



வார்த்தை வார்த்தை ஆண்டறிக்கை Annual Report -2015



ஞா வஃதஃ தர்வா
சிரமவஃசனாநிதியம்
Shrama Vasana Fund

97, தஃவந் தஃ தஃ, தஃதஃ05. 97, தஃவந் தஃ தஃ, தஃதஃ05. 97, Jawatta Road ,



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Vision and Mission

Vision

“A Satisfied labor force”

Mission

“Creation of a good workplace through enhancing employees’ welfare and promotion by assisting during disasters”



The Message of Minister of Labour

I am pleased to issue the best wishes message as the Minister in charge of portfolio to the Annual Report of Shrama Vasana Fund -2015 coming under purview of Ministry of Labour and Trade Union Relations.

It is distinguished that the multiple countrywide program series implemented by Shrama Vasana Fund in lieu of welfare of thousands of workers who are shouldering strengthen economic process of the country has caused the prosperity of workforce in the country.

While the Jathika Sampatha Lottery in which holding joint with National Lottery Board feeds the funds for this purpose, it shall be evaluated acting as per covering all the districts in the providing of reliefs to working population around 8.6 million.

I make this opportunity to best wishes to all the officers of my ministry and the officers of Department of Labour including Commissioner General of Labour, and especially to all the staff including General Manager of Shrama Vasana Fund who act organizing these programs.

W.D.J.Senavirathne,

Minister of Labour and Trade Union Relations



The Message of Chairman

It is great pleasure me to express my congratulation for the Annual Report -2015 of Shrama Vasana Fund.

Shrama Vasana Fund gives a helping hand to the function of creating satisfied workforce creating and implementing of specific programs such as empowerment programs for welfare of working people in private sector in countrywide level, occupational guidance programs, medical assistance programs, and providing of artificial legs and hands for the women employees who lost the legs and hands from occupational injuries.

By moving on through its definite objectives and related objectives, it shall be evaluated not only the workers around 8.6 million, but also the act of empowering their families.

Especially the organization of these programs as per covering all the districts in the country shall be appreciated. I make this opportunity to express my thanks to officers of Department of Labour and the staff of Shrama Vasana Fund including General Manager for the dedication they made for fulfilling this function.

S.M.Goatabaya Jayarathne

Chairman – Shrama Vasana Fund

Secretary – Ministry of Labour and Trade Union Relations

The Message of Commissioner General of Labour



I am pleased to issue best wishes message to Annual Report of Shrama Vasana Fund - 2015.

Shrama Vasana Fund accomplishes a specific function for the empowering of thousands of working people and their families by providing them with welfare who are scattered countrywide by collecting moneys from the Jathika Sampatha Lottery in which holding joint with National Lottery Board. The benefits of the Fund would be invested to welfare of employees by implementing programs such as program to assist employees in case of emergency, granting of scholarships for the children of employees died of occupational injuries, medical clinics, empowerment programs, awareness programs, referring to occupational and tertiary educational courses, occupational guidance programs.

Conducting of these programs covering all the districts in the country joining with regional level through deputy labour offices and district labour offices coming under purview of Department of Labour shall be evaluated.

I make this opportunity to express my thanks to General Manager and all the staff of Shrama Vasana Fund, who are organizing and implementing these programs.

Chanadani Amarathunga,
Commissioner General of Labour
Director of Shrama Vasana Fund



Message of General Manager

It is great pleasure me to express my best wishes for the Annual Report -2015 of Shrama Vasana Fund in which established with the purpose of enhancing welfare of thousands of working population in the country.

The strong foundation of economic development in the country is its working population. Shrama Vasana Fund has implemented multiple countrywide programs series for the welfare of thousands of workers who are shouldering to strengthen economic process in the country.

Shrama Vasana Fund has rendered its services through specific programs such as the promotion of the welfare of the employees, when organizations that people employed are closed down, provide financial and other assistance to the employees of such organizations, in case of an emergency, provide medical and other assistance for employees, when disciplinary inquiries are commenced against employees, provide them with temporary assistance, during a disaster provide financial and other benefits to employees and their dependants, referring for vocational and tertiary education courses, and conducting of Occupational guidance programs.

In the proceeding of these functions, I am grateful to express my gratitude for the instructions providing by Hon. Minister of Labour, the guidance of Secretary to Ministry of Labour and the assistance from Department of Labour and other affiliated establishments.

Moreover, I would like to express my gratitude to my staff to make these functions successfully.

D.R.Jayalath

General Manager

Shrama Vasana Fund

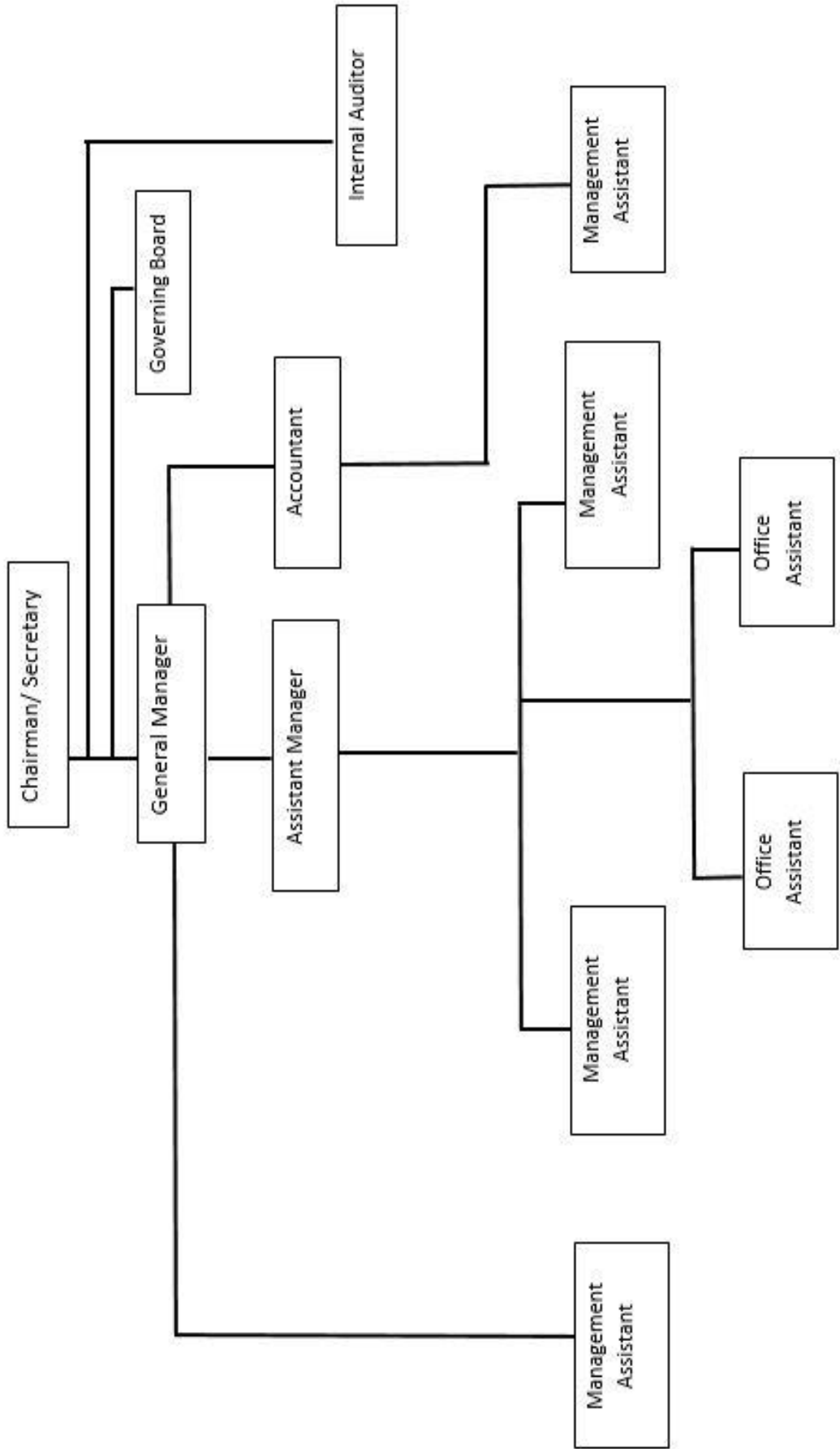
Administrative Structure

While Shrama Vasana Fund in which established from the Shrama Vasana Fund Act No.12 of 1998 is coming under purview of Ministry of Labour, its chairmanship is held by Secretary to Ministry of Labour.

The management of Fund and other related all the activities have been entrusted to Board of Directors while the full responsibilities of administration activities have been vested in Shrama Vasana Board of Directors in terms of Shrama Vasana Fund Act.

Name	Position
S.M.Gotabaya Jayarathne	Chairman
M.D.C.Amarathunga	Member
M.J.R.Puviraj	Member
W.P. Amarasingha	Member
S.N.Sooriyakumara	Member
K.D.S.R.Upasena	Member
D.R. Jayalath	General Manager/ Shrama Vasana Fund

Organization Chart as at 2015/12/31



Shrama Vasana Fund and its objectives

Shrama Vasana Fund is an establishment, which was established under Shrama Vasana Fund Act No. 12 of 1998 which is coming under purview of Ministry of Labour, was initiated toward welfare of working people. Actions have been taken through 06 objectives of Shrama Vasana Act from very beginning to present after conducting various welfare programs for progress of employees in Sri Lanka.

While the National Lottery Board provided the main revenue source to Shrama Vasana Fund, it is gradually increased with selling of Jathika Sampatha Lottery in which drawn on Saturday, and the services be rendered for the welfare of workers may be improved with the increasing of its contribution.

Objectives of Shrama Vasana Fund

- a) Promotion of the welfare of the employees.
- b) When organizations that people employed are closed down, provide financial and other assistance to the employees of such organizations.
- c) In case of an emergency, provide medical and other assistance for employees.
- d) When disciplinary inquiries are commenced against employees, provide them with temporary assistance.
- e) During a disaster, provide financial and other benefits to employees and their dependants.
- f) Felicitations for those who rendered excellence services for welfare of employees.

Receives for the Shrama Vasana Fund.

- a) Total amount of moneys may be approved, occasionally, to fulfil the objectives of the Fund by Parliament.
- b) Total amount of moneys received as grants, donations and gifts from local and other foreign sources.
- c) The moneys received as revenue through the investments done by the Fund.
- d) Total amount of moneys received at accomplish functions and enactment of power vested in under this act including the moneys received by lotteries mentioned on Section 13.

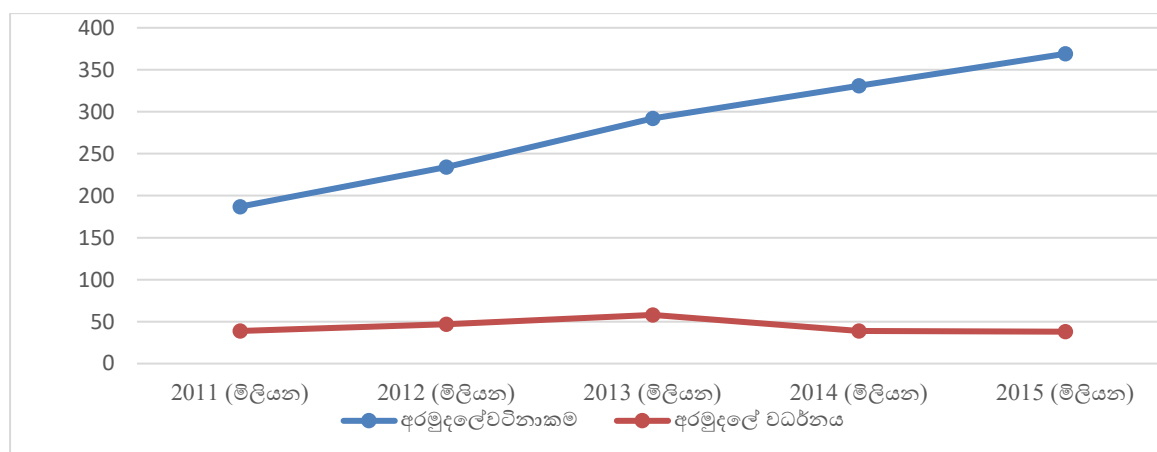
Shrama Vasana Fund has been established as per covering employees of private sector and self-employees are not covered under this Act. Shrama Vasana Fund implements various programs within limitations under its finance capacity. It was broadening the services render further beyond those limitations with improvement of finance capacity in year 2012.



Figure 01

Improvement of Shrama Vasana Fund

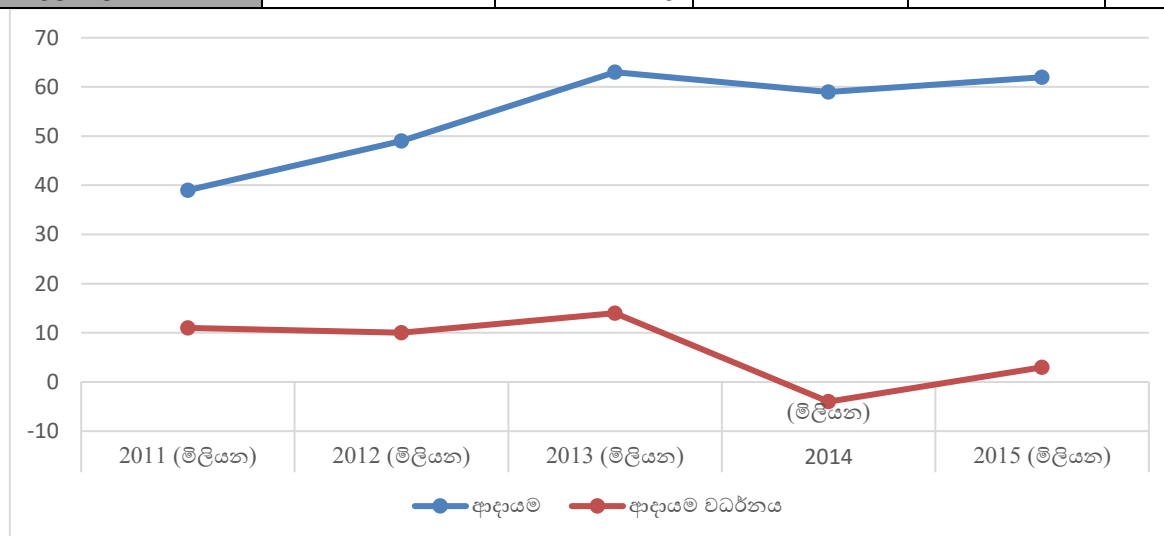
	2011(Millio ns)	2012(Millio ns)	2013(Millio ns)	2014(Millio ns)	2015 (Million s)
Total value of fund	187	234	292	331	369
Improveme nt of fund	39	47	58	39	38



Lottery Revenue

Figure02

	2011 (Millions)	2012 (Millions)	2013 (Millions)	2014 (Millions)	2015 (Millions)
Income	39	49	63	59	62
Improvement of income	11	10	14	-4	3



Review of programs of Shrama Vasana Fund.

The internal conflict in Sri Lanka was existence more than three decade and economy of Sri Lanka was rapidly developed due to most safety atmosphere and political stability with ending of conflicts in year 2009.

As a result, a large number of employment opportunities were generated in Sri Lanka after investment of huge amount of foreign investments within Sri Lanka. While this assists to increase labor force in Sri Lanka, it is around 9 million at present.

While the programs implemented through various objectives by the Shrama Vasana Fund would be implemented designed 6 objectives for enhancing welfare of employees, it would be implemented though each objectives.

(A) Promotion of welfare of employees :

Conducting of an awareness program at FTZ in Avissawella on 27-02-2015



Conducting of an awareness program at CST(Pvt) Ltd in Mahawa on 15-05-2015



Conducting of empowerment program at Sri Sumangala College in Wariyapola on 23/22-05-2015



Conducting of an awareness program at labour office in Hatton on 23-05-2015



Conducting of an awareness program at FTZ Auditorium in Katunayake for the World Women Day on 08-03-2015



Conducting of an awareness program in Anuradhapura on 21/20-08-2015



Conducting of an awareness program at labour office in Trincomalee on 28-09-2015



Conducting of an awareness program Co-Operative Bank Auditorium in Polonnaruwa on 29-09-2015



Conducting of eye clinic medical camp in Homagama area on 24.10.2015



Conducting of eye clinic medical camp at Palam Garden in Rathnapura on 01-11-2015



Conducting of eye clinic medical camp at Santha Jokin Maha Vidyalaya in Rathnapura on 01-11-2015



Conducting of eye clinic medical camp at Vawniyawa Gamini College on 18-12-2015



Providing of artificial legs and hands for 06 persons at the NIOSH auditorium on 12-10-2015



During a disaster, provide financial and other benefits to employees and their dependants.

Granting of scholarships for 60 beneficiaries on 20-03-2015, and in addition



- ❖ Conducting of 4 empowerment programs for employees in Welimada on 06-11-2015
- ❖ Sponsoring for awardees in the year 2015 of Social Dialogue Excellency competition in which conducting annually by Social Dialogue and Workplace Corporation unit –on 10-12-2015
- ❖ Conducting of a eye clinic at FTZ in Avissawella on 24-04-2015
- ❖ Conducting of a eye clinic in Maharagama on 09-05-2015
- ❖ Conducting of an awareness program at CST(Pvt) Ltd in Mahawa on 15-05-2015
- ❖ Conducting of an awareness program at North Western Apparel (Pvt) Ltd in Mahawa on 22-05-2015
- ❖ Conducting of a eye clinic at Crown Polysack Lanka (Pvt) Ltd in Pollonnaruwa on 29-09-2015
- ❖ Conducting of a eye clinic at Welmada Maha Vidyalaya on 27.10.2015
- ❖ Prize giving for the winners of speech competitions, Art completions, and video creation competitions held for the employees in Avissawella FTZ.
- ❖ Distribution of school equipments and school bags for 200 students in Vavuniya on 19-12-2015

Shrama Vasana Fund

2015



Final Accounts

***Ministry Of Labour and Trade Union
Relations.***



FINAL ACCOUNTS 2015

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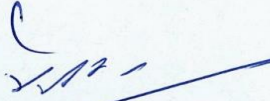
Shrama Vasana Fund ~ 2 ~

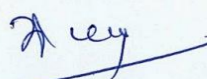



SHRAMA VASANA FUND
Statement of Financial Position
As at December 31, 2015


		Rs. 2015	Rs. 2014
ASSETS			
Current Assets			
Cash and cash equivalents		917,326.57	1,832,805.75
Deposit in Postal Machine		23,280.00	-
Pre-Payment- Insurance		142,198.97	-
Receivables	Note 3	<u>333,997,625.66</u>	<u>291,801,287.16</u>
		<u>335,080,431.20</u>	<u>293,634,092.91</u>
Non-Current Assets			
Investment in Fixed Deposits		35,000,000.00	37,000,000.00
Advance in ISO& Web Base System		144,600.00	-
Intangible Asset	Note 2	33,000.00	33,000.00
Plant Machinery& Equipment	Note 1	3,233,314.59	3,801,136.76
		<u>38,410,914.59</u>	<u>40,834,136.76</u>
Total Assets		<u>373,491,345.79</u>	<u>334,468,229.67</u>
LIABILITIES			
Current Liabilities			
Payables	Note 5	3,551,416.57	3,018,368.87
Secretary Labour Ministry		-	15,000.00
Total Liabilities		<u>3,551,416.57</u>	<u>3,033,368.87</u>
Net Assets		<u>369,939,929.22</u>	<u>331,434,860.80</u>
NET ASSETS			
Accumulated Surplus	Note 4	<u>369,939,929.22</u>	<u>331,434,860.80</u>
Total Net Assets		<u>369,939,929.22</u>	<u>331,434,860.80</u>

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


S.M. Gotabaya Jayarathne
Chairman
Shrama Vasana Fund


M.D.C. Amarathunga
Director
Shrama Vasana Fund


D.R. Jayalath
General Manager
Shrama Vasana Fund


M.L.J. Fernando
Accountant
Shrama Vasana Fund

S.M. Gotabaya Jayarathne Secretary
Ministry of Labour and Trade
2nd Floor, Labour Secretariat,
Colombo 05

M. D. Chandani Amarathunga Commissioner General of Labour
Department of Labour
Ministry of Labour & Labour Relations
"Shrama Vasana Fund" No 97, Jawaththa Road, Colombo 05

Mr. D. R. Jayalath General Manager
Shrama Vasana Fund
Ministry of Labour & Labour Relations

M. L. J. Fernando Accountant
Shrama Vasana Fund
Ministry of Labour & Labour Relations



SHRAMA VASANA FUND
Statement of Financial Performance
For the Year Ended December 31, 2015

		Rs. 2015	Rs. 2014
Revenue			
Income	Note 7	<u>65,398,341.79</u>	<u>65,007,177.52</u>
Total Revenue		<u>65,398,341.79</u>	<u>65,007,177.52</u>
Expenses			
Administrative Expenses	Note 8	7,109,721.84	5,872,945.22
Depreciation	Note 9	965,527.22	683,441.92
Expenditure for objective of fund	Note 10	<u>18,829,460.31</u>	<u>19,169,470.75</u>
Total Expenses		<u>26,904,709.37</u>	<u>25,725,857.89</u>
Surplus for year		38,493,632.42	39,281,319.63



SHRAMA VASANA FUND
Statement of Changes in Funds
For the Year Ended December 31, 2015

	<u>Accumulated Fund</u>	<u>Total</u>
Balance as at 31 st December 2013	292,153,541.17	292,153,541.17
Surplus for the year	<u>39,281,319.63</u>	<u>39,281,319.63</u>
Balance as at 31st December 2014	331,434,860.80	331,434,860.80
Previous Year Adjustment	11,436.00	11,436.00
Surplus for the year	<u>38,493,632.42</u>	<u>38,493,632.42</u>
Balance as at 31st December 2015	<u>369,939,929.22</u>	<u>369,939,929.22</u>



SHRAMA VASANA FUND**Cash flow Statement****For the Year Ended December 31, 2015**

		Rs.	Rs.
		2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for year	Note 11	38,493,632.42	39,280,319.63
Non-cash movements			
Depreciation		965,527.22	683,441.92
Increment of other payables		518,047.70	1,312,982.92
Investment Interest (5,082,808.23)		(2,624,822.50)	
Distress Loan Interest (2,603.94)		(9,172.22)	
Repo investment interest (19,675.35)		-	
Other income (10,890.00)		(155,207.07)	
Increment of other receivables <u>(59,867,360.00)</u>		<u>(43,014,170.00)</u>	
Net cash flows from operating activities (23,706,593.05)		(5,826,164.45)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchasing of Plant, Machinery & equipment		(407,369.05)	(3,824,746.74)
Purchasing of Intangible Asset		-	(33,000.00)
Investment Interest		3,463,754.00	7,337,986.31
Distress Loan Interest		9,172.22	2,603.94
Repo investment interest		-	19,675.35
Other income		155,207.07	10,890.00
Deposit Postal Machine & Insurance		(165,478.97)	-
Web base & ISO		(144,600.00)	-
Investment		<u>2,000,000.00</u>	<u>19,000,000.00</u>
Net cash flows from investing activities		4,910,685.27	22,513,408.86
Net increase/ (decrease) in cash and cash equivalents		(915,479.18)	(1,165,534.19)
Cash and cash Equivalents at beginning of period		1,832,805.75	2,998,339.94
Cash and cash Equivalents at end of period		917,326.57	1,832,805.75

SHRAMA VASANA FUND
Statement of Accounting Policies

1. Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting Entity

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

1.1.2 Date of Authorization for issue

The Financial Statements were authorized for issue by the Board of Directors on 08th February 2016.

1.1.4 Basis of Preparation

a) Statement of Compliance

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

b) Basic of Measurement

The Financial statements have been prepared on historical cost basis adjusted for revaluations of assets.

c) Use of Estimates and Judgements

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

SHRAMA VASANA FUND**Notes to the Financial Statements
For the year ended 31st December****Note 1****Plant Machinery and Equipment**

	Cost	Additions	Depreciation	Cum. Depreciation	Net Value
Machinery and Equipment	510,267.50	190,920.00	92,432.92	385,142.01	316,045.49
Audio & Video Visual	311,489.00	8,325.00	78,191.57	120,342.82	199,471.18
Air Conditioners	1,377,009.99	-	259,345.00	584,134.70	792,875.29
Computers	1,776,254.00	4,250.00	403,906.14	1,110,464.22	670,039.78
Furniture and Fittings	1,153,065.75	122,134.05	116,742.10	197,612.77	1,077,587.03
Office Equipment	<u>307,273.14</u>	<u>81,740.00</u>	<u>14,909.49</u>	<u>211,717.32</u>	<u>177,295.82</u>
	<u>5,435,359.38</u>	<u>407,369.05</u>	<u>965,527.22</u>	<u>2,609,413.84</u>	<u>3,233,314.59</u>

Note 2**Intangible Asset**

Accounting Package	<u>33,000.00</u>
	<u>33,000.00</u>

Note 3**Other Receivables**

T.O.D.	331,978,191.00
Festival Advance	13,000.00
Distress Loan	454,650.00
Interest on fixed deposits investment	1,537,424.66
Other Receivable	<u>14,360.00</u>
	<u>333,997,625.66</u>

Note 4

Cumulative Fund as at 01.01.2015	331,446,296.80
Surplus for year 2015	<u>38,493,632.42</u>
Cumulative Fund as at 31.12.2015	<u>369,939,929.22</u>

Note 5**Other Payables**

Provision for Audit Fee	66,222.00
Overtime	9,891.90
Telephone Payable	21,098.06
Provide of employee welfare	662,493.71
Provision for empowerment	14,700.00
Health camp payable	2,527,170.00
Provision for legal Aids	1 80,000.00
Assets Maintains & Repair Payable	22,077.90
Advertising & Promotion Payable	1 0,000.00
Electricity and Water payable	4,662.00
Other Payables	<u>33,101.00</u>
	<u>3,551,416.57</u>

Note 6

Fixed Assets has been depreciated on following rates.

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

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

Note 7**Income**

Shrama Vasana Lottery Income	62,609,140.00
Fixed Deposit Investment Income	2,624,822.50
Distress Loan Interest Income	9,172.22
Other Income	<u>155,207.07</u>
	<u>65,398,341.79</u>

Note 8**Administrative Expenditure**

Salary & wages	1,864,978.48
E.P.F.	389,253.80
E.T.F.	58,388.07
Cost of Living Allowance	678,600.00
Other Allowance	471,629.11
Budgetary Allowance	830,000.00
Allowance for Chairman	109,767.00
Allowance for Internal Auditor	60,000.00
Practical trainee Allowance	403,815.00
Director board Allowance	48,000.00
Bonus	120,000.00
Overtime	74,758.64
Domestic Travelling & Sub	45,800.00
Stationery	167,606.84
Fuel	279,100.00
Postal Expenses	17,015.00
Telephone Expenses	203,592.74
Entertainment Expenses	56,050.00
Refreshment & Other	169,592.25
Sundry	9,963.00
Audit Expenses	60,000.00
Staff training cost	120,500.00
Electricity & Water	76,638.24
Other Service	313,606.55
Maintains expense	443,957.44
Bank Charges	1,110.00
Staff Welfare	<u>35,999.68</u>
	<u>7,109,721.84</u>

Note 9**Depreciation**

Depreciation on computers	403,906.14
Depreciation on Air conditioners	259,345.00
Depreciation on Audio & Video Visual	78,191.57
Depreciation on Furniture and Fittings	116,742.10
Depreciation on Office Equipment	14,909.49
Depreciation on Machinery	<u>92,432.92</u>
	<u>965,527.22</u>

Note 10**Expenditure to achieve targets of the fund**

Health Camp Expense	6,421,586.27
Empowerment Expense	1,713,946.50
Worker Awareness	451,167.12
Welfare Expense	1,920,035.96
Compensation Benefits	50,000.00
Technical Education Expense	4,800.00
Legal aid Expense	66,250.00
Financial & other benefits -Scholarship Exp.	6,499,536.46
Advertising & Promotions Expenditure	1,389,378.00
Award Ceremony Programs	<u>312,760.00</u>
	<u>18,829,460.31</u>

Note 11

Surplus for year 2015	<u>38,493,632.42</u>
Surplus for year 2015 (Cash Flow)	<u>38,493,632.42</u>



Shrama Vasana Fund
Statement of Fixed Deposit Analysis
For the Year Ended December 31, 2015.

<i>Deposit date</i>	<i>Bank</i>	<i>Value</i>	<i>Mature date</i>	<i>Interest rate</i>	<i>Interest Receivable for 2015</i>
2015.01.20	HDFC	2,000,000.00	2016.01.20	7.00%	132,712.33
2015.02.28	NSB	3,000,000.00	2016.02.28	6.50%	78,438.36
2015.03.29	HDFC	3,000,000.00	2016.03.29	8.00%	182,794.52
2015.04.16	HDFC	3,000,000.00	2016.04.16	8.00%	170,958.90
2015.05.12	HDFC	8,000,000.00	2016.05.12	8.00%	410,301.37
2015.05.28	PEOPLES	2,000,000.00	2016.05.28	6.75%	80,630.14
2015.07.02	PEOPLES	4,000,000.00	2016.07.02	7.00%	140,383.56
2015.07.18	HDFC	2,000,000.00	2016.07.18	8.00%	73,205.48
2015.09.04	HDFC	5,000,000.00	2016.09.04	8.00%	130,410.96
2015.09.29	HDFC	1,000,000.00	2016.09.29	8.00%	20,602.74
2015.11.22	NSB	2,000,000.00	2016.11.22	7.75%	16,986.30
		<u>35,000,000.00</u>			<u>1,537,424.66</u>



SHRAMA VASANA FUND**Comparison of Budget 2015
For the Year December 31, 2015**

	Actual Amount	Budget Amount
Administrative Expenditure		
Salary & wages	1,864,978.48	
E.P.F.	389,253.80	
E.T.F.	58,388.07	
Cost of Living Allowance	678,600.00	4,400,000.00
Bonus	120,000.00	
Practical trainee Allowance	403,815.00	
Director board Allowance	48,000.00	
Budgetary Allowance	830,000.00	
Allowance for Chairman	109,767.00	
Allowance for Internal Auditor	60,000.00	
Other Allowance	471,629.11	2,750,000.00
Overtime	4,758.64	165,000.00
Domestic Travelling & Sub	45,800.00	55,000.00
Fuel	79,100.00	700,000.00
Postal Expenses	17,015.00	
Telephone Expenses	203,592.74	250,000.00
Entertainment Expenses	56,050.00	
Refreshment & Other	169,592.25	
Sundry	9,963.00	
Other Service	313,606.55	
Stationery & Other	167,606.84	
Audit Expenses	60,000.00	1,020,000.00
Staff training cost	120,500.00	495,000.00
Electricity & Water	76,638.24	1,000,000.00
Maintains expense	443,957.44	520,000.00
Staff Welfare	35,999.68	500,000.00
	<u>7,109,721.84</u>	<u>11,885,000.00</u>

Expenditure to achieve targets of the fund

Health Camp Expense	6,421,586.27	7,500,000.00
Empowerment Expense	1,713,946.50	2,500,000.00
Worker Awareness	451,167.12	750,000.00
Welfare Expense	1,921,997.08	4,300,000.00
Compensation Benefits	50,000.00	500,000.00
Technical Education Expense	4,800.00	300,000.00
Medical & other facilities	-	1,250,000.00
Legal aid Expense	66,250.00	200,000.00
Scholarship Expense	6,499,536.46	6,500,000.00
Award Ceremony Program	312,760.00	1,500,000.00
Advertising & Promotions	1,389,378.00	4,000,000.00
	<u>18,831,421.43</u>	<u>29,300,000.00</u>

Plant Machinery and Equipment

Machinery and Equipment	190,920.00	
Audio & Video Visual	8,325.00	
Air Conditioners	-	
Computers	4,250.00	2,675,000.00
Furniture and Fittings	122,134.05	
Office Equipment	81,740.00	2,000,000.00
	<u>407,369.05</u>	<u>4,675,000.00</u>

SHRAMA VASANA FUND**As at December 2015****Trail Balance**

Bank	917,326.57	
Fixed Deposit Investment	35,000,000.00	
Pre-payment of Insurance	142,198.97	
Advance in ISO & Web Base System	144,600.00	
Deposit Postal Machine	23,280.00	
Other Receivable	14,360.00	
T.O.D. Receivable	331,978,191.00	
Fixed Deposit Interest Receivable	1,537,424.66	
Distress Loan	454,650.00	
Festival Advance	13,000.00	
Furniture and fittings	1,275,199.80	
Intangible Assets: Accounting Package	33,000.00	
Audio & Video Visual	319,814.00	
Machinery and Equipment	701,187.50	
Air conditioners	1,377,009.99	
Computers	1,780,504.00	
Office Equipment	389,013.14	
Accu. Depreciation. Office Equipment		211,717.32
Accu. Depreciation. Computers		1,110,464.22
Accu. Depreciation. Air Conditioners		584,134.70
Accu. Depreciation. Machinery & Equipment		385,142.01
Accu. Depreciation. Audio & Video Visual		120,342.82
Accu. Depreciation. Furniture & Fittings		197,612.77
Welfare Program Payable		662,493.71
Asset maintains & Repair		22,077.90
Empowerment Pro. Payable		14,700.00
Other Payable		33,101.00
Advertising & Promotion Payable		10,000.00
Health camp Payable		2,527,170.00
Water & Electricity Payable		4,662.00
Audit fee Payable		66,222.00
Overtime Payable		9,891.90
Telephone Payable		21,098.06
Legal aid Payable		180,000.00
Cumulative Fund		292,164,977.17
Retained Earnings		39,281,319.63
ShramaVasana Lottery Income		62,609,140.00
Assets Maintenance & Repair	74,965.90	
Depreciation: Dep. Office Equipment	14,909.49	
Depreciation: Dep. Computers	403,906.14	
Depreciation: Dep. Airconditioners	259,345.00	
Depreciation: Dep. Machinery & Equipment	92,432.92	
Depreciation: Dep. Audio & Video Visual	78,191.57	
Depreciation: Dep. Furniture & Fittings	116,742.10	
E.P.F.	389,253.80	
E.T.F.	58,388.07	
Bank Charges	1,110.00	
Telephone Charges	203,592.74	
Postage	17,015.00	
Water & Electricity charges	76,638.24	
Staff Welfare	35,999.68	
Office Maintenance & Repair	196,450.02	



Other Service	313,606.55	
Audit Fee	60,000.00	
Vehicle Maintance & Repair	172,541.52	
Practical Trainee Allowance	403,815.00	
Allowance for Directors	48,000.00	
Staff salaries	1,864,978.48	
Allowance for Chairman	109,767.00	
Budgetary allowance	830,000.00	
Cost of Living Allowance	678,600.00	
Bonus	120,000.00	
Fuel Allowance	279,100.00	
Salary Allowances	471,629.11	
Allowance for Internal Auditor	60,000.00	
Over time	74,758.64	
Others	59,190.25	
Sundry expenses	9,963.00	
Refreshment	110,402.00	
Entertainment	56,050.00	
Stationaries & Others	167,606.84	
Domestic Travelling & Sub	45,800.00	
Health Camp Expenses	6,421,586.27	
Empowerment Programs	1,713,946.50	
Worker Awareness	451,167.12	
Welfare Program	1,920,035.96	
Compensation Benefits	50,000.00	
Technical Education Programs	4,800.00	
Legal Aid Programs	66,250.00	
Scholarships Program	6,499,536.46	
Award Ceremony Programs	312,760.00	
Promotions Programs	573,140.00	
Advertisements	816,238.00	
Training of Staff	120,500.00	
Other income		155,207.07
Interest of Diss.Loan		9,172.22
Fixed Deposit Interest		2,624,822.50
	<u>403,005,469.00</u>	<u>403,005,469.00</u>

மக்கள் வங்கி

මහජන බැංකුව

PEOPLE'S BANK

දුරකථන } 2594503
 தொலைபேசிகள் }
 Telephones } 2585454 (Fax)
 අපේ යොමුව }
 எமது தொடர்பு }
 Our Ref. }
 ඔබේ යොමුව }
 உமது தொடர்பு }
 Your Ref. }



475/1 {
 எல்திவிதல மாவட்டம் }
 எல்விட்டிகல மாவட்டம் }
 Elvitigala Mawatta }
 காரைக்கல் }
 நாரஹன்பிட்டி }
 Narahenpita }
 කොළඹ }
 கொழும்பு }
 Colombo }

THE ACCOUNTANT 6/01/16
 SHRAMA VASANA FUND
 MINISTRY OF LABOUR AND LABOUR RELATIONS

CONFIRMATION OF BALANCES

WE HEREBY CONFIRM THE BALANCE(S) OF

ACCOUNT(S) MAINTAINED WITH US AS FOLLOWS:

BY **CHAIRMAN-SHRAMA WASANA FUND**
 AS AT DATE **31/12/15** IS AS FOLLOWS:

A/C NO.	SAVINGS/FIXED	CURRENCY	BALANCE
119-1-001-0-3693128	CURRENT	LKR	3,112,331.98 CR

THIS LETTER IS ISSUED AT HIS/HER/COMPANY REQUEST

[Signature]

MANAGER

CHAIRMAN-SHRAMA WASANA FUND
 MINISTRY OF LABOUR
 NARAHENPITA
 COLOMBO 05 500





හාණ්ඩාගාර මෙහෙයුම් දෙපාර්තමේන්තුව
திறைசேரி செயற்பாடுகள் திணைக்களம்
Department of Treasury Operations



අමාත්‍යාංශය, මහලේකම් කාර්යාලය, කැ.පෙ.1559,
 ම 01, ශ්‍රී ලංකාව.

நிதி அமைச்சு, செயலகம்,
 தபெ. 1559, கொழும்பு 01, இலங்கை

Ministry of Finance, The Secretariat,
 P.O.Box: 1559, Colombo 01, Sri Lanka.

ප්‍රධාන ජනරාල්
 පාලන න්‍යායකරු:
 Director General

0094112484729
 dgtto@tod.treasury.gov.lk

ලැක්ෂ්
 පෙස්
 Fax 0094 112 484970

පොදු
 පොත්
 General 0094 112 484500
 0094 112 484600

අංකය } TO/REV/MIS/01/11
 இல } .

ඔබේ අංකය }
 உமது இல }
 Your No. }

දිනය } 2016.01.08
 திகதி } 08

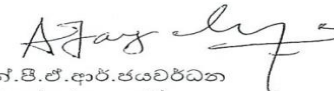
ගණකාධිකාරී,
 ග්‍රම වාසනා අරමුදල,
 කම්කරු හා කම්කරු සබඳතා අමාත්‍යාංශය,
 කොළඹ 05.

ඒකාබද්ධ අරමුදලට 2015 වර්ෂය සඳහා තැන්පත් කර ඇති මුදල් පිළිබඳව සාරාංශයක් ලබාගැනීම.

ඉහත සඳහන් කරුණ සම්බන්ධයෙන් ඔබේ අංක ග්‍ර/වා/විවිධ/07 හා 2016.01.06 දිනැති ලිපිය හා බැඳේ.

ග්‍රම වාසනා අරමුදල වෙනුවෙන් ලොකරැසි මණ්ඩලය විසින් ඒකාබද්ධ අරමුදලට තැන්පත් කර ඇති මුදල් පිළිබඳ විස්තර පහත දැක්වේ.

2014.12.31 දිනට ශේෂය (2014 නොවැම්බර් දක්වා)	රු. 285,461,491.00
2014 දෙසැම්බර් මාසය වෙනුවෙන්	රු. 3,907,560.00
2015 ජනවාරි	5,190,440.00
පෙබරවාරි	4,801,300.00
මාර්තු	4,959,000.00
අප්‍රේල්	4,760,600.00
මැයි	6,449,820.00
ජූනි	5,446,660.00
ජූලි	5,674,340.00
අගෝස්තු	6,587,940.00
සැප්තැම්බර්	4,572,340.00
ඔක්තෝබර්	5,530,780.00
නොවැම්බර්	4,257,260.00
2015 වර්ෂයේ එකතුව	62,138,040.00
2015 වර්ෂයේ අරමුදලට ලබාදුන් මුදල	30,000,000.00
2015.12.31 ශේෂය	රු. 317,599,531.00

* 
 එන්.පී.ඒ.ආර්.ජයවර්ධන
 අධ්‍යක්ෂ (ආදායම්)
 හාණ්ඩාගාර මෙහෙයුම් අධ්‍යක්ෂ ජනරාල් වෙනුවට.

Additional Director General (Foreign Aid, Public Debt, In & Finance)	Additional Director General (Consolidated Fund Mgt, Revenue & Reforms.)	Director (Cash Management)	Director (Consolidated Fund Mgt)	Director (Revenue)	Director (Foreign Aid Mgt)	Director (Debt Mgt)
Tel: 0094 112 484738 Fax: 0094 112 320042	Tel: 0094 112 484748 Fax: 0094 112 484970	Tel: 0094 112 484901 Fax: 0094 112 484970	Tel: 0094 112 484994 Fax: 0094 112 484970	Tel: 0094 112 484633 Fax: 0094 112 484970	Tel: 0094 112 484751 Fax: 0094 112 320042	Tel: 0094 112 484740 Fax: 0094 112 420042

மக்கள் வங்கி**මහජන බැංකුව****PEOPLE'S BANK**

දුරකථන } 2594503
 தொலைபேசிகள் } 2585454 (Fax)
 Telephones } Ma./Nilu/PI
 අපේ යොමුව }
 எமது தொடர்பு }
 Our Ref. }
 ඔබේ යොමුව }
 உமது தொடர்பு }
 Your Ref. }



475/1 { අලුතිටිගල මාවත
 எல்விட்டிகல மாவத்தை
 Elvitigala Mawatha

18.01.2016

කාරාහේන්පිට
 நாராஹேன்பிட்டி
 Narahenpita

කොළඹ }
 கொழும்பு } 05
 Colombo }

Accountant,
 Shrama Wasana Fund,
 Ministry of labour and labour relations,
 97, jawatta Rd, Colombo 05

Dear Sir,

Confirmation of Bank Balance as at 31st December 2015

With reference to your letter, we here by confirm that the balance of the following accounts as at 31.12. 2015.

F/D No	Balance as at 31 st December 2015
119 6001 000062312	1,000,000.00(CR)
119 6001 000062964	1,000,000.00(CR)
119 6001 000062982	1,000,000.00(CR)
119 6001 000062955	1,000,000.00(CR)
119 6001 000062973	1,000,000.00(CR)
119 6001 000062321	1,000,000.00(CR)

Thanking you

Yours faithfully


 Manageress.





National Savings Bank
No. 255/7,
Kirula Road,
Narahenpita
21.01.2016



Account,
Shrama Vasana Fund,
No 97, Jawatta Road
Narahenpita,
Colombo 05.

Dear Sir/ Madam,

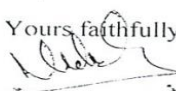
Confirmation of Balances

At your request we hereby furnish the following information with regard to your Fixed Deposit accounts, for the year ending 31.12.2015.

<u>Account Number</u>	<u>Holders</u>	<u>Opening Balance</u>	<u>Total Interest 01.01.2015 to 31.12.2015</u>	<u>Tax</u>	<u>Net Interest</u>	<u>Total Amount As At 31.12.2015</u>
2-0064-12-86277	Shrama Vasana Fund	1,000,000.00	-	-	-	1,000,000.00
2-0064-12-44418	Shrama Vasana Fund	1,000,000.00	80,000.00	6,400.00	73,600.00	1,000,000.00
2-0064-12-86234	Shrama Vasana Fund	1,000,000.00	-	-	-	1,000,000.00
2-0064-12-44370	Shrama Vasana Fund	1,000,000.00	80,000.00	6,400.00	73,600.00	1,000,000.00
2-0064-12-44400	Shrama Vasana Fund	1,000,000.00	80,000.00	6,400.00	73,600.00	1,000,000.00

This is submitted to you in strict confidence and without any responsibility or commitment on the part of the bank or any of its officers.

Yours faithfully,


21/01/2016
Manager

Narahenpita Branch

ව ඉතිරිකිරීමේ බැංකුව
நீர்மை அங்கீகரிக்க
ப. ஊடு 1732
ஓடி பாத்,
அ 3.

☎ : 2573008 - 15
: 2379333

தேசிய சேமிப்பு வங்கி
சேமிப்பகம்
த. பெ. இல. 1732
255, காலி வீதி,
கொழும்பு 3.

தொலைபேசி : 2573008 - 15
பக்ஸ் : 2379333

NATIONAL SAVINGS BANK
Savings House
P.O. Box No. 1732
255, Galle Road,
Colombo 03.

Telephone : 2573008-15
Fax : 2379333





HDFC BANK

The Housing Bank...

දුරේම නිවාස බැංකුව
சங்கம் வீடமைப்பு வங்கி

ශ්‍රී ලංකාවේ එ. ගඩ්නර් මාවත,
ක. ස. 2085, කොළඹ 02.

Sir Chittampalam A. Gardiner Mawatha,
P.O. Box : 2085, Colombo 02.

சேர் சிற்றம்பலம் ஏ. காடினார் மாவத்தை,
க.பெ. இல. 2085, கொழும்பு 02.

Phone : 011-2356800, 2447314, 2447354, 2446241, 2446239 Fax : 011-2356827, 2432190, 2356829 E-mail : hdfc@hdfc.lk web :www.hdfc.lk

11-01-2016

General Manager,
Shrama Vasana Fund,
Colombo 05.

Dear Sir,

BALANCE CONFIRMATION - FIXED DEPOSITS

This is to confirm that Chairman – Shrama vasana Fund has placed Fixed Deposits in our bank and it can be withdrawn at any time. The details of the Fixed Deposits as at 31/12/2015 are as follows.

FD No	Deposited Amount (Rs.)	Maturity Date	FD No	Deposited Amount (Rs.)	Maturity Date
FD26100098	1,000,000/-	18/07/2016	FD26100664	1,000,000/-	12/05/2016
FD26100099	1,000,000/-	18/07/2016	FD26100665	1,000,000/-	12/05/2016
FD26100169	1,000,000/-	20/01/2016	FD26100666	1,000,000/-	12/05/2016
FD26100170	1,000,000/-	20/01/2016	FD26100667	1,000,000/-	12/05/2016
FD26100186	1,000,000/-	29/03/2016	FD26100668	1,000,000/-	12/05/2016
FD26100187	1,000,000/-	29/03/2016	FD26100669	1,000,000/-	12/05/2016
FD26100188	1,000,000/-	29/03/2016	FD26100709	1,000,000/-	04/09/2016
FD26100190	1,000,000/-	29/09/2016	FD26100710	1,000,000/-	04/09/2016
FD26100560	1,000,000/-	16/04/2016	FD26100711	1,000,000/-	04/09/2016
FD26100561	1,000,000/-	16/04/2016	FD26100712	1,000,000/-	04/09/2016
FD26100562	1,000,000/-	16/04/2016	FD26100713	1,000,000/-	04/09/2016
FD26100662	1,000,000/-	12/05/2016			
FD26100663	1,000,000/-	12/05/2016			

This letter is issued on the request of Shrama vasana Fund.

Thanking You.

Yours Faithfully,

Authorized officer-Hyde Park Coner





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கணக்காய்வாளர் தலைமை அலுவலகம்
AUDITOR GENERAL'S DEPARTMENT



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11 August 2016

The Chairman
Shrama Wasana Fund

Report of the Auditor General on the Financial Statements of the Shrama Wasana Fund for the year ended 31 December 2015 in terms of Section 14(2) (c) of the Finance Act, No.38 of 1971

The audit of financial statements of the Shrama Wasana Fund for the year ended 31 December 2015, comprising the statement of financial position as at 31 December 2015 and the statement of financial performance and cash flow statement and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 12(4) of the Shrama Wasana Fund Act, No 12 of 1998. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Fund on 29 July 2016.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements



and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Shrama Wasana Fund as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Policies

Even though the profit of the year should be computed by deducting the expenditure incurred against the income of the year, without identifying the expenditure of the year specifically in respect of stationery, the policy of identifying the value of purchases made during the year as expenditure had been continuously followed.





2.2.2 Sri Lanka Public Sector Accounting Standards

Action had not been taken to revalue and take into books to show the carrying amount of assets at a total cost of Rs.170,050 fully depreciated and still in use in terms of Sri Lanka Public Sector Accounting Standard 07.

2.2.3 Lack of Evidence for Audit

Even though a sum of Rs. 60,000 had been spent for the workshop on employees' gratuity held in the Department of Labour on 29 and 30 of July 2015, no documents whatsoever that could confirm as to how that money was spent, were not made available to audit.

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

The following observations are made.

Reference to Laws, Rules, Regulations, Management Decisions etc.	Non-compliance
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(a) Shrama Wasana Fund Act, No.12 of 1998	
(i) Section 13(1)	An agreement had not been entered into between the Lotteries Board and the Shrama Wasana Fund on the type and the number of lotteries to be conducted in each year.
(ii) Section 13(2)	Although it was necessary to enter into agreements with the Lotteries Board on the prizes to be awarded by the lottery and how the unclaimed prizes were dealt with, it had not been so done.



(iii) Section 13(3)

Agreements had not been entered into between the Fund and the Lotteries Board even up to 18 April 2016, the date of audit in respect of the agreed sum as expenses for conducting such lotteries including the value of prizes and the proceeds of lotteries.

- (b) Financial Regulation 772 of the Democratic Socialist Republic of Sri Lanka Action had not been taken to dispose of 09 fully depreciated and unserviceable assets at a total cost of Rs. 316,690 and 88 units of goods relevant to 35 unserviceable items of goods identified at the Board of Survey as at 31 December 2014.

3. Financial Review

3.1 Financial Results

The following observations are made.

- (a) According to the financial statements presented, the financial result of the Fund for the year ended 31 December 2015 amounted to a surplus of Rs. 38,493,632 as compared with the corresponding surplus of Rs. 39,281,320 for the preceding year, thus indicating a deterioration of Rs.787,688 in the financial result of the year under review as compared with the preceding year. The increase in administrative expenditure by Rs. 1,236,776 and depreciation by Rs. 282,085 had been the main reasons for this deterioration.
- (b) Even though an improvement had been shown in the financial results from the year 2011 to the year 2013 in analyzing the financial results of the preceding





years, a deterioration was observed in the financial results of the years 2014 and 2015. The entire contribution of the Fund from the year 2013 to the year 2015 amounted to Rs. 59,967,312, Rs. 43,994,166 and Rs. 43,946,767 respectively in considering employees' emoluments, the provision for depreciation in respect of property, plant and equipment. Accordingly, though a high contribution had been shown in the year 2013, attention had not been paid on reasons for non-maintenance of contributions at that level in the preceding years and on strategies for improving it.

4. Operating Review

4.1 Performance

Objectives of the Fund in terms of Shrama Wasana Fund Act, No.12 of 1998

- Promotion of welfare of the workers.
- When a place of work closes down without the prior notice to the employees, grant financial benefits and other benefits to them.
- Providing employees with medical facilities and other assistance during emergencies.
- Granting temporary relief to employees when enquiries are held against them.
- Granting financial and other forms of assistance to employees or their dependents at the instances of disaster and
- Presentation of awards to those who have made an outstanding contribution to workers welfare.

The matters revealed in the examination of the Action Plan and the progress reports prepared for the achievement of those objectives were as follows.





(a) According to the Action Plan of the year 2015, 07 programmes expected to be achieved by spending Rs. 13,450,000 had not been implemented.

(b) The progress of 06 programmes which should have been implemented and completed in the year under review had ranged from 20 per cent to 95 per cent.

Serial No.	Programme	Amount allocated (Rs)	Amount incurred (Rs)	Target	Progress	Percentage (%)
i	Payment of compensation for beneficiaries	500,000	50,000	10	02	20
ii	Technical Education Programmes	300,000	10,000	10	05	50
iii	Legal Aid Programmes	500,000	50,000	20	05	25
iv	Scholarship Programmes	6,500,000	6,400,000	100	95	95
v	Publicity Programmes	3,400,000	800,000	30	13	43
vi	Strengthening the Organizational Capacity	500,000	120,000	20	08	40

(c) Eye Clinic and Spectacles Distribution Programme

The following matters were observed.

- i. The Register of Distribution relating to 562 pairs of spectacles valued at Rs. 505,800 due for distribution among employees had not been presented to audit and according to the Register of Attendance of patients for the clinic, it was revealed that all 21 beneficiaries who were subjected to audit test checks, were not employees.



ii. A sum of Rs. 928,235 had been spent for the Eye Camp held in Maho and Nikaweraniya. The documentary evidence which could be proved in respect of the number of persons arrived, 910 pairs of spectacles distributed therein and the remaining 48 pairs were not made available to audit.

(d) Three courses on carpentry, masonry and beauty care had been conducted by spending Rs. 1,153,214 for the empowerment programme held in Wariyapola and sets of tools had been distributed among them, a month before approving beneficiaries. Even though the selection of beneficiaries should be done with the objective of providing welfare for employees, the basis on which the beneficiaries had been identified, was not revealed.

4.2 Management Inefficiencies

The following matters are observed.

- (a) A sum of Rs. 180,000 payable to employees for legal aid had been outstanding for a period from 01 to 03 years even by 18 April 2016.
- (b) Action had not been taken even by April 2016 to distribute 07 items valued at Rs. 78,239 purchased in the year 2014 and during the early months of the year 2015 among scholarship students. Even though this stock had been entered in stock books, such a stock had not physically existed.

4.3 Transactions of Contentious Nature

The following matters are observed.

- (a) The Fund had incurred expenditure totalling Rs. 1,623,670 for sponsorships in respect of commemorative plaques, stage dramas and various competitions



contrary to the objectives of the establishment of the Fund stated in Section 6 (a) to (f) of the Shramu Wasana Fund Act.

(b) The Fund had spent a sum of Rs. 8,260 to purchase Buddhist flags and banners for sil campaign conducted at the premises of the Ministry of Labour on 22 April 2015. Even though it had been shown that a sum of Rs. 100,000 had been spent for providing alms to the persons who observed sil, the evidence of confirmation was not made available to audit.

(c) Caps had been provided at a cost of Rs. 125,000 for the distribution at a May Day Rally contrary to objectives of the Fund and quotations had been called for and purchased only from institutions in Kurunegala considering as an urgent requirement with the instructions of the former Chairman.

4.4 Personnel Administration

The approved cadre of the Fund as at 31 December 2015 had been 13 and the actual cadre had been 10 and as such, 03 vacancies had existed. Even though it had been indicated that those vacancies had not directly influenced the operations of the Fund, the programmes planned to be implemented in the year under review had not been implemented successfully. However, the inadequacy of employees had been stated as reasons therefor.

5. Systems and Controls

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

(a) **Budgetary Control** The significant variance existed between budgeted and actual figures had been minimized and the budget had not been made use of as an instrument of management control.



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| (b) Fund Management | Action had not been taken to collect the contribution received in respect of sale of lotteries daily from the Treasury. |
| (c) Performance | Adequate attention had not been paid for fulfilling the functions included in the Action Plan. |
| (d) Stock Control | Stocks purchased by the Fund had not been entered in the stock books and those books had not been updated. |

H.M. Gamini Wijesinghe

Auditor General

