



ANNUAL PERFORMANCE REPORT

2021

MINISTRY OF LABOUR



Annual Performance Report

2021

Ministry of Labour
(Ministry of Labour and Foreign Employment)

Annual Performance Report 2021

Expenditure Head 193

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Message of the Hon. Minister of Labour

Manusha Nanayakkara (M.P.)
Minister of Labour and Foreign Employment

It gives me a great pleasure to issue a message to this Annual Performance Report which sets out the progress achieved by the Ministry of Labour for the year 2021.

A primary function of our Ministry is the protection of rights of the working class, the lifeblood of the country's economy and ensuring their job security. Further, having identified activities under the establishment of employment security in the private sector and creating a skilled migrant workforce as special priorities, the Ministry of Labour and the institutions affiliated to the Ministry, namely the Department of Labour, National Institute of Labour Studies, National Institute of Occupational Safety and Health, Office the Commissioner for Workmen's Compensation and the National Productivity Secretariat have shouldered the responsibility of enhancing productivity and welfare of the labour force while safeguarding its rights.

Measures have already been initiated to amend archaic labour laws to bring them more in line with present requirements and successfully

counter emerging challenges. I am delighted to state that necessary action has already been initiated to amend labour legislation to benefit all stakeholders by removing complexities in existing labour laws and simplifying them so as to preserve their consistency thus creating a favourable environment to facilitate the inflow of investments and ensuring benefits to all without compromising in any way the benefits enjoyed by the labour community.

As a result of the prevailing Covid - 19 pandemic, our Ministry had to reengineer its mission. The challenge of ensuring the safety of workers toiling hard at worksites while reinforcing the mechanism for bolstering the production process looking after the health of workers was entrusted to our Ministry. Our Ministry jointly with the Sri Lanka Bureau of Foreign Employment has already initiated measures to protect employment of local and migrant workers and provide relief to workers who have been retrenched. Nearly 60% of the labour force are employed in the informal sector and bring them under the cover of a social security scheme is another major challenge that

calls for greater attention. The National Labour Advisory Council has appointed a subcommittee to conduct a study on the establishment of a social security fund and submit proposals to provide relief to workmen who have lost their employment due to unforeseen circumstances. On the basis of the recommendations of the subcommittee, necessary action will be taken in this regard.

I wish to take this opportunity to express my gratitude to former Minister of Labour, Hon.

Nimal Siripala De Silva and former secretary Mr. M.P.D.U.K. Mapa Pathirana for their efforts in achieving an excellent performance in the year 2021. I also wish to convey my thanks to the entire staff and the heads of all institutions under the purview of the Ministry and their staff members for working with dedication to make this outstanding performance possible.

Manusha Nanayakkara (M.P.)
Minister of Labour and Foreign Employment



Message of the Secretary to the Ministry of Labour

R.P.A. Wimalaweera
Secretary

I am delighted to present this publication which is an overview of the performance of the Ministry of Labour and the departments and institutions under its purview in the year 2021 and plans expected to be implemented in future with the objective of creating a satisfied, productive Sri Lankan labour force.

Programmes of our Ministry have been formulated to be in sync with the functions and special priorities under "establishing employment security in the private sector and creating a skilled migrant workforce", sustainable development goals and international labour conventions ratified by Sri Lanka.

Measures have been adopted for the amendment of the relevant enactments to safeguard the rights of workers which is one of the foremost responsibilities of the Ministry of Labour and to create a favourable environment to facilitate the inflow of investments to ensure their job security. Amendments to labour legislations are being carried out ensuring benefits to all stakeholders by removing complexities in existing labour laws

and simplifying them so as to preserve their consistency. Being able to finalize amendments to several key labour legislations was a major achievement in the year 2021. Some of the key amendments are as follows.

- Preventing school dropouts by increasing the minimum age of employment from 14 years to 16 years thus ensuring their safety
- Raising the maximum compensation limit from Rs. 1.25 million to Rs 2.5 million of the compensation formula under the Termination of Employment of Workmen (Special Provisions) Act
- Increasing the national minimum wage which stood at Rs. 10,000/- by Rs. 2,500/- bringing it up to Rs. 12,500/-
- Making the registration of employees in the Employees' Provident Fund (EPF) within 30 days of recruitment compulsory and informing EPF members about crediting EPF contributions through an SMS
- Legal activities relating to the increase of daily wage of tea and rubber plantation workers up to Rs. 1,000/-

Contents

Message of the Hon. Minister of Labour	iii	3.3 Statement of Cash Flows as at 31.12.2021	69
Message of the Secretary to the Ministry of Labour	v	3.4 Notes to the Financial Statements	70
Contents	vii	3.5 Performance of the Revenue Collection	70
List of Tables	viii	3.6 Performance of the Utilization of Allocation	70
Figures & Images	ix	3.7 In terms of F.R.208 grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments	71
Chapter One	1	3.8 Performance of the Reporting of Non-Financial Assets	71
Institutional Profile / Executive Summary	1	3.9 Auditor General's Report	72
Ministry of Labour	3	Chapter Four	83
1.1 Introduction	3	Performance Indicators	83
1.2 Vision, Mission and Objectives	3	Performance Indicators of the Ministry (Waste on the Action Plan)	85
1.3 Key Functions	4	Chapter Five	87
1.4 Organisational Chart	5	Performance in achieving Sustainable Development Goals	87
1.5 Divisions of the Ministry	6	5.1 Identified Sustainable Development Goals	89
1.6 Institutions under the Ministry	8	5.2 Achievements and challenges in fulfilling SDGs	92
1.6.1 Department of Labour	8	Chapter Six	93
1.6.2 National Institute of Labour Studies	9	Human Resource Profile	93
1.6.3 National Institute of Occupational Safety and Health	9	6.1 Cadre Management	95
1.6.4 Office of Commissioner for Workmen's Compensation	10	6.2 How the shortage or surplus of human resources has affected the performance of the institution	95
1.6.5 National Productivity Secretariat	11	6.3 Human Resources Development	95
Chapter Two	13	Chapter Seven	103
Progress and Future Outlook	13	Compliance Report	105
2.1 Special Achievements, Challenges and Outlook	15		
2.2 Progress of the Ministry	23		
Chapter Three	65		
Overall Financial Performance for the Year ended 31st December 2021	65		
3.1 Statement of Financial Performance for the period ended 31 st December 2021	67		
3.2 Statement of Financial Position as at 31.12.2021	68		

- Raising the minimum age of retirement of workers up to 60 years

Similarly, amendments to a large number of legislations are being carried out at present and are expected to be finalized in the upcoming year.

Despite the detrimental impact triggered by the Covid - 19 global pandemic, priority has been accorded to safeguarding the rights of the working class and irrespective of the financial constraints every effort has been made to serve the interests of the adversely affected employer fraternity. Further, maintaining industrial peace while assuring that both employees and employers discharge their duties and responsibilities on the basis of the economic orientation of the country despite the adverse impacts, expanding the sectors that can bring benefits to all and opening avenues for the revival of sectors that have experienced setbacks is a responsibility of our ministry.

Creating conducive working environment in conformity with the decent work concept adhering to the international labour standards, implementing diverse programmes for establishing amicable employer - employee relations, safeguarding the labour rights with the participation of both employers and employees, conducting the National Labour Advisory Council as scheduled for the maintenance of industrial peace and engaging in constant dialogues with all stakeholders, implementing programmes for the elimination of child labour and initiating action

for safeguarding the rights of working women are other key activities conducted by the Ministry. Having identified the establishment of a social security fund to provide relief to workers who have lost their jobs on account of unforeseen circumstances as a timely need, a subcommittee has been appointed by the National Labour Advisory Council to explore the matter. Similarly, the process of digitalisation of services rendered by the Department of Labour for the provision of all services under one roof including the provision of benefits of the Employees' Provident Fund is already underway. In addition, all institutions affiliated to this Ministry implement programmes and projects for safeguarding the rights of workers, improving their welfare and uplifting health and education and institutions of both the public and private sectors are empowered through the productivity concept.

I wish to take this opportunity to express the gratitude of our Ministry to former Minister of Labour Hon. Nimal Siripala De Silva for offering leadership, guidance and patronage to carry out the aforesaid functions. My thanks are also due to M P D U K Mapa Pathirana, former Secretary to the Ministry of Labour who worked tirelessly to achieve the performance of the Ministry in the year 2021 and the entire staff of the Ministry, and the heads of all institutions and the officials of all institutions under the purview of the Ministry.

R.P.A. Wimalaweera
Secretary

List of Tables

Table 2-1	Progress of social dialogue programmes - 2021	26	Table 2-17	Physical and financial progress of payment of compensation - 2021	49
Table 2-2	Data reported on strikes - 2021 compared to 2020	28	Table 2-18	Training programmes conducted by the National Productivity Secretariat	50
Table 2-3	Activities pertaining to the standardization of workers' rights - 2021	29	Table 2-19	Revenue generation of National Productivity Secretariat	51
Table 2-4	Wages Boards which are Updated the Minimum Wage	31	Table 2-20	Progress of Decent Work programme as at 31.12.2021	52
Table 2-5	Activities conducted for inspecting occupational health measures in workplaces.- 2021	31	Table 2-21	Overall expenditure for capacity development activities of the Department of Labour as at 31.12.2021	56
Table 2-6	Imparting knowledge required for safeguarding health in workplaces and conducting awareness programmes - 2021	32	Table 2-22	Progress of establishments activities	58
Table 2-7	Awareness workshops conducted for improving occupational safety and health - 2021	33	Table 2-23	Progress of construction activities of the Department of Labour	59
Table 2-8	Promotional programme on occupational health and safety	34	Table 2-24	Overall financial progress of the Ministry	61
Table 2-9	Training programmes on occupational safety and health - NIOSH	35	Table 3-1	Performance of the Revenue Collection	70
Table 2-10	Enforcement of existing laws relating to the employment of women, young persons and children - 2021	36	Table 3-2	Performance of the Utilization of Allocation	70
Table 2-11	Number of beneficiaries of EPF - 2021	41	Table 3-3	Grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments	71
Table 2-12	Progress of monitoring approved provident funds - 2021	41	Table 3-4	Performance of the Reporting of Non - Financial Assets	71
Table 2-13	Court wise performance of cases - 2021	42	Table 4-1	Performance indicators of the Ministry	85
Table 2-14	Financial Progress of NILS	45	Table 5-1	SDGs relevant to the Ministry	89
Table 2-15	Nature of fatal and non-fatal accidents reported	47	Table 6-1	Cadre of the Ministry as a 31.12.2021	95
Table 2-16	Nature of Damage caused by non-fatal accidents	48	Table 6-2	Participation of officers of the Ministry in local training programmes	95
			Table 6-3	Participation of officers of the Department of Labour in local training programmes	97
			Table 6-4	Participation of officers in foreign training courses	100
			Table 7-1	Compliance Report	105

Figures and Images

Figures					
Figure 2-1	Labour inspections - Progress of the year 2021 as against the progress of the year 2020	27	Figure 2-5	Revenue from training activities - NILS	46
Figure 2-2	Complaints received on the violation of statutory laws and solutions offered in the year 2021 in comparison to the year 2020	28	Figure 2-6	Number of fatal accidents reported during the year 2021	47
Figure 2-3	Cases filed by all District and Sub Labour Offices and cases resolved - 2021	43	Figure 2-7	Number of non - fetal road accidents reported during the year 2021	47
Figure 2-4	Revenue generated by NILS from training activities in 2021	45	Figure 2-8	No. of accidents reported by circuit court areas - 2021	48
			Figure 2-9	Number of labour inspections conducted from 2016 to 2021	55
			Figure 2-10	Time taken for the payment of EPF benefits - Years From 2017 to 2021	55
			Figure 2-11	Progress of internal audit activities	62

Image	
Image 1-1	Organizational Chart of the Ministry
	5

Chapter One

Institutional Profile /
Executive Summary

Ministry of Labour

1.1 Introduction

Accomplish Protection and welfare of the work force of the country and promotion of industrial peace and cooperation in liaison with the international agencies in relation to the labour enactments and standards are the responsibilities come under the purview of the Ministry of Labour. The Ministry strives to achieve its mission by providing policy guidance to relevant State Ministry, and formulating policies in relation to the subject of Labour in conformity with the prescribed Laws, Acts and Ordinances, implementation of projects

under the national budget, state investment and national development programme, and formulating, implementing, monitoring and evaluating programmes and projects, related to the subjects and functions of affiliated Departments, State Corporations and Statutory Institutions for the “establishment of employees security in private sector and creation of a skilled foreign employment force” based on the national policies implemented by the government and in accordance with policy statement “Vistas of Prosperity and Splendour”. Accordingly, the vision, the mission and the objectives of the Ministry are as follows

1.2 Vision, Mission and Objectives



Objectives of the Ministry

- Strengthening employer - employee relationships through tripartite empowerment
- Ensuring service standards and workers' rights in compliance with international standards
- Eliminating child labour
- Empowering and protecting employed women employees and encouraging gender equality
- Enhancing flexibility of labour legislation and procedures
- Formulating appropriate methodologies for ensuring social security

1. Formulation of policies related to the field of labour
2. Industrial peace and harmony
3. Enforcing labour standards, rules and regulations
4. Protecting rights of women workers and eliminating child labour
5. Occupational safety and health
6. Social security
7. Education, training, research and development relating to the field of labour

1. Formulation, implementation, evaluation of the policies and programmes in relation to the Departments and Statutory Institutions under the Ministry of Labour and carrying out required follow up actions
2. Formulation and implementation of policies with regard to international labour standards, administration and welfare of the employees
3. Liaison with International Labour Organization and International Social Security Organizations

- 4 | **Annual Performance Report 2021**
Ministry of Labour

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graph TD
    CoSec[Co. Secretary to the Secretary] --- Sec[Secretary]
    CoSec --- AS1[Additional Secretary (Admin.)]
    CoSec --- AS2[Additional Secretary (Dev.)]
    CoSec --- CFO[Chief Finance Officer]
    CoSec --- CIA[Chief Internal Auditor]

    AS1 --- SASA[Senior Asst. Sec. (Admin.)]
    AS1 --- ASAd[Asst. Secretary (Admin.)]
    AS1 --- AO[Administrative Officer (V)]
    AS1 --- ITOff[IT Officer (01)]
    AS1 --- DevOff1[Development Officer (14)]
    AS1 --- CMAs1[Chief Management Asst. (01)]
    AS1 --- VCA[Video Cameraman (V)]
    AS1 --- ITAs[IT Assistant (01)]
    AS1 --- MA1[Management Assistant (08)]
    AS1 --- Drivers[Drivers (10)]
    AS1 --- KKS1[KKS (07)]
    AS1 --- Steno[Stenographer (01)]
    AS1 --- CamAs[Camera Assistant (V)]

    SASA --- Legal[Legal Officer]
    SASA --- ASAd
    SASA --- AO
    SASA --- ITOff
    SASA --- DevOff1
    SASA --- CMAs1
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    ASAd --- Drivers
    ASAd --- KKS1
    ASAd --- Steno
    ASAd --- CamAs

    AO --- Trans[Translator (01)]
    AO --- Media[Media Officer (01)]
    AO --- CMAs1
    AO --- VCA
    AO --- ITAs
    AO --- MA1
    AO --- Drivers
    AO --- KKS1
    AO --- Steno
    AO --- CamAs

    ITOff --- Trans
    ITOff --- Media
    ITOff --- CMAs1
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    CamAs --- Drivers
    CamAs --- KKS1
    CamAs --- Steno
    CamAs --- CamAs

    AS2 --- DS[Director (Planning, Research & Dev.)]
    AS2 --- DDP[Deputy Director (Planning)]
    AS2 --- AD[Assistant Director (Research & Development)]
    AS2 --- DevOff2[Development Officer (03)]
    AS2 --- BA[Budget Assistant (V)]
    AS2 --- DevOff3[Development Officer (07)]
    AS2 --- DevOff4[Development Officer (03)]
    AS2 --- CMA[Chief Management Assistant (01)]
    AS2 --- MA2[Management Assistant (02)]
    AS2 --- MA3[Management Assistant (02)]
    AS2 --- KKS2[KKS (01)]
    AS2 --- MA4[Management Assistant (01)]
    AS2 --- KKS3[KKS (1)]

    DS --- DDP
    DS --- AD
    DS --- DevOff2
    DS --- BA
    DS --- DevOff3
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    DS --- MA4
    DS --- KKS3

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    DDP --- MA2
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    DDP --- KKS3

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    AD --- DevOff3
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    AD --- MA4
    AD --- KKS3

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    BA --- DevOff2
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    DevOff3 --- CMA
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Image 1-1 Organisational chart of the Ministry

1.5 Divisions of the Ministry

1.5.1 Administrative and Establishments Division

General administration of the Ministry, management, general maintenance, trainings and coordinating the Ministry and the institutions under the purview of the Ministry and human resources management and duties related thereto are handled under this Division. Accordingly,

- I. Maintaining personal files of all public officers attached to the Ministry and the ancillary staff of the hon. minister and establishments activities related to them and updating information on the staff
- II. Establishments activities in respect of the Ministry officers serving in the Departments and statutory institutions under the purview of the Ministry
- III. Duties related to the deployment of Labour Officers for duties at foreign diplomatic missions
- IV. Preparation of cabinet memoranda and taking action in respect of cabinet decisions are carried out by this Division and contributes to the establishment of industrial cooperation by updating labour laws and enacting new legislation
- V. Providing answers to referrals made by the Consultative Committee, Public Petitions Committee, parliamentary questions and refers public complaints forwarded by the Presidential Secretariat & the Prime Minister's Office as well as public grievances received directly from the public to the relevant institutions

1.5.2 Planning, Research and Development Division

Devising plans of the Ministry and all institutions under its purview required for steering the development plans towards the set targets and the implementation, progress review and follow

up thereof are the key functions of this Division. In addition, following duties has also discharged during the period under review.

- I. Preparing the Annual Action Plan containing development tasks carried out by the Ministry and its affiliated institutions and referring it to the relevant parties. Preparing the Annual Action Plan in accordance with zero based budgeting scheme, implementation thereof and monitoring & encouraging the achievement of goals by conducting quarterly progress reviews
- II. Coordination with the Presidential Secretariat, Ministry of Finance, Department of Project Management and Monitoring and Department of National Planning and submission of progress reports monthly and quarterly
- III. Organizing scholarly symposium annually on various timely themes in the field of labour in order to find solutions to labour issues and new trends in the field of labour and Journal is published incorporating a summary of research papers submitted thereto
- IV. Coordinating all activities in relation to the implementing decent work programme
- V. Handling all activities pertaining to the publication of Sri Lanka Labour Gazette
- VI. Organising and conducting mobile service programmes to solve issues relating to the field of labour at the doorstep of the working community
- VII. Preparing the Annual Performance Report detailing the progress achieved by the Ministry
- VIII. Preparing Progress Report for submitting to the Committee Stage debate of the budget

1.5.3 Labour and Foreign Relations Division

Safeguarding domestic labour rights in

accordance with the obligations undertaken by Sri Lanka as a member country of the International Labour Organization (ILO) and other internationally recognized conventions and recommendations and making use of them to resolve problems in the labour sector is the responsibility of this Ministry.

Ensuring that Sri Lanka has fulfilled its obligations and responsibilities in respect of the field of labour to the International Labour Organization and other multilateral agencies, formulating labour policies, creating national level social dialogues and enlisting international support for the development of human resources too are handled by the Ministry.

- I. Serving as the facilitator of the National Labour Advisory Council (NLAC) with tripartite representation
- II. Holding the meetings of ministerial committee on amending labour laws & policies
- III. Preparation of the reports to be forwarded under Article No. 22 of ILO
- IV. Taking necessary action to have the officials attached to the Department of Labour and other institutions affiliated to this Ministry participated in foreign scholarships, workshops and training programmes
- V. Compiling the report to address problems encountered in regaining the EU GSP+ concession and conducting meetings for the tripartite committee appointed to monitor of GSP+ concession and organizing and participating in all activities thereof
- VI. Handling activities in respect of Memoranda of Understanding to be signed in future in the fields of social security and education in relation to the labour sector between Sri Lanka and other countries and all programmes towards that end

VII. Making arrangements for the Task Force meetings under the Decent Work Country Programme (DWCP) and extend necessary support in that regard to the ILO

VIII. Coordinating meetings and all activities connected with the National Steering Committee on Child Labour (NSCCL)

IX. Formulating reports on emerging trends in the field of labour for the Foreign Ministry and other state ministries

X. Organizing quarterly review meetings on the payment of Employees' Provident Fund, Employees' Trust Fund and gratuity in arrears receivable to workers of plantation companies acquired by the government with the Department of Labour, Central Bank of Sri Lanka and members of trade unions representing estate workers

XI. The answers for the questionnaire on labour statistics which should be submitted annually are forwarded to the ILO

XII. Submitting visa applications for officers of the ILO who arrive in Sri Lanka to offer technical assistance to the Foreign Ministry

1.5.4 Finance Division

Taking necessary actions to utilize the financial resources, which are allocated to the Ministry by the annual budget - 2021, efficiently and effectively for the fulfillment relevant objectives in line with the policies of the Government and it includes the following main activities

- I. Conducting the Annual Board of Survey in accordance with the Public Finance Circular 01/2020
- II. Preparation of reports relating to the agency of the Finance Authority and carrying out the activities in relation to the delegation of financial authorities
- III. Preparation of annual budget estimates

IV. Preparation of financial statement for the year

V. Preparation of Report for Committee on Public Accounts, submitting monthly and quarterly financial reports to the Treasury and other relevant agencies

1.5.5 Internal Audit Division

The internal audit activities of the Ministry are carried out as per the appointments made in terms of Section 40 of the National Audit Act to ensure that the responsibility of the Chief Accounting Officer is carried out as set out in Section 38(b) and (f) of the said Act and requirements of Circular No. 01/2019 dated 12.01.2019 of the Department of Management Audit and the powers vested in the Internal Audit Division in terms of FR 113 and FR 114.

The primary function is to offer guidance and give instructions to the Ministry of Labour and the institutions under its purview i.e. the Department of Labour, Office of the Commissioner for Workmen's Compensation, National Institute of Labour Studies, National Institute of Occupational Safety and Health, and National Productivity Secretariat for them to address shortcomings in respect of internal controls to achieve their objectives and to guide such institutions to comply with the Establishments Code, Financial Regulations, Procurement Guidelines and all circulars issued by the government. The Division also contributes to minimize problems in the institutions under the purview of the Ministry of Labour and strengthen internal controls and extends continuous support for proper and honest service for the achievement of sustainable development goals in line with the 'Vistas of Prosperity and Splendour' policy statement.

1.6 Institutions under the Ministry

1.6.1 Department of Labour

The Department of Labour is the public sector institution responsible for upholding the occupational rights of workers in the private sector & semi government institutions and

establishing social security. Since this is a subject fall within the ambit of the central government, the Department maintains an Island-wide network of labour offices for the enforcement and promotion of necessary labour legislations.

The Department of Labour was initially established in terms of the Indian Immigrant Labour Ordinance No. 01 of 1923 with the objective of providing welfare for Indian migrant labourers brought to Sri Lanka by the British to work in the plantation sector.

11 Zonal Labour Offices, 40 District Labour Offices, 17 Sub Labour Offices and 10 District Factory Inspection Engineer's Offices have been established across the country under the decentralization of functions of the Department of Labour for the provision of services expected by the labour community scattered throughout the country.

Key Functions

- I. Promotion of dialogue amongst employers and employees
- II. Enforcement of labour legislation and prevention of industrial disputes and resolving disputes that have arisen through the promotion of social dialogue
- III. Conducting institutional inspections (labour inspections) and upholding the statutory rights of workers by regularly updating the knowledge required by officers of the Department
- IV. Establishing industrial peace by expanding the knowledge and understanding of labour laws of both the employers and employees
- V. Formulation and implementation of labour standards compatible with changes in the national economic structure in line with international labour standards
- VI. Ensuring that benefits are duly granted to

workers through the sound administration of the EPF and the administration of the approved private provident funds and pension schemes with similar efficiency

VII. Constructive enforcement of all labour laws including those applicable to women, young persons and children

VIII. Creating awareness amongst workers that workplaces are healthy and accident free and ensuring that workplaces are accident free and maintain sound health practices

IX. Collection and analysis of statistics required for making decisions in regard to above functions

X. Taking action to give legal effect to ILO conventions ratified by Sri Lanka

XI. Initiating action to eradicate child labour and hazardous forms of child labour

1.6.2 National Institute of Labour Studies

National Institute of Labour Studies was formally established on 11th September 2007 and was legally incorporated by the Parliament by the National Institute of Labour Studies Act, No. 12 of 2010. The institute is administered by a Board of Governors consisting of tripartite stakeholders of the labour sector. i.e. employers, trade unions representing employees and public officials. The Institute is planning & implementing necessary trainings and educational activities for the creation of strength & knowledgeable labour force on labour laws, rules and regulations.

Labour Law & Industrial Relations, Human Resource Management and Workplace Productivity are the three major subject areas addressed by the National Institute of Labour Studies in-order to achieve the objectives of the institute. The three subject areas are assigned to three different divisions and range of services and courses such as Training Workshops, Short-term Courses, Certificate and Diploma Programmes.

Objectives

- I. Implementation of labour study programmes in collaboration with local and foreign institutions and taking steps to ensure employees' well-being in order to involve them as active participants in the development process
- II. Conducting seminars, workshops, conferences, and meetings on labour education and publishing magazines, periodicals and books
- III. Conducting researches, surveys and arranging courses related to labour education
- IV. Establishment and maintenance of library and information services
- V. Maintenance of close relationship with national and foreign institutions, organizations, associations and societies with similar objectives
- VI. Conducting courses including diploma courses in labour studies with the assistance of universities and their affiliates and awarding certificates and diplomas when required
- VII. Engaging in activities aimed at maintaining industrial peace

1.6.3 National Institute of Occupational Safety and Health

The National Institute of Occupational Safety and Health (NIOSH) was established as an institute affiliated to the Ministry of Labour and Labour Relations by the National Institute of Occupational Safety and Health Act No. 38 of 2009. The institute is committed for the prevention of occupational accidents and occupational diseases through sound health and safety measures and ensuring a decent work environment for every worker through adherence to correct safety measures

and methods and the institute provides education and training for any employer or employee willing to gain benefits from such training.

Courses conducted by National Institute of Occupational Safety and Health

- Diploma Courses on Occupational Safety and Health
- Certificate Courses on Occupational Safety and Health
- Higher Certificate Course on Occupational Safety and Health of Plantation Sector
- Training of Boiler Operators
- Work study programme on industries
- Training nurses in the industrial sector
- Occupational safety and health for hospital staff
- Occupational safety and health for office staff
- Occupational safety and health in laboratories
- Safe use of chemical substances
- Occupational safety and health for food handlers
- Training program on stress management

1.6.4 Office of Commissioner for Workmen's Compensation

The Workmen's Compensation Ordinance No. 19 of 1934 was enacted to provide for the payment of compensation to workers for accidents caused in the course of employment. The principal enactment was amended on several occasions, the last of which was done by the Act No. 10 of 2005. The Workmen's Compensation Court comprises 14 circuit courts covering the entire Island with the powers of district judge and magisterial powers. The Office of the Commissioner for Workmen's Compensation has 43 positions including 3 posts of judicial officers appointed by the Judicial Services Commission, i.e. the Commissioner for Workmen's Compensation, Additional Commissioner for Workmen's Compensation & Assistant Commissioner for Workmen's Compensation, 1 post of Grade 1 of the Sri Lanka Accounting Service and 1 post of the Sri Lanka

Administrative Service.

The prime objective of the Office is to cause compensation to be paid to workmen who sustain injuries in the course of employment, who suffer from diseases contracted due to the nature of the employment and to dependents of workmen who die due to accidents in workplaces. Provisions of the Code of Criminal Procedure, Code of Civil Procedure, and Evidence Ordinance are applicable for the workmen compensation court procedure, the appeal procedure is equivalent to that of district court.

Key Functions

- Activities pertaining to recovery of compensation from employers for accidents, occupational diseases arising out of in the course of employment in the public or private sector and for dependents in the event of death of workmen. (According to the last amendment made through Act No. 10 of 2005, the maximum compensation that can be granted is Rs. 550,000/=-, actions are being taken to increase it up to Rs. 2 Mn.)
- Keeping the custody of the compensation entitled to minor dependents of a deceased workman under the custody of the Commissioner of Workmen's Compensation until they reach maturity and administration of them
- In circumstances where the employer defaults the payment of compensation, seizing the movable and immovable property of such employer and sell them in public auction to recover compensation
- Issuance, renewal and cancellation of workmen compensation insurance licenses
- Conducting onsite inspections in event of an accident caused to an employee
- Causing compensation to be recovered for workmen employed in ships and aircraft

registered in Sri Lanka for accidents caused outside Sri Lanka

1.6.5 National Productivity Secretariat

The National Productivity Secretariat is currently under the purview of the Ministry of Labour and after obtaining the membership of the Asian Productivity Organization in the year 1966, a number of initiatives have been launched in Sri Lanka for improving productivity in Sri Lanka.

Key Activities

- Implementation of productivity promotion programmes targeting state institutions, educational and service sectors, community organizations and small and medium scale entrepreneurs
- Implementing training programmes relating to productivity subjects

- Productivity Diploma Programmes
- Productivity Certificate Courses
- Short term Courses on Productivity
- Training of Trainers Programmes

- Providing consultancy services on increasing productivity in institutions
- Conducting programmes in partnership with the Asian Productivity Organization
 - Conducting training workshops
 - Conducting e-learning programmes
 - Implementing programmes by securing technical expertise services
- Implementing "5S" certification programme
- Carrying out media and publicity programmes
- Conducting National Productivity Awards Ceremony

Chapter Two

Progress and Future
Outlook

Progress and Future Outlook

Safeguarding the rights of the working class and ensuring their job security is the prime mission of the Ministry of Labour. In marching towards this mission, this Ministry holds the responsibility of providing a dynamic service to the labour community through diverse activities. The programmes of the Ministry have been formulated based on the policies implemented by the government in accordance with functions and special priorities as set forth in the policy statement “Vistas of Prosperity and Splendour” for the “Establishment of employees security in private sector and creation of a skilled foreign employment force”, Sustainable Development Goals and international labour conventions ratified by Sri Lanka. This chapter outlines the role performed by the Ministry and its affiliated institutions in the year 2021 for the wellbeing of the working community.

2.1 Special Achievements, Challenges and Outlook

Formulating legal provisions in compliance with recognized national and international socioeconomic situations and labour conventions and standards enabling an investor friendly environment in Sri Lanka and paving the way for the future advancement of the country is a timely responsibility entrusted to the Ministry. The Ministry is bound to amend the existing legislations and regulations to suit the present and future world of work and safeguarding the rights of working people.

The Ministry prides itself in achieving a host of significant victories for the labour force whilst maintaining industrial peace despite the spread of the Covid-19 outbreak. The victories thus achieved and targets for future are outlined below.

2.1.1 Strengthening labour laws with the aim of upholding the rights of workers

Nearly 50 pieces of legislation including the ordinances enacted from the inception of the Department of Labour in the year 1923 and Acts enacted subsequently are currently in force for the welfare of workers and safeguarding their rights. The Ministry has initiated measures to amend the existing labour legislations and draft new legislation in such manner so that the current and future challenges encountered or to be encountered by the labour force can be overcome. The Ministry has also focused on identifying prevailing complexities in the labour law and issues that arise in practical application of such laws and amend labour laws or enact new laws offering the protection of law to the three stakeholders, i.e. the employee, the employer and the state.

1. Increasing the national minimum wage by Rs. 2,500/- from Rs. 10,000/- to Rs. 12,500/-

The minimum wage of Rs. 10,000/- that was to be paid by an employer when employing an employee was increased up to Rs.12,500/- by the National Minimum Wage of Workers (Amendment) Act No.16 of 2021. In addition to the minimum basic salary of Rs. 12,500/- required to be paid under this Act which was passed by Parliament in August 2021, the workers are also entitled to budgetary relief allowances of Rs. 1,000/- and Rs. 2,500/- and as such employers are legally bound to pay a minimum monthly salary of Rs. 16,000/- to their employees.

2. Increasing the maximum compensation payable in termination of employment of workmen from Rs. 1,250,000/- to Rs. 2,500,000/-

The maximum limit of compensation in the formula for the payment of compensation to a workman gazetted under the Termination of Employment of Workmen (Special Provisions) Act No. 45 of 1971 upon which the amount of compensation to be paid to workmen is determined in instances where employment of employees is terminated unfairly by an employer or where employees are laid off when institutions are restructured was Rs. 1,250,000/-. Since the maximum compensation that can be obtained under this system by workmen with higher salaries and longer periods of service was relatively paltry compared to the maximum compensation obtainable, it appeared to be unreasonable. Therefore, the minimum amount of compensation was raised to Rs. 2.5 million (Rs. 2,500,000/-) by gazette notification No.2216/17 dated 25.02.2021 thus amending the said the minimum limit.

3. Increasing the minimum age limit workers can be employed from 14 years to 16 years

The period of compulsory education for children of Sri Lanka was prescribed as 16 years consequent to regulations made under the Education Ordinance in the year 2015 with the objective of producing gainful citizens by offering them love and shelter and a quality education. The ILO Convention concerning Minimum Age for Admission to Employment Convention 1973 (No.138) which has been ratified by Sri Lanka to has laid down that the minimum age of employment should be 15 years or the compulsory age of school education of the respective country. Therefore, having amended the following acts and regulations, the legal provisions pertaining to the deployment of child labour in the labour laws of Sri Lanka were adopted to be in harmony with the Sri Lankan and international legal obligations.

- Shops and Office Employees (Amendment) Act, No.01 of 2021
- Employment of Women, Young Persons and Children (Amendment) Act No. 02 of 2021
- Indian Immigrant Labour (Amendment) Act No. 03 of 2021
- Factories (Amendment) Act No.04 of 2021

- Regulations relevant to the Employees' Provident Fund Act, No. 15 of 1958 published in gazette number 2209/41 dated 06.01.2021.

4. Amending the Employees' Provident Fund Act, No.15 of 1958 making the registration of an employee with the Labour Department compulsory within 30 days of recruitment

Though, most of the employers remit the EPF contributions of their employees to the Central Bank, they often neglect to duly register ABH forms containing bio-data of employees with the Department of Labour. Though furnishing such information has been cited as a legal requirement, a specific period of time for such registration has not been prescribed which has resulted in some employers not registering their employees in the EPF and employees who have not been so registered encounter various difficulties in claiming their EPF benefits. In order to forestall such a situation, Gazette No.2249/13 dated 12.10.2021 was issued upon the approval of Parliament amending the regulations of the EPF Act making it compulsory for an employer to forward employee's record card within 30 days from the date of recruitment to the relevant Labour Office in the area within which the work place of such employee is situated.

5. Amending the Employees' Provident Fund Act enabling the implementation of a Mobile Phone Short Message Service to inform the members of the EPF instantly of the accounting of their monthly contributions

The existing process does not have a system whereby the members are able to receive confirmation within a short period on the remittance of their monthly contributions by employers to the accounts of the respective members and the biannual accounting statement provided by the Central Bank of Sri Lanka only provides information pertaining to the balance as at the middle and the end of the year. If there is a method for the employee to know immediately about the crediting of EPF contributions, he will

be able to bring the default of payment by the employer to the attention of the Department of Labour. Therefore, the regulations of the EPF Act, No. 15 of 1958 were amended by Gazette notification No. 2245/13 dated 12.10.2021 enabling the employee be informed of the crediting of the contributions to his account monthly through an SMS message to the mobile phone.

6. Amending the Employees' Provident Fund Act, No.15 of 1958 facilitating the signing of social security agreements with foreign countries

By the Employees' Provident Fund (Amendment) Act, No. 23 of 2021, the definitions of "employee" and "covered employment" in the Employees' Provident Fund Act No.15 of 1958 were amended so as to facilitate the entering into Social Security Agreements with another country enabling workers of a Sri Lankan company employed in foreign branches to continue their contributions to the EPF of Sri Lanka instead of the contributions to be paid to social security funds of the host country and enabling employees of Sri Lankan branches of foreign companies to contribute to the EPF of this country.

Accordingly, action is being pursued to sign the first such social security agreement with the government of India. Hence, Sri Lankan workers employed in India will not have to wait till they reach the age of 58 years as per the Indian law to claim their contributions in the Social Security Fund.

7. Amending the list of hazardous occupations in which children under 18 years of age are proscribed from being employed

By the Hazardous Occupations Regulations No. 01 of 2021, the list of hazardous occupations set forth in the Employment of Women, Young Persons & Children Act No. 47 of 1956 were amended expanding the hazardous occupations list from 51 to 71 occupations. Under these regulations, it is illegal for any person to employ

anyone under 18 years of age in any type of work as a domestic worker, in slaughter houses, involving the manufacture, storage, packaging, selling, handling or transport of agro-chemicals including pesticides, weedicides or fungicides, involving the manufacture or sale of fire crackers or any other explosive, in a mortuary, funeral parlour or a cemetery; or which is likely to harm the health or safety of such young person. These regulations have banned the employment of children / young persons in occupations that can be harmful to their physical and mental health and safety or morals. The amended list of hazardous occupations was adopted by Parliament after being published in Gazette No, 35/2251 dated 18.11.2021.

8. Bringing in the Minimum Retirement Age of Workers Act, No 28 of 2021 introducing a method for determining the minimum age of retirement for employees of the private sector

There was no fixed age of retirement prescribed by the law for the private sector of Sri Lanka and some employees adopted a method of retiring their male employees on reaching 55 years and female employees on reaching 50 years which were the minimum ages they were entitled to claim benefits of the Employees' Provident Fund. Taking into cognizance the fact that the age of retirement in South Asian countries is 58, 59 or 60 years and the life expectancy at birth of Sri Lankans, the Minimum Age of Retirement of Workers Act, No. 28 of 2021 was adopted in August, 2021 prescribing the minimum age of retirement in the private sector as 60 years. Concurrent to the adoption of this Act, the Termination of Employment of Workmen (Special Provisions) Act, No. 29 of 2021 too was enacted. These two new Acts will pave the way for more gainful utilization of the knowledge of experienced workers of the private sector for the advancement of their respective institutions as well as the country and is expected to be contributory in preserving the productivity of the labour force.

9. Increasing the maximum amount of compensation paid under the Workmen's Compensation Ordinance for workers who are injured during the course of employment from Rs. 550,000/- to Rs. 2,000,000/-

In terms of the last amendment made in the year 2005 to the Workmen's Compensation Ordinance, No.19 of 1934, the maximum compensation that could be recovered for a worker for an injury during the course of employment or an occupational disease was Rs. 550,000/-. Approval was granted by Parliament through Act, No.10 of 2022 to raise this maximum compensation limit to Rs. two million (Rs. 2,000,000/-) and increase other compensation limits correspondingly. Provisions have also been incorporated enabling workers to claim compensation for accidents occurred while coming from their place of residence to the work place or while returning back to their place of residence from the work place.

10. Delegating concurrent judicial powers to Magistrate's Courts and Labour Tribunals for the speedy disposal of cases being tried under labour legislations

At present, in order to seek relief for violations of labour laws and the EPF provisions, cases have to be filed in the Magistrates Courts. Due to delays caused as a result, a lengthy period of 5-6 years is consumed for the recovery of statutory entitlements of workers such as gratuities, EPF and salary arrears to which they are entitled to. As a solution to this, a special provisions bill has been drafted to delegate the powers of additional magistrates to the presidents of Labour Tribunals only for exercising judicial powers to resolve labour disputes. The final draft for the amendment of the Act has been submitted to the Attorney General's Department and necessary action will be taken to publish the Bill in gazette and present for the approval of Parliament upon the receipt of the Attorney General's certification and the trilingual final draft.

11. Authorizing workers' representatives

who are non-lawyers to appear for workers in labour tribunals and delegating the authority to presidents of Labour Tribunals to enforce orders of Labour Tribunals

In cases filed by workers against employees for unfair dismissal from service, only lawyers and trade union representatives appear for workers at present. Measures have been initiated to make provisions to authorize non-lawyer representatives to appear for workers. By amending Section 46 of the Industrial Disputes Act, No. 43 of 1950, powers are to be delegated any authorized officer, arbitrator, lawyer or any other representative to appear for workers through the Commissioner General of Labour.

Currently, complaints have to be lodged with the Magistrates Courts against employers who do not abide by the orders delivered by the Labour Tribunal. In order to minimize delays in this regard, powers should be conferred on the presidents of Labour Tribunals to enforce their orders.

The certificate of the Attorney General's Department has been received to the final draft containing these amendments and necessary action will be taken to publish the Bill in gazette and present for the approval of Parliament upon the receipt of the trilingual final draft from the Attorney General's Department.

12. Bringing in provisions requiring security to be furnished in filing writ applications, revision applications and appeals for minimizing unnecessary appeals occurring in enforcing orders

The Termination of Employment of Workmen (Special Provisions) Act will be amended in such manner so that legal proceedings can be constituted in seeking a writ application against an order of the Commissioner General of Labour or in filing an appeal against a judgment of a Magistrate's Court only after furnishing a security with the Commissioner General of Labour. This legal provision is to be introduced with a view to

minimizing unnecessary appeals in executing the orders. The final draft for the amendment of the Act has been submitted to the Attorney General's Department and necessary action will be taken to publish the Bill in gazette and present for the approval of Parliament upon the receipt of the Attorney General's certification and the trilingual final draft

13. Bringing in provisions requiring security to be furnished in filing arbitration awards, writ applications, revision applications and appeals against orders of Industrial Courts for minimizing unnecessary appeals occurring in enforcing orders

The Industrial Disputes Act No. 43 of 1950 will be amended for this purpose. The final draft for the amendment of the Act has been submitted to the Attorney General's Department and necessary action will be taken to publish the Bill in gazette and present for the approval of Parliament upon the receipt of the Attorney General's certification and the trilingual final draft

14. Prescribing a period of time during which a final disciplinary order should be given subject to disciplinary inquiries or interdiction by employers for an act of misconduct

The Industrial Disputes Act No.43 of 1950 to bring in legal provisions for expediting the disciplinary procedures taken in respect of private sector employees subject to disciplinary inquiries.

A grave injustice is caused to employees and their dependents as a result of the lengthy period of time taken to deliver the final disciplinary ruling. Therefore, a timeframe should be determined during which the final disciplinary ruling should be given subsequent to a disciplinary inquiry. Hence, it is expected to amend the Industrial Disputes Act requiring the disciplinary order to be delivered subsequent to a disciplinary inquiry within six (06) months from the date of such interdiction and to pay half the wage provided that the misconduct is not a financial fraud. The preliminary draft in this regard has been prepared

by the Legal Draftsman and observations there to have been made by the Ministry. The approval of the Cabinet of Ministers has to be obtained again to publish the Bill in the gazette and present for the approval of Parliament.

15. Introducing a new Act on Occupational Safety, Health & Welfare

The existing legal provisions in the Factories Ordinance are not adequate to protect health and welfare of workers. Introduction of new laws for creating an enabling environment that secures health, safety and welfare in work places giving due attention to internationally recognized standards is a timely need. In order to identify the changes required to be made to the formulated draft, a committee has been appointed comprising representatives of the Attorney General and the Department of Legal Draftsman. The matter will be proceeded with upon the receipt of the observations of the said committee.

16. Amending the Shops and Office Employees Act, No.19 of 1954 for workers' welfare and current requirements

Other than business entities such as airports, residential hotels and restaurants (10.00 at night) of which restrictions have been relaxed upon special orders and come under the scope of the Shops and Office Employees Act, employers of other institutions have no right to employ women after 8.00 at night. However, as Business Process Outsourcing (BPO) enterprises based on information technology knowledge operate their businesses as per international time zones, it is difficult for them to adhere to such restrictions, the relevant service conditions have to be relaxed by amending the Shops and Office Employees Act to safeguard the rights of employees (specially to ensure the safety of female employees) employed in the said sector. Further, measures such as the introduction of a flexible working hour system to increase the female participation in the labour force. The draft prepared in consultation with the entrepreneurs of the relevant sectors, employers and the Information & Communication Technology Agency is due to be submitted for the

approval of the National Labour Advisory Council.

17. Amending the Employees' Provident Fund Act, No.15 of 1958

The EPF Act should be amended for enhanced welfare of workers and to be compatible with the current socioeconomic trends. Therefore, provisions will be introduced enabling workers to claim benefits of EPF in the event of retiring under a voluntary retirement scheme or before reaching the age of 55 years. The draft prepared by the Department of Labour with due regard to the observations of the Central Bank is due to be submitted for the approval of the National Labour Advisory Council.

18. Amending the Gratuity Act No.12 of 1983

The Gratuity Act should be amended for enhanced welfare of workers and to be compatible with the current socioeconomic trends. The draft prepared by the Department of Labour with due regard to the observations of the Central Bank is due to be submitted for the approval of the National Labour Advisory Council.

19. Delegating concurrent judicial powers to the Commissioner for Workmen's Compensation and Labour Tribunals for expediting the process of awarding labour compensation

It is expected to confer concurrent judicial powers on the Commissioner for Workmen's Compensation and Labour Tribunals in order to expedite the process of paying compensation for accidents occurred in the workplace. The draft amendment bill has been prepared together with the Cabinet Memorandum and the matter will be continued upon the receipt of approval from the Cabinet of Ministers.

20. Covering domestic workers from labour laws in order to expand social security to domestic workers

Domestic workers have to be incorporated in to several Acts such as the Wages Board Ordinance, Employees' Provident Fund Act, Employees' Trust Fund, Maternity Benefits Act,

Gratuity Act, etc. After submitting and obtaining the approval of the National Labour Advisory Council for the concept paper, the approval of the Cabinet of Ministers has to be secured to amend the relevant Acts accordingly.

21. Offering the coverage of EPF Act to insurance agents

Preliminary negotiations are underway with the relevant stakeholders with a view to offering the coverage of the EPF Act to insurance agents and the matter will be proceeded with upon the approval of the Cabinet of Ministers.

22. Granting insurance entitlements to Sri Lankan migrant workers

Sri Lanka Bureau of Foreign Employment administers a migrant worker insurance scheme to ensure benefits to Sri Lankan migrant workers. At present, the maximum amount of compensation offered in the event of death of a migrant worker is at a minimal level of Rs. 600,000/-. Initial steps have been taken to introduce a new insurance scheme with enhanced coverage with a minimum compensation of \$ 15,000 for dependents in the event of death of a migrant worker and compensation between \$ 3,000-15,000 to cover medical expenses in the case of partial or permanent disability. In addition, provisions will be included to cover severe forms of harassment, grave illnesses and serious accidents and pandemic situations such as Covid-19. In addition, it is proposed to include as a condition in the clearance report that it is compulsory to obtain the insurance coverage and submit evidence of same prior to the departure. The approval of the Cabinet of Ministers has been obtained thereto and further action is being pursued by the State Ministry of Foreign Employment Promotion and Market Diversification.

2.1.2 Protecting employers and employees in the wake of Covid-19 pandemic

With the onset of the Covid-19 pandemic, a tripartite taskforce headed by the Hon. Minister was established as a subcommittee of the National Labour Advisory Committee which is

the foremost social dialogue mechanism. The function assigned to the taskforce was to take proactive measures to minimize the impact of Covid-19 pandemic on employees and institutions.

During the year 2021, the Committee held three meetings. The measures adopted by the Committee were immensely helpful in building trust amongst different stakeholders and preempting issues from developing into crisis situations. At the meetings of the taskforce, the following agreements were reached as regard the payment of salaries of workers.

- Payment of 50% of the basic salary of the month in which the employee last received his full salary or Rs. 14,500/- whichever is more favourable to the employee to the tourism sector, which continued to be severely affected by the Covid-19 pandemic and to certain institutions of several other sectors which were unable to run their businesses or industries smoothly without hindrances due to Covid-19 pandemic, subject to the prior approval of the Commissioner General of Labour.
- Subsequently, the tripartite taskforce decided to execute this agreement for the payment of salaries from July to December 2021 only to the tourism sector businesses

The employers are entitled to forward applications for the termination of employment of workers under the Termination of Employment (Special Provisions) Act No. 45 of 1971 and the Commissioner General of Labour is authorized to grant approval for the termination of employment subsequent to the payment of due compensation. The Department of Labour took all possible measures to cause agreements to be reached between employers and employees to protect employment of workers in the wake of Covid -19 pandemic.

2.1.3 Facilitating the welfare of Sri Lankan migrant workers

Sri Lanka Bureau of Foreign Employment in collaboration with embassies of the respective countries has taken measures to provide dry rations, basic medical facilities, face masks, sanitary equipment and temporary accommodation for migrant workers who have become vulnerable due to Covid -19 pandemic.

Compensation was paid to Sri Lankan workers who had contracted Covid-19 and returned home during the period of registration and the Bureau in partnership with the Sri Lanka Insurance Corporation coordinated the process of paying compensation to dependents in the event of death of a migrant worker due to Covid -19.

The Bureau also coordinated with the Foreign Ministry and the National Operation Centre for Prevention of Covid-19 Outbreak to facilitate the return of Sri Lankan migrant workers due to Covid-19 pandemic or the expiration of the visa period. The SLBFE reserved 10 hotels to be used as quarantine centers for returning migrant workers free of charge and on average Rs. 18 million was spent per week to provide facilities to 571 workers.

2.1.4 Introduction of a Social Security System

There are a number of social security schemes in the country at present. But they are unable to cater to the needs of workers during crisis such as Covid-19 pandemic, natural disasters or calamities. Against this backdrop, exploring diverse methods for establishing a separate fund for social security and looking into the ways and means making contributions on the basis of different situations to minimize negative impacts is a timely need. Further, 60% of workers are employed in the informal sector and bringing them under the cover of a social security system is another challenge. Therefore, it is essential to establish a social security fund to provide redress to workers who lose their employment due to unforeseen circumstances.

The National Labour Advisory Council has appointed a subcommittee to study this matter and submit a proposal. Pursuant to the recommendations of the subcommittee, necessary measures will be taken to further the matter.

2.1.5 Eliminate existing complications in labour laws

With the objective of making the entire Sri Lankan workforce partners of economy, action has been initiated to review all laws and regulations enforced by the Department of Labour at present and bring in amendments to simplify them and remove existing discrepancies and complexities in legislations. These amendments are expected to be finalized in the year 2022.

2.1.6 Introducing digital technology for the service delivery of the Department of Labour

Currently an automated system is being used for the activities of the Employees' Provident Fund. Projects have been launched to introduce digital technology for the activities from the point of applying for benefits to the making of payments and all other activities with potential to be carried out using digital technology. In addition, a computer network is scheduled to be established as one-stop service delivery centre. Similarly, a Complaint Management System is

due to be introduced enabling workers to lodge their complaints with the Department of Labour using mobile phones without physically visiting the labour offices.

2.1.7 Introducing a Standard Operating Procedure

A Standard Operating Procedure was formulated for resolving industrial disputes for integrating the resolution of industrial disputes of all Labour Offices and expediting the dispute resolving process and with the employment of this Standard Operating Procedure, dispute resolution is expected to be conducted speedily.

2.1.8 New challenges

In the face of the Covid-19 pandemic and the current economic crisis in the country, the direction of the functions of this Ministry has to be taken to a new dimension. Necessary steps should be taken by this Ministry to reduce the negative impact on the working class due to the economic crisis and to maintain industrial peace in the country



M P D U K Mapa Pathirana
Former Secretary
Ministry of Labour

2.2 Progress of the Ministry

2.2.1 Strengthening Labour Force and Maintaining International Labour Standards

Safeguarding domestic labour rights in accordance with the obligations undertaken by Sri Lanka as a member country of the International Labour Organization and other internationally recognized conventions and recommendations and making use of them on behalf of the Ministry of Labour to resolve problems in the labour sector is one of the main activities of this Ministry.

Ensuring that Sri Lanka has fulfilled its obligations and responsibilities in respect of the field of labour to the International Labour Organization and other multilateral agencies, formulating labour policies, creating national level social dialogues and enlisting international support for the development of human resources are the other functions in this regard. The following measures have been taken in the year 2021 for the attainment of these objectives.

1. Empowerment and Protection of Labour Force

- I. Serving as the facilitator of the National Labour Advisory Council (NLAC) with tripartite representation. In the year 2021, the following measures were taken having conducted six meetings.
 - Agreeing to introduce a retirement age for private sector employees and establishing a subcommittee to take action required in that regard
 - Appointing a subcommittee to pursue action for the introduction of a social security programme for employees of the private sector
 - Giving instructions to trade unions representing workers and employers to hold bipartite discussions and

reach consensus in order to address problems faced by the plantation worker community

- Bringing in provisions for making deposits in filing write applications, revisions and appeals challenging orders of the Industrial Courts for arbitration awards
- Granting the authority for non-lawyer representatives to appear before Labour Tribunals, conferring powers on the Presidents of Labour Tribunals to enforce their rulings/judgments, prescribing a time period of conducting a disciplinary inquiry and make a ruling
- Raising the ceiling of compensation formula from Rs. 1.25 million to Rs. 2.5 million
- Increasing the compensation paid to workers for workplace accidents from Rs. 550,000/- up to Rs 2,000,000/-
- Discussing the possibility of granting membership of the National Labour advisory Council to domestic workers as appropriate in terms of prevailing labour legislations in Sri Lanka
- Taking measures to submit a summary report to Parliament on the ILO Convention concerning the Elimination of Violence and Harassment in the World of Work

- II. Holding the meetings of ministerial committee on labour laws and policies which is a special committee to discuss the matters, trends and need relating to the revision of laws and policies and introduction of new legislation in respect of the labour sector and organizing all activities relating thereto.

- Industrial Disputes Act
- Employees' Provident Fund Act
- Payment of Gratuity Act
- Termination of Employment of Workmen Act

2. Maintaining International Labour Standards

- Preparation of reports under Article No. 22 of ILO for 04 Conventions for the year 2021
- Compiling the report to address problems encountered in regaining the EU GSP+ concession and conducting meetings for the tripartite committee appointed to monitor of GSP+ concession and organizing and participating in all activities thereof
- Discussing matters concerning the labour field of Sri Lanka with Mr. Tomoya Obokata, United Nations Special Rapporteur on Contemporary Forms of Slavery, including its Causes and Consequences
- Handling activities in respect of Memoranda of Understanding to be signed in future in the fields of social security and education in relation to the labour sector between Sri Lanka and other countries and all programmes towards that end
- Coordinating and following up all activities required to cause the participation online of tripartite representatives in the ILO conference held annually in Geneva. Seven state representatives, one employer representative and six trade union representatives participated in this online event
- Making arrangements required for tabling the conventions and recommendations adopted by the ILO in the Parliament
- Making arrangements for the Task Force meetings under the Decent Work Country Programme (DWCP) and extend necessary

support in that regard to the ILO

- Carrying out all coordinating activities of projects and workshops conducted with the technical collaboration of the ILO. Holding discussions with the Ministry of Fisheries to explore the possibility of ratifying the Fisheries Convention (C 188)
- Taking necessary measures to look into the deployment of child labour in Sri Lanka. Three rounds of discussions were held with the key stakeholders and the need for obtaining updated data on child labour was identified
- Providing relevant information to the Economic Review and Economic Outlook published annually by the Central Bank of Sri Lanka and compiling information relevant for the Central Bank Annual Report
- Compiling reports on emerging trends of the labour sector for the use of the Ministry of Foreign Affairs and other ministries
- Organizing quarterly review meetings on the payment of Employees' Provident Fund, Employees' Trust Fund and gratuity in arrears receivable to workers of plantation companies acquired by the government with the Department of Labour, Central Bank of Sri Lanka and members of trade unions representing estate workers. Instructions were given to the relevant institutions to procure funds required for the payment of arrears expeditiously and finalize the relevant activities
- Submitting the answers to the questionnaire on labour statistics required to be conveyed to ILO annually
- Conducting meetings with domestic workers, insurance agents and owners of insurance companies to look into issues relating to labour rights

2.2.2 Policy Guidance for the Promotion of Foreign Employment

Providing policy guidance to the relevant State Ministry for the creation of a skilled foreign employment force based in national policies implemented by the government and in accordance with the policy statement "Vistas of Prosperity and Splendour" is one of the aspects of subjects and functions assigned to this Ministry in terms of Extraordinary Gazette Notification No: 2196/27 dated 06.10.2020.

1. Formulating an appropriate methodology for selecting officers posted to labour sections of foreign diplomatic missions for ensuring welfare and safety of migrant workers

It is observed that the officers posted to diplomatic missions by the Sri Lanka Bureau of Foreign Employment have failed to provide an efficient and effective service due to being unable to handle the language of the host country, lack of proficiency in English language and lack of competencies to discharge the duties assigned with efficiency and effectiveness in conformity with set standards. In order to overcome this situation, the following measures were adopted with the concurrence of the Cabinet of Ministers for the provision of effective and efficient service to legal and social issues that arise concerning the employment of Sri Lankan migrant workers.

- Reviewing the existing designations and cadre specific to each country and formulating a recruitment procedure in collaboration with the relevant line ministries and departments.
- Carrying out recruitments to the relevant posts only in accordance with a proper methodology by duly conducting examinations in terms of the amended recruitment procedures and with transparency.

2. Awarding insurance entitlements to migrant Sri Lankan Workers

Sri Lanka Bureau of Foreign Employment maintains an insurance coverage for migrant workers in order to ensure benefits to Sri Lankan migrant workers. At present, the maximum compensation paid in the event of death of a migrant worker is as low as Rs. 600,000/-. Preliminary steps have been taken to introduce a new insurance scheme inclusive of a minimum compensation of US\$ 15,000 for dependents in the event of death of the migrant worker and to award compensation between US\$ 3000 to US\$ 15,000 in case of permanent or partial disability. In the proposed insurance scheme, provisions are expected to be incorporated covering severe harassment, severe illnesses, serious accidents and pandemics such as Covid-19. In addition, it has also been proposed to include in the clearance report a condition making it mandatory to submit documentary evidence to confirm that the insurance coverage has been obtained prior to the departure. The approval of the Cabinet of Ministers has been secured for this and necessary action is being pursued by the State Ministry of Foreign Employment Promotion and Market Diversification.

2.2.3 Securing Industrial Peace for Economic Development

Since the vision of the **Department of Labour** is a country with a lasting industrial peace for an internationally competitive economy maintaining industrial peace is the fundamental and all-important function of the Department.

For this purpose, the Department discharges several key functions, namely the maintaining of a dialogue between employers and employees, inspection of workplaces, settling issues regarding the denial of statutory rights, resolving industrial disputes, ensuring workplaces are free of accidents and constituting legal action for the protection of occupational rights of workers.

For fostering productivity and efficiency of semi-government and private sector institutions scattered across the country, the following tasks were carried out in the year 2021 for creating

an enabling environment that would strengthen industrial peace between two stakeholders, the employer and the employee.

1. Conducting Awareness Programmes for Employers and Employees

To educate both employers and employees on labour laws through awareness programmes for semi government and private sector institutions aimed at creating favourable working environment, programmes were organized and conducted as in table 2-1.

Table 2-1 Progress of social dialogue programmes - 2021			
Programme	No of programmes	No of participants / beneficiaries	
		Employees	Employees
1 Institutional level awareness programmes for both employers and employees conducted by Social Dialogue Division	31	875	307
2 Programmes conducted at semi-government institutions by Social Dialogue Division	3	150	10

In addition, two training of trainers programmes were conducted for the officers of the Department of Labour.

2. Publications published for raising people's awareness on the field of labour

• 'Kathikawa' News Journal

The 20th volume of 'Kathikawa' news journal was launched concurrent to World Day Against Child Labour which fell on 12th June and 2021 International Year for the Elimination of Child Labour.

• 'Prime Work' Magazine

The first volume of this magazine printed for free distribution with the intention of fostering industrial peace by broadening knowledge on labour laws and fostering dialogue amongst employers and employees was issued under the theme of 'Navigating Conflicts' in June 2021 and the second volume was issued on the theme of 'Work-Life Balance' in December 2021.

• Social dialogue programme handbooks and labour legislation handbooks

Labour legislation handbook was compiled for fulfilling the need for a simplified version of labour laws as a reference material for employers of the private and semi-government sectors, employees, those interested in the field of labour laws and academics who have undertaken studies on the realm of labour laws and a handbook was also prepared on social dialogue and workplace cooperation.

Due to the Covid - 19 situation that prevailed in the country, the awareness programmes for employers and employees, social platform programmes and zonal consultation councils planned to be conducted by the Social Dialogue Division through Zonal Advisory Councils, District Labour Offices and Sub Labour Offices could not be conducted.

A competition on social dialogue and workplace cooperation is conducted Island-wide annually at small, medium and large scales with representations from the manufacturing, service, apparel and plantation sectors to ascertain the extent to which social dialogue has been established within institutions. However, it was

decided not to hold this competition in the year 2021 due to the Covid - 19 pandemic situation.

3. Conducting Workplace Inspections

The foremost objective of conducting workplace inspections is to examine whether the rules and regulations imposed for the protection of statutory rights of workers in the place of work are complied with and take necessary action to redress grievances and pave the way for the

establishment of cordial relationships between employers and employees. To carry out this function, 11 Zonal Labour Offices and 40 District Labour Offices, 17 Sub Labour Offices and 10 District Factory Inspection Engineering Offices have been established to cover the entire Island and the number of Labour Officers deployed as at 31.12.2021 including those serving in the head office was 474. The total number of labour inspections performed by Labour Officers in the year 2021 was 45,724.



Figure 2-1 Labour inspections - Progress of the year 2021 as against the progress of the year 2020

The number of labour inspections conducted in the year 2021 has seen a reduction compared to the year 2020. This was due to the total suspension of labour inspections in certain months of the year and restrictions imposed on inspections due to the Covid-19 pandemic situation in 2021.

4. Resolving complaints on the violation of statutory entitlements and resolving industrial disputes

Complaints regarding the violation of statutory laws and potential breaches in industrial peace

and the possibility of strikes are lodged with the head office, district offices and sub offices by employees or trade unions and action is pursued by the relevant offices to resolve such complaints. If attempts to resolve disputes at the Department of Labour level failed, such disputes are referred to an arbitrator or an industrial court for a solution on the order of the Minister in charge of the subject.

Complaints received on the violation of statutory laws and solutions offered in the year 2021 in comparison to the year 2020 are as follows.

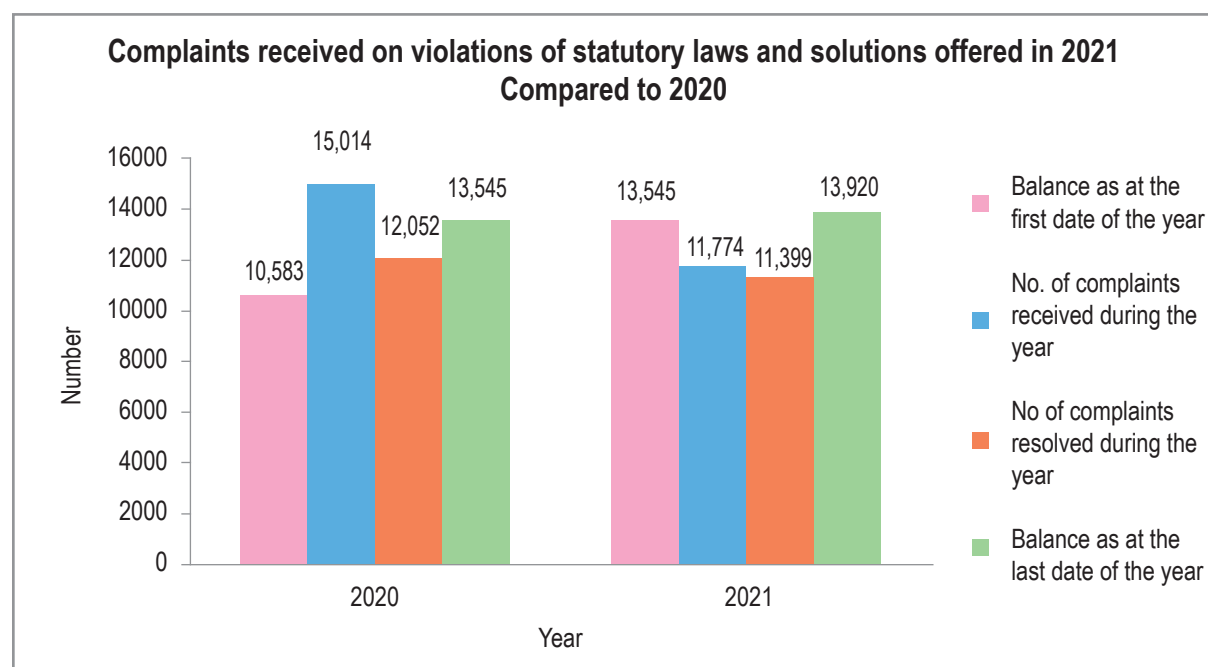


Figure 2-2

Complaints received on the violation of statutory laws and solutions offered in the year 2021 in comparison to the year 2020

It is observed that the number of complaints received and resolved in the year 2021 is comparatively low due to the Covid - 19 pandemic situation.

No sooner a situation that could possibly lead to a strike action is observed, the officials of the

Department of Labour take action to contain the situation and if a strike is launched, necessary interventions are made to resolve the dispute. Compared to the year 2020, though a slight decline is seen in the number of strikes reported in the year 2021 compared to year 2020, an increase can be witnessed in the number of man days lost.

Table 2-2

Data reported on strikes - 2021 compared to 2020

S. No	Event	Plantations	Construction	Manufacturing	Mining	Lodging and food supply	Semi government	Other services	Total
2020	Strikes reported	13	-	12	-	2	-	1	28
	No of employees participated	1,936	-	4,040	-	64	-	85	6,125
	No of man days lost	9,375	-	12,806	-	324	-	85	22,590
2021	Strikes reported	05	-	12	-	-	-	-	17
	No of employees participated	848	-	5,872	-	-	-	-	6,720
	No of man days lost	3,705	-	105,067	-	-	-	-	108,772

By entering into collective agreements as a means of settlement of industrial disputes, a more permanent solution is offered to both the employer and the employee and they enable employees to secure greater privileges than the rights and privileges conferred through labour legislations. Similarly, the Department of Labour endeavours to make a greater inducement through social dialogue to move towards collective agreements. The total number of collective agreements in force as at 31.12.2021, including the 25 collective agreements registered in the year 2021 was 171.

Disputes which cannot be resolved with the intervention of labour offices or with the direct involvement of the Industrial Relations Division of the Department of Labour are referred to arbitration of to an industrial court and in the year 2021, there had been 73 references for compulsory arbitration and the number of awards issued was 49. In order to make the arbitration process more efficient, 86 arbitrators were appointed in the year 2021.

It is compulsory for all trade unions to register with the Department of Labour. Accordingly, the number of trade unions registered with the Department of Labour in the year 2021 was 128 and the total number of valid trade unions in operation as at 31.12.2021 was 1936.

2.2.4. Special Investigations

A reinvestigation is conducted as and when necessary upon a request made for an independent inquiry to the Commissioner General of Labour by any party aggrieved by the way an investigation was conducted into a complaint by a division of the Department of Labour or a labour office or an investigation was conducted by an institution. Such investigations are conducted by the Special Investigations Division of the Department of Labour.

Accordingly, 422 investigations into complaints were conducted in the year 2021 and the value of the EPF in arrears thus computed was Rs. 21,782,992.58 and the value of the statutory allowances in arrears was Rs. 14,061,361.23.

2.2.5 Safeguarding and Promoting Labour Standards

Formulating and updating and giving legal effect to policies, standards and conditions of work in order to ensure welfare and job security of the workers employed by the private sector is a foremost process of the Department of Labour. Accordingly, the following activities have been conducted in the year 2021.

Table 2-3

Activities pertaining to the standardization of workers' rights - 2021

S.No	Programme/Activities	Targets for the year 2021		Progress from 01.01.2021 to 31.12. 2021	
		Physical	Financial (Rs.)	Physical	Financial (Rs.)
1	Appointing representatives to 05 Wages Boards whose official terms will expire	100%	250,000.00	90%	183,421.80
2	Convening 40 wages board subsequent to the amendment of the National Minimum Wage Act.	100%	12,600,000.00	35%	1,082,429.10
3	Revising salaries of wages boards	100%	600,000.00	100%	473,282.80
	Rubber cultivation and raw rubber processing trade				
	Tea cultivation and processing trade				
	Ornamental plants, vegetables and fruit cultivation and exporting trade				

4	Computing monthly salaries relevant to the cocoa, cardamom and pepper cultivation and processing industry	100%	312,000.00	92%	391,278.60
5	Granting approval for five-day work week	Upon request	-	210	-
6	Inspecting legal validity of collective agreements	Upon request	-	35	-
7	Granting approval for deductions from salaries under the Wages Boards Ordinance and the Shops and Office Employees Act	Upon request	-	29	-
8	Referring soft copies of gazettes, amendments to Acts and regulations published by the Division for uploading to the website of the Department of Labour	As per requirements	-	3	-
9	Translating determinations of Wages Boards into English and Tamil languages	100%	120,000.00	60%	13,357.50
10	Making clarifications and giving interpretations for inquiries made by the public and various institutions regarding acts and ordinances	Upon request	-	39	-

Updating minimum wages of Wages Boards

The regulation of the wages and other remuneration of persons employed in trades, the establishment and constitution of Wages Board and other purposes connected therewith are carried out under the regulations made under the Wages Boards Ordinance No. 27 of 1947. The Ordinance contains provisions relating to the minimum wage paid for a particular service, the number of hours to be worked, the durations of leave and the legal conditions for the enforcement

of such provisions.

Accordingly, the updating of minimum wages of wages boards with a minimum monthly salary of Rs. 12,500/- and a minimum daily wage of Rs. 500/- was carried out by the Department of Labour in the year 2021.

The Department of Labour updated the minimum salaries of Wages Boards of which the minimum monthly salary was Rs. 12,500/- and the daily wage was less than Rs. 500/-

Table 2-4 Wages Boards which are updated the Minimum Wage

S. No	Wages Board	Monthly wage before updating the monthly wage (Rs.)	Monthly wage after updating the monthly wage (Rs.)
1	Rubber, plastic and petroleum resin products manufacturing trade	10,000.00	12,500.00
2	Security services trade	10,000.00	12,500.00
3	Textile manufacturing trade	10,000.00	12,500.00
4	Printing trade	10,000.00	12,500.00
5	Hotel and catering trade	10,000.00	12,500.00
6	Retail and wholesale trade	11,500.00	12,500.00
7	Brick and tile manufacturing trade	11,126.00	13,351.00
		445.00*	534.00*
8	Coconut producing trade	425.00*	500.00*
9	Tea cultivating and processing trade	405.00*	900.00*
10	Rubber cultivating and rubber manufacturing trade	405.00*	900.00*

Note - * Daily wage

2.2.6. Ensuring Decent Work Environment for Occupational Safety of the Employee

1. Activities carried out by the Department of Labour for ensuring Occupational health

According to the provisions of the Factories Ordinance, creating an environment for protecting health and occupational safety of employees is a mandatory legal obligation of the employer and the right to work in a safe environment is a fundamental right of the worker.

The Department of Labour conducts inspections employing scientific methods to assess whether there is a possibility of health issues or accidents in a workplace and creates awareness on the prevention of such accidents.

Accordingly, the Department of Labour conducts environmental condition monitoring, biological monitoring, sound measurement tests and occupational safety and health audits free of charge to check the possibility of health issues or accidents that might occur at a workplace. Accordingly, the progress of activities conducted in the year 2021 is as follows.

I. Checking occupational health of workplaces

Table 2-5 Activities conducted for inspecting occupational health measures in workplaces.- 2021

Programme	Physical Progress
1 Environmental Measurements	86
2 Biological Tests	1,475
3 Occupational Safety and Health Audits	150

Under this environmental measurements samples are obtained such as the intensity of light, sound, speed of the wind, WBGT index, dry bulb temperature, wet bulb temperature, globe temperature, relative humidity and the number of samples obtained in the year 2021 was 3,562.

II. Providing knowledge required for protecting occupational health in workplaces and conducting awareness programmes

Awareness programmes on health and

occupational safety of employees in a workplace are conducted covering both parties, i.e. the employer and employees. Details of awareness programmes conducted by the Department of Labour are tabulated below. The overall number of beneficiaries of these awareness programmes was 2,041.

Awareness needed for continuing production activities without compromising occupational health of employers and employees ensuring the safety of workers in compliance with Covid - 19 health guidelines was imparted.

Table 2-6 Imparting knowledge required for safeguarding health in workplaces and conducting awareness programmes - 2021

Programmes / Activities		No. of programmes / activities
Awareness programmes		
1	Educational programmes for employers and employees, labour officers and medical officers	67
2	Training programmes for employers and employees, labour officers and medical officers	57
	Awareness programmes for employers and employees, Labour Officers and medical officers	100
3	Providing expert evidence	10

III. Providing medical board decisions

Eleven medical boards were held in the year 2021 for employees who claimed benefits from the EPF and ETF on medical grounds and decisions were submitted. The number of employees who received benefits from the Employees' Provident Fund on medical board decisions was 850 and the number of Employees who received benefits from the Employees' Trust Fund was 240.

IV. Ensuring accident-free work environment

The danger of physical injuries and even death exists for workers in factories due to electricity, heat, air pressure, excessive light or sound and minimizing such accidents is one of the primary

responsibilities of the Department of Labour.

Qualified engineers attached to 10 District Factory Inspection Engineering Officers established covering the entire Island inspect factories to discharge this function.

● Registration of new factories

When applications are made for the commencement or registration of new factories, having inspected whether the prescribed standards that prevent unsafe work environment have been followed by such factories, the registration is done of the prescribed standards have been complied with. The number of factories registered under the registration of new factories by the end of the year 2021 was 32,414. This

includes the 684 new factories registered during this year.

● Inspecting and approving building plans

In constructing buildings for factories, inspections are carried out to ensure their compliance with the Factories Ordinance and the same is certified. During the year 2021, 133 building plans were inspected and certified.

● Inspection of factories

Instructions are given to the relevant offices to inspect the factories in their respective areas of authority and rectify conditions, if any, that may lead to accidents. The number of factories inspected in the year 2021 was 1,587.

● Investigations into accidents and hazardous events

During the year 2021, sixty three fatal accidents and 1,130 non-fatal accidents have been reported to the Department of Labour. By identifying the reasons for accidents, consequent to investigations into all such fatal and serious non-fatal accidents, awareness was created to prevent recurrence of such accidents and legal action was constituted by the Department in 2021 against 26 institutions in which accidents

had been caused due action that had violated the Factories Ordinance.

● Inspection / Regulation of high risk machinery

Action is taken to cause the inspection of machinery used in factories such as steam boilers, steam tanks, air tanks hoisting machines, lifts which should be inspected and inspection report should be obtained under the Factories Ordinance. The number of machinery so inspected in the year 2021 was 7,405.

● Investigating into complaints

The Department also investigates into complaints received in respect occupational health and safety of factory workers and remedies the existing problems. Accordingly, 81 complaints were inquired into during the year 2021.

● Conducting awareness programmes

In matters relating to improving occupational safety and health, enhancing knowledge of both employees and employers is as equally important as the enforcement of laws and regulations. Details of programmes conducted in the year 2021 by the Industrial Safety Division and District Factory Inspection Engineer's Officer are as follows.

Table 2-7 Awareness workshops conducted for improving occupational safety and health - 2021

S. No	Relevant Division	No. of programmes conducted	No. of participants
1	Apparel and manufacturing	05	360
2	Construction	03	375
3	Mixed programmes (construction, manufacturing and service provision)	26	1,050
Total		34	1,785

Due to the restrictions imposed in the wake of Covid-19 pandemic, awareness programmes could not be conducted as expected.

V. Commemoration of World Safety Day and National Occupational Safety and Health Week

A national seminar conducted by the Department of Labour annually and regional level awareness programmes on occupational safety and health to commemorate World Safety Day which falls on 28th of April every year could not be conducted in the

year 2021 due to the Covid - 19 pandemic situation.

The national seminar to mark the National Occupational Safety and Health Week was conducted online on 11.10.2021. One hundred factory employers and employees participated in the programme.

Additionally, 06 promotional programmes on occupational safety and health were conducted concurrent to the National Occupational Safety and Health Week in construction worksites and vocational training institutes. Details thereof are tabulated below.

Table 2-8 Promotional programme on occupational health and safety

S. No.	Programme	Number of employers / employees participated
1	Fire control drill at port city	150
2	Meriboc Auditorium, BOI, Horana	75
3	ITC Project, Galle face	150
4	BOI auditorium, Seethawaka	75
5	BOI auditorium, Katunayake	60
6	BOI auditorium. Kundasale, Kandy	50
7	HKN Waterfront construction site	75

VI. Other activities commenced in the year 2021

- Having formulated proposals containing regulations relating to self-audit on occupational safety and health, the same was forwarded to the Enforcement Division of the Department and action is being taken in that regard
- Action was taken to print handbooks, leaflets and banners for the promotion of occupational safety and health and arrangements have been made for their distribution in the near future
- A television documentary was produced on construction safety and it is due to be telecasted in the year 2022
- Preliminary measures were taken to conduct a study employing the

engineers of the Department for the identification of fields with high vulnerability. Expert advice is due to be procured for the future activities thereof

- The Jawatta office premises belonging to the Industrial Safety Division was modernized to serve as an example to clients and disseminate knowledge on workplace safety

2. Activities conducted by the National Institute of Occupational Safety and Health (NIOSH) for improving occupational safety and health

With the objective of producing Health and Safety officers required for minimizing occupational accidents in workplaces and creating safe worksites, NIOSH conducts the following courses on occupational safety and health.

Table 2-9 Training programmes on occupational safety and health - NIOSH

	Course	No. of courses conducted	No. of participants	Financial progress (Rs. Mn.)
01	Diploma course on National Occupational Safety and Health	3	115	11.51
02	Certificate course on National Occupational Safety and Health	4	125	5.81
03	Foundation course on National Occupational Safety and Health	2	29	0.88
04	Special course for officers of the Executive Grade	4	82	1.64
05	Certificate course for the returnees from foreign countries	1	56	2.52
06	Awareness workshop on how to conduct the Covid audit	1	14	0.07

In the year 2021, NIOSH conducted 105 risk assessment surveys generating a gross income of Rs. 5,250,000/-.

Despite the Covid - 19 pandemic, National Occupational Safety and Health seminar was held successfully. It was held on 22.11.2021 under the patronage of the Hon. Minister of Labour and the Secretary of the Ministry and the Occupational Safety and Health Diploma and Certificate Ceremony 2021 was held at night.

As part of the National Occupational Safety Week, the National Conference on Occupational Safety was conducted as an online event. The conference was conducted for three days and each day 100 - 110 participants took part in the event.

Social services carried out by NIOSH in the year 2021

- Conducting awareness programmes of Covid - 19 pandemic and attendant problems for workers
- Designing posters on Covid-19 pandemic and distribution amongst factories free of charge
- Conducting training programmes free of charge in partnership with International Labour Organization

- Preparation of a guidebook on occupational safety and health
- Conducting programme free of charge for students under the decent work programme
- Online participation in awareness programmes of Online Asia Regions Institute
- Online participation in an international workshop on occupational safety and health

2.2.7 Safeguarding the Occupational Rights of Women and Young Persons and Eradicating Child Labour

One of the primary responsibilities of the Department of Labour is to promote productive contribution of women's labour by enforcing labour laws covering women at workplaces and recommend necessary amendments to such laws by reviewing them periodically.

Similarly, eradicating child labour with the contribution of all stakeholders, enforcing labour legislation applicable to children less than 18 years of age and recommending amendments to existing laws to be compatible with prevailing social issues too are key responsibilities of this Department.

Table 2-10 Enforcement of existing laws relating to the employment of women, young persons and children - 2021

S. No.	Category	Number	Observations
1	Daily inspections	37	Conducting routine inspections was suspended due to Covid - 19 pandemic
2	Inspections on child labour	204	Investigations into 126 complaints were finalized and files were closed in the year 2021. Fourteen investigations files of the year 2019 and 2020 too were finalized and files were closed in the year 2021. Since the employment of child labour was disclosed in 7 such complaints, legal action has been constituted in respect of 4 of them. For 04 complaints regarding which legal proceedings in the year 2020, cases were filed in the courts in the year 2021. During the year. Matters relating to 03 cases were finalized
3	Investigations into complaints on service conditions of women	16	Investigations into 02 complaints of the year 2021 were finalized and files were closed in the year 2021. Investigations of 11 files belonging to the years 2018, 2019 and 2020 were completed and files were closed. Legal action was constituted for 11 complaints on violations of conditions in the year 2021. (These cases in respect of complaints investigated since the year 2020 were filed in the year 2021)
4	Granting approval for employing women at night	592	579 approvals by district offices and 13 approvals by sub officers were granted for employing women at night
5	Special group investigations into hazardous forms of child labour	64	318 institutions were inspected but no incidence of hazardous forms of child labour was reported
6	Special group investigations into woman workers	60	302 institutions were inspected. Violations of 30 institutional conditions have been reported. Legal proceedings were constituted against 2 institutions for violating conditions. Warnings were issued 28 other institutions for minor violations of conditions.
7	Awareness creation on labour laws	08	Awareness was raised on the labour laws applicable to women and children for 08 groups comprising 30 female workers each of the private sector through the 11 zonal labour offices in their respective areas
8	Conducting awareness programmes on child labour in the fisheries sector	104	104 awareness raising programmes were conducted in collaboration with labour offices in fisheries areas. Awareness was raised amongst 5,069 employees in the fisheries sector regarding the labour laws applicable to children

1. Conducting the relevant main commemorative days and conducting awareness programmes

I. Raising awareness by conducting the relevant major commemorative days

• International Women's Day - 2021

Several programmes were conducted at the Department of Labour under the patronage of the Hon. Minister to coincide with International Women's Day which was celebrated under the theme 'Women in Leadership' held on 08.03.2021.

- The Department of Labour joined hands with the Sri Lanka Girl Guides Association to raise societal awareness by educating girl guides on the labour law and a Memorandum of Understanding was signed between the two parties aimed at specific objectives for the empowerment of girl guides
- A handbook titled "Employment Report" containing a set of instructions useful for working life of those employed in the public and private sectors and job aspirants was launched
- A capacity developing musical programme for improving mental wellbeing of female officers of the Department who spend the bulk of their working time with labour legislations was conducted by veteran psychological counselor Mrs. Ama Dissanayake
- Similarly, action was taken to conduct a psychological counseling and evaluation programme for female resident hostellers of Katunayake and Koggala. Accordingly, the first of the programmes was held for female hostellers of Katunayake hostel run by the Department of Labour on 4th February 2021 and the second for hostellers of Koggala was held on 7th March 2021

• World Day Against Child Labour - 12th June 2021

Concurrent to World Day against Child Labour which fell on 12 June in the International Year for the Elimination of Child Labour, a host of programmes were planned and implemented by the Women and Children's Affairs Division of the Department. Of them, some of the standout activities are outlined below.

- Engendering a broad dialogue in the society about the legal framework of Sri Lanka on child labour under the aegis of the Hon. Minister of Labour on 11.06.2021 and conducting an online programme using zoom technology for creating awareness on the social responsibility for zeroing child labour in Sri Lanka
- As a stakeholder in gathering information about child labour, the media community too was involved in this programme and the relevant parties were educated on recent amendments to laws pertaining to child labour and hazardous child labour
- Pursuing action in terms of the MoU signed with the Sri Lanka Girl Guides Association with the intention of eliminating child labour from Sri Lanka, a competition was conducted for designing badges against child labour creating an opportunity for girl guides to undertake a comprehensive study on child labour
- Evaluating the skills of those who contributed to design badges to be awarded to guild guides with special talents who are actively involved in the programme for the elimination of child labour from Sri Lanka and selecting the first, second and third places and unveiling the selected badge and launching the "Kathikawa" magazine with a number of feature articles
- Discussion on legislation relating to children and safety of children parallel

to World Day against Child Labour – 2021. A topical discussion programme on legislation relating to children and safety of children was aired as part of “Sith Pahan Weta” programme of Lakhandha Radio on 10.06.2021

- **Commemoration of International Children’s Day**

- Publishing the message of the Minister of Labour in newspapers
The Children’s Day message of the Hon. Minister of Labour Hon. Nimal Siripala De Silva, titled “A country devoid of child labour - a secure future for children” for International Children’s Day which fell on 01.10.2021 was published in newspapers
- Conducting short film competition “Chalana Roo” to mark International Children’s Day - 2021
A short film competition titled “Chalana Roo” was organized to coincide with the commemoration of International Children’s Day. It was held in Sinhala and Tamil languages and the winners of the first, second and third places were awarded gifts and certificates
- Newspaper interview on laws pertaining to children and children’s safety parallel to International Children’s Day 2021

An interview was given to ‘Navaliya’ newspaper on laws pertaining to children and safety of children by the Commissioner of Labour of the Women and Children’s Affairs Division on 27.09.2021. The readers were educated on labour laws relating to child labour and the passage of the Amendment Act in Parliament which increased the minimum age a person can be employed from 14 years to 16 years

- **Media briefing concurrent to International Children’s Day - 2021 on legislation relating to children and safety of children**

A media briefing was held under the patronage of the Commissioner General of Labour at the Government Information Department on 30.09.2021 on the theme “Let’s protect our children from numerous dangers”.

2. Programmes conducted with the aim of eliminating child labour from Sri Lanka

- **Composing a theme song for raising awareness on the need to eliminate child labour**

A theme song to mark the International Year for the Elimination of Child Labour was launched at a special programme held under the patronage of Minister of Labour Hon. Nimal Siripala De Silva on 14.12.2021. The theme song was written by Mr. Rathna Sri Wijesinghe and composed by Dr. Rohana Weersinghe and was sung by six Dream Star artistes. (The YouTube extension of the song is <https://youtu.be/pgBULzDz2ks>)

- **Designing a sticker and poster regarding the elimination of child labour**

Posters were designed with new laws and Amendment Acts brought in for the elimination of child labour to be displayed at all Divisional Secretariats, Grama Niladhari offices and all labour offices and the posters were distributed through regional labour offices.

Similarly, a sticker was designed on the amendment of minimum age of employment aimed at eliminating child labour and educating people on the penalties for illegal employing children to be displayed buses, railway stations and schools.

- **Publishing “Ath Thatu” (Wings) magazine to educate schoolchildren with the objective of eliminating child labour**

Five thousand copies of the “Ath Thatu” magazine designed for educating schoolchildren on “International Year for the Elimination of

Child Labour 2021” were printed and launched at a special ceremony held on 14.12.2021. The magazine was distributed to district labour offices to be delivered to school libraries.

3. National Steering Committee on Eradicating Child Labour - 2021

The government of Sri Lanka has pledged to eradicate child labour from the country by the year 2022. Thus it is necessary to further strengthen the collective efforts of all relevant stakeholders for the eradication all forms of child labour including hazardous child labour. The National Steering Committee was set up to ensure that the targets are achieved through the collective endeavours of the relevant stakeholders.

The Committee was held on 02.03.2021 at the 4th floor auditorium of the Department of Labour with the participation of 26 officers representing partner institutions.

Similarly, the Technical Committee as proposed by the NSC at its meeting held on the above date was held on 07.04.2021 at the 04th floor auditorium of the Department of Labour with the participation of 16 Officers from the relevant institutions.

4. Assistance extended to activities carried out by other institutions during the year 2021 for the protection of women, young persons and children

- Despite the Covid-19 pandemic situation, labour officers participated in 28 district / divisional child development committees and the committee members were made aware of child labour and related issues. Similarly, all District and Divisional Secretaries were made aware of International Year for the Elimination of Child Labour 2021 and labour officers of the Women and Children’s Affairs Division conducted 02 meetings with the involvement of Divisional Secretariats in the Colombo District.

- A committee meeting on the foster parent scheme was conducted by the National Child Protection Authority on 24.08.2021 using zoom technology and the Department of Labour participated at the event as a stakeholder
- A discussion on “National Policy on Daycare Facilities of Sri Lanka” conducted by the National Child Protection Authority was held on 28.09.2021 using Zoom technology. The Department of Labour participated at the event as a stakeholder.
- Consent was granted on 26.01.2021 in respect of the Alliance 8.7 to amend the list of hazardous jobs as an active pledge as a member country to coincide with the International Year for the Elimination of Child Labour 2021. The Department of Labour participated in online workshops held in this regard.
- Training programmes to create awareness amongst girl guides and commissioners with the intent of eliminating child labour. This programme was conducted in four sessions employing zoom technology on 28.11.2021, 04.12.2021, 11.12.2021 and 12.12.2021

5. Printing handbills

A handbill on the amendment to raise the minimum age of employment from 14 years to 16 years to prevent underage children from being employed and age limit for hazardous occupations from 16 years to 18 years was printed by Women and Children’s Division in the Sinhala, Tamil and English languages and the handbills were distributed through regional offices and at special events.

Handbills were designed and printed in Sinhala, Tamil and English languages to make people aware of increasing the number of hazardous occupations wherein no person under 18 years of age can be employed from 51 to 71. Action

was taken to distribute these leaflets through regional offices.

- **Publishing newspaper articles on the list of 71 hazardous occupations**

The list of 71 hazardous occupations were published in popular newspapers the Dinamina, Thinakaran, Daily News, Divaina and Lankadeepa together with the message of the Minister of Labour Hon, Nimal Siripala De Silva.

6. Amendment of laws

Assisting the Ministry of Labour by making observations and submitting proposals on the amendment of existing legislations and the introduction of new legislations.

7. Other special programmes

- **Special programme for International Year for the Elimination of Child Labour 2021 - 14.12.2021**

The Women and Children's Division of the Department of Labour organized a special event under the patronage of the Minister of Labour, Hon. Nimal Siripala De Silva to mark "International Year for the Elimination of Child Labour - 2021".

This online programme was held on 14 December 2021 under the aegis of the Minister of Labour, Hon. Nimal Siripala De Silva and with the participation of the Secretary of the Ministry of Labour, partners of the National Steering Committee for the elimination of child labour, officials of the Department of Labour and all other relevant stakeholders.

Cash prizes, shields and certificates were awarded to the winners of the "Chalana Roo" short film competition and medals and certificates were presented to the winners of the competition for designing badges of the Sri Lanka Girl Guides Association. The unveiling of a theme song on child labour, launching the handbook on child

labour and the signing of a MoU with Maliban Biscuits Private Limited were the other notable events of this programme.

- **Discussion on laws pertaining to children and child safety - 2021**

Laws pertaining to children and safety of children was discussed at "Satana" programme of TV1 Television channel on 20.01.2021. The Commissioner of Labour of the Women and Children's Affairs Division of the Department of Labour participated at this discussion.

- An awareness programme on women's working environment and sexual harassment in workplace was held at the premises of Print Care Institution at Kelaniya for its employees on 12.02.2021

- The Department participated in the discussion held on 05.03.2021 under the topic 'whether the labour law of Sri Lanka favourable to women's economy

2.2.8 Social Security of the Employees

The Employees' Provident Fund, established by the Employees' Provident Fund Act No. 15 of 1958 with the principle objective of ensuring a secured retirement for the country's workforce in the semi-government and private sectors is administered by the Department of Labour. The fund is administered by the Department of Labour and the Monetary Board of the Central Bank of Sri Lanka is in charge of the management of its funds. The value of the Fund as at 31.12.2021 was Rs. 2,540,438 million and the number of active accounts of the Fund was 19 million.

I. Registration of workplaces in Employees' Provident Fund

All employers covered by the Employees' Provident Fund Act are required to register in the Fund. Accordingly, the number of institutions registered in the year 2021 was, 2407. The number of active employers who credited

contributions to the Fund in 2021 was 84,874 and the amount of contributions credited to the Fund was Rs. 99,587 million.

II. Registration of members for Employees' Provident Fund

Allocating membership numbers to all employees covered under the EPF Act and register them in the Fund is a responsibility of the employer and the process is monitored by the Department of Labour. Accordingly, the number of members registered with the Department during the year 2021 was 314,058 and as of now, there are 2.5 million active accounts.

First notices and red notices are issued for employees who fail to make contributions as stipulated and if such notices are not properly responded to, action is taken to constitute legal action and recover the contributions together with the surcharge and account them. During the year 2021, Rs. 4242 million was recovered by issuing 8,491 first notices and Rs. 4,198 million was recovered by issuing 7,858 red notices.

III. Payment of benefits of EPF

The number of beneficiaries who received benefits in the year 2021 is as follows.

Table 2-11 Number of beneficiaries of EPF - 2021

Nature of the benefit	No. of beneficiaries
Paying general benefits	95,474
Paying benefits of deceased members	4,607
Paying 30% pre-benefits	16,015

IV. Supervision of approved Provident Funds

There are 117 institutions with approved provident funds under the EPF. The functioning of

such funds including the crediting of contributions and payment of benefits is monitored by the Department of Labour and those institutions which do not function properly are brought under the purview of the Commissioner General of Labour.

Table 2-12 Progress of monitoring approved provident funds - 2021

Matter	No.
No. of complaints received in the year 2021	41
No of complaints resolved and files closed in the year 2021	35
No. of reports on private provident funds monitored by field officers in the year 2021	81
No. of institutions monitored in the year 2021	88

V. Benefits granted to members from the Fund

- **Granting housing loans keeping the balance EPF account balance of the member**

With the objective of uplifting the living standard of members, facilities have been made available to place the balance of the EPF as a security and obtain a housing loan subject to a ceiling of 75%. Accordingly, approval was granted for 6,792 housing loan applications during the year. The amount for which approval was granted was Rs. 3.8 billion.

- **Conducting mobile service programmes**

A mobile service was conducted at Labukele Estate, Nuwaraeliya with the objective of raising awareness on the EPF on 18.12.2021 and the number of beneficiaries thereof was 518.

Through the decentralization of the service provided by the Head Office to regional offices, more facilities were made available to members.

For the provision of uninterrupted service to clients of the EPF in the wake of the Covid-19

pandemic, service instructions were provided over telephone and several services including the acceptance of benefit applications were offered by reserving time and date online.

A video is being produced to be posted on the YouTube Chanel of the Department for educating members on EPF with a view to promoting EPF. Further, an EPF promotional advertisement has been produced and measures are underway for airing same.

2.2.9 Legal Protection for Safeguarding the Occupational Rights of Workers

The Department enforces a host of legislation for the protection of occupational rights of workmen. In order to ensure the uniform execution of the provisions of such legislation required to be enforced by the Department of Labour, action is pursued by the Department to constitute legal action against perpetrators of such violations thereby safeguarding the rights of both employees and employers and promoting the cooperation between the two parties. Accordingly, the progress of legal actions constituted by the Department in 2021 is tabulated below.

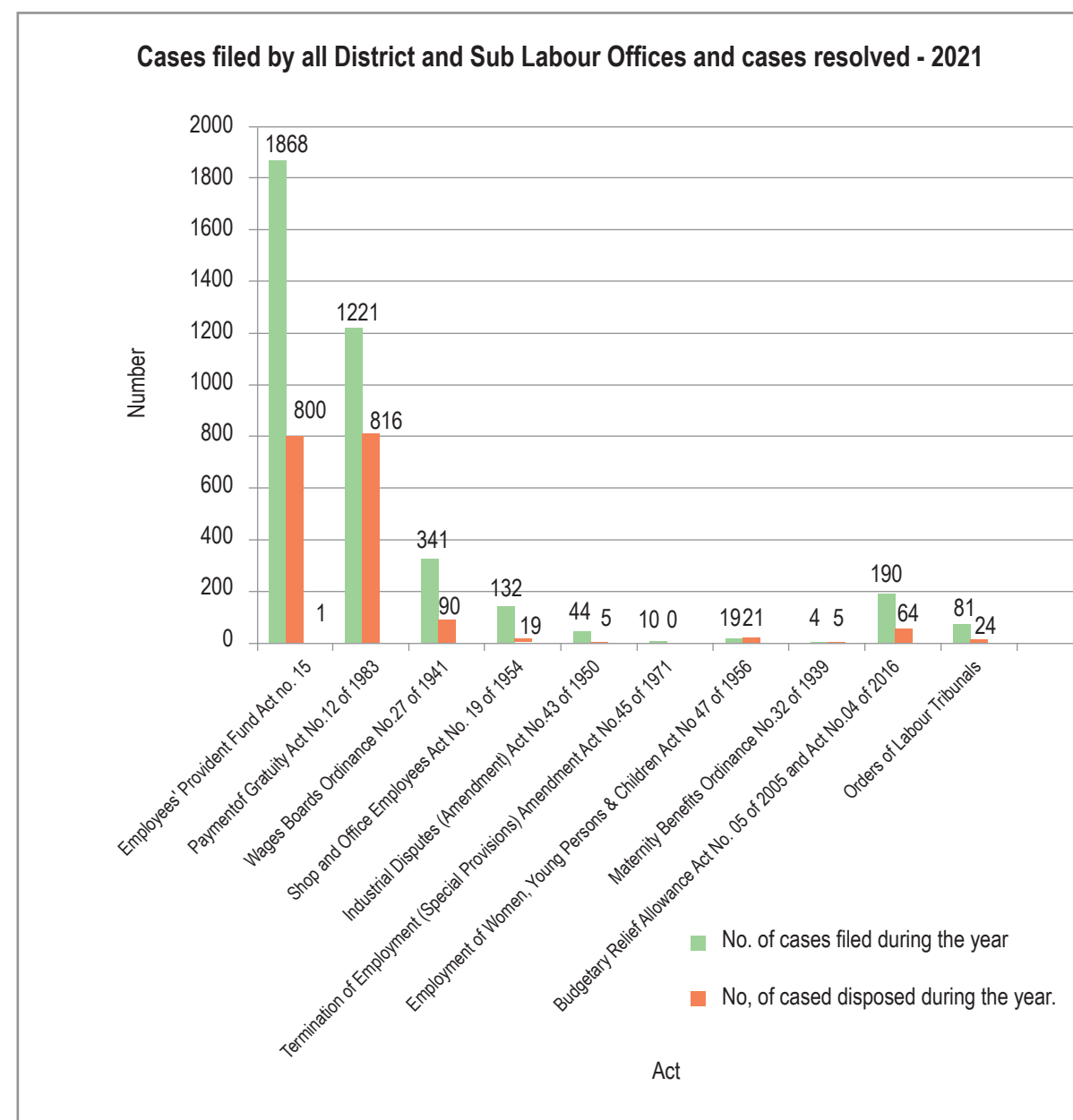


Figure 2-3 Cases filed by all District and Sub Labour Offices and cases resolved - 2021

Table 2-13 Court wise performance of cases - 2021

Court	Balance brought forward to year 2020	No of cases initiated in the year 2020	No of cases closed in the year 2020	No. of instruction letters and instruction files
Supreme Court	124	14	19	
Appeals court	160	132	12	
High Court	97	33	20	
District courts / Commercial High Court	277	3	0	
Magistrates Court	93	170	154	77
Total	751	352	205	77

The number of passive cases received by the Legal Division of the Department was 5,151 and the financial value thereof was Rs. 3,108,693,249.34. The number of open warrant cases was 2,822 and the financial value thereof was Rs. 879,249,209.85. The following measures were taken to activate these cases.

- Apprising the airport police where open warrants have been issued on employers gone overseas and forwarding warrants to the address in the foreign country if such address is available

- Calling for copies of open warrants from the Deputy Commissioner of Labour in respect of open warrant cases and taking action expeditiously to refer them to the Deputy Inspector General of Police and have the warrant executed

- Activating open warrant cases and preparing instructions required for activating passive cases as a checklist and forwarding them to zonal offices and district offices

Assisting the Ministry of Labour for amending

legislation and formulating new legislation as outlined below.

- Drafting new acts and regulations
- Analyzing the existing legal situation and providing the relevant observations
- Studying the present situation and requirements and making observations for the formulation of new laws

2.2.10 Use of Information Technology for Service Delivery

In providing services to clients, the Department has turned close attention to improving convenience of gaining access to services by providing such services through computer systems using information technology. The Department has linked the EPF monitoring system with the EPF data system of the Central Bank.

Further, the "Slack Application" was introduced in the year 2020 for internal communication of the Department enabling internal communication to be carried out instantly minimizing the use of papers and it has also contributed to optimize duties performed by officers during the period where work from home was implemented.

In addition, documents such as specimen applications and forms required for people to obtain services, various Acts and Ordinances and decisions of the Wages Boards to which attention should be paid by employers are posted on the website of the Department and could be downloaded as and when necessary. Similarly, the Department maintains an official YouTube channel, a Facebook page and a Twitter account for the provision of updated information to the public.

Accordingly, the services provided by the Department of Labour through the website, Slack

application, YouTube channel, the Face book page and the Twitter account in the year 2021 are as follows.

- All types of forms (including the application for the clearance certificate for security services)
- Statistical information (labour statistics, annual employment survey, annual reports, Covid-19 survey reports, etc.)
- All administrative information
- Reserving time online for forwarding applications relevant to the payment of benefits of EPF
- Forwarding applications online for seeking approval to employ women at night Lunching journals such as
- Kathikawa, Prime Work, Ath Thatu as e-books
- Using the SLACK Application as a medium of internal communication of the Department while working from home during Covid - 19 pandemic
- Disseminating updated information through YouTube channel, FaceBook and Twitter

2.2.11 Educating Tripartite Stakeholders for Better Industrial Relations

Study on Labour Law, Industrial Relations and Human Resources Development

The **National Institute of Labour Studies (NILS)** conducts diploma courses on industrial relations and human resources management for broadening knowledge, attitudes and skills of employees. The Institute offers academic and training opportunities required for capacity building of employees, employers and trade union leaders in the private sector and the semi-government sector. In addition, the institute conducts short term courses and certificate courses on labour studies.

1. Financial Progress as at 31.12.2021

Table 2-14 Financial Progress of NILS

	Estimated expenditure (Rs) 000'	Actual expenditure as at 31.12.2021 (Rs.) 000'
Revenue	31,300	28,489
NILS Earnings		
Training programmes	20,975	18,730
Examinations	8,000	7,226
Investment income	2,325	2,533
Treasury provisions	11,000	
Recurrent	10,000	10,000
Capital	1,000	1,000
Total income	42,300	38,489
Expenditure	35,937	25,195
Surplus / Deficit	6,363	3,294

2. Income from training programmes in the year 2021

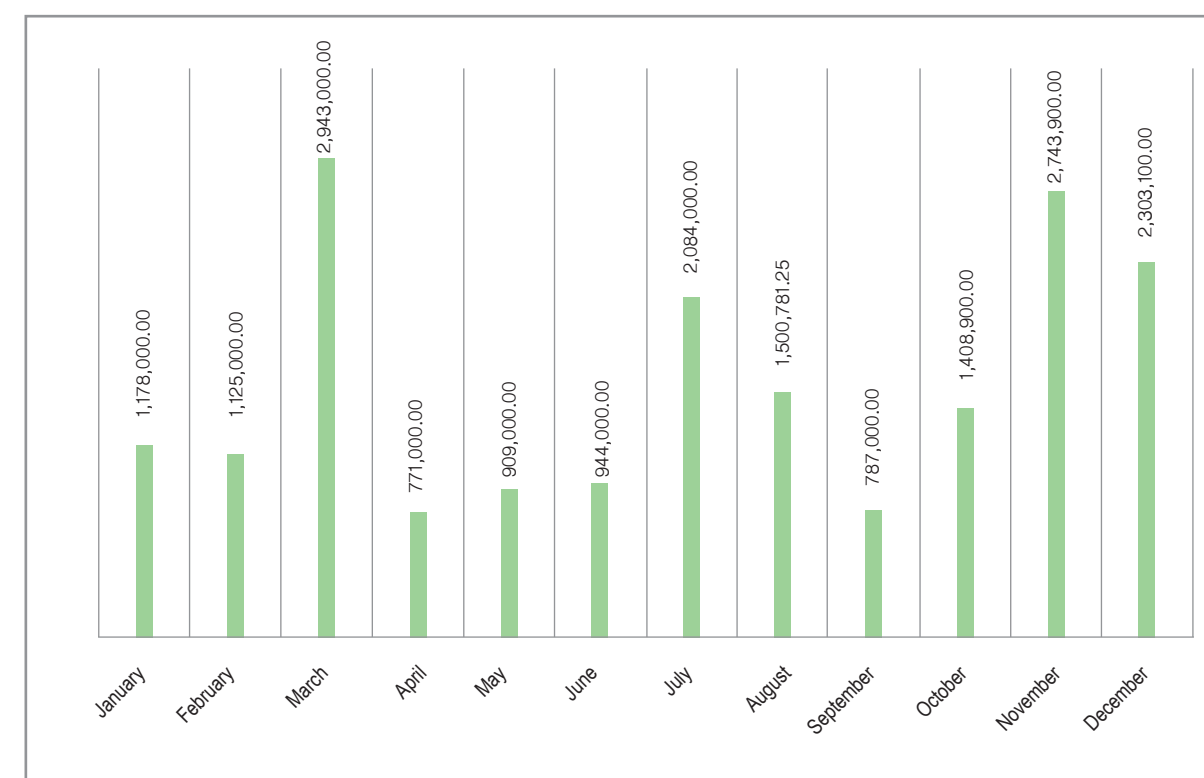


Figure 2-4 Revenue generated by NILS from training activities in 2021

3. Revenue by training courses conducted

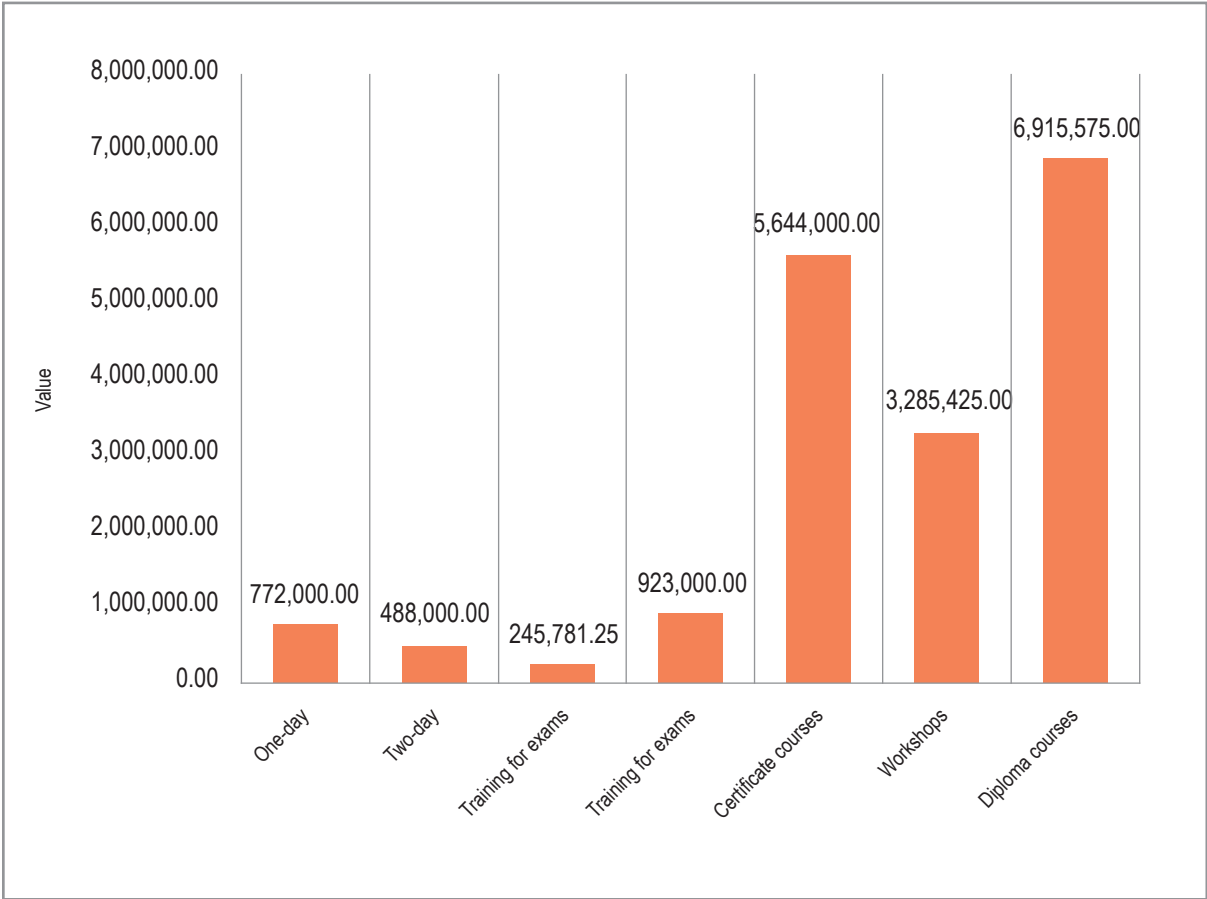


Figure 2-5 Revenue from training activities - NILS

4. Projects, Research and Publications

A research symposium Entitled “Women at Work” was successfully organized and held on 15th March 2021. Opportunities were accorded to the researchers of the 10 research papers selected for the final round to make their presentations. The collection of soft copies of the final 10 - research papers was recently posted on the website of NILS and action was taken to distribute CDs containing the soft copies to interested external parties and institutions with higher degree of

women’s labour contribution.

2.2.12 Paying Compensation for Occupational Accidents

The prime objective of the **Office of the Commissioner for Workmen’s Compensation** is to cause compensation to be paid to workmen who sustain injuries in the course of employment, who suffer from diseases contracted due to the nature of the employment and to dependents of workmen who die due to accidents in workplaces.

1. Number of fatal and non-fatal accidents reported in the year 2021

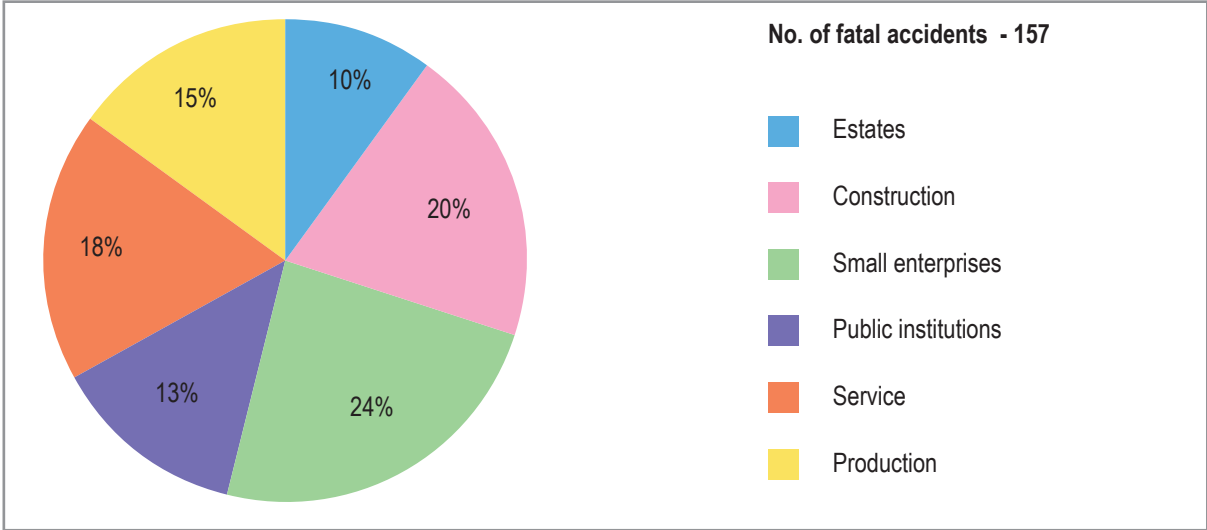


Figure 2-6 Number of fatal accidents reported during the year 2021

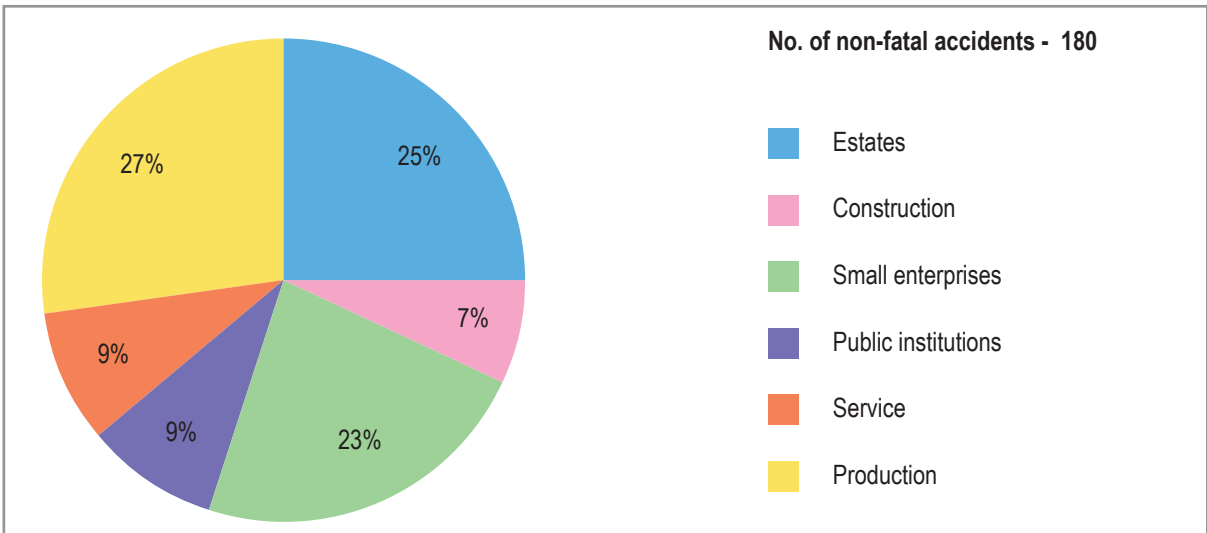


Figure 2-7 Number of non-fatal accidents reported during the year 2021

2. Nature of fatal and non-fatal accidents reported

Table 2-15 Nature of fatal and non-fatal accidents reported

Field	No. of fatal accidents	No. of non-fatal accidents
Falling from a higher place	20	18
Electrification	08	03
Fire / Chemicals / Waste	02	09
Road accidents	57	25
From animals	06	05
Accidents caused by falling objects	13	08
Illnesses	13	-

Drowning	04	-
Natural accidents	02	-
Machinery and slipping	05	28
Other accidents	27	82
Assaults / injuries	-	02
Total	157	180

3. Nature of damage caused by non-fatal accidents

Table 2-16 Nature of damage caused by non-fatal accidents

Field	No. of accidents
Temporary minor injuries	53
Burns	10
Loss of fingers	23
Fractures	37
Amputation of hand / a part of the palm	18
Damages to vertebrae / spinal cord	17
Loss of toes / feet	7
Damages to eyes	5
Other	10
Total	180

4. No. of accidents by circuit courts

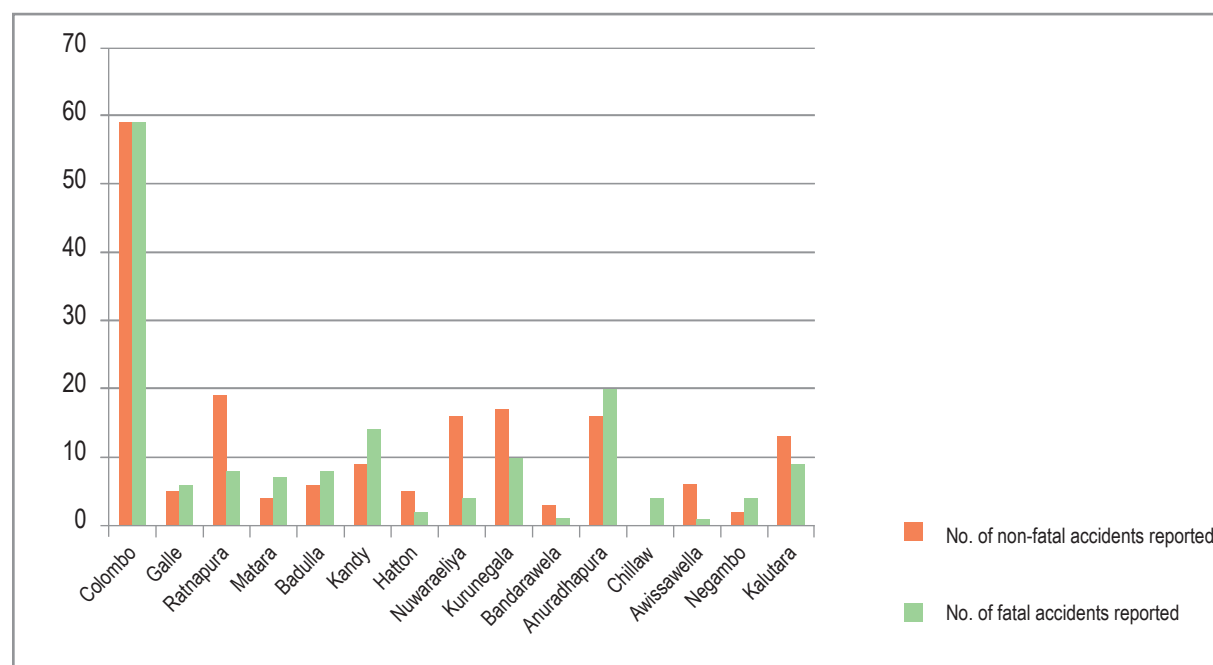


Figure 2-8 No. of accidents reported by circuit court areas - 2021

5. Progress of the payment of compensation

Table 2-17 Physical and financial progress of payment of compensation - 2021

Activity	Physical		Financial (Rs. Mn.)	
	Expected No.	Actual No.	Expected No.	Actual No.
No of case files finalized on fatal and non-fatal accidents	360	277	120	178.8
Agreements	90	58	9	4.4
No. of accounts opened on behalf of minors	100	155	30	19.5
No. of minors' accounts released	132	95	17.1	23.8

2.2.13 Promoting Productivity of the Public and Private Sectors

National Productivity Secretariat implements productivity promotional programmes aimed towards more efficient and qualitative service delivery in the public and private sectors of Sri Lanka. The relevant improvements were made by devising suitable mechanisms for minimizing the time spent within the premises of the institution by clients thus enhancing institutional efficiency and effectiveness, analyzing customer service processes currently being for developing more satisfactory and efficient customer service processes, conducting a survey on customer and employee satisfaction, conducting discussions with senior management and the staff and submitting a report with process amendments to the senior management. The progress achieved by the institution in the year 2021 is outlined below.

1. Progress relevant to activities in the Action Plan

Special Programmes

- Implementing a special programme for the Prime Minister's Office

An online productivity certificate course was implemented for the Prime Minister's office. The examinations relevant thereto have been completed and certificates are due to be awarded. This special programme was conducted with the participation of 42.

- **Implementing programmes for all branches Island-wide of Bank of Ceylon**
Productivity promotion and audit programmes were conducted in 705 branches of Bank of Ceylon across the country for ensuring an effective and quality service delivery to clients by improving productivity of the branches of Bank of Ceylon.
- **Implementing programmes for institutions under the purview of Sri Lanka Transport Board**
Productivity promotion programmes were carried out in 107 depots, 4 driving schools and 9 regional workshops under Sri Lanka Transport Board for providing a productive service to the public through institutional and personal efficiency.

Sectoral Programmes

- Conducting training programmes

Table 2-18 Training programmes conducted by the National Productivity Secretariat

Course	No. of programmes	Expenditure (Rs. Mn.)	Income (Rs. Mn.)
1 Diploma course on productivity	01	0.35	1.66
2 5S Certification course	21	0.08	0.04
3 Short-term courses	05	0.14	
4 Certificate courses	24	0.65	
5 Training of trainers programmes	3		

- With the intervention of the Asian Productivity Organization, three Technical Expert Services (TES) were conducted

Smart Transformation for Service Sector Performance Management
Big Data for Public Sector

- Conducting Trendy Talk online sessions

A series of 7 online sessions titled 'Trendy Talk' was held in two stages to provide knowledge on productivity concepts and practical usages required for a successful life. Under the first stage, the sessions were conducted under the topics, "Success through productivity, sustainable home gardening, artistic enjoyment in the wake of the pandemic, and positive thinking in the face of Covid - 19 pandemic" and under the second stage 3 sessions were held under the topic "Productivity and Entrepreneurship" for inculcating knowledge on small and medium scale entrepreneurship. A total of 435 online participants joined the online sessions.

- Implementing productivity promotion programmes

Productivity promotion programmes are implemented with the objective of propagating productivity concepts in institutions across the country through which productivity consciousness is inculcated in institutions through awareness on productivity tools and techniques and

practical usage. It also creates the background necessary for enhancing service efficiency through the promotion of institutional productivity by upgrading processes. During the year 2021, productivity programmes were conducted for the following institutions.

- Lotteries Development Board
- Department of Buddhist Affairs
- Ministry of Tourism
- Department of Social Services
- Sri Lanka National Hospital
- Ministry of Justice
- Excise Department
- Shrama Vasana Fund Office
- Registrar General's Department
- Rehabilitation Commissioner General's Bureau
- Department of Technical Education and Training
- Coconut Development Authority
- Employees' Trust Fund Head Office
- Development Lotteries Board
- Children's Secretariat
- Sri Lanka Ayurvedic Drug Corporation
- Early Childhood Development Secretariat
- President's College, Rajagiriya
- National Human Resources Development Institute
- Western Province Department of Education
- Industrial and Technical Department

- Introducing quality indicators for Pirivena**

In the year 2021, quality indicators were introduced for 187 pirivenas and 15 Buddhist nuns pirivenas with the objective of introducing productivity concepts to the pirivena system for the realization of the objectives of pirivena education.

- Small scale entrepreneurs' development programme**

Action has been taken to select beneficiaries of this programme having selected and collected relevant information on, 6620 entrepreneurs with 20 entrepreneurs from each Divisional Secretary Division. Thirteen (13) training and awareness were conducted for small scale entrepreneurs and woman entrepreneurs thus recording a physical progress of 93%. All awareness programmes were conducted using zoom technology and even during the Covid - 19 pandemic, measures were taken continue awareness programmes without any interruption.

- Implementing productivity concepts in institutions through setting targets for Productivity Development Officers**

By setting annual targets for Productivity Development Officers attached to District Secretariats and Divisional Secretariats, productivity concepts are implemented within the institutions. The basic objective is to optimize community services through innovation, efficiency and productive work environment. For officers attached to District Secretariats, targets have been given to conduct one programme each at the following institutions.

- Hospitals
- Land Registry
- Zonal Education Office
- District Secretariat
- Courts / Police Stations
- Private sector institutions

For officers attached to Divisional Secretariats, targets have been given to conduct one programme each at public sector institutions and pirivenas and two programmes at preschools.

Revenue generation

National Productivity Secretariat was able to generate an income of Rs. 2.5 million from the activities conducted during the year 2021.

Table 2-19 Revenue generation of National Productivity Secretariat

Fields contributed to revenue generation	Revenue generated (Rs. Mn.)
Through training programmes (Diploma course, short term and certificate courses)	1.70
5S certification courses	0.05
Training courses conducted for local government officers	0.15
From activities relating to National Productivity Awards Ceremony 2020 and issuing publications	0.60
Total	2.5

As health and safety guidelines put in place for the Covid -19 pandemic had to be adhered to until September 2021 (ban on public gatherings, work from home, etc.), some of the programmes coming under the purview of National Productivity Secretariat could not be conducted. Though online methods were adopted wherever possible, there also had been some instances where some institutions refused to carry out audits and obtain consultancy services through this method.

2.2.14 Decent Work Programme

If Sri Lanka is to access the path of development, decent work has to be promoted. Decent work fosters equal opportunities for men and women to secure productive work in an environment of freedom, equity, social protection and human dignity. A significant factor involving decent work is that the mere job creation is not expected and

the jobs so created should be acceptable. Decent work is based on four major elements.

- Job Creation, Promotion and National Productivity
- Rights at Work
- Social Protection
- Social Dialogue

In addition to these 4 major elements, programmes are implemented covering the following subject areas.

- Productivity promotion
- Ensuring gender equality

Under the decent work programme, Rs 33 million was allocated to the following institutes for the implementation of various programmes and projects.

safety and health by award recipients. Awards are presented for three categories as merit awards, sectoral awards and excellence awards. Applications were called for the awards ceremony to be held in the year 2021 and preliminary arrangements are now in progress.

2. National Productivity Awards Ceremony

The National Productivity Awards Ceremony is conducted by the National Productivity Secretariat for felicitating institutions in the public, semi-government and private sectors that offer the most productive services to their respective clientele.

Applications were called in the year 2020 for the awards ceremony and 1,820 applications were received from the public, manufacturing and service sector institutions and schools. Arrangements are being made to hold the ceremony on 28.03.2022 under the patronage of His Excellency the President.

2.2.16 Planning, Research and Development Activities

1. Ministry of Labour

- This Ministry organizes an annual scholarly symposium on a topical issue and a journal is published incorporating a summary of research papers submitted thereto. Accordingly, in the year 2021, research papers were invited on the theme of 'Guaranteeing Workers' Rights: Expanding the Horizon' and after the evaluation of the research papers by a panel of experts with an in-depth knowledge on the field of labour, they are to be published as a journal. Due to the prevailing situation in the country at present, only the journal will be published this year without conducting the symposium
- Coordinating activities related to the implementing Decent Work was done and progress

III. Handling all activities pertaining to the publication of Sri Lanka Labour Gazette. The labour Gazette is now issued biannually and for the period under review, volume I of Serial No 72 was issued and action is being pursued for the publication of volume II

IV. Preparing the annual action plan containing development tasks carried out by the Ministry and its affiliated institutions and referring it to the relevant parties. Preparing the Annual Action Plan in accordance with zero based budgeting scheme and implementation thereof and monitoring and encouraging the attainment of targets by conducting monthly progress appraisals

V. Coordination with the Presidential Secretariat, Ministry of Finance, Department of Project Management and Monitoring and National Planning Department in terms of National Budget Circular and submission of progress reports monthly and quarterly

VI. Preparing the Annual Performance Report detailing the progress achieved by the Ministry

VII. Preparing the Progress Report to be presented for the committee stage debate in Parliament on the budget for securing provisions relevant to the year 2022

2. Department of Labour

I. Steering towards targets by monitoring the functions of the Department

Drafting the Annual Action Plan and the Strategic Plan of the Department and coordinating activities for guiding all divisions and regional offices of the Department for attaining targets

Table 2-20 Progress of Decent Work programme as at 31.12.2021

Institution	Net Provision	Expenditure (Rs. Mn)	Expenditure percentage
Department of Labour	15.92	11.81	74%
National Institute of Labour Studies	10.14	10.14	100%
National Institute of Occupational Safety and Health	1.35	1.35	100%
Ministry of Labour	3.38	3.38	100%
Office of the Commissioner for Workmen's Compensation	2.09	2.09	100%
Total	32.88	28.77	87%
Savings upon the instructions of Treasury	12.12		
Grand Total	45.00		

2.2.15 Appreciation of Institutions for Delivering Better Service

1. National Occupational Safety and Health Awards of Excellence

National Occupational Safety and Health Excellence Awards is organized by the

National Institute of Occupational Safety and Health (NIOSH) with a view to recognizing and rewarding institutions that have undertaken necessary health and safety precautions at work environment. Factories employing best methods for occupational safety and health are selected through a complex process that enables the identification of total commitment for occupational

thereunder, coordinating the affairs of the monthly meeting of the Labour Commissioners held for discussing the progress of different divisions and scheduled future activities of the Department, preparing the monthly progress reports for the progress review meeting convened monthly by the Ministry of Labour and coordinating such meetings, submitting reports requested by the Ministry of Labour and other ministries are the key functions of the Planning, Research, Training and Publication Division.

This division holds responsibility for steering the progress review activities of regional offices of the Department and the preparation and monitoring of the annual progress review plan of regional offices thereunder too is handled by this division. Progress review is carried out through Deputy Commissioners of Labour in charge of zones and progress is assessed through monitoring teams to each regional office.

Provision of training required for the entire staff of the Department, referring officials to training programmes conducted by external institutions, allocation of financial provisions required for degrees and postgraduate degrees followed by employees, carrying out coordination activities required for foreign training are the human resources development functions performed by this Division.

Further, this Division handles printing activities such as printing legislations relating to labour laws and determinations of the Wages Boards required for the officials of the Department and printing labour inspection reports, monthly diaries and general forms required for field activities of Labour Officers.

• Monitoring District / Sub Labour Offices

In the year 2021, the progress of 57 district offices and sublabour offices was monitored. Accordingly, field inspection activities and judicial activities of labour officers, process of recovering EPF in arrears and activities relating to the payment of EPF benefits, activities connected with efficient resolution of complaints on industrial disputes and violations of statutory entitlements received by the Department and administrative activities of offices were monitored and instructions were given with regard to activities which needed to be further streamlined.

Due to the Covid -19 pandemic, zonal level meetings could not be conducted in the year 2021 to review the progress of regional labour offices.

• Field inspections of Labour Officers

Planning and obtaining approval for field inspections, deciding on the institutions to be accorded priority in selecting institutions for this purpose, classifying the quality of field inspections, handing over reports on due date by labour officers and the efficiency of implementing the recommendations made in such reports were monitored and the progress thereof is given below and the progress thereof is given below.

Though there has been a steady increase in the labour inspections conducted during the year 2021, the number of inspections conducted in the years 2020 and 2021 was less when compared to previous years due to the total suspension of labour inspections during certain months and the restrictions imposed in other months.

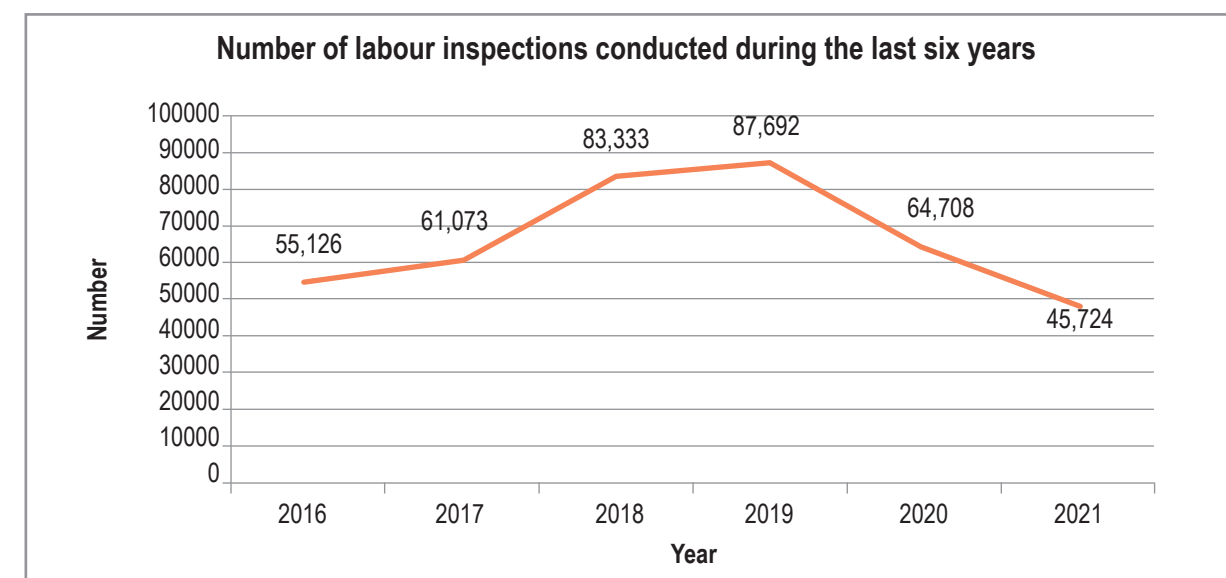


Figure 2-9 Number of labour inspections conducted from 2016 to 2021

• Payment of EPF benefits

An incremental increase is witnessed in the payment of EPF benefits and as compared to the year 2017, the percentage to whom benefits were paid within 14 days has increased from 43% to 65% by the end of the year 2021 thus signifying an enhanced efficiency in the payment of benefits as presented in graph 2-10.

resolving complaints received by each district and sub offices and the number of files of which resolution has been delayed, relevant instructions and recommendations were given to deal with them speedily. A Standard Operational Procedure was introduced from November 2021 to deal with petitions received by the Department and its progress is expected to be reviewed in the year 2022.

• Petitions related Activities

Having identified the delays in the process of

Similarly, online meetings were held under the patronage of the Commissioner General of Labour to review the progress of all district and sub offices.

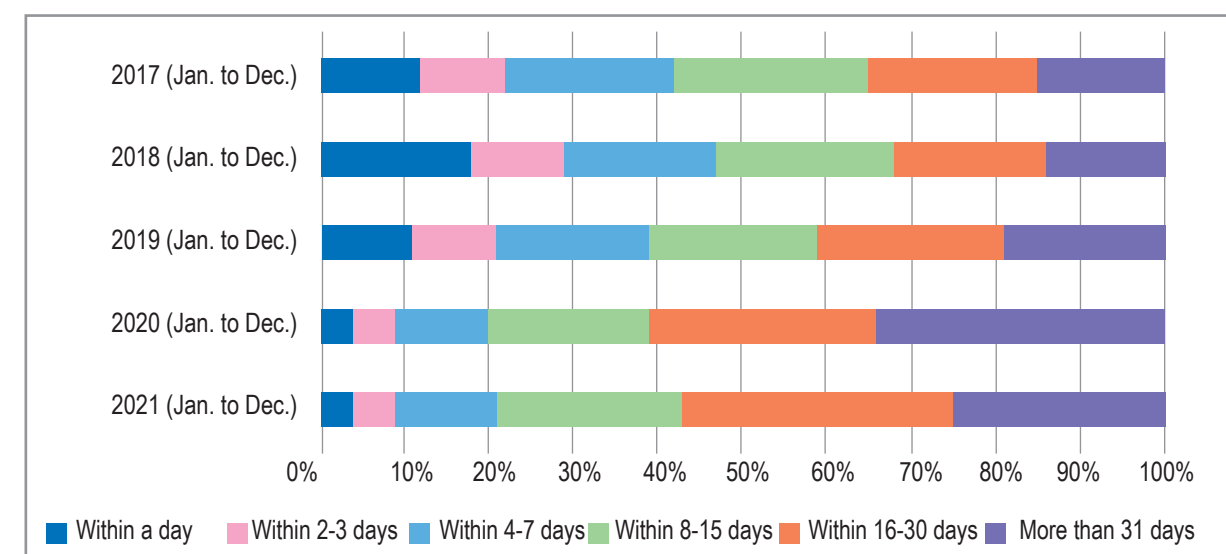


Figure 2-10 Time taken for the payment of EPF benefits – Years From 2017 to 2021

II. Human Resources Development

It is imperative to develop the capacity of officers for enhancing the quality of the services provided by the Department by improving knowledge of the officials of the Department about the role expected to be performed by them and their ability to take practical measures. Accordingly, the Department identifies the training needs of officers and provides the requisite training with the help of resource persons. In addition, financial provisions required for the participation of training programmes conducted by external institutions are allocated and whenever opportunities for foreign training are available, the necessary coordination work is carried out and financial provisions are arranged.

In terms of Public Administration Circular

02/2018, the human resources development plan of the Department for the two upcoming years was drafted in the year 2020 and the conduct of training programmes during the year 2021 was planned accordingly.

The training programmes conducted in the year 2021 are as follows. Further details on these training programmes are illustrated in Chapter Six under Human Resources Development.

The Department of Labour organized and conducted 19 training programmes for officers and the number of officers participated in them was 2,328. The Department had allocated provisions for 69 officers of the Department for external training programmes including post graduate and law degrees.

the computerization of new EPF registrations was carried out

VII. Subject to the standards of the ILO, action was taken to prepare and submit 14 Key Indicators of Labour Market (KILM)

2.2.18 Administrative and Establishments Activities

1 Ministry of Labour

I. This Ministry submitted 26 cabinet memoranda in the year 2021 to the Cabinet of Ministers and all 26 were approved. Amongst them was the presentation of Recommendations 205 and 206 and Convention 190 to Parliament, establishment of a social security fund for migrant Sri Lankan workers, payment of salaries of private sector employees in the wake of crisis triggered by Covid-19 pandemic, increasing the minimum wage of plantation workers, introduction of a minimum age of pension for private sector employees and the amendment of the Industrial Disputes Act, Employees' Provident Fund Act and the Termination of Employment (Special Provisions) Act

II. Under the provision of relief to July strikers, recommendations have been submitted to the Director General of the National Budget Department for the payment of one-off relief allowance for 49 July strikers who have reached 65 years of age

III. During the period under review, 1,396 public complaints were received and all of them have been referred to the relevant divisions for necessary actions

IV. Thirteen (13) requests were received under the Rights to Information Act

and 10 of them were responded to while 03 were rejected

V. 364 officers of the Ministry were accorded opportunities to participate in 18 training programmes conducted by various institutions. These training programmes were on various subjects such as the procurement process, consumer service provision, professional development, office management and Financial Regulations and disciplinary procedure

VI. After the relocation of the Ministry on the 06th and 07th floors of Mehwara Piyasa building, the National Productivity Secretariat conducted a productivity promotion programme for the enhancement of effectiveness and efficiency of services and to make the working environment more attractive

VII. Taking cognizance of the prevailing situation in the country, action was initiated for the administering of the three Covid-19 vaccines for officers working in various institutions in the "Mehewara Piyasa" building complex. This included security officers and maintenance staff and other frontline officers

VIII. Action was taken to have officers of the institutions affiliated to this Ministry and the Department of Labour participated in foreign scholarships, workshops and training programmes. In the year 2021, seventeen officers joined foreign training courses and workshops through online modes and one lady officer participated in a masters degree scholarship course offered by the Japanese government

IX. In addition, the following establishments activities were carried out during the period under review

Table 2-21 Overall expenditure for capacity development activities of the Department of Labour as at 31.12.2021

Expenditure head	Provision for the year 2021 (Rs.)	Expenditure as at 31.12.2021 (Rs.)	Balance as at 31.12.2021 (Rs.)	Expenditure as a percentage of the provision %
221-01-01-2401	5,500,000	2,232,264	3,267,736	41%
221-02-02-2401	300,000	-	300,000	0%
221-02-03-2401	1,500,000	103,500	1,396,500	7%
221-02-04-2401	1,500,000	19,790	1,480,210	1%
Total	8,800,000	2,355,554	6,444,446	27%

2.2.17 Statistical Activities

Collecting and analyzing data relevant to the labour sector to develop understanding on the orientation of the labour sector of Sri Lanka, make policy decisions, identify the need for amending labour legislation and making projections for the future are the primary functions of the Statistical Division under the purview of the Commissioner of Labour of the Planning, Research, Training and Publications Division. Accordingly, the following activities were conducted in the year 2021.

- Labour statistics - 2019 (Annual Report) - 150 copies of the report were printed and distributed
- Labour statistics - 2020 (Annual

Report) was prepared and is being reviewed

- The relevant data for the survey-2020 on the number of hours worked and the labour cost-2020 was analyzed and finalized and the tables are being prepared
- Questionnaires were prepared and posted to relevant institutions for obtaining the relevant information for survey on the number of hours worked and the labour cost - 2021
- Data required for the Labour Gazette was provided
- Coding and computerization of all registrations for the year 2020 to the data system designed for

Table 2-22 Progress of establishments activities

S. No.	Activities	Progress
01	Answers for oral questions	16
02	Adjournment motions and answers for questions raised under Standing Orders	06
03	Reports to the Public Petitions Committee	04
04	Reports to the National Labour Advisor Council	05
05	Observations for Cabinet Memoranda	03
06	Wages Boards to which new members were appointed	04
07	Wages Boards of which decisions were amended	07

2. Department of Labour

the year 2021 are as follows.

The Administrative Division consists of 04 branches, i.e. the administrative branch, establishments branch, building maintenance unit and the library.

I. Administrative functions of the Department of Labour

Of them, the Administrative Branch deals with all the services and supplies of the Department. Identifying land requirements for the construction of buildings of the Department, guiding the building construction activities, handling activities relating to rehabilitation and upgrading of buildings, procuring buildings on rent as per requirements, administering vehicles of the Department, providing infrastructure facilities required for the divisions and regional offices of the Department, managing capital goods and equipment, approving overtime, holiday payments, Agrahara insurance and distress loans are carried out by this branch.

The Establishments Branch is responsible for identifying staff requirements of the Department, handling all activities relating to recruitments, promotion of officers, conducting efficiency bar examinations, appraisal of performance, granting salary increments, implementing transfer procedure, handling retirement of officers, leave of officers and disciplinary matters.

Accordingly, the details of efficiency bar examinations conducted by the Department in

- Efficiency bar examination for Assistant Commissioners of Labour - 2021
- Efficiency bar examination - 1 for officers of the Engineering Service
- Efficiency bar examination - 2021 for Labour Officers - 1 & 2
- Efficiency bar examinations for Human Resources Development Officers - I & II
- Efficiency bar examinations for employees of the Office Employees Service - I, II & III
- Efficiency bar examinations for drivers - I, II & III

Details of recruitment of officers and promotions granted during the year are as follows.

- The promotion of all Labour Officers who have fulfilled the qualifications to Grade 1
- Having conducted the examination for the recruitment of stenographers, 02 stenographers were recruited
- Based on the competitive examination held in the year 2019, ten Assistant Labour Commissioners (Departmental) were recruited
- Sri Lanka Technical Service - National Institute of Labour Studies was instructed to re-conduct the open and limited examination

In addition to routine duties, the following measures were employed for continuing the services of the Department uninterrupted in the wake of Covid - 19 pandemic.

- Except for pregnant officers, all other officers were called for duty with effect from 01.11.2021 and with effect from 01.01.2022 all officers including pregnant officers were called for duty

The following measures were adopted to discharge duties in compliance with health guidelines.

- Displaying health guidelines required to be followed by the staff and service recipients
- Shared spaces of divisions/offices such as counters, dining areas and washrooms were sanitized daily and maintained hygienically
- Inspection of body temperature before entering the office premises, provision of hand-washing facilities
- Formal methods were adopted to prevent the risks that could arise as a result of public visiting offices for obtaining services gathering within limited spaces and a suitable supervising officer was appointed

for this purpose for the proper supervision of the process

- Taking measures wherever possible to minimize the gathering of officers and mobility between divisions
- Making arrangements to vaccinate officers of the Department with first and second doses of Covid - 19 vaccine
- Minimizing meetings, seminars and discussions conducted physically and other gatherings and instead using zoom, Teams and similar technological innovations

II. Construction activities of the Department of Labour

The Building Maintenance Unit assists in the preparation of annual budgetary estimates and procurement plans for the construction of building and rehabilitating and upgrading existing buildings of the Department, coordinates with the Department of Buildings and other institutions, supervises activities pertaining to the rehabilitation and upgrading of buildings and deals with all maintenance activities of the head office and regional offices.

Accordingly, infrastructure facilities were developed in the following offices during the year 2021.

Table 2-23 Progress of construction activities of the Department of Labour

Activities / projects planned (Major)	Provision for the year 2021 (Rs.)	Financial progress as at 31.12.2021	Physical progress as at 31.12.2021
Construction of Badulla district labour office (Phase 1)	126,080,000.00	126,080,000.00	95%
Construction of Hatton district labour office (Phase 1)	71,719,000.00	71,719,000.00	95%
Estimation of additional works of Kurunegala district labour office and installation of fire protection system	2,200,000.00	2,200,000.00	96%

The newly constructed Kurunegala District Labour Office and Ambalangoda District Labour Office were declared open by the Minister of Labour Hon. Nimal Siripala De Silva in the year 2021 and office activities were commenced. Similarly, action was taken to select a contractor and award the contract for the internal work of 8th, 9th, 10th, 11th and 12th floors of Mehewara Piyesa building.

III. Library, Museum and Information Service

The library of the Department of Labour is the foremost library in Sri Lanka with a large collection on legislations, books, publications and journals on the field of labour. The library offers facilities for the staffs of the Department of Labour and other institutions affiliated to the Ministry of Labour as well as for external readers for the perusal of all legislations, books and publications for study and reference purposes. The collection in the library of the Department of Labour comprises

more than 180,000 books, journals and other publications. The library provides services such as lending books, reference service, photocopy service, collection of newspaper articles, pagination service and inter-library loans service. In the year 2021, action was taken to purchase 246 local books, 05 local journals and 36 foreign magazines.

The Department of Labour also maintains a museum for the conservation of old acts and ordinances and documents relating to the subject of labour. The museum depicts the evolution of the labour sector of Sri Lanka from its inception to date.

2.2.19 Financial Progress of the Ministry

Necessary measures have been taken for efficient, effective and economical administration of financial resources allocated from the budget of 2021 to the Ministry and institutions under its purview in compliance with state policies.

Table 2-24

The overall financial progress of the Ministry

	Institution	Expenditure Head	Net provision (Rs. 000')	Expenditure (Rs. 000')	Balance provision (Rs. 000')	Expenditure (%)
1	Ministerial office		209,151	160,668	47,483	77%
			Capital	50,007	4,993	91%
2	National Institute of Labour Studies		10,000	10,000	0	100%
			Capital	1,000	0	100%
3	National Institute of Occupational Safety and Health	193	4,000	4,000	0	100%
			Capital	3,500	0	100%
4	National Productivity Secretariat		475,200	465,556	9,644	98%
			Capital	21,823	3,877	85%
5	Office of the Commissioner for Workmen's Compensation		33,595	33,282	313	99%
			Capital	6,405	183	97%
	Sub Total		731,946	673,506	58,440	92%
			Capital	82,552	40,553	67%
6	Department of Labour	221	2,511,565	2,079,466	432,099	83%
			Capital	784,402	949,428	45%
	Total		3,243,511	2,752,972	490,539	85%
			Capital	866,954	989,981	47%
	Sum Total		5,100,446	3,619,926	1,480,520	71%

2.2.20 Internal Audit Activities

1. Ministry of Labour

Like all other public sector institutions, the Ministry of Labour too has to carry execute all its activities in compliance with financial regulations, circulars

issued from time to time by the government and internal circulars. The supervision whether such activities are carried out with gainful resource utilization and transparency at an optimal level is under the direct supervision of the Commissioner General of Labour. Accordingly, activities performed out from 01.01.2021 to 31.12.2021 are as follows.

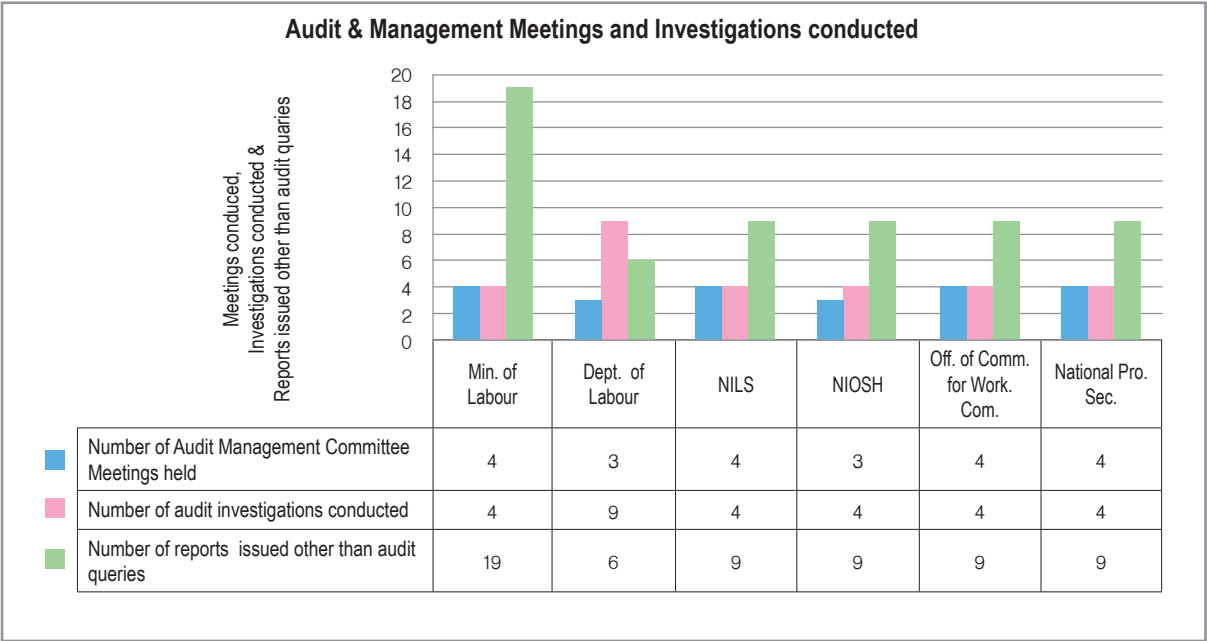


Figure 2-11 Progress of internal audit activities

- Note:
- i. Reports of 02 special audit inquiries conducted by the Ministry for the Department of Labour have also been included
 - ii. Reports prepared for meetings, special audit inquiry reports and preliminary reports have been included

2. Department of Labour

As all other public sector institutions, the Department of Labour too has to exercise all its activities in terms of Financial Regulations, circulars issued from time to time by the government and circulars issued by the Department. The supervision whether such activities are carried out with gainful resource utilization and transparency at an optimal level is under the direct supervision of the Commissioner General of Labour. Accordingly, the activities carried out in the year 2021 are as follows.

- As per the audit plan prepared in 2021 by the Internal Audit Division in respect of the year, 09 internal audits were conducted covering district labour offices and the divisions of the Head Office
- 12 audit queries issued by the Government Audit Division after inspecting various offices of the Department were answered
- During the year 2021, 03 quarterly Audit & Management Committee meetings were held

Chapter Three

Overall Financial Performance for the Year ended
31st December 2021

3.1 Statement of Financial Performance for the period ended 31st December 2021

				ACA -F
Budget - 2021	Note	Actual		
		2021 (Rs.)	2020 (Rs.)	
- Revenue Receipts		-	-	
- Income Tax	1	-	-	
- Taxes on Domestic Goods & Services	2	-	-	ACA-1
- Taxes on International Trade	3	-	-	
- Non Tax Revenue & Others	4	-	-	
- Total Revenue Receipts (A)		-	-	
- Non Revenue Receipts				
- Treasury Imprests		709,243,000	597,229,588	ACA-3
- Deposits		185,421,121	145,447,356	ACA-4
- Advance Accounts		18,019,240	10,393,617	ACA-5
- Other Main Ledger Receipts		-	28,682,525	
- Total Non Revenue Receipts (B)		912,683,361	781,753,086	
- Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		912,683,361	781,753,086	
Remittance Treasury (D)				
Net Revenue Receipts & Non Revenue Receipts E = (C) - (D)				
Less: Expenditure				
- Recurrent Expenditure				
502,440,000 Wages, Salaries & Other Employment Benefits	5	483,931,657	448,056,510	ACA-2(ii)
169,642,000 Other Goods & Services	6	111,842,416	127,232,243	
78,513,000 Subsidies, Grants and Transfers	7	77,435,090	54,723,510	
- Interest Payments	8	-	-	
400,000 Other Recurrent Expenditure	9	297,910	-	
750,995,000 Total Recurrent Expenditure (F)		673,507,073	630,012,263	
- Capital Expenditure				
11,300,000 Rehabilitation & Improvement of Capital Assets	10	8,551,062	3,007,462	ACA-2(ii)
18,905,000 Acquisition of Capital Assets	11	17,456,540	2,078,047	
4,500,000 Capital Transfers	12	4,500,000	2,200,000	
- Acquisition of Financial Assets	13	-	-	
67,300,000 Capacity Building	14	21,613,741	6,023,249	
47,000,000 Other Capital Expenditure	15	30,431,303	4,465,785	
149,005,000 Total Capital Expenditure (G)		82,552,646	17,774,542	
- Deposit Payments		191,277,136	151,093,603	ACA-4
- Advance Payments		20,563,393	5,229,218	ACA-5
- Other Main Ledger Payments		-	-	
- Main Ledger Expenditure (H)		211,840,529	156,322,821	
- Total Expenditure I = (F+G+H)		967,900,249	804,109,627	
- Balance as at 31st December J = (E-I)		(55,216,888)	(22,356,541)	
- Balance as per the Imprest Reconciliation Statement		(55,216,888)	-	ACA-7
- Imprest Balance as at 31 st December		-	-	ACA-3
		(55,216,888)	(22,356,541)	

3.2 Statement of Financial Position as at 31.12.2021

ACA-P			
	Note	2021 (Rs.)	2020 (Rs.)
Non Financial Assets			
Property, Plant & Equipment	ACA-6	665,072,565	582,687,237
Financial Assets			
Advance Accounts	ACA-5	58,068,525	55,524,372
Cash & Cash Equivalents	ACA-3		
Total Assets		723,141,090	638,211,609
Net Assets / Equity			
Net Worth to Treasury		47,449,805	38,779,611
Property, Plant & Equipment Reserve		665,072,565	582,687,237
Current Liabilities	ACA-4		
Mobile			
Deposits Accounts	ACA-4	10,618,721	16,474,737
Imprest Balance	ACA-3		270,024
Total Liabilities		723,141,091	638,211,609

Detail Accounting Statements in ACA format Nos. 01 to 07 presented in pages from 09 to 55 and Notes to accounts presented in pages from 56 to 56 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer

Name : **M P D U K Mapa Pathirana**
Designation : **Secretary**
Ministry of Labour
Date : **7th Floor, "Mehewara Piyesa"**
Narahenpita
Colombo - 05

Accounting Officer

Name : **J. A. D. S. Nishamini**
Designation : **Chief Accountant**
Ministry of Labour
Date : **6th Floor, "Mehewara Piyesa"**
Narahenpita,
Colombo 05.

3.3 Statement of Cash Flows as at 31.12.2021

ACA-C		
	Actual 2021 (Rs.)	2020 (Rs.)
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit		
Non Revenue Receipts	27,145,688	28,682,525
Recoveries from Advance	709,243,000	628,523,532
Deposit Received	17,971,754	7,517,242
Revenue Collected for the Other Heads	185,421,121	145,447,356
Total Cash generated from Operations (a)	939,781,563	810,170,655
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	627,442,551	612,095,558
Subsidies & Transfer Payments	81,935,090	11,200,000
Expenditure on Other Heads	974,412	2,134,705
Advanced Payments		31,293,944
Deposit Payments	20,695,833	6,856,889
Imprest Settlement to Treasury	191,277,136	151,093,603
Total Cash disbursed for Operations (b)	922,325,023	814,674,699
NET CASH FLOW FROM OPERATING ACTIVITIES (C) = (a) - (b)	17,456,540	(4,504,044)
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (d)	-	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	17,456,540	6,788,450
Total Cash disbursed for Investing Activities (e)	17,456,540	6,788,450
NET CASH FLOW FROM INVESTING ACTIVITIES (F) = (d) - (e)	(17,456,540)	(6,788,450)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g) = (c) + (f)		(11,292,494)
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (h)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Imprest Received	-	-
Total Cash disbursed for Financing Activities (i)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	-	-
Net Movement in Cash (k) = (g) -(j)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4 Notes to the Financial Statements

The preparation of these financial statements has been carried out in compliance with the generally accepted accounting principles employing most appropriate accounting policies. The figures in the final account and accounting notes relevant thereto and other accounting information have been reconciled with the treasury account books and are in agreement with them.

1. Reporting Period

The reporting period for these Financial Statements is from 01st January 2021 to 31st December 2021

2. Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3. Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

4. Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured. PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5. Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6. Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2021.

7. Changes in Formats of Financial Statements & Adjustment of Comparative Figures

Relevant adjustments have been made to the comparative figures for the year 2020 in line with the changes made in the financial statement for the year 2021.

3.7 In terms of F.R.208 grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments

Table 3-3

Grant of allocations for expenditure to this Ministry as an agent of the other Ministries / Departments

Rs. ,000

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation			Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
01	Ministry of Public Services, Provincial Council and Local Government	For the payment of allowances of new graduate trainees	-	600	540	90
02	Department of Pensions	Pension gratuity	-	434	434	100

3.8 Performance of the Reporting of Non-Financial Assets

Table 3-4

Performance of the Reporting of Non-Financial Assets

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2021	Balance as per financial Position Report as at 31.12.2021	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	31,823	31,823	-	-
9152	Machinery and Equipment	633,249	633,249	-	-
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.5 Performance of Revenue Collection

Figure 3-1 Performance of the Revenue Collection

Rs. ,000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
A blank report					

3.6 Performance of the Utilization of Allocation

Table 3-2 Performance of the Utilization of Allocation

Rs. ,000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	753,600	750,995	673,507	90
Capital	146,400	149,005	82,553	55

3.9 Auditor General's Report



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

LSW/B/MOL/SR/01/2021

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

22nd June 2022

Translated copy of the summary report of the Auditor General on the financial statements of the Ministry of Labour, in Sinhala language

Secretary
Ministry of Labour and Foreign Employment

The summary report of the Auditor General on the Financial Statements of the Ministry of Labour for the year ended 31 December 2021 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018

The above report and financial statements in Sinhala, Tamil and English are forwarding herewith.

K.C.P. Senarathne
Senior Assistant Auditor General
For Auditor General

Copy: Director General, Department of Public Finance



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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Your No.

දිනය
திகதி
Date

22nd June 2022

Secretary
Ministry of Labour and Foreign Employment

The summary report of the Auditor General on the Financial Statements of the Ministry of Labour for the year ended 31 December 2021 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statement of the Ministry of Labour for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and statement of financial performance and cash flow statements for the year then ended 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 provisions of the National Audit Act, No. 19 of 2018. In terms of section 11(1) of the National Audit Act, No.19 of 2018, the summary report including my comments and observations on the financial statements of the Ministry, was issued to the Chief Accounting Officer on 30 June 2020. In terms of section 11(2) of the Audit Act, the Annual Detailed Management Audit Report relating to the Ministry will be issued to the Chief Accounting Officer in due course. This report is submitted to Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Ministry of Labour as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 Of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibility of the Chief Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and in terms of Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as the Chief Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per section 16(1) of the National Audit Act, No. 19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Ministry.

In terms of Sub-section 38(1) (c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibility for the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Ministry's internal control.
- Evaluate the appropriateness and reasonableness of the structure and content of financial statements, including disclosures as well as the transactions and events which were based on.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5. Report on Other Legal Requirements

As required by Sub-section 6(1) (d) of the National Audit Act No.19 of 2018, I State the followings:

- a) That the financial statements are consistent with the preceding year,
- b) That the recommendations made by me on financial statements of the preceding year had been implemented.

1.6 Comments on financial statement

1.6.1 Statement of Financial and Performance

1.6.1.1 Non-financial assets

The following observations are made

- (a) Though the balance of the non-financial assets as at 31 December 2020 was indicated as Rs. 528,687,237 in the Statement of Financial Position, as a result of it being indicated as Rs. 647,939,499 in the Statement of Non-Financial Assets, a difference of Rs. 65,252,262 was observed. The reason for this difference had not been disclosed even through a note to account.
- (b) Computer accessories of USD 20,000 given as aid to the National Productivity Secretariat by the Asian Productivity Organization in the year 2021 had not been obtained through the Department of External Resources and nor had it been included in the statement of non-financial assets.
- (c) As a result of the value of non-financial assets submitted through ACA-6 form in the financial statements being Rs. 633,226,812 and the value of non-financial assets according to the information submitted to the audit being Rs. 575,624,796, a difference of Rs. 57,602,016 was observed. Accordingly, the total assets in the Statement of Financial Position had been over-calculated by that amount as at 31 December 2021.

1.6.2 Unreconciled balances

Rs. 709,243,000 received from the Treasury during the year had not been included in the trial balance of the Ministry of Labour submitted to the audit as at 31 December 2021 and a difference of Rs. 707,153,000 was also observed between the receipts and payments of the 249/21 imprest account included in the trial balance.

2. Financial Review

2.1 Expenditure Management

The following observations are made.

- Provisions of Rs. 24,287,000 for 10 expenditure items out of budgetary provisions of Rs. 32,500,000 made in respect of 17 expenditure items had been reverted back in accordance with cabinet paper No.21/1596/304/134 dated 31 August 2021 of the Cabinet Secretary. This included financial provisions for 5 expenditure items and during the year 2021, no expenditure had been borne from Rs. 1,013,000 that remained after the transfer of provisions for 4 expenditure items and the entire provision of Rs. 1,650,000 of the remaining 7 expenditure items, totaling Rs. 2,663,000. The saving thereof was 100 percent.
- Of the provision of Rs. 104,400,000 made in respect of 27 expenditure items, Rs. 45,122,000 had been returned and only Rs. 32,813,486 had been utilized at the end of the year 2021. The percentage of savings for 16 expenditure items out of these expenditure items ranged between 50 percent to 98 percent.
- Though it was stated in the financial statements that the provision of Rs. 4,000,000 allocated under expenditure item, 193-02-05-2001 had been utilized 100 percent, this payment had been made to the Department of Buildings for installing partitions in the office of the Commissioner for Workmen's Compensation and this project had not been commenced even by 17 June 2022.
- The estimate for the acquisition of machines and machinery under expenditure item 193-2-5-2013 in the year 2021 and the acquisition of furniture and office equipment under expenditure item 193-2-5-2013 had been amended to be increased by more than 400 percent and the reason cited was the inadequate number of computers for officers to duly carry out their duties. Accordingly, as this had not been identified prior to the beginning of the year, the planning of expenditure as per F.R.3 had not been properly carried out.

2.2 Working losses without authority

Though the minimum limit of receipts for the Advance B Account of Public Officers was Rs. 20,000,000 as per the estimate, the value of receipts during the year 2021 was Rs. 13,916,095. Even though it had been stated in the financial statements that the limit of receipts should be amended up to Rs. 12,000,000, the minimum limit of receipts in treasury accounts was stated as Rs. 20,000,000. Though it had been stated

by letter dated 31 December 2021 that action would be taken to amend these limits, the said amendment had not taken place in treasury accounts. Similarly, the Minister of Finance presented to the Parliament the variation of limits of Advance Accounts pertaining to Advances to public officers for the year 2021 on 08th June 2022 authorizing the variation of limits with effect from 30th May 2022.

2.3 Incurring liabilities and commitments

Liabilities had been reported less Rs. 4,056,435 in the financial statement than the treasury notes due to non-recording of liabilities of Rs. 153,730 shown in financial statements in the treasury books, Rs. 308,800 payable to a private institution under expenditure item 193-1-7-0-2401 being overstated in financial statements and non-inclusion of Rs 4,518,165 reported by the Badulla District Office to the treasury under the same expenditure item in the financial statements.

2.4 Non-compliance with laws, rules and regulations

Reference to laws, rules/ regulations	Observations
(a) Regulations set out in letter No: SC & PMU/Grant/20 and dated 14 August, 2020 of the Department of External Resources and the in F.R. from 610 to 626	The National Productivity Secretariat had directly obtained foreign aid amounting to Rs. 18,427,300 from the Asian Productivity Association in the year 2021 without adhering to the instructions in the said letter and without addressing the Director General of the Director General of National Budget. Of this amount, Rs. 12,757,400 had been credited to the General Deposit Account in the year 2021 and Rs. 5,669,900 in the year 2022 and estimate provisions had not been made by supplementary and Weeramon procedure prior to the utilization.

2.5 Issuing and settling advances

The sum of Rs. 138,501 to be recovered from a Management Assistant who had left the service more than five years ago had not been recovered even by 04th May 2022.

2.6 Deposits

The following observations are made.

- In the year 2021, Rs. 12,757,400 had been credited as foreign aid to the general deposit account of the National Productivity Secretariat.
- As at 31 December 2021, compensation of Rs. 10,014,543 had been retained in the general deposit account bearing No. 6000-0-0-17-0-26 within which was compensation to the value of Rs. 536,326 exceeding 2 years since the receipt and the value of compensation deposited before 1 to 2 years was Rs. 1,371,986. The value of compensation deposited between 6 months to 1 year was Rs.2,971,667.

- (c) Accounts had been opened in National Savings Bank in the name of Commissioner for Workmen's Compensation for Rs. 2,023,096 which had been received as compensation but could not be paid to claimants due to various reasons. Though a period ranging from 22 months to 48 months had elapsed since the deposit of money in accounts, they could not be released to claimants due to non completion of court proceedings.

2.7 Operating Bank Accounts

Due to five (5) out of 7 cheques to the value of Rs. 9,724,913 written in favour of 5 institutions on 30 and 31 December 2021 from account number 1001590256 of the Ministry being been issued to the relevant individuals in May 2022 and 2 cheques in March 2022, it was apparent that the cheques had been written with the objective of retaining provisions for unfinished tasks.

3. Operational Review

3.1 Performance

3.1.1 Vision and Mission

It is disclosed from the following matters that the formulating, implementing, monitoring and evaluating the policies and programmes relevant to the subjects under the purview of the Ministry of Labour and the administration of the Employees' Provident Fund indicated as a key function of the Ministry had not been properly carried out.

- (a) Rs. 9,933,449,162 of the Employees' Provident Fund not credited to single accounts as at 31 December 2021 lying in the Labour Commissioner's Contributors Account and Rs. 301,779,837 in the EPF deposit account and the deposit accounts of the District Offices.
- (b) Proper supervision not taking place in the Private Provident Fund even by the year 2021.
- (c) Not resolving 57 percent or 178 out of 308 complaints received by way of petitions to the Special Investigations Unit for the period from 2015 to 2020 by September 2021.
- (d) The number of cases lying dormant as at 31 December 2021 was 5,151 and the value to recovered therefrom was Rs. 3,108,693,249. The number of open warrant cases being 2,822 and the value recoverable being Rs. 879,249,209. This included cases relevant to a period from 1 to 30 years.
- (e) Though "Creating employee satisfaction by making employers to pay compensation speedily for employees in the event of injury or death" was stated as the vision of the Office of the Commissioner for Workmen's Compensation established under the Workmen's Compensation Ordinance, No. 19 of 1934, it was revealed at the audit that there had been inordinate delays in the process of recovering compensation for fatal and non-fatal accidents taking place during the course of employment.

3.1.2 Delays in carrying out projects

Rs. 6,090,000 had been paid to the Director General of Buildings for the contract of installing partitions at the Compensation Tribunal of the Officer of the Commissioner for Workmen's Compensation using the provisions made under 193-1-2-2509 and 193-2-5-2001 which are two programmes under the head of expenditure of the Ministry. There was no written contract in this regard and though it had been notified that the task would be completed by 15th March 2022, that task had not begun even by 25th May 2022, there had been a lengthy delay in carrying out the project.

3.1.3 Annual Performance Report

Even though details of foreign funded projects, if any should be included in the Annual Performance Report in terms of 1.5 of paragraph 01 of Guideline No: 14 issued by the Public Finance Department as per paragraph 10.2 of Public Finance Circular bearing No. 2/2020 dated 28 August 2020, the details of project for providing medical equipment to the Mahiyanganaya hospital from USD 90,000 granted to the National Productivity Secretariat by the Asian Productivity Organization had not been included in the Performance Report.

3.2 Procurements

The following observations are made.

- (a) The contract for the construction of a drivers' lodge on the land where Ampara Holiday Resort is located had been awarded to a private institution in August 2021 for a value of Rs. 5,095,983. Though the value of advance payable as per the contract agreement was 20%, in violation of the conditions of the contract, the total value of the contract had been paid as advances as Rs. 1,149,855 on 29 December 2021 and Rs. 3,617,753 on 31 December 2021 (after deducting the money).
- (b) This contract which should have been completed by January 2022 had not been completed even by 25 May 2022 and action had not been taken to recover late fees in terms of the agreement.

3.3 Losses and damages

The following observations are made.

- (a) Despite the lapse of 6 to 8 years since the occurring of damages, without taking action to recover the damages to the value of Rs. 403,939 caused to 5 vehicles during the period from 2013-2015 or write off same from the books as per financial regulations, it had been presented continually in the financial statements.
- (b) A Management Assistant lady officer of the Salary Division had committed a fraud in preparing staff salaries of the National Productivity Secretariat which had been disclosed on 11 January 2022. This salary fraud amounting to a gross value of Rs. 5,133,520 had been committed from around August 2018 to December 2020. A disclosure in this regard had not been made in the financial statements and preliminary investigations had not been completed despite the lapse of 5½ months.

3.4 Uneconomical transactions

Rs. 1,159,662 had been paid to the State Timber Corporation on 06 December 2021 for preparing a place in the 8th floor for the consumption of food for the ministerial staff. Despite there being a canteen with an area of 11,286 square feet on the 4th floor of the Mehewara Piyasa building, Rs. 1,159,662 had been spent on a place for the officers of the Ministry to partake their meals. (Though the provisions required for this as per the procurement plan had been allocated under expenditure item 193-01-02-2001, the payments had been made from expenditure item 193-01-02-2102)

3.5 Management deficiencies

The following observations are made.

- (a) As a result of not taking action to transfer the ownership of 5 vehicles of which the leasing installments had been paid off and being used by the National Productivity Secretariat, the absolute ownership of the said vehicles was with Bank of Ceylon and the ownership another 4 vehicles was not in the name of the National Productivity Secretariat.
- (b) Even though an employer should submit a report to the Commissioner of Labour within 14 of an accident occurring to an employee in the course of employment in terms of Section 57(1) of Part XII of the Workmen's Compensation Ordinance, No.19 of 1934, as a result of not devising a method for such purpose, it was disclosed according to the documents that the accidents reported to the Office of the Commissioner for Workmen's Compensation had been delayed from 5 months to 12 years.
- (c) Even though it had been notified that one out of 8 vehicles registered in the name of the Ministry of Labour but were not physically present had been transferred to the Insurance Trust Fund in the year 2018 after being condemned subsequent to an accident, it was revealed that the said vehicle was being used having obtained a new revenue license in the year 2021 and the transfer of other vehicles to the relevant institutions after obtaining information had not been carried out even by the end of the year 2021.
- (d) Out of the provision of Rs. 45,000,000 made from the annual estimates for the implementation of the national policy for decent work, Rs. 14,884,644 had been spent with Rs. 11,856,138 being spent on 03 other capital expenditure items and Rs. 3,028,506 being spent on activities for which provisions had not been allocated in the year 2021.
- (e) 690 Productivity Development Officers of the National Productivity Secretariat had been attached to District Secretariats and Divisional Secretariats and Rs. 383,416,233 had been paid as salaries to those officers in the year 2021. Though the implementation of productivity concepts was one of the key duties of these officers, the implementation of such concepts was a minimal level and some officers did not even have a proper understanding about productivity concepts. As the role of these officers had not been duly regulated by the Head Office, the productivity as to the role of these officers was at a very poor level.

- (f) 75 District Secretariats and Divisional Secretariats in which 138 Productivity Promotion Officers were employed had not taken part in the Productivity Awards Ceremony of the year 2020.
- (g) Though it was informed to the audit after being pointed out at the last audit report that Rs. 1,000,000 had been overpaid as a result of two applications from the same beneficiary being recommended by the Ministry of Labour in recommending applications to the National Budget Department for paying allowances to 1980 July strikers that the relevant data base had been corrected, the risk of applications being recommended again for same persons existed as a result of the database not being updated as per information about beneficiaries to whom payments were made before the year 2022 obtained from the National Budget Department though the database had been updated as per payments made in the year 2022.
- (h) The land on which the Ampara holiday resort is located had not been acquired to the Ministry of Labour even by May 2022.

4. Good Governance

4.1 Delivering service to the public

- (a) The process of recovering compensation for 140 fatal accidents and 424 non-fatal accidents reported to the Officer of the Commissioner for Workmen's Compensation as at 30 November 2021 had not been finalized and they included 14 fatal accidents and 29 non-fatal accidents which had lapsed 5 years since the reporting of accidents.
- (b) According to the report dated 22nd March 2021 of the internal auditor of the Ministry of Labour, in inspecting 10 randomly selected files which had exceeded 5 years, it was observed that though some cases had been called 13 times to 52 times during a period ranging from 03 years to 09 years, no solution had been offered even by January 2021.

However action had not been taken to inquire into the reasons for inordinate delay in the process for paying compensation though the lengthy period taken for obtaining compensation after making an application for compensation could deprive the benefits that can be gained from compensation.

- (c) Savings accounts had been opened for Rs. 4,947,535 deposited by employers in the Compensation Office in respect of 13 files relating to appeals filed against the rulings of the Labour Compensation Tribunal and since the opening of 10 savings accounts of them amounting to Rs. 3,729,505, a period ranging from 1 to 4 years had lapsed.
- (d) Though the compensation entitled to minors of employees who die due to fatal accidents in the course of employment should be invested in a fixed account in National Savings Bank in the name of the Commissioner for Compensation until they reach the age of maturity and should be released to them upon reaching maturity, the value of fixed deposits no so released upon reaching maturity was Rs. 6,100,788 as at 20 December 2021.

- (e) Due to the employer not paying compensation though the labour tribunal had ruled that the aggrieved party should be paid compensation, 46 cases remained as warrants as at 31 December 2021 and the compensation due therefrom was Rs. 13,419,197. Amongst them were Rs. 1,873,352 in respect of 10 cases exceeding 10 years since the issue of warrants, Rs. 6,917,546 in respect of 21 cases between 5- 10 years, and Rs. 4,628,298 in respect of 15 cases between 1-4 years. Since the beneficiary employee had not received this amount though the tribunal had awarded compensation to the beneficiary employee, the objective of the Officer of the Commissioner for Workmen's Compensation had not been achieved.

5. Human Resources Management

5.1 Approved staff, actual staff and expenditure for personal emoluments

- (a) Though the three posts of Commissioner for Workmen's Compensation, Additional Commissioner for Workmen's Compensation and Deputy Commissioner for Workmen's Compensation who are judicial officers appointed by the Judicial Services Commission and 1 post of Assistant Commissioner of Labour in the approved cadre of the Office of the Commissioner for Workmen's Compensation, 3 of these posts remained vacant over a long period of time but action has hitherto not been taken to fill the vacancies. A lengthy period of time has been taken to call compensation cases for trial and the hearing of cases by only one judge in 14 labour tribunals scattered upon the country could have been a reason for this. For example, out of fatal accidents reported from the Colombo zone alone, 26 files of which rulings had not been made and the last hearing of which was 2 to 7 years ago were observed.
- (b) In the year 2021, an expenditure of Rs. 483,931,657 had been incurred on personal emoluments of the Ministry of Labour and details of approved and actual cadre are given below.

	Employee category	Approved cadre	Actual cadre	No. of vacancies
(i)	Senior level	45	22	23
(ii)	Tertiary level	10	06	04
(iii)	Secondary level	897	783	114
(iv)	Primary level	57	32	25
	Total	1009	843	166

K.C.P. Senratne

Senior Assistant Auditor General

For Auditor General

Chapter Four

Performance Indicators

4.1 Performance Indicators of the Ministry (Based on the Action Plan)

Table 4-1 Performance indicators of the Ministry

Specific indicators	Actual outcome as a percentage (%) of expected outcome		
	100% - 90%	75% - 89%	50% - 74%
1 No. of legislations newly enacted/ amended for upholding the labour rights*	13	5	1
2 No. of annual reporting for conventions ratified of the ILO	100%		
3 No. of policy decisions reached for the promotion of industrial peace	7		
4 The percentage of labour inspections of high quality (A & B) out of the total labour inspections conducted during the year	**		
5 The percentage of labour inspections conducted out of the targeted number of labour inspections	**		
6 Of the complaints received on child labour, the percentage of the number of completed inspections		69%	
7 The number of programmes conducted for social dialogue as a percentage of the target	***		17%**
8 The percentage of payments of benefits of EPF within 14 days			65%
9 No. of Occupational Safety Officers produced for occupational safety and health of workers	100%		
10 No. of courses conducted to educate the labour force on labour laws			72%
11 No. of cases finalized out of the cases to be finalized in respect of occupational accidents (fatal & non-fatal)		77%	
12 No. of persons to whom training and education was given on productivity concepts	108%		

Note

- *- Since these activities are conducted as per requirements, the final outcome is not definite. Therefore percentages cannot be given.
- ** - Due to the Covid-19 pandemic prevailed during the year, the conduct of field inspections had to be halted or limited during certain months of the year.
- *** - The targeted percentage of social dialogue programmes could not be reached during the year owing to the inability to mobilize employers and employees for programmes on account of the restrictions imposed to contain the Covid-19 pandemic

Chapter Five

Performance in achieving Sustainable
Development Goals

5.1 Identified Sustainable Development Goals

Table 5-1

SDGs relevant to the Ministry

Target /Goal	Targets	Achievement indicators	Progress of achievements
05 Achieve gender equality and empower all women and girls	5.1 End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	<p>Of the complaints received by the Women and Children's Affairs Division of the Dept. of Labour, investigations into 02 complaints relevant to the year 2021 were completed and files were closed. Investigations into 11 files relevant to years 2018,2019 & 2020 too were finalized and files were closed. Proceedings were initiated in respect of 11 complaints on violations of service conditions. (These cases regarding complaints investigated since 2020 were filed in the year 2021.)</p> <p>Special team inquiry was conducted on female workers covering 302 institutions. During the inquiry, 30 violations of institutional conditions were reported and cases were filed against 2 institutions for violating conditions.</p>
	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres including trafficking and sexual and other types of exploitations	5.2.1 Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age.	

08	5. C	Applying, strengthening and giving legal effect to favourable policies for the empowerment of gender equality and women and girls of all levels	5.C.1	No. of countries with mechanisms and state funding for empowering gender equality and women.	<ul style="list-style-type: none"> Awareness was raised on the labour laws applicable to women and children for 08 groups comprising 30 female workers each of the private sector through the 11 zonal labour offices in their respective areas.
					<ul style="list-style-type: none"> The Department of Labour joined hands with the Sri Lanka Girl Guides Association to raise societal awareness by educating girl guides on the labour law and a memorandum of understanding was signed between the two parties aimed at specific objectives for the empowerment of girl guides. The Department participated in the discussion held on 05.03.2021 under the topic 'whether the labour law of Sri Lanka favourable to women's economy' which was streamed live over Facebook social media platform. Awareness was raised therein about the impact of labour laws during the period of service of women. An awareness programme on women's working environment and sexual harassment in workplace was held at a private institution at Kelaniya. Psychological counseling and evaluation programme was conducted for female residents of hostels at Katunayake and Koggala.

08	Promote inclusive and sustainable economic growth, employment and decent work for all	8.5	Offering productive and decent employment opportunities for all men & women including youths and persons with disabilities by 2030.	8.5.1	Average hourly earnings of male and female workers according to sectors do not vary by sex, age, occupation and factors such as the occupation, age and nature of disability.	In terms of labour laws, average hourly earnings of employees of the private and semi-government workers do not vary by sex, age, occupation and persons with disabilities.
	8.7	Taking effective measures immediately for eradicating forced labour, ending female slavery and human trafficking, proscribing worst forms of child labour including recruitment of child soldiers and ending all forms of child labour by 2025.	8.5.2	Unemployment ratio in relation to gender, age and persons with disabilities	8.7.1	The number of children employed as workers according to gender in the 5-17 age group.
	8.8	Upholding labour rights, promoting safe and secure work environment for all workers including migrant women, migrants and those engaged in hazardous jobs.	8.8.1	Fatal and non-fatal ratio of accidents according to the gender and state of migration	8.8.2	Freedom of association and freedom of collective bargaining exist and the number of trade unions registered as at 31.12.2020 was 1936.
						<p>Though fatal and non-fatal accidents relating to occupations have been reported, records have not been kept of gender and migration status of victims and it is expected to be carried out in future.</p> <p>Similarly, action was taken to forward annual reports relevant to year 2021 to ILO. In the observations of the ILO expert committee, it has been mentioned that the shortcomings in the matters contained in the reports were minimal.</p>

5.2 Achievements and challenges in fulfilling SDGs

Out of the SDGs to be realized by Sri Lanka by the year 2030, the goal that is directly relevant to the Ministry of Labour in terms of the mission of the Ministry is goal 08 which is the promotion of inclusive and sustainable economic growth, employment and decent work for all. Accordingly,

the vision and mission of the Ministry of Labour is in accord with this goal and the final outcome of all activities of the Ministry of Labour and its affiliated institutions is to successfully realize this goal. Thus, the overall progress of the ministry reflects the progress in achieving the 08th goal. That aside, the 05th goal of achieving gender equality and empowering all women and girls too is relevant according to the functions assigned to the Ministry.

Chapter Six

Human Resource Profile

6.1 Cadre Management

Table 6-1 Cadre of the Ministry as at 31.12.2021

Post	Approved cadre	Existing cadre as at 31.12.2031	No. of vacancies	No. of vacancies as a percentage of approved cadre
Senior level	273	171	102	37%
Tertiary level	694	494	200	29%
Secondary level	2,679	2,342	337	13%
Primary level	558	467	91	16%
Total	4,204	3,474	730	17%

6.2 How the shortage or surplus of human resources has affected the performance of the institution

The shortage of human resources of the Ministry and institutions under its purview is as follows.

Shortage

• Senior Level	102
• Tertiary Level	200
• Secondary Level	337
• Primary Level	91
Total	730

officers have to perform the duties of vacant posts in addition to their prescribed duties. In particular, the shortage of executive officers has given rise to practical problems in situations where decisions have to be made within the institutional hierarchy and responsibilities have to be assumed such as financial powers as well in situations where guidance and regularization need to be facilitated. The excessive workload resulting from overseeing duties of vacant posts in addition to duties assigned, may cause fatigue and mental stress. Since this situation adversely affects the overall efficiency of the Ministry, it is observed that there is a possibility of a decline in the efficiency of the Ministry.

Due to this human resource shortage, the

6.3 Human Resources Development

6.3.1 Participation of officers of the Ministry in local training programmes

Table 6-2 Participation of officers of the Ministry in local training programmes

Name of the Programme	No. of employees trained	Duration of the programme	Overall investment (Rs.)	Output/Knowledge acquired
1 Disciplinary procedure	1	06 hrs	3,500.00	Handling the subjects assigned with greater efficiency & accuracy
2 Office management & financial regulations	1	24 hrs	7,000.00	Handling the subjects assigned with greater efficiency & accuracy

3	Keeping and maintaining assets including property / equipment	1	06 hrs	3,500.00	Handling the subjects assigned with greater efficiency & accuracy
4	Preparation of procurement plan	1	06 hrs	3,500.00	Handling the subjects assigned with greater efficiency & accuracy
5	Training and development	1	06 hrs	3,500.00	Handling the subjects assigned with greater efficiency & accuracy
6	Training programme for internal audit officers	1	08 hrs	-	Handling the subjects assigned with greater efficiency & accuracy
7	Women's capacity development programme	9	03 hrs	-	Creating a positive attitudinal change
8	Orientation programme (with theoretical knowledge and field visits)	22	34 hrs	25,000.00	Enabling subjects to be handled with greater efficiency & accuracy by introducing work environment and providing basic knowledge on duties in the public sector
9	Workshop for the validation of strategic plan for the implementation of the official language policy	1	6 hrs	19,240.00	Effective and efficient implementation of the official language policy
10	Masters degree on Public Management	1	First year	175,000.00	Discharging duties with greater efficiency by obtaining a broad knowledge on the subject scope.
11	Training on government procurement Process	6	45 hrs	7,200.00	A requirement to be fulfilled as per service minutes
12	Training on the provision of consumer process	3	51 hrs	3,600.00	Handling the subjects assigned with greater efficiency & accuracy
13	Training on the verification of physical assets	4	37 hrs	4,000.00	Handling the subjects assigned with greater efficiency & accuracy
14	Training programme on the discipline of public sector employees	6	35 hrs	4,200.00	Handling the subjects assigned with greater efficiency & accuracy
15	Training on professional development	6	25 hrs	4,200.00	Handling the subjects assigned with greater efficiency & accuracy

16	Training on leadership & motivation	6	50 hrs	9,600.00	Handling the subjects assigned with greater efficiency & accuracy
17	Workshop on Smart Transformation for Service Sector	20	03 days	-	Handling the subjects assigned with greater efficiency & accuracy.
18	Workshop on Advance Performance Management	10	03 days	-	Handling the subjects assigned with greater efficiency & accuracy
19	Technical Expert Service Programme - Workshop on Big Data for Public Sector	2	03 days	-	Handling the subjects assigned with greater efficiency & accuracy
20	Outbound training on leadership & personality development	50	02 ½ days	440,000.00	Enhancing overall efficiency & productivity through increased team spirit

6.3.2 Participation officers of the Department of Labour in local training Programmes

Table 6-3 Participation of officers of the Department of Labour in local training programmes

	Name of the Programme	No. of employees trained	Duration of the programme	Overall investment (Rs.)	Output/Knowledge acquired
1	Capacity development training programme held to mark International Women's Day	150	01 day	95,720.00	Improving artistic taste and capacity development of officers
2	Awareness on the amendment of labour inspection reports and training officers on occupational hygiene and industrial safety.	175	02 days	162,650.00	Instructions and procedure required for trying out the amended labour inspection reports
3	Training programme for creating awareness amongst officers at the office level on EPF data system	68	01 day	128,875.00	Updating knowledge of officers on EPF data system and resolving problems

4	Orientation programme for Multipurpose Development Assistants	18	01 day	11,740.00	Providing knowledge required for discharging duties
5	Training for Development Officers of Special Investigations Division	04	02 days	8,280.00	Educating on the activities of the investigation team
6	Orientation programme for new Development Officers (Online)	91	07 days	21,900.00	Training officers on file management and office methods
7	Orientation programme for Assistant Labour Commissioners	08	02 days	112,055.00	Providing knowledge required for discharging duties and orientation training
8	Awareness programme on the implementation of Standard Operating Procedure to resolve complaints and petitions received by DoL –SOP-Sinhala & Tamil medium programme (Online)	118	02 days	-	Awareness on SOP for resolving complaints and petitions
9	Training programme on the payment of 30% & services of "L" Division (Online)	100	02 days	3,870.00	Updating knowledge of officers on the payment of 30% & services of "L" Division
10	Making officers aware of public finance management process and procurement process (Online)	75	03 days	11,850.00	Solving problems relating to public finance management process and procurement process
11	Making officers aware of hidden employment relations under the decent work programme - 2021 (Online)	520	06 days	35,515.00	Introducing hidden employment relations

12	Training programme on EPF levying data system and services of the benefit payment division (Online)	526	04 days	18,900.00	Updating knowledge and of Officers dealing with EPF data system and payment of benefits and resolving problems
13	Training programme on the introduction of Acts, amendments to Acts, complaint investigation, gathering evidence and filing cases - Central zone and Southern zone	130	01day for each Zone	129,700.00	Updating knowledge of officers and resolving problems
14	Language training programme conducted in terms of P.A Circular 18/2020	43	100 hours	Rs. 75,000.00	improving Tamil language proficiency of officers
15	Language training programme conducted in terms of P.A Circular 18/2020 - secondary Service Level	136	150 hours	Rs. 225,000.00	improving Tamil language proficiency of officers
16	Language training programme conducted in terms of P.A Circular 18/2020 - Senior Service Level	98	200 hours	Rs. 150,000.00	improving Tamil language proficiency of officers
17	Higher National certificate in Labour Law & Labour Relations - NILS	05		200,000.00	Handling the subjects assigned with greater efficiency & accuracy
18	Training programme on personal file management -Sri Lanka Foundation Institute	07	31.03.2021	26,600.00	Handling the subjects assigned with greater efficiency & accuracy
19	Productivity certificate course conducted for public officials (Online)	42	20 hours	-	Handling the subjects assigned with greater efficiency & accuracy

20	Post Graduate Degree on Labour Relations and Human Resources Management	01	100,000.00	Discharging duties with greater efficiency by obtaining a broad knowledge on the subject scope A requirement to be fulfilled as per service minutes
21	Post Graduate Degree on Information System Management	01	139,250.00	-do-
22	Post Graduate degree in Occupational Safety & Health Management (Moratuwa University)	01	103,500.00	-do-
23	Post Graduate Degree on law	02	303,000.00	-do-
24	Degree on Law	03	97,050.00	-do-
25	Post Graduate Degree on Ecology	01	200,000.00	-do-
26	Masters in Public Administration & Management	05	425,000.00	-do-
27	Masters Degree	01	75,000.00	-do-

6.3.3 Participation of officers in foreign training programmes

Table 6-4 Participation of officers in foreign training courses

	Name of the Programme	No. of employees trained	Duration of the programme	Output / Knowledge acquired
1	ILO Regional Tripartite Meeting towards a more resilient, Inclusive and sustainable garment and textiles sector in Asia and the Pacific	2	18. 10.2021 20. 10.2021	Awareness of sustainability and new trends in the apparel and textile industries in Asia & Pacific region
2	Online South Asian Regional Tripartite Training Course on "Evidence – based Policy Making for Decent Work"	2	22.11.2021 26.11.2021	Discharging duties with greater efficiency and accuracy

3	Multi – Country Observation Study Mission on Data Governance in the Public Sector to Improve Productivity	1	24.11.2021 25.11.2021	Discharging duties with greater efficiency and accuracy
4	Development of APO – Certified Public Sector Productivity Specialists	1	06.12.2021 10.12.2021	Discharging duties with greater efficiency and accuracy
5	Fourth meeting of the Special Tripartite Committee of the Maritime Labour Convention 2006, as amended (MLC, 2006), Geneva	2	19. 04.2021 23. 04.2021	Gaining knowledge on preparing reports relevant to Maritime Labour Convention (MLC, 2006). Acquiring knowledge relating to maritime labour and pandemic & reviewing maritime related international labour
6	Bilateral Seminar on the "Belt and Road" International Capacity Cooperation for Sri Lanka	5	11.05.2021 31.05.2021	Promoting cooperation between China & Sri Lanka under the "Belt and Road" programme gaining understanding on the benefits to be accrued on Sri Lanka
7	Scholarship for online training on "Best Practices in International Labour Standards Reporting"	1	22.03.2021 14.05.2021	Acquiring competency on preparing annual reports relevant to the ratified ILO conventions
8	Technical Meeting on the future of work in the education sector in the context of lifelong learning for all, skills, and the Decent Work Agenda	1	17. 05.2021 21. 05.2021	Gaining knowledge on emerging trends in the field of education.
9	Meeting of experts to discuss and adopt a code of practice on safety and Health in Textiles, Clothing, Leather and Footwear, Geneva	2	04.10.2021 08.10.2021	Gaining understanding on safety and health practices in in Textiles, Clothing, Leather and Footwear industries.
10	Seminar on Building and Developing of Employment Service System in Developing Countries, China	1	09.11.2021 22.11.2021	Acquiring knowledge on building & developing of employment service system
11	Capacity building workshop on Wage Concepts and Wage Setting Process for Informal and Home-based Workers in Lower Tiers of the Supply Chains	5	11.10.2021 14.10.2021	Gaining understanding on Wage Concepts and Wage Setting Process for Informal and Home-based Workers in Lower Tiers of the Supply Chains

12	Technical meeting on the future of work in aquaculture in the context of the rural economy, Geneva	2	13.12.2021 17.12.2021	Broadening understanding on the future of work in aquaculture in the context of the rural economy
13	Seminar on Industrial Park Construction for Belt and Road Countries	4	28.10.2021 10.11.2021	Gaining knowledge on Industrial Park Construction
14	Invitation to the 4 th ILO Employment Policy Research Symposium on “Employment policies for job-rich recovery and a better future of work”	2	15. 11.2021 16. 11.2021	Acquiring knowledge on Employment Policy Research
15	Sri Lanka Tripartite Participation in South Africa NEDLAC Annual Summit	7	07.12.2021	Sri Lanka’s tripartite participation in South Africa NEDLAC Annual Summit

6.3.4 Contribution of training programmes for the performance of the Ministry

Several objectives are expected to be achieved through training programmes offered to the officers of the Ministry. The foremost amongst them are the capacity development of officers and human resources development. Being motivated to use new media and technology for professional development in a backdrop of limited funds and resources, these training programmes serve to boost their occupational productivity. Similarly, by developing attitudes of officers and improving their language proficiency, they will be able to provide more friendly service to the general public and cause effective institutional interrelations to be forged. Creating a highly experienced, accomplished and contended

group of officers in the public service by directing the relevant officers for training needs identified through a meticulous study is the general objective of these training programmes.

The planning of training programmes of officers has been carried out under the following key components.

- Orientation programme
- Leadership and attitude development training
- Subject related training

Details of training programmes conducted under the relevant components are outlined above. Due to the Covid-19 pandemic situation prevailed in the country, training courses could not be conducted as expected.

Chapter Seven

Compliance Report

Table 7-1

Compliance Report

No.	Applicable Requirement	Compliance Status (Complied / Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial statements / accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Relevant		
1.4	Stores Advance Accounts	Not Relevant		
1.5	Special Advance Accounts	Not Relevant		
1.6	Others			
2	Maintenance of books and registers (FR 445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register / Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Tresury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update			
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	-		
2.10	Commitment Register has been maintained and update	Complied		

2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied
3	Delegation of functions for financial control (FR 135)	
3.1	The financial authority has been delegated within the institute	Complied
3.2	The delegation of financial authority has been communicated within the institute	Complied
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied
4	Preparation of Annual Plans	
4.1	The annual action plan has been prepared	Complied
4.2	The annual procurement plan has been prepared	Complied
4.3	The annual Internal Audit plan has been prepared	Complied
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied
5	Audit queries	
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied
6	Internal Audit	
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	Complied
6.2	All the internal audit reports has been replied within one month	Complied

6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied
7	Audit and Management Committee	
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2016-9	Complied
8	Asset Management a	
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied
8.5	The disposal of condemn articles had been carried out in terms of F.R. 772	Complied
9	Vehicle Management	
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied
9.3	The vehicle logbooks had been maintained and updated	Complied

9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied
10	Management of Bank Accounts	
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Not Relevant
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied
11	Utilization of Provisions	
11.1	The provisions allocated had been spent without exceeding the limit	Complied
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the F.R. 94(1)	Complied
12	Advances to Public Officers Account	
12.1	The limits had been complied with	Complied
12.2	A time analysis had been carried out on the loans in arrears	Complied
12.3	The loan balances in arrears for over one year had been settled	Complied
13	General Deposit Account	
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied
13.2	The control register for general deposits had been updated and maintained	Complied

14	Imprest Account	
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied
15	Revenue Account	
15.1	The refunds from the revenue had been made in terms of the regulations	Complied
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied
15.3	Returns of arrears of revenue forward to the Auditor General in terms of F.R. 176	Complied
16	Human Resource Management	
16.1	The staff had been paid within the approved cadre	Complied
16.2	All members of the staff have been issued a duty list in writing	Complied
16.3	All reports have been submitted to MSD in terms of their circular No. 04/2017 dated 20.09.2017	Complied
17	Provision of information to the public	
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied

17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied	
18	Implementing citizens charter		
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied	
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied	
19	Preparation of the Human Resource Plan		
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018	Complied	
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied	
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not Complied	Actions are being taken to sign annual performance agreements for the entire staff
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programmes and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied	
20	Responses Audit Paras		
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied	

