November 2010 to grant a 50 year lease of a land 05 acres in extent situated in the Homagama Pitipana area to the Bureau for the establishment of a Training Centre. In accordance with the decision of the Cabinet of Ministers dated 15 January 2010, the Internal Valuation Committee</p>	<p>Necessary steps are being taken to establish training centre on this land.</p>

of the Urban Development Authority had valued the land for a sum of Rs. 52 million. The bureau had paid a sum of Rs.26 million on 26 February 2010 as 50 per cent of the value of the land. The physical title of the land had been transferred to the Bureau by the agreement No.10/08/2426 dated 04 March 2010. The Urban Development Authority had , by letter No.5/5/10/1/11/3/Pro 21 v dated 15 September 2011, informed the Bureau to settled the balance amount. The 50 per cent payment had been made without paying adequate attention to obtain a valuation from the Chief Valuer. The Bureau had not made use of the land for the intended purpose even up to 14 May 2013.

#### **4.6 Resources of the Bureau given to other Government Institutions**

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The following observations are made.

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| (a) | In terms of Section 8.3.9 of the Public Enterprises Circular No.PED/12 of 02 June 2003, the resources of Public Enterprises should not be used by the line Ministries, Nevertheless, 06 motor vehicles belongings to the Bureau and hired by the Bureau had been used by the Ministry and the Presidential Secretariat. The Bureau had spent a sum of Rs.4,459,024 in that connection during the year under review.               | These vehicles were provided to various institutes which undertake the activities related to the scope of the Bureau. |
| (b) | Four officers of the Bureau had been deployed in the services of the Ministry and other institutions contrary to the above mentioned circular. The Bureau had paid a sum of Rs.2,085,345 during the year under review as their salaries and allowances while sums totaling Rs.839,266 had been spent by the Bureau in 09 instances in connection with the activities of the Ministry of Foreign Employment Promotion and Welfare. | Officers concerned were attached to these institutes to perform the activities related to the scope of the Bureau.    |

**4.7 Staff Administration**

The particulars of the staff of the Bureau as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Excess	Number of Vacancies
Staff Grades	237	257	20	-
Non-staff grades	472	541	69	-
Minor Grades	178	133	-	45
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	887	931	89	45
Total	=====	=====	=====	=====

The following observations are made.

- (a) According to the restructure proposals for the staff of the Bureau, a staff of 887 for 24 posts of the Bureau had been approved by the letter No. DMS/E4/46/4/27/274/1 dated 06 September 2010 of the Department of Management Services and a staff of 931 had been recruited. Out of that, the numbers recruited under contract, secondment and assignment basis had been 83,15 and 03 respectively.

On the necessity of the Services of Arabic translators , media coordinators, Public Relations officers ,Domestic Training Instructors ,Training Officers were recruited on contract basis with approval of the Board of Directors. For providing Welfare facilities to Sri Lankan community of 1.8 million, solving of their disputes, for the activities of island wide Rataviru organizations and revision of training curriculum, the additional staff was necessary to be employed. Therefore these employees were recruited on contract basis. Steps are being taken to obtain necessary approval in this connection.

- (b) Seventeen officers had been recruited for 09 posts not approved and a sum of Rs.7,238,789 had been paid as salaries and allowances during the year under review.

These expenses were incurred for the staff recruited for the above essential requirements.

**4.8 Motor Vehicles Utilization**  
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The following observations are made.

- (a) The Bureau had a fleet of 57 motor vehicles out of which 31 had been pool motor vehicles. A sum of Rs.14,038,184 had been paid for motor vehicles procured on hire basis to various intuitions from January 2013 to 31 December 2012 without utilizing properly the motor vehicles of the Bureau for its daily requirements.
- (b) Contrary to the Public Enterprises Circular No.PED/50 of 28 July 2008, the officers of the Bureau had obtained additional fuel in excess of the limits without obtaining the formal approval.

**05 Accountability and Good Governance**  
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**5.1 Action Plan**  
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A sum of Rs.1,769,315 had been spent for the conduct of the residential workshop for the Senior Management of the Bureau and the Officers of the Ministry for 13 to 15 January 2012 for the purpose of preparing the Corporate Plan and the Action Plan. The Corporate Plan and the Action Plan so prepared had been revised from time to time and the revised Action Plan for the year 2012 had been presented to audit after the close of the year of accounts on 15 March 2013.

Since the fleet of Bureau vehicles was inadequate for the welfare programmes and promotional project such as Korean Employment project conducted Island wide. These vehicles were obtained on rental basis.

This additional fuel was issued for providing transport facilities for the officers who attended to the Welfare & Promotional programmes conducted by the Bureau for Sri Lankan employees and their families Island wide.

Since the Foreign Employment field frequently exposed to changes, specially in connection with the security and welfare of Sri Lankan Employees and the decisions have to be change due to external impacts, the Action Plan prepared for the year 2012 on the workshop held in this connection from 13<sup>th</sup> to 15<sup>th</sup> January 2012 had to be once amended. In this amendment the number of new activities were added and allocations made for several projects were increased due to escalation of prices.

<p><b>06</b>      <b>Systems and Controls</b> ----- Deficiencies observed during the course of audit were brought to the notice of Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of control.</p> <p>(a)      Accounting</p> <p>(b)      Motor Vehicles Control</p> <p>(c)      Regularization and Control of the Activities of Foreign Employment Agencies.</p> <p>(d)      Collection of Income</p> <p>(e)      Assets Control</p>	<p>The steps are being taken to correct the discrepancies after having drawn Special attention to these fields.</p>
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