

Sri Lanka Bureau of Foreign Employment - 2023

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Bureau of Foreign Employment for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 and Finance act No. 38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Bureau as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 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 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bureau's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Bureau 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 Bureau.

1.4 Responsibility of the Auditor on Audit 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 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, misrepresentations, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bureau's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.
- 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.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Bureau and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Bureau has complied with applicable written law, or other general or special directions issued by the governing body of the Bureau;

- Whether the Bureau has performed according to its powers, functions and duties; and
- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the Preparation of Financial statements

1.5.1 Non-Compliance with Sri Lanka Accounting Standards

	Non Compliance with the Reference to Particular Standard	Comment of the Management	Recommendation
(a)	Although the property, plant and equipment of the Bureau had been revalued during the year under review in accordance with paragraph 36 of Sri Lanka Accounting Standard 16, the property, plant and equipment costing Rs. 447,392,585 in the foreign missions had not been revalued.	It was not possible to complete the revaluation of the property, equipment and plants owned by foreign missions. Attempts to have these activities carried out by service providers in the relevant countries as a new experience were unsuccessful, and a re-procurement process had to be initiated.	Sri Lanka Accounting Standards should be followed.
(b)	As per paragraph 15 of Sri Lanka Accounting Standards 12, the usable right of 25 motor vehicles, which do not create a temporary change for tax purposes (permanent change), had been identified as an asset in the calculation of income tax. Accordingly, the difference between the carrying value of the asset and the lease liability had been calculated as a deferred tax liability of Rs.106,761,454. Further, the deferred tax liability of Rs.4,115,886 had been calculated as a deferred tax liability in the current year for intangible assets acquired in relation to the 2016/17 period. As a result, the deferred tax liability was overestimated by total of Rs.110,877,340.	The matters pointed out by the audit are correct. Correct adjustments will be made in the future.	Sri Lanka Accounting Standard should be followed.
(c)	In accordance with Section 80 (B) of Sri Lanka Accounting Standards 12, the over-provision of tax amounting to Rs. 286,520,680 relating to the assessment year 2022/23 should have been deducted from the tax expense of the current year. But that amount had been added to the tax payment of the current year. Accordingly, the tax expense for the year was overstated by that amount in the financial statements.	Although there was an overestimation of income tax in the current year, there was no impact on taxes overall. Such adjustments will be corrected in the future.	Tax calculation should be accurately reflected in accordance with the provisions of Sri Lanka Accounting Standards.
(d)	In accordance with Section 88 of the said standard, arrangements had not been made to disclose in the financial statements in	Action will be taken to rectify this in the future.	Information related to tax calculation should

- accordance with Sri Lanka Accounting Standard 37 regarding unresolved disputes having with tax authorities.
- be disclosed in accordance with Sri Lanka Accounting Standards.
- (e) Although non-financial items should be adjusted to profit before tax in accordance with paragraph 20 of Sri Lanka Accounting Standards 07. But the Bureau had not adjusted the amount of Rs.1,388,788,991 due in previous years, which had been included in income in the year under review, to the profit before tax. Further, the actual income tax expense for the year had been overstated by Rs.226,778,807, accordingly, cash flow generated from operating activities was overstated by Rs.1,615,567,798. Furthermore, the adjustment of Rs.132,814,814 made to the accumulated fund in the year under review had been added to the profit before tax in the cash flow statement. As such, the cash flow generated from operating activities was overstated by that amount.
- As pointed out by the audit, the cash flow difference should be corrected as Rs.97,788,637. After removing the tax provision for the year under review in the tax payable account, the remaining balance of Rs. 1,732,042,234 has been recorded in the cash flow statement. That relevant adjustments will be made in the future.
- The cash flow statement should be prepared in accordance with Sri Lanka Accounting Standards.
- (f) The increase in other receivables amounting to Rs.1,670,958,783 under working capital adjustments in the cash flow statement should have been recognized as a cash outflow. But the Bureau had recognized it as an inflow of Rs.292,206,413. As such, cash flow generated from operating activities had been overstated by Rs.1,963,165,196.
- As pointed out by the audit, although it was stated a cash outflow of Rs.1,670,958,783 under working capital adjustments in the cash flow statement, it should be corrected as a cash inflow of Rs.292,206,413. The reason for this is that there is an adjustment related to the Homagama land of Rs.26 million in the above-mentioned value, which was not a cash outflow from the Bureau. The adjustment of interest income receivable of Rs.1,937,544,813 and the adjustment of unrealized foreign exchange profit of Rs.379,617 have resulted reflect of value of Rs.292,206,413.
- According to Sri Lanka Accounting Standards, the cash flow statement should be prepared by accurately identifying the cash inflows and outflows during the year.
- (g) The decrease of sundry creditors by Rs.1,184,188,776 had been adjusted as Rs.1,860,049,996 under working capital adjustments in the cash flow statement. Further, the deferred tax adjustments of Rs.4,010,206 had been recognized as cash outflow. As such, cash flow generated from
- A sum of Rs.675,861,220 unrealized foreign exchange losses had been accounted for in the accounts of various creditors. Accordingly, the decrease in various creditors amounting to Rs. 1,844,776 under working capital
- The cash flow statement should be prepared by accurately identifying the cash inflows and outflows during

operating activities was understated by Rs.679,871,426. adjustments is recognized as a cash outflow of Rs. 1,860,049,996 in the financial statements. The deferred tax adjustment of Rs. 4,010,206 under the working capital adjustment is recorded as a cash outflow because it had been recorded as a cash inflow in the profit before tax. That relevant adjustments will be made in the future. the year.

1.5.2 Accounting Deficiencies

Audit Observation	Comments of the Management	Recommendation
(a) The Dambulla land owned by the Bureau and the Homagama land acquired on a 50 years lease had not been revalued but the cost of those lands of Rs.68,000,000 and the accumulated depreciation of Rs.18,029,749 had been debited and credited to the revaluation reserve account respectively. As such, the balance of the revaluation reserve account and the value of the lands were understated by Rs.49,970,251.	Action is being taken to give a part of the Homagama land to the Ceylon Electricity Board by the Urban Development Authority and provide to give another land to the Bureau in return, accordingly, revaluation has not been carried out. Due to an error in the deed and plan of the land belonging to the Dambulla Immigration Center, the revaluation was not carried out and the revaluation will be carried out after obtaining legal advice and making the relevant arrangements.	Actions should be taken to accurately account for the values of lands owned by the Bureau.
(b) According to the calculation of the audit the foreign exchange loss related to the fixed deposits of the Kuwait Compensation Fund was Rs.513,141,327, but it was accounted for as Rs.511,622,072 in the financial statements. As such, the balance of the Kuwait Compensation Fund and the balance of the Kuwait Compensation Fixed Deposits were overstated by Rs.1,519,255.	That the value of the foreign exchange loss of Rs.526,054,566 calculated by the Bureau in relation to the Kuwait Fund is correct.	Profit or loss should be calculated and accounted for based on the foreign exchange rate prevailing on the relevant dates.
(c) Water bills amounting to Rs.43,310,283 (KWD 41,130.373) payable to the Labor Welfare Department of Kuwait for the period from 24 November 2014 to 09 March 2021 had not been accounted for.	An accurate value of the relevant liability had not been identified at the time of preparing the financial statements and, accordingly, has not been accounted for.	The expenses of the bureau should be accurately identified and accounted for.

1.5.3 Documentary Evidences not made available for Audit

Item	Amount (Rs.)	Evidence not available	Comment of the Management	Recommendation
(a) Creditor balances payable to foreign employment agencies	373,132,590	The registration number of the license holder or the name of the institute had not been mentioned in the balance confirmation letters.	Attention will be focused to this matter when submitting balance confirmation letters in the future and action will be taken to prepare the relevant form.	Action should be taken to submit balance confirmation letters to the audit so that the licensee could be identified.
(b) Balances receivable from the Ministry of Foreign Affairs	869,955,802	Balance confirmation letters.	A letter has been sent to the Ministry of Foreign Affairs through the Ministry of Foreign Employment on 09.05.2024 under the signature of the General Manager to take action in accordance with the letter sent by the Additional Director General of the Department of Public Enterprises on 08.04.2024 regarding the amount due from the General Treasury.	Actions should be taken to formal provide balance confirmations to the audit.

1.6 Receivable and Payable Accounts

1.6.1 Accounts Receivables

Audit Observation	Comments of the Management	Recommendation
A balance of Rs.1,000,000 had been shown in the financial statements for a long time under various receivable deposits, without formal approval, the Consolidated Fund had been debited and credited by that amount.	When examining the receivable balances in the accounts of the Bureau, it was found that there was a receivable balance of Rs.1 million, accordingly, this amount has been written off to the accounts for the year 2023.	Adjustments to the accumulated fund should be made after formal approval.

1.6.2 Management Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) The total payable balances for the period from 2008 to 2018 amounting to Rs.1,388,788,991 had been taken to the income in the year under review without formal approval.	According to the Board of Directors' memorandum dated 26 February 2023, approval was given to take all outstanding balances over 5 years to the income and, accordingly, adjustments were made in the year 2023.	All the actions should be taken to inform the relevant parties, before the payable balances taken into the income.
(b) A sum of Rs.1,564,546 had been deposited in the Bureau by a brother of a worker who met with an accident on 08 October 2019 to repatriate a employed in the fisheries sector in South Korea. An officer of the workers welfare section has used money deposited in his bank account in that country to send him back to Sri Lanka and pay his hospital bill. Furthermore, the air ticket had been purchased using the credit card of an official of the Labour Welfare Department and without checking the expenses incurred, only the remaining amount of Rs.98,786 of the money deposited by the brother was paid to him in August 2023.	This payment was made after confirming that the amount to be paid back to the worker from the money deposited by his relatives in the bureau was Rs.98,786, in accordance with the accounting documents sent by the Korean Embassy.	An investigation should be conducted to verify whether the funds deposited of the worker's bank account in that country were used and whether the airline ticket was purchased using the personal credit card of an officer of the worker's welfare section.

1.6.3 Non-compliance to Laws, Rules, Regulations and Management Decisions etc.

Reference to laws, rules, regulations	Non compliance	Comment of the Management	Recommendation
(a) Sri Lanka Bureau of Foreign Employment Act No. 21 of 1985	Although the Special Investigation Division had received nearly 11 complaints regarding the sending labours to Qatar by individuals who were not registered licensees of the Bureau and collecting money, action had not been taken against those individuals in accordance with Sections 62 and 63 of the Act.	That the complaints have been dealt with in accordance with the Sri Lanka Foreign Employment Bureau Act No. 21 of 1985, as amended by Acts No. 56 of 2009 and No. 04 of 1994.	Action should be taken in accordance with the provisions of the Act.

- (i) Section 28 The Ambassador had informed the Chairman of the Bureau that a complaint had been received from the owner of the company that four registered licensees had prepared fake job orders and sent workers abroad to Qatar. The complaints had been received during the period from 17 April 2023 to 20 November 2023, and that a worker who had been sent abroad had died on 16 May 2024, and no one had accepted responsibility for it. Furthermore, 7 letters had been sent to the Embassy to investigate the matter and take immediate action, but no report had been submitted after investigating the matter until 29 October 2024.
- The investigation against the agency is in its final stages and a report will be submitted to the Embassy in Qatar as soon as the investigation is completed.
- It should be emphasized that licensees should conduct business activities in accordance with the Bureau Act.
- (1) (a)
- (iii) Section 44 The Bureau had granted approval to send workers abroad without charging them for job orders submitted to the Bureau by a registered licensee. non-licensed persons have misuse it and have been using the registered licensee's job orders to charge money to send workers abroad Since 2022, and have sent workers abroad by entering false information to register them with the Bureau. It was observed during the test check inspection conducted by the audit that approximately 50 of them had returned to Sri Lanka without jobs and had complained to the Bureau. However, the Bureau had not acted in accordance with the provisions of the Act regarding the complaints received against the relevant licensee and the persons who had collected the money and had not provided a fair solution to the aggrieved parties.
- It is not correct to say that the complaints received by the Investigation Division regarding the Bureau registration made by the licensee have not been dealt with in accordance with the provisions of the Bureau Act. Section 44 of the Bureau Act applies only to the conciliation process. As stated herein, the licensee cannot be ordered to pay money to the complainant in terms of Section 44(4)1 of the Bureau Act, and the manner in which a case should be filed regarding an order made is specified
- A fair solution should be provided to the aggrieved parties in accordance with the provisions of the Act.
- (iv) Section 48 The Advisor of the Labour Welfare Section of the Oman Mission Office had made a payment of Rs.2,549,640 on 22 October 2023 to settle a
- Approval for the payment has been obtained from the Chairman of the
- Expenses should be incurred with the prior approval as per the provisions
- (2)

	hospital bill for a housemaid without the approval of the Overseas Welfare Fund Committee of the Bureau.	Bureau via a WhatsApp message to pay the domestic housemaid hospital fee of Omani Rials 3000, and subjected to that the relevant payments have been made. The approval of the Committee has been given for this at the Foreign Welfare Fund Committee meeting held on 27.06.2024.	of the Act.
(iii) (3)	Section 53 As per the Chairman's Circular No.07/2023 dated 20 March 2023, in violation of the provisions of the Act, approval was granted to registered licensees of the Bureau to send housemaids to the United Arab Emirates and Oman on tourist visas without an employment contract on deposit of US\$100 with the Bureau. Accordingly, 4,942 domestic workers had been sent abroad to two countries on tourist visas from that date to 06 June 2024. According to the circular, 3954 of them had not been uploaded to the embassy's information computer system that they had been given a job before 30 days.	No comments were made.	It should be emphasized that licensees should conduct business activities in accordance with the Act.
(b)	Sections 4.3 and 7.1 of Chapter V, Part 1 of the Establishment Code of the Democratic Socialist Republic of Sri Lanka	An officer who worked in the Kuwait Labor Welfare Department as a labour clerk from 2019 to 10 March 2023, had completed his service on 09 March 2023 and reported back to work on 15 March. Since that day he had not reported to duty and without returning the official passport issued to him and identity card issued by the embassy and, had gone abroad on 29 March, without formal approval. No disciplinary action had been taken against him in this regard, and a sum of Rs.514,055 had been paid as gratuity on 06 April 2023, contrary	Although he applied to resign from the service of the Bureau, the Bureau had not accepted it. However, due to his failure to report for duty, the Bureau decided as he had voluntarily left the service with effect from 29.03.2023, in accordance with Subsection 7:1 of Chapter 5 of the Establishments Code.

to the provisions of the Establishments Code. The fact that the General Manager had issued a letter stating that he had voluntarily left the service after 05 months of going abroad, i.e. from 21 September 2023, and that the payment of gratuity was problematic during the audit.

That is the disciplinary action taken against him. According to Section 13 of the Payment of Gratuities Act No. 12 of 1983, since gratuity cannot be forfeited, the gratuity amount should be paid on the due date.

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| (c) | Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Financial Regulations 135 and 138 | The Third Secretary of the Labor Welfare Section of the Oman Embassy had carried out all the functions of approving, recommending and certifying of 21 payment vouchers worth of Rs.4,176,085 during the period from January to July 2022, in violation of financial regulations. | Due to the Covid-19 pandemic situation in 2020 and 2021, the majority of the Bureau officers who served in the missions were called back to the country and a limited number of employees were working. Therefore, due to the lack of officers to cover all 05 aspects of preparing, checking, recommending, approving and certifying a payment voucher, the financial control system has been implemented by involving an officer or the ambassador in the process of signing these payment vouchers. | Financial Regulations should be followed. |
| (d) | Chairman's Circular No. 01/2023 dated 06 April 2023 | Contrary to the provisions of the circular, 07 officers of the Bureau who were previously engaged in mission service were recruited for mission service in the year 2023, and two of them were officers who had completed their mission service for the 3rd and 4th time. Furthermore, an officer who had not completed 3 years of service at the Bureau after completing his mission service had also been recruited. | No comments were made. | Recruitment should be carried out in accordance with the provisions of the circular. |

2. Financial review

2.1 Financial results

As per the financial statement presented, the financial result of the group and the Bureau of the year under review had been a profit after tax of Rs.5,079,664,980 and Rs.4,927,579,629 respectively as compared with the corresponding financial result of the preceding year had been a profit after tax of Rs.6,123,303,917 and Rs.6,085,612,304 respectively, thus observing a deterioration of Rs.1,043,638,937 and Rs.1,158,032,675 respectively in the financial result in the year under review of the group and the Bureau. The decrease in other income and increase in publicity expenditure and welfare expenditure had mainly attributed for this deterioration.

3. Operational review

3.1 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Six workers who were scheduled to depart for South Korea on 25 July 2023, had purchased one ticket for the scheduled flight on that day for Rs.272,000 and five tickets for Rs.279,000 directly from Sri Lankan Airlines. But their departure to Korea on that day had been suspended due to the fact that the tickets were not purchased from the Foreign Employment Agency Company for a price of Rs.319,522. After only repayment of Rs.319,522 by one labourer arrangement had been made to fly on the same flight, the other 5 workers paid Rs.329,291 each a month later and had been arranged to purchase and send tickets again. Accordingly, the higher management of the Bureau had arranged to spend an additional amount of Rs.1,961,225 on tickets for these 6 workers.	The relevant awareness program for the 806th batch, which was scheduled to depart on 25.07.2023, was held on 17.07.2023. It has been emphasized in the meeting that air tickets as a group should be purchased from the Sri Lanka Foreign Employment Agency (Private) Company. It has been informed that one job seeker will not be travel abroad on the scheduled date and that the other 6 job seekers had purchased air tickets contrary to the instructions given by the Bureau.	While the company has the ability to purchase tickets directly from Sri Lankan Airlines, it should investigate the purchase through private agencies and action should be taken to refund the overcharged amount from the labourers.
(b)	The Suraksha house at the Kuwaiti Mission Office had been removed from that building on 09 March 2021 and its use as a migration center. As such, domestic workers seeking Embassy service had not available a suitable place to stay at night and on weekends until the relevant issues were resolved. Furthermore, a sum of Rs.21,330,047 had been paid in excess of the rental fee limit approved by the Ministry of Foreign Affairs for the official residences of the two home-based officers for the year 2023.	The decision to close the Suraksha House was made in accordance with the discretion of the then Ambassador. Also other activities, such as the activities of the Labour and Welfare Department, as well as the accommodation facilities for “Siyarata Peruwa” officials throughout the country, should be maintained. Therefore,	A suitable place to lodge should be maintained for domestic workers who come in pressure until their issues are resolved.

actions had been taken to repair suitably the unused Suraksha house and use it as the official residence of the Third Secretary. If an official residence is rented from outside for this purpose, a large amount of money will have to be spent annually. (KD 4,032 = KD 336 x12 approx.) Accordingly, due to the repairing and using this the cost have been reduced, and the officer will be able to provide services conveniently as officer stays in the embassy.

- (c) Although it was able to maintain a safe house (Suraksha Home) in the building where the Oman Embassy is located, it was maintained in the buildings acquired on a rental basis from 01 October 2019 to July 2024, and approximately a total sum of Rs.28,561,112 (34,000 Omani Rials) had been paid until January 2024. Furthermore, damages had been done to the safe house by the inmates who were staying there during the period from August to December 2022 and the handing over of the building to the owner after repairing was delayed. As such, a sum of Rs.19,130,480 had been paid as rent, water bills, electricity bills and damages for the 7-month period from February to August 2023.
- A large amount of money had to be paid for the damage happened by the riots and the rainwater done by the female migrants who had illegally left for Oman using tourist visas to work by providing false information to the Bureau. The delay in the investigation into the damage to the building was mainly due to the delay of the party representing the building owner, as the investigation was to be conducted jointly by embassy officials and the building owner. Furthermore, a large sum of money had to be paid for the damage incurred because the building was a modern 3-story building with elevators constructed using modern equipment.
- The welfare section operated overseas should be maintained with a proper staff and a formal investigation should be conducted into this incident.
- (d) A building that had not been approved by the Omani Ministry of Foreign Affairs to be used as a safe house had been rental basis for the year 2023 and a sum of 7200 Omani Rials or Rs.6,872,544 had been paid without entering into an agreement.
- After signing the agreement, it has been forwarded to the Ministry of Foreign Affairs of Oman for registration. Also, since obtaining the approval of the Ministry of Foreign Affairs is a task that should be done after signing the
- A formal agreement should be made.

relevant agreement, there is no opportunity to know the decision of the Ministry of Foreign Affairs at the time of signing the agreement. Although the approval of the Ministry of Foreign Affairs was not received, the safe house had been maintained with the consent of the building owner and due to the need for maintaining a safe house.

3.2 Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
<p>(a) 14,000 and 28,000 Sathosa gift vouchers worth of Rs.5,000 and Rs.2,500 respectively were purchased for Rs.138,600,000 at a 1 percent discount on 13 October 2023 to be distributed between domestic workers who are going abroad for the first time for domestic sector jobs. Out of that, 13,005 vouchers worth of Rs.128,229,300 remained as at 14 August 2024. This was due to that the women going overseas for the first time had been exempted from the training by submitting documents proving that they had previously traveled overseas, and the delay in holding the ceremony.</p>	<p>This program had not been included in the Action Plan of the year 2023, and had been approved as a new activity by the Board paper dated 19 June 2023. The implementation of this program was commenced from 24 November 2023. As such, 52 vouchers were distributed by 31 December 2023 and 1670 vouchers were distributed by 31 August 2024.</p>	<p>The programs included in the action plan should be implemented without delay.</p>
<p>(b) Contrary to the letter of the Chairman of the Bureau dated 07 June 2022 and the letter of the Deputy General Manager (Training) dated 09 January 2023, the 28 days (NVQ Level 3) residential training for domestic workers going abroad for the first time, had not been given for 28,165 domestic workers. Accordingly, they were sent abroad for the first time during the period from January 2023 to 29 May 2024 without providing the training, at a fee of Rs.22,410 and the Bureau had lost training income of Rs.631,177,650.</p>	<p>No comments were made.</p>	<p>Action should be taken according to internal instructions and a special investigation should be conducted into non-compliance with circulars.</p>
<p>(c) A stall for the program held at the Galle Butterfly Garden on 15 and 16 October 2022, had been procured at a cost of Rs.170,000</p>	<p>The procurement activities for the supply of stalls related to this program has</p>	<p>A special investigation should be conducted into</p>

each. Also, a stall for the program held in the Jaffna District on 15 and 16 July 2023, had been procured at a cost of Rs.500,000 each and 30 stalls and 25 stalls had been procured respectively, from a private institution without following the procurement process. Accordingly, the attention had not been focused to the increase in the price of a stall by Rs.330,000. The payment of Rs.12,500,000 was made to a private institution for 25 stalls based on the letter dated 29 May 2023 of the Secretary of the Ministry of Labour and Foreign Employment.

been carried out by the Line Ministry in accordance with the letter dated 29 May 2023, directed by the Secretary to the Ministry as the Chief Accounting Officer.

the non-compliance with the procurement process.

(d) As per the decisions of the Cabinet dated 24th January 2013, the Bureau had signed a Memorandum of Understanding (MoU) for 05 years to implement a Rataviruvo Housing Loan Program in collaboration with the Sri Lanka Samurdhi Authority. Accordingly, an amount of Rs.100,000,000 has been deposited in a fixed deposit in the name of the Samurdhi Authority on 08th March 2013. Although the term of the Memorandum of Understanding expired on 07 March 2018. But actions were not taken to settle that amount

A cabinet paper has been prepared and forwarded to the Cabinet to recover this amount from the Samurdhi Development Department.

It should be verified whether this money has been used for the project as per the Memorandum of Understanding, and actions should be taken to recover the relevant deposit.

4. Accountability and Good Governance
4.1 Submission of Financial Statements

Audit Observation	Comments of the Management	Recommendation
<p>In accordance with paragraph 6.6 of the Operational Manual of Treasury Circular No. 01/2004 dated 24 February 2004 and Circular No. 01/2021 dated 16 November 2021, the financial statements should be submitted to the Auditor General within 60 days of the end of the financial year, but the Bureau had submitted the financial statements to the Auditor General on 10 June 2023, with a delay of 100 days.</p>	<p>The financial statements for the year 2023 could not be submitted to the audit on the due date because the revaluation of fixed assets at the head office, training centers, provincial offices and airport unit had not been completed, and action will be taken to submit the accounts on the due date next year.</p>	<p>Circular provisions should be followed.</p>