

# ANNUAL REPORT

2012

SRI LANKA TRANSPORT BOARD

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## **VISION**

The excellent transport provider in the region.

## **MISSION**

To provide the public a safe, dependable and comfortable road passenger transport at a reasonable fare system through a staff dedicated to service and obtain the maximum utilization of all resources functioning as a financially viable organization.

## **AIMS & OBJECTIVES**

1. To promote a qualitative and quantitative and efficient and effective bus service through 12 Regions by monitoring, coordinating and counseling.
2. To provide a satisfactory bus service to school going children.
3. To provide bus services on uneconomic routes which are neglected by private operators due to pecuniary considerations.
4. To provide long distance services to remote areas from Central Bus Station, Pettah.
5. To coordinate the public and the private sector transport agencies.
6. To coordinate bus services during festivals, special events, Parliamentary/ Provincial Council elections etc.
7. To transport mails and newspapers.
8. To coordinate between General Treasury, National Transport Commission, Provincial Councils, relevant Ministries and other related agencies with regional offices for operation of buses.
9. To provide well trained and disciplined drivers from SLTB Driver Training Schools .
10. To conduct seminars/ Workshops for drivers, conductors, mechanics and supervisory staff.
11. To provide units/ sub units produced by Provincial Workshops to Depots.
12. To provide season tickets to adults and students at attractive discounted rates.
13. To maintain a Transit Stores at S.L.T.B Head Office, Narahenpita for issue of critical spare parts to Provincial Workshops.
14. To conduct security investigations, Flying Squad checks etc. in Depots.

## INTRODUCTION

All aspects of transport, no doubt are vital for the economic development of the country. This is specially so, in the case of road passenger transport. In a developing country like Sri Lanka bus services plays an important role in connecting towns and villages and thereby linking the whole country.

Bus services in the Island provided by about 80 operators who totally operated about 1200 routes and 3532 registered buses were nationalized by Motor Transport Act No 48 of 1957 on 1957.10.31 and consequently the Ceylon Transport Board (C.T.B) came into being on 1958.01.01

Since then up to 1977 C.T.B enjoyed a monopoly status with regard to road passenger transportation. In 1978 C.T.B was decentralized into 10 Regional Transport Boards coordinated by the Sri Lanka Central Transport Board by Transport Board Law No 19 of 1978.

The Government was of the view that decentralization of C.T.B. would serve the needs of the travelling public more efficiently and effectively as smaller units were expected to be more sensitive to local and regional needs and be capable of providing quicker solutions to local transportation problems.

However, in response to continued escalatory deficits being incurred by CTB and its inability to meet the ever increasing passenger demand generated by the new concept of liberalization of the economy the private sector was permitted to enter road passenger transportation.

The Government with a firm belief in privatization earmarked C.T.B for peoplisation as part of a public sector restructuring. The above conversion was carried out under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No 23 of 1987. Each of the 93 Transport Board depots existing at the time of peoplisation became separate Limited Companies with governance by a Board of Directors chosen mostly from the employees. Half the number of shares was distributed among the employees and the balance was retained with the General Treasury. The peoplisation Program commenced in 1990 and concluded in 1993. As peoplisation was implemented in a haphazard method the desired results were not achieved.

Therefore in 1997 Bus Companies were clustered by an amendment to the NTC Act No : 37 of 1991 and the Cluster Bus Companies were formed but this, too, failed to achieve the desired results. Excess staff, serious breakdown in discipline, unfair competition, social obligations, lack of professionalism, inefficiency, escalation of operating costs, political and trade union undue interference, rampant corruption are some of the maladies that affected the Cluster Bus Companies.

In order to find a solution to the above problems the Sri Lanka Transport Board was established effective from 2005.10.19 by SLTB Act No : 27 Of 2005.

## **MESSAGE FROM THE CHAIRMAN**

His Excellency the President Mahinda Rajapakse is taking Sri Lanka in the path to Miracle of Asia. The Sri Lanka Transport Board (SLTB), too, should add strength to this concept and should become the best transport provider in Asia. In this pursuit the SLTB achieved the following in the year 2012:

- ❖ Adding 300 new buses procured on a leasing basis to the operative fleet;
- ❖ Operating luxury buses on the expressways.
- ❖ Extending the use of electronic bus ticket machines in SLTB buses
- ❖ Introduction of a pilot project to provide pre-paid travel cards and electronic cards to students in lieu of season tickets.

The daily revenue of the SLTB has increased by 7%. This is one of the reasons for the progress of the SLTB.

As stated in the Mahinda Chinthana paying of salaries on the same day to all employees has come to reality and about 60% of the salary of each employee is credited to his/her bank account on the same day from the funds received from the Government and this is a great victory in the annals of the history of the SLTB.

I hope that the workforce of the SLTB will have the courage and strength to march forward to achieve more victories to consolidate the victories already won as the travel partner of the nation.

**RAMAL SRIWARDENA  
CHAIRMAN  
SRI LANKA TRANSPORT BOARD**

# Human Recourse Division

## Distribution of human resources in the year 2012 is as follows:

|            |   |              |
|------------|---|--------------|
| Drivers    | - | 9267         |
| Conductors | - | 9287         |
| Mechanics  | - | 5587         |
|            | - | <u>9665</u>  |
| Total      | = | <u>33806</u> |

## Combination of all other employees

|                          |   |  |
|--------------------------|---|--|
| Executive (Male)         | - | 995  |
| Executive (Female)       | - | 241  |
| Clerical & allied grades | - | <u>8429</u>  |
| Total                    | = | <u>9665</u> (except<br>drivers/conductors/mechanics) |

## Permanent employees and others

|   |   |              |
|---|---|--------------|
| Permanent employees<br>(Casual/contract/service extensions) | - | 32716        |
| Trainees  | - | <u>1090</u>  |
| Total   | = | <u>33806</u> |

## Executive and all other employees

|                     |   |              |
|---------------------|---|--------------|
| Executive           | - | 1236         |
| All other employees | - | <u>32570</u> |
| Total               | = | <u>33806</u> |

## Recruitment Section - 2012

|  |   |      |
|--|---|------|
| 1. Covering appointments (executive))                | - | 107  |
| 2. Permanent appointments and Promotions (executive) | - | 107  |
| 3. Transfers (executive)                             | - | 107  |
| 4. Executives and all recruitments                   | - | 1699 |
| 5. Promotions to employees on inappropriate duties   | - | 111  |
| 6. Covering appointments (Non executive)             | - | 02   |
| 7. Promotions (Non executive)                        | - | 29   |
| 8. Transfers (non executive)                         | - | 286  |

## Industrial Relations Section - 2012

|  |   |    |
|--|---|----|
| 1. Complaints from Human Rights Commission | - | 32 |
|--|---|----|

|   |   |    |
|---|---|----|
| 2. Complaints from Labour office                        | - | 46 |
| 3. Complaints from Parliamentary Commissioner's office- |   | 08 |
| 4. Complaints from SLTB employees                       | - | 72 |
| 5. Change of designation                                | - | 12 |
| 6. Retirement/Resignation                               | - | 15 |
| 7. Attachments  | - | 05 |
| 8. Referral for medical examination/ Light duty         | - | 08 |

### **Disciplinary Section**

|                                     |   |     |
|-------------------------------------|---|-----|
| No. of disciplinary files completed | - | 105 |
| No. of appeal files completed       | - | 105 |

### **Welfare Section**

|   |   |     |
|---|---|-----|
| Full time released for all Trade Unions   | - | 04  |
| Appointment of Representatives for disciplinary inquires and Appeal Panels              | - | 184 |
| Resignation from Trade Unions   | - | 268 |
| Enrolment of Trade Union members  | - | 410 |
| Compensation and salary to deceased due to terrorist activities                         | - | 01  |
| No pay leave for Election duty  | - | 04  |
| Employees' grievances received from all work places                                     | - | 12  |
| Leave to study abroad   | - | 117 |
| Maternity leave   | - | 19  |
| Lieu leave of past years  | - | 11  |
| Paternity leave   | - | 15  |
| Three months' leave for executive officers  | - | 21  |
| Leave with half pay   | - | 20  |
| Leave for floods  | - | 13  |
| Leave for national education  | - | 04  |
| Leave for training in sports activities   | - | 28  |
| Accident leave  | - | 10  |
| Ex-gratia payment for the deceased dependents   | - | 720 |
| Ex-gratia payment for the children of Board employees selected for University education | - | 63  |
| Ex-gratia payment for employees who die whilst in service                               | - | 43  |
| Ex-gratia payment for serious illnesses   | - | 22  |

|  |   |     |
|--|---|-----|
| Loan assistance to obtain spectacles   | - | 64  |
| Loan assistance out of Fines Fund      | - | 756 |
| Loan assistance to obtain sports shoes | - | 624 |
| Distress Loan assistance               | - | 515 |
| Distress Special Loan                  | - | 87  |

### **Office of the Deputy General Manager (Administration)**

|  |   |      |
|--|---|------|
| Replies to questions from the Parliamentary Consultative Committee               | - | 30   |
| Replies to questions from Public Petitions Committee                             | - | 14   |
| Replies to oral questions in Parliament  | - | 01   |
| Replies to letters sent by the Ministry of Transport                             | - | 05   |
| Sending reports to the General Treasury  | - | 05   |
| Taking action on letters from Regional offices and all other workplaces          | - | 600  |
| Issuing SLTB Circulars and the Circular Letters                                  | - | 05   |
| Preparation of Board Papers  | - | 10   |
| Action on applications for distress loan, loan assistance and ex-gratia payments | - | 2700 |
| Action on leave abroad   | - | 115  |
| Preparing Charge Sheets based on relevant disciplinary files and awarding orders | - | 175  |
| Due action on Appeal files   | - | 50   |
| Preparation file incorporating details of employees attached to outside agencies | - | 74   |

### **Secretariat Division**

#### **Activities relating to conducting meetings of the Board of Directors of the Sri Lanka Transport Board**

In the year 2012 related activities for Board meetings numbering 12 and a Special Board meeting totaling 13 Board meetings were performed. They are :

01. Inform all Members of the Board of Directors and the SLTB Heads of Divisions/Sections about the date on which the meeting of the Board of Directors will be held.
02. Take over the Board Papers and allot them numbers and after registering them prepare files and hand them over to the Members of the Board of Directors.
03. Prepare an Agenda for the meeting mentioning about the Board Papers and the Circular letters.
04. Table Board Papers and the Circular Letters according to the Agenda and the instructions of the Chairman.

05. Record decisions taken by the Board of Directors and the related instructions about respective Board Papers and the Circular Letters accurately and allot item Nos. to each such decision.
06. When approval is received for such decisions of the Board of Directors, hand over the extracts of such decisions to the respective SLTB Heads of Divisions/Sections for implementation.
07. All these activities should be carried out accurately, confidentially and properly.
08. Provide refreshments to the Members of the SLTB Board of Directors and the other Heads of Divisions/Sections who are invited to the meeting of the Board of Directors.
09. Take action to pay the participation allowance to the members of the Board of Directors (other than the SLTB Officers) who participate at the meeting of the Board of Directors.

### **Relevant activities regarding lands belonging to the Sri Lanka Transport Board**

It is the main function of the Secretariat Division to carry out basic administrative activities with regard to lands vested or acquired by the Sri Lanka Transport Board at the time of Nationalization, lands acquired under the Land Acquisition Act, lands purchased and lands leased to the SLTB by Government Institutions which have land powers, according to the directions of the senior management such as the Board of Directors, Chairman, Vice Chairman, Chief Executive Officer etc. Accordingly

01. When there is a dispute about SLTB land and instructions are needed, a Board paper is prepared incorporating all the details about the land and information report is furnished to the Board of Directors and the decision of the Board of Directors relating to the Board Paper is implemented.
02. Most of the lands in possession of the SLTB are not properly acquired or vested and therefore action is taken to coordinate with various State Sector agencies to vest or acquire such lands under the relevant Act.
03. Prepare and submit reports about lands required by the Ministry of Transport or the Minister of Transport.
04. There is a standard law which states that the lands in possession with the SLTB belongs to the Sri Lankan State. According to the Land Manual on State Lands, SLTB takes action in coordination with the Ministry of Lands, Ministry of Transport, relevant Divisional Secretaries and the District Secretaries.
05. When there is a dispute about a SLTB land, appearance is made in Courts and action is taken to confirm the land ownership of the SLTB.

06. When there is a threat to the SLTB land from external forces, complaints are lodged at the relevant Police Stations and appearances are made at the inquiries.
07. Due action is taken to survey the SLTB lands through Land Surveyor and Licensed Surveyors.
08. When necessary, Valuation Report is obtained for SLTB land blocks.
09. Action is taken to recover leasing rental from the relevant lands which have been given to outside parties on decisions made by the SLTB Board of Directors.
10. Coordination with the SLTB officers regarding SLTB lands and give necessary information and instructions to them regarding relevant lands.

## **Operations Division**

### **Daily operation**

- ❖ Island wide daily about 84% of the available buses for operation were operated.
- ❖ In 2012 daily average operated number of buses was 4443.
- ❖ This Organization gives pride of place to operation of bus services as it is its national responsibility. This has helped to minimize losses in 2012 and earn an average daily revenue of Rs. 49,896,584/=.
- ❖ In 2012 the average operated kilometers for a day was 901176.
- ❖ In the year under review 300 new buses were procured on a leasing basis and thus the operating fleet was augmented.

### **Services**

- ❖ Daily early morning and late night services were operated.
- ❖ 661 buses are daily engaged on sisusariya services.
- ❖ Nissisariya and Gamisariya services were operated with new 'D' type buses and through these services, passengers in the rural areas were benefited.
- ❖ The city services started by the SLTB have helped to reduce traffic congestion within Colombo city limits.

### **Special Projects**

- ❖ In 2012 new buses numbering 22 were operated on Sisusariya services.
- ❖ It is a special feature that school children were issued with electronic cards instead of the conventional season tickets on hard paper.

- ❖ Action was taken to introduce electronic bus ticket machines instead of the ticket books and already about 1900 such ticket machines have been provided to various SLTB depots.
- ❖ 12 new Super luxury buses were operated on Southern expressways in the year 2012 between Maharagama and Galle.

## **National festivals**

- ❖ in 2012 the travelling public were provided with a satisfactory transport service during 'Dayata Kirula' exhibition and new bus services were inaugurated at Anuadhapura.
- ❖ The concept of linking rail - road bus services was taken ahead and in coordination with Sri Lanka Railways these services were provided to the public.
- ❖ Bus transport facilities were provided by the SLTB for all national festivals throughout the Island.

## **Development & Planning Section**

01. preparation of a Corporate Plan for future 05 years based on the budget.
02. Preparation of Action Plan for future years based on the budget.
03. Submission of Progress Report, in relation to the Action Plan.
04. Submission of quarterly reports in relation to the Action Plan.
05. Preparation and submission of various Reports requested by the Ministry of Transport.
06. Preparation and submission of reports requested by the Central Bank and the other State Institutions from the SLTB.
07. Preparation and submission of Reports requested by other State Organizations.
08. Preparation and submission of monthly Profit & Loss Statement.
09. Preparation and submission of a summary relating to monthly Profit & Loss Statement.
10. Preparation and submission of monthly season ticket report.
11. Preparation of Liability Statement.

## **Media Section**

### **Program to be implemented in the year – 2012**

01. In 2012 the official Transport Newspaper "Nibada Serisara" published 04 Volumes and was marketed to employees of all Transport Institutions belonging to the Ministry of Transport.
02. To take action to inform the Heads of Divisions about news items relating to the SLTB in newspapers daily and to preserve the relevant news items and to prepare and release press notices and news reports.

03. To provide media coverage to special occasions of the SLTB and also to release special news to the media and contribute for the propaganda of such news.
04. To contribute to the increase of SLTB revenue by creating a positive attitude towards the SLTB among the general public by informing the media about the special projects to be implemented by the SLTB.
05. To take action to publish in the Government newspapers regarding invitations for calling for tenders and recruitments concerning the SLTB.
06. Supervision and administration of all activities connected with SLTB Circuit bungalows, Shalika Ground and the Shalika Hall attached to the Office of the Deputy Commercial Superintendent which functions under the Media Unit.
07. Monitoring of the Library at the SLTB Head Office.

### **Special Investigations Unit**

01. In the year 2012 100 investigations referred to the Investigations Unit by the Chairman, Vice Chairman, Chief Executive Officer and the Director (Investigations) were completed and were referred to the Disciplinary Section for action under Rule IV.
02. 05 urgent investigations were carried out and reports regarding them, too, were submitted for further action.

### **Technical Division**

03. Production value of work done through Provincial Workshops –

| <b>04. Category</b>  | <b>Unit</b> | <b>Value (Rs.)</b>    |
|----------------------|-------------|-----------------------|
| 05. Engines          | 725         | 109,754,732.00        |
| 06. Gear Units       | 328         | 19,786,619.00         |
| 07. Injector pumps   | 332         | 3,280,310.00          |
| 08. Injectors        | 1380        | 717,025.00            |
| 09. Bus body repairs | 208         | 46,972,098.00         |
| 10. Bus body parts   | 3928        | 1,999,526.00          |
| 11. Tyres            | 7906        | 53,258,113.00         |
| 12. Others           |             | <u>9,407,285.00</u>   |
| Total                |             | <u>245,175,708.00</u> |

## Security Section

1. To provide security for all institutions belonging to the SLTB throughout the island.
2. To investigate all written complaints made to the SLTB Regional Offices, Depots, Sub depots, Provincial Workshops and the Driver Training Schools and also the written complaints by the travelling public.
3. Maintenance/repairs/monitoring of fire extinguishers in Institutions belonging to the SLTB throughout the Island.
4. To provide security on a daily basis when cash is paid by sureties in SLTB cases and to the financial transactions of the Head Office.
5. To distribute travel passes to all employees of SLTB workplaces including the SLTB Head Office.
6. Provide security to important SLTB places and to distinguished persons, vehicle parking and controlling and monitor all supplies and issues to relevant agencies.
7. To provide security to institutions belonging to the Ministry of Transport such as

## Flying Squad Section

| Year | No. of teams | No. of checkings | No. of buses checked | Acts of grave misconduct IV | Acts of misconduct not considered grave V | Others | No. of fines | Penalty |
|------|--------------|------------------|----------------------|-----------------------------|---|--------|--------------|---------|
| 2012 | 844          | 9048             | 132656               | 1380                        | 4605                                      | 4      | 5569         | 1925918 |

## Information, Communication & Technology Division

|    | Activities performed   | Relevant Section           |
|----|--|----------------------------|
| 1  | Procurement of 100 computers   | Head office and the depots |
| 2  | Procurement of 50 Printers   | Head office and the depots |
| 3  | Procurement of 100 UPS   | Head office and the depots |
| 4  | Developing a software for preparation of salaries                                    | Depots                     |
| 5  | Procurement of a software for preparation of final accounts                          | Finance Division           |
| 6  | Reservation of seats in buses through SMS  | Depots                     |
| 7  | Take action to provide 900 electronic bus ticket machines to SLTB depots             | Depots                     |
| 8  | To train SLTB employees in the relevant software                                     | Depots                     |
| 9  | Implement LAN project  | Depots                     |
| 10 | Provide internet facilities  | Depots                     |
| 11 | Install required Software Hardware Devices to all computers in the SLTB              | Head office and the depots |
| 12 | Maintenance and problem solving of all computers in the SLTB.                        | Head office and the depots |
| 13 | To adopt security measures in the use of internet and also to update the virus guard | Head office and the depots |
| 14 | To implement Recovery system with regard to computer related breakdowns.             | Head office and the depots |

## Tender Board

| Ser.No. | Date       | Activities performed  | Current position and progress                       |
|---------|------------|---|---|
| 01      | 2012.01.05 | Calling for quotations to procure a machine to count and detect counterfeit currency notes to help the daily financial activities of the SLTB Shroff's office   | Procured  |
| 02      | 2012.01.06 | Tender of condemned buses removed from operations Rajarata Region (Anuradhapura, Horowapathan, Dambulla, Kekirawa, Polonnaruwa, Kebettigollawa)   | Sale of buses is over                               |
| 03      | 2012.01.06 | Calling for quotations for improvements to Kataragama Rest room   | Completed   |
| 04      | 2012.01.17 | Building of a public lavatory block near the Ratnapura passenger's queue at the Central Bus Station.  | Completed   |
| 05      | 2012.01.24 | Calling for quotations for display of advertisements in the premises of the Central Bus Station (Second occasion)   |   |
| 06      | 2012.01.24 | Calling for quotations for procurement of 4000 electronic bus ticket machines under a leasing scheme at intervals.  | Procurement is in progress at intervals.            |
| 07      | 2012.01.27 | Calling for quotations to print SLTB letter heads   | අවසන්   |
| 08      | 2012.02.01 | Tender for scrapped spare parts removed from use - Uva Region   | Sale completed                                      |
| 09      | 2012.02.13 | Calling for quotations to procure tables and chairs for the Anuradhapura Welfare Canteen.<br>Calling for quotations for procurement of required furniture for Gampaha and Moneragala Employees' rest rooms and Embilipitiya Circuit bungalow. | Completed   |
| 10      | 2012.02.26 | Quotation for new fuel dispensing pump(LAD) for SLTB - Vavuniya Depot   | Procurement approved.                               |
| 11      | 2012.02.29 | Sale of buses condemned by SLTB and removed from use by public auction. Selection of public auctioneer.   | Completed   |
| 12      | 2012.03.01 | Procurement of a floor crane to hoist 02 ton engine for Sammanthurai depot..  | Completed   |
| 13      | 2012.03.01 | Calling for quotations for the sale of used 9empty) fire extinguishing equipment.   | -   |
| 14      | 2012.03.05 | Quotation for Annual Maintenance Electrical Items for SLTB - Head Office  | Directed to submit to the next Tender Board meeting |
| 15      | 2012.03.12 | Calling for quotations to print O - 24 receipt books for advanced bookings of passengers to the SLTB Central Bus Station Office.  | Completed   |
| 16      | 2013.03.15 | Tender for the sale of scrapped materials removed from use at Kalutara depot.   | Sale completed.                                     |
| 17      | 2012.03.26 | Quotations for new Fuel Dispensing Pump (LAD) for SLTB - Vavuniya Depot   | Approved  |
| 18      | 2012.03.27 | Calling for quotations for the sale of waste oil removed from use..   | Completed   |
| 19      | 2012.04.05 | Quotations for Annual Maintenance Air Condition Items for SLTB - Head Office (Calling for quotations for the second time)   | Submitted for approval                              |
| 20      | 2012.04.27 | Tender for scrapped spare parts removed from use -  | Sale over   |

|    |            |   |   |
|----|------------|---|---|
|    |            | Kurunegala Provincial Workshop  |   |
| 21 | 2012.05.31 | Rebuilding and retreading of tyres  | Purchase in progress                              |
| 22 | 2012.05.18 | Calling for quotations to procure new tyre kits/tyres, tubes and flaps.   | Completed   |
| 23 | 2012.05.21 | Calling for quotations to print Goods issue Voucher - S -06   | Procurement approved by 2012/4 Minor Tender Board |
| 24 | 2012.05.30 | Calling for quotations for stock of raw materials to print Travel passes.   | Procurement in progress                           |
| 25 | 2012.06.01 | Calling for quotations to procure one air conditioner for the office of the Hon. dy. Minister of Transport  | Completed   |
| 26 | 2012.06.15 | Calling for quotations to print the printed forms for the SLTB Head office and all the depots <ul style="list-style-type: none"> <li>❖ Duplicate books for recording statements - CB 96</li> <li>❖ Form for banking cash - R 15</li> </ul>  | Procurement in progress                           |
| 27 | 2012.06.21 | Auction for scrapped buses removed from use - Ratmalana depot   | Sale over   |
| 28 | 2012.06.21 | Auction for scrapped buses removed from use - Moratuwa depot  | Sale over   |
| 29 | 2012.06.21 | Auction for scrapped buses removed from use - Horana depot  | Sale over   |
| 30 | 2012.06.21 | Auction for scrapped buses removed from use - Matugama depot  | Sale over   |
| 31 | 2012.06.21 | Auction for scrapped buses removed from use - Homagama depot  | Sale over   |
| 32 | 2012.06.21 | Auction for scrapped buses removed from use - Avissawella depot   | Sale over   |
| 33 | 2012.06.21 | Auction for scrapped buses removed from use - Rambukkana depot  | Sale over   |
| 34 | 2012.06.21 | Auction for scrapped buses removed from use - Kesbewa depot   | Sale over   |
| 35 | 2012.06.21 | Auction for scrapped buses removed from use - Talangama depot   | Sale over   |
| 36 | 2012.06.22 | <ul style="list-style-type: none"> <li>❖ Calling for quotations to print the printed forms required for all the SLTB depots and the Head office - O - 50</li> <li>❖ Officer's Report O - 15</li> <li>❖ Booking on sheet for bus crews - O 01</li> <li>❖ Delivery Note (SC - 13)</li> <li>❖ Vehicle's report on fuel, oil and kilometers - ER 17)</li> </ul> | Procurement in progress                           |
| 37 | 2012.07.09 | Supply of two months requirement of stationery items for SLTB, Divisions, Sections.   | Referred for procurement                          |
| 38 | 2012.07.10 | Purchase of 2000 Nos. New Batteries with acid to SLTB   | approved and referred for procurement.            |

|    |            |  |                           |
|----|------------|--|---------------------------|
| 39 | 2012.07.17 | Printing of printed forms for all SLTB depots.<br>❖ Local Purchase Order - ER-49A<br>❖ F 74 පෙට්ටිපොලා - A-74<br>❖ Receipt taking over money - A10<br>❖ Summary report of monthly operation statistics - O - 51<br>❖ Register showing duty wise revenue - O 45<br>❖ Main Cash Book - FD 01<br>❖ Daily Traffic Receipt Register - O - 05<br>❖ Accident Report - Part A - O 19<br>❖ Overtime Claim - A31<br>❖ Store's Credit Note of Supplies Division - S 43  | Procurement in progress.  |
| 40 | 2012.07.18 | Auction of scrapped buses removed from use - Keppetipola depot   | Sale over                 |
| 41 | 2012.07.18 | Auction for scrapped buses removed from use - Hatton depot   | Sale over                 |
| 42 | 2012.07.18 | Auction for scrapped buses removed from use - Yatinuwara depot   | Sale over                 |
| 43 | 2012.07.26 | Auction for scrapped buses removed from use - Divulapitiya depot (Money is being paid)   | Sale over                 |
| 44 | 2012.07.31 | Calling for quotations for the procurement of a motor cycle for the Northern Region Driver Training School.  | Completed                 |
| 45 | 2012.08.02 | Calling for quotations for the procurement of a photocopy machine and a fax machine for Uahamulla Driver Training School   | Submitted for approval    |
| 46 | 2012.08.03 | Procurement of 40 computers, 40 printers and 40 UPS on payment of a monthly basis  | අනුමැතියට ඉදිරිපත් කර ඇත. |
| 47 | 2012.08.03 | Tender for the sale of computer related scrapped accessories removed from use among the employees of the Head office.  | Sale over                 |
| 48 | 2012.08.09 | Calling for quotations for the sale of boffin powder agt SLTB Ampara Tye Workshop.   | Completed                 |
| 49 | 2012.08.09 | Auction for scrapped buses removed from use - Kekirawa depot.  | Completed                 |
| 50 | 2012.08.10 | Printing of printed forms for the SLTB Head office and all depots.<br>❖ Ru out shcedule - O 62A<br>❖ Leave Travel Pass - O 68<br>❖ Service Travel Pass - O 67<br>❖ Variations in rostered duties and mixed duties and special payments - O 60<br>❖ Log book showing mileage - PV 11<br>❖ Overtime claims of drivers and conductors - O 37<br>❖ Time card - ER 14B<br>❖ Daily report on breakdowns, delays, kilometers not operated ad additionally operated - O 31<br>❖ Form for preparation of operational revenue statistics - O 41<br>❖ Battery card - ER 122<br>❖ sores requisition form - S 39<br>❖ Goods Issuing Form - S 06<br>❖ Travelling Claim Form -A 09<br>❖ Overtime prior approval Register - 147A<br>❖ Daily Control Report Book - O 55 | Procurement in progress.  |
| 51 | 2012.08.09 | Procurement of 200 digital finger print machines for   | 02 machines per           |

|    |            |  |   |
|----|------------|--|---|
|    |            | the use of SLTB depots throughout the Island   | depot is being procured .                 |
| 52 | 2012.08.20 | Auction for scrapped buses removed from use - Kaluwachchikudy depot  | Completed                                 |
| 53 | 2012.08.20 | Auction for scrapped buses removed from use - Batticalao depot   | Completed                                 |
| 54 | 2012.08.22 | Auction for scrapped buses removed from use - Kuliyaipitiya depot  | Completed                                 |
| 55 | 2012.08.23 | Tender for scrapped pool vehicles removed from use   | Completed                                 |
| 56 | 2012.08.23 | Calling for quotations for paints required to paint all the buses in the SLTB depots and Provincial workshops.   | Quotations called                         |
| 57 | 2012.08.28 | Calling for quotations for procurement of iron beds for the lodging facilities to Conductors' Training School established at Moratuwa.   | Completed                                 |
| 58 | 2012.09.04 | Procurement of a Generator for the Fuel Filling Station at Ratmalana..   | Completed                                 |
| 59 | 2012.09.04 | Supply and transport of spring blades for the SLTB.  | Procurement in progress                   |
| 60 | 2012.09.05 | Supply and transport of lubricants and grease.   | Being procured from the approved tenderer |
| 61 | 2012.09.05 | Auction for scrapped buses removed from use - Mattakuliya depot  | Sale over                                 |
| 62 | 2012.09.10 | Auction for scrapped buses removed from use - Galle depot  | Sale over                                 |
| 63 | 2012.09.20 | Auction for scrapped buses removed from use - Horowapathana depot  | Sale over                                 |
| 64 | 2012.09.20 | Auction for scrapped buses removed from use - Kekirawa depot   | Sale over                                 |
| 65 | 2012.09.20 | Repairs to roof of the garage of the engineering yard at Ratmalana depot   |   |
| 66 | 2012.09.20 | Procurement of vans on a leasing basis to train drivers at the SLTB Driver Training Schools..  | Completed                                 |
| 67 | 2012.09.25 | Calling for quotations for the procurement of a Generator for the Fuel Filling Station at Ratmalana (Called quotations for the second time)  | Completed for the second occasion         |
| 68 | 2012.09.25 | Calling for quotations for the sale of scrapped spare parts removed from use at SLTB Keppetipola, Badulla, Bandarawella, Balangoda and Embilipitiya depots and Badulla Pool Vehicle Unit and Badulla Bus Samawaya..  | Sale over.                                |
| 69 | 2012.09.25 | Auction for scrapped buses removed from use - Kadawatha depot  | Sale over                                 |
| 70 | 2012.10.08 | Calling for quotations for printing the printed forms required for all the SLTB depots.. <ul style="list-style-type: none"> <li>❖ Duty Sheet of Flying Squads - O 08 -</li> <li>❖ Bin Card - S 68</li> <li>❖ Monthly statistics on kilometers, and the consumption of fuel and oil. ER 27</li> <li>❖ Engineering Report on accidents - ER 35</li> <li>❖ Standby duty register of drivers and - O 78</li> <li>❖ Stores Credit Note - S 52</li> <li>❖ Form showing details of lost tickets - O 38</li> </ul> |   |

|    |            |   |                         |
|----|------------|---|-------------------------|
|    |            | <ul style="list-style-type: none"> <li>❖ Delivery Advice Note for reconditioned units/sub units or detailed parts - S74</li> <li>❖ Waybill ticket book O 22</li> </ul>  |                         |
| 71 | 2012.10.09 | Quotation for a annual maintenance air conditioner items for SLTB - Head Office   |                         |
| 72 | 2012.10.09 | Auction for scrapped buses removed from use - Polonnaruwa depot   | Sale over               |
| 73 | 2012.10.09 | Auction for scrapped buses removed from use - Akuressa depot  | Sale over               |
| 74 | 2012.10.09 | Auction for scrapped buses removed from use- Matale depot   | Sale over               |
| 75 | 2012.10.09 | Auction for scrapped buses removed from use - Kaludawela Provincial Workshop  | Sale over               |
| 76 | 2012.10.09 | Auction for scrapped buses removed from use - Nuwara-eliya depot  | Sale over               |
| 77 | 2012.10.09 | Auction for scrapped buses removed from use- Ampara depot   | Sale over               |
| 78 | 2012.10.09 | Procurement of uniforms for 66 Pool Vehicle drivers of SLTB Head Office   | Completed               |
| 79 | 2012.10.31 | Calling quotations for the tender of improvements to Pilgrims' Rest at Kataragama. (2 <sup>nd</sup> stage)  | 75% over                |
| 80 | 2012.10.31 | Printing of printed forms for all the SLTB depots <ul style="list-style-type: none"> <li>❖ Tyre cards - ER - 11A</li> <li>❖ Requisition for local purchase - ER - 49</li> <li>❖ Order for repair to vehicles - ER - 15</li> <li>❖ Tyre History Card - ER - 11</li> <li>❖ Overtime Register - A - 147</li> </ul> | Procurement in progress |
| 81 | 2012.11.01 | Auction for scrapped buses removed from use - Gampaha depot   | Sale over               |
| 82 | 2012.11.01 | Auction for scrapped buses removed from use - Trincomalee depot   | Sale over               |
| 83 | 2012.11.01 | Auction for scrapped buses removed from use - Kanthalai depot   | Sale over               |
| 84 | 2012.11.01 | Auction for scrapped buses removed from use - Jaffna depot  | Sale over               |
| 85 | 2012.11.01 | Auction for scrapped buses removed from use - Vavuniya depot  | Sale over               |
| 86 | 2012.11.01 | Auction for scrapped buses removed from use - Ambalanthota depot  | Sale over               |
| 87 | 2012.11.01 | Auction for scrapped buses removed from use - Meethotamulla depot   | Sale over               |
| 88 | 2012.11.09 | Calling for quotations for the procurement of vans on a leasing basis to train drivers at the SLTB Driver Training Schools  | Completed               |
| 89 | 2012.11.09 | Calling for quotations for the procurement of plastic chairs for the SLTB Head Office Canteen.  | Completed               |
| 90 | 2012.11.09 | Calling for quotations for the sale of scrapped materials removed from buse at SLTB Kurunegala, Gintota, and Kaludawela Provincial workshops and Maharagama and Rambukkana depots   | Completed               |
| 91 | 2012.11.06 | Quotation for repairing damaged Boundary Wall at Shalika Ground.  |                         |
| 92 | 2012.11.06 | Printing of printed forms for all the SLTB depots <ul style="list-style-type: none"> <li>❖ Log entry book - S - 38</li> <li>❖ Vehicle Travelling Register - S.O. 1A</li> <li>❖ Log Sheet - 03 A</li> </ul>  | Procurement in progress |

|    |            |   |                         |
|----|------------|---|-------------------------|
|    |            | <ul style="list-style-type: none"> <li>❖ Waybill for electronic bus ticket machine - O 22B1</li> <li>❖ Statement of Stock Balance - S 71</li> </ul>   |                         |
| 93 | 2012.11.06 | Calling for quotations to print passenger ticket books and luggage ticket books for all SLTB depots.  | Procurement in progress |
| 94 | 2012.11.06 | <p>Tender for scrapped materials removed from use.</p> <p><b>Spare parts</b><br/> Ratnapura, Godakawela and Chilaw depots of Sabaragamuwa Region<br/> Nuwara-eliya depot of Nuwaraa-eliya Region<br/> Maharagama depot of Colombo Region<br/> Nuwara-eliya Regional office</p> <p><b>Scrapped tyres</b><br/> Ratnapura, Godakawela and Chilaw depots of Sabaragamuwa Region<br/> Nuwara-eliya depot of Nuwaraa-eliya Region<br/> Nuwara-eliya Regional office</p> | Completed               |
| 95 | 2012.12.12 | Calling for quotations for the sale of SLTB scrapped spare parts  | Completed               |
| 96 | 2012.12.12 | <p>Printing of printed forms for all SLTB depots..</p> <ul style="list-style-type: none"> <li>❖ Leave Registers - P - 22</li> <li>❖ attendance Registers - G - 18</li> </ul>  | Procurement in progress |
| 97 | 2012.12.12 | <p>Auction for scrapped buses removed from use - Kirinidiwela depot</p> <p>Auction for scrapped buses removed from use - Giriulla depot</p>   | Completed               |
| 98 | 2012.12.18 | Procurement of 04 Luxury air conditioned 41 seater buses for the SLTB.  | Submitted for approval. |
| 99 | 2012.12.26 | Quotations for Lighting Search Protection For Total Building SLTB - Head Office   |                         |

## Commercial Division

|    | Project process  | Under Treasury |  | Amount allocated by the Organization (Rs) | Annual target  | Physical progress  |          | Financial progress |          | Additional facts  |
|----|--|----------------|--|---|--|--|----------|--------------------|----------|---|
|    |  | Amt. allocated |  |   |  | Details  | Progress | Value .Rs. Mn.     | Progress |   |
| 1. | To take necessary action to import, engines, gear boxes and spare parts necessary for the maintenance of buses, on a tax relief after obtaining the Tender Board approval and supplying them to the consumer workplaces. | 1750           |  |   | Contributed to achieve the target of 6500 buses planned to be operated throughout the Island in 2012.  | Necessary spare parts were obtained using SLTB revenue and the financial allocations provided to the SLTB by the Treasury.   | 80%      | 485,855,350.66     | 27.76%   |   |
| 2. | Procure and supply tyres and tubes required for the maintenance of fleet according to the requirements.  | 1041           |  |   | Contributed to achieve the target of 6500 buses planned to be operated throughout the Island in 2012.  | Necessary spare parts were obtained by using SLTB revenue and the financial allocation provided to the SLTB by the Treasury. | 78%      | 286,471,128.68     | 27.52%   | As the full report has not been received with regard to the relevant materials in respect of the orders for the latter half of the month of December, the value is not included here. |
| 3. | Procure and supply batteries necessary for the maintenance of fleet according to the requirements.   | 99             |  |   | Contributed to achieve the target of 6500 buses planned to be operated throughout the Island in 2012.. | Necessary spare parts were obtained by using SLTB revenue and the financial allocation provided to the SLTB by the Treasury. | 85%      | 70,217,422.00      | 70.93%   | .   |

|    |  |       |  |                                     |  |   |      |              |        |  |
|----|--|-------|--|-------------------------------------|--|---|------|--------------|--------|--|
| 4  | Print and supply season tickets according to requirements.   | 02    |  |                                     | Providing transport facilities to travelling public and specially to school children at concessionary rates. .   | Providing transport facilities to travelling public and specially to school children at concessionary rates. .          | 100% | 1,652,180.50 | 82.60% | Each month requirement was supplied.   |
| 5  | Procure stationery and office equipment necessary for the SLTB Head office according to the requirements.    | 17    |  |                                     | To make official activities efficient.   | Requirements are supplied at the optimum possible level..   | 99%  | 8,730,162.16 | 51.35% |  |
| 6  | Procure necessary items for the new project implemented by the SLTB Electrical Section and for the repairs.. | 3.3   |  |                                     | Supply necessary facilities to achieve the target of the Board.  | Requirements are supplied at the optimum possible level..   | 90%  | 562,440.86   | 17.04% |  |
| 7  | Procure and supply new electronic bus ticket machines..  | 86.87 |  |                                     | In order to formalize the issue of bus tickets .and make it more efficient.                                      | Procure 903 electronic bus ticket machines and issue them to the required workplaces.                                   | 30%  | 4,363,134.00 | 5.02%  | Balance is paid by the relevant Region/Depot at the rate of Rs. 71/23 per day. Payment has to be done for 638 days.  |
| 8  | Stocking and stock control of spare parts  |       |  |                                     | To regularize and make efficient supply activities.  | Action has been taken to supply day to day requirements of spare parts in the proper manner..                           | 100% |              |        | Action has been taken to provide daily requirements of spare parts in a systematic manner..  |
| 9  | Prepare a computer programme to regularize stock control in Regions/depots/Provincial Workshops              |       |  |                                     | To regularize and make more efficient purchase and procurement.  | Has been prepared for the Head office but being revised.  | 15%  |              | 78.59% | With regard to the balance workplaces, action has been taken regarding financial activities..  |
| 10 | Disposal of used spare parts by tender.  |       |  | Expected revenue (Rs.) 1,749,378.00 | To keep the depot stores clean and to earn additional revenue to the Board and to make optimum use of the space. | Quotations received in respect of the relevant Tender have been opened on 2013.01.04 and further action is being taken. |      |              |        | According to the decision taken to establish Katubedde Central Stores within the Head office Complex, the unused spare parts there was transferred to the new place at Narahenpita and |

|        |   |  |  |                                       |  |   |        |                |   |
|--------|---|--|--|---------------------------------------|--|---|--------|----------------|---|
|        |   |  |  |                                       |  |   |        |                | according to the final survey, quotations have been called to sell them by tender.                                  |
| 1<br>1 | A uniformed disposal of scrapped items for all SLTB workplaces.                                   |  |  |                                       | To keep each depot workplace clean in order to earn additional revenue to the Board and to obtain space. | Scrapped items have been disposed in Uva, Northern Regions, Ginthota Provincial Workshop, Kalutara, Maharagama, Hatton, Godakawela, Ratnapura and Chilaw depots and Nuwara-eliya Regional Office. |        | 33,693,801.20  | Action is being taken continuously to dispose of the scrapped materials accumulated at other Regions and Workshops. |
| 1<br>2 | Miscellaneous procurements and services (other procurements not relevant to the above subjects).. |  |  |                                       | Maintain office suitably and provide service welfare .   | Requirement supplied according to requests..  | 100%   | 27,125.00      | Office maintenance of head office and welfare requirements are procured and supplied continuously..                 |
| 1<br>3 | Procure and supply necessary uniforms for females Security Staff and the drivers and              |  |  |                                       | Provide relevant staff with necessary uniforms.  | Requirement supplied according to requests..  | 100%   | 322,275.60     | Annually uniforms are supplied to the relevant Section.   |
| 1<br>4 | Sale of scrapped buses removed from use by auction..  |  |  | Expected revenue (Rs.) 225,928,928.00 | In order to earn additional revenue to the Board keep each clean and obtain space..                      | 1397 buses were sold on auction.  | 85.71% | 177,557,678.00 | Balance scrapped buses are expected to be sold by auction .   |

## INTERNAL AUDIT DIVISION

| No | Subject                                    | H.o       | Col       | Gam       | Kalu      | kan       | East      | N/eli      | Raja      | Ruhu      | Sab       |            | Way | Nor       | Tot A/Q    | Recoverable Value(Rs) | Recovered value (Rs.) | Unrecovered value (Rs.) |
|----|--|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----|-----------|------------|-----------------------|-----------------------|-------------------------|
| 1  | Financial Verification                     |           | 1         | 4         |           |           | 3         |            | 4         |           | 1         | 5          | 2   |           | 20         | 88,773.00             | 45,000.00             | 43,733.00               |
| 2  | Cash book Checking                         | 9         | 14        | 11        | 2         | 1         | 1         | 6          | 15        | 5         | 4         | 2          | 1   | 3         | 74         | 56,328.30             | 6,565.00              | 49,763.30               |
| 3  | Cheekier                                   | 1         |           | 5         |           | 1         | 3         | 3          |           | 3         | 6         |            | 1   |           | 23         | 274,557.50            | 182,766.50            | 91,791.00               |
| 4  | Store Verification                         | 2         | 12        | 5         | 4         | 23        | 14        | 9          | 12        | 2         | 4         | 13         | 6   |           | 106        | 5,498,584.52          | 14,309.71             | 5,484,274.81            |
| 5  | Checking Fuel Consumption                  | 6         | 11        | 9         | 8         | 2         |           | 4          | 11        | 2         | 4         | 1          | 3   | 5         | 66         | 647,030.10            |                       | 647,030.10              |
| 6  | Checking Salary and O.T                    |           | 10        | 3         |           | 5         | 4         | 10         | 3         | 4         | 3         | 8          |     | 9         | 59         | 1,175,018.83          | 102,075.55            | 1,072,943.28            |
| 7  | Checking Way Bills                         |           |           |           |           | 4         | 1         | 4          | 1         | 2         | 1         |            |     | 5         | 18         | 30,775.50             | 1,112.00              | 29,663.50               |
| 8  | Checking salary/fest.adv.                  |           |           | 3         |           | 5         | 2         | 2          | 4         | 1         | 3         | 1          |     |           | 21         | 435,233.60            | 26,733.60             | 408,500.00              |
| 9  | Checking/Bill Shortages                    | 2         |           | 18        |           |           | 2         | 2          |           | 3         | 1         |            |     | 1         | 29         | 235,191.16            | 14,145.00             | 221,046.16              |
| 10 | Checking Disciplinary Register             |           |           |           |           | 1         | 3         | 3          | 2         | 8         | 5         | 15         | 7   | 1         | 45         | 233,050.84            | 98,777.73             | 134,273.11              |
| 11 | Checking accident                          |           |           | 3         |           |           |           |            |           |           | 1         | 7          |     |           | 11         |                       |                       |                         |
| 12 | Checking Gratuity                          | 1         | 8         | 1         | 6         | 1         |           | 12         | 5         | 3         | 2         | 16         | 1   |           | 56         | 3,962,427.29          | 23,639.35             | 3,938,787.94            |
| 13 | Checking Roster Register                   |           |           |           |           |           |           | 1          |           | 1         |           |            |     |           | 2          |                       |                       |                         |
| 14 | Checking Daily Collection Register         |           | 4         |           |           |           |           | 3          |           |           |           |            |     |           | 7          | 766.00                |                       | 766.00                  |
| 15 | Checking Spare Parts Consumption Register  |           | 3         | 3         |           | 4         |           | 5          | 10        | 5         | 4         | 11         | 1   |           | 46         | 44,786.11             |                       | 44,786.11               |
| 16 | Checking Local Purchase                    | 1         |           |           |           | 1         | 1         |            | 7         | 1         | 2         | 9          | 3   |           | 25         | 123,331.22            |                       | 123,331.22              |
| 17 | Checking Tire Consumption                  | 2         |           |           | 2         | 4         | 1         | 4          | 3         | 2         |           | 8          |     | 1         | 27         | 51,416.39             |                       | 51,416.39               |
| 18 | Checking Spring Blade Consumption          |           |           |           | 2         |           |           | 3          |           |           |           |            | 1   |           | 6          | 77,670.00             |                       | 77,670.00               |
| 19 | Checking Operation Division Other Register |           |           | 3         |           | 11        | 12        | 8          | 3         | 10        | 3         | 10         | 3   | 3         | 66         | 357,338.73            | 5,868.73              | 351,470.00              |
| 20 | O/51,50,40,41 Register Checking            |           |           | 1         | 1         | 4         | 8         | 1          | 3         | 1         |           | 1          |     |           | 20         | 120,175.00            |                       | 120,175.00              |
| 21 | checking other eng. Division Register      |           |           | 7         | 6         | 10        | 15        | 16         | 7         | 6         | 1         | 5          | 8   | 17        | 98         | 531,425.59            | 4,386.50              | 527,039.09              |
| 22 | checking other Register of Account Section |           | 12        | 5         | 3         | 13        | 3         | 7          | 2         | 13        | 2         | 17         | 4   | 2         | 83         | 715,556.40            | 19,263.40             | 696,293.00              |
| 23 | Checking Leave Register                    | 2         | 2         | 2         |           | 5         | 1         | 10         | 6         | 8         | 6         | 5          | 2   | 18        | 67         | 301,951.33            | 40,706.60             | 261,244.73              |
| 24 | Others                                     | 6         |           |           |           |           |           |            |           |           |           |            |     |           | 6          |                       |                       |                         |
|    | <b>total</b>                               | <b>32</b> | <b>77</b> | <b>83</b> | <b>34</b> | <b>95</b> | <b>74</b> | <b>113</b> | <b>98</b> | <b>80</b> | <b>53</b> | <b>134</b> |     | <b>65</b> | <b>981</b> | <b>14,961,387.41</b>  | <b>585,349.67</b>     | <b>14,376,037.74</b>    |

## Training Division

|    | Tasks performed and its aims  | Current status and progress   | Estimated and allocated amount (Rs.) | Amount currently spent (Rs) |
|----|---|---|--------------------------------------|-----------------------------|
| 1  | HRIS A Training Workshop for Administrative Officers to acquaint themselves with Human Resources Information System.<br><b>Aim:</b> - It is necessary to collect personal and official particulars of SLTB employees throughout the Island.                     | Particulars of employees have been collected throughout the Island. (50%)   | 3,000.00                             | 2,839.00                    |
| 2  | Training for O 51 officers regarding ticket machines.<br><b>Aim:</b> Through the use of ticket machines to maintain O 51 and to update internet.  | The Organization is intending to introduce ticket machines to other Regions as well and also to update the internet facilities at depot level | 47,700.00                            | 32,765.00                   |
| 3  | Training Workshop regarding maintenance of leave register and discipline.<br><b>Aim:</b> Reduce expenditure by making leave activities more efficient and by decentralizing training at regional level.   | Since training activities are undertaken at the regional level leave and disciplinary matters are done efficiently to a great extent.         | 11,050.00                            | 10,510.00                   |
| 4  | Training to reduce the cost of stationery and other related expenditure by using e-mail facilities.<br><b>Aim:</b> To reduce the cost of stationery related expenditure, sing e-mail facilities.  | Usage of internet facilities are welcomed at regional level.  | 14,500.00                            | 13,296.00                   |
| 5  | Training for Regions on HRIS<br><b>Aim:</b> Including information regarding HRIS at Regional level.   | HRIS information is being included in the regional level.   | 3,000.00                             | 2,250.00                    |
| 6  | Train Assistant Managers (Engineering) in weak depots<br><b>Aim</b> - Motivate engineers in weak depots.  | It is expected to conduct a second Training Workshop to test the progress of the trainees.  | 11,500.00                            | 10,628.00                   |
| 7  | Workshop to build up positive thinking to enhance productivity and quality.<br><b>Aim:</b> To enhance the productivity and quality at lower level by enhancing the productivity and quality at higher level management (Head office and Regional office levels) | Development of productivity is being monitored.   |                                      | 250,616.00                  |
| 8  | Social dialogue Workshop<br><b>Aim:</b> Creating a good working environment.  | Five trainees from Head office have been referred to the Labour Department for training.  | Nil                                  | Nil                         |
| 9  | One day Workshop for Run out and detailing officers in weak depots.<br><b>Aim:</b> To make efficient run out and detailing in weak depots.  | Engage productive and quality bus transport employees.  | 13,000.00                            | 12,044.00                   |
| 10 | Training Workshop for Fuel Clerks<br><b>Aim</b> :- To reduce fuel related wastage and expenditure.  | It is expected to eliminate malpractices and wastage relating to fuel activities in future and wastage.                                       | 23,500.00                            | 21,395.00                   |

|    |  |  |           |           |
|----|--|--|-----------|-----------|
| 11 | Training Workshop for Accident Officers.<br><b>Aim:</b> To carry out accident investigations according to procedure. | Manager (Accident Investigations) is taking action to ensure that accident investigation process is followed according to the procedure. | 25,750.00 | 20,870.00 |
|----|--|--|-----------|-----------|



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



මගේ අංකය  
எனது இல.  
My No. }

RI/B/SLTB/01/2012/01

මගේ අංකය  
எனது இல.  
Your No. }

දිනය  
திகதி  
Date }

11 January 2016

The Chairman

Sri Lanka Transport Board

**Report of the Auditor General on the Financial Statements of the Sri Lanka Transport Board for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.**

The audit of financial statements of the Sri Lanka Transport Board for the year ended 31 December 2012, comprising the Statement of financial position as at 31 December 2012 and the Comprehensive Income Statement, Statement of changes in equity and Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of Provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 24 of the Sri Lanka Transport Board Act, No. 27 of 2005. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act will be issued in due course.

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

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





## 2.2.2 Accounting Standards

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The following non-compliances with Sri Lanka Accounting Standards were observed in audit.

(a) Sri Lanka Accounting Standard 01

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- (i) The Comprehensive Income Statement had not been prepared based on the format introduced by the standard.
- (ii) Prior year information had not been included in the Cash flow statement.
- (iii) Although every entry stated in the Statement of changes in equity should be disclosed in details, no action had been taken complying with it.
- (iv) The Board prepares its accounts on historical cost basis according to the Accounting Policies. Although the investment costing Rs.250,000 made in shares in a company had been measured at fair value and shown in the financial statements, it had not been disclosed in the notes to accounts.
- (v) If any change in the capital items relating to the preceding year made, such changes should be disclosed in the financial statements. Nevertheless, the change of Rs.637.85 million made to the Share Capital of Treasury during the year under review had not been disclosed.

(b) Sri Lanka Accounting Standard 07

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- (i) Even though the balance of savings accounts totalling Rs 141.13 million as at the end of the year under review should be shown as cash and cash equivalents in the financial statements, it had been shown as loans and receivables under investments.
- (ii) Leasing interests of Rs.293.85 million and other finance cost of Rs.145.61 million which should have been shown as financing activities in the Cash flow statement, had been shown under operating activities and the Government grants of Rs.511.33 million had been shown under the investment activities.



(c) Sri Lanka Accounting Standard 08

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The following prior period adjustments had been made during the year under review, without complying with the requirements and disclosures as per the standard.

- (i) The prior year adjustment of Rs.1,189.78 million stated in the Statement of changes in equity.
- (ii) Changes of cost of property, plant and equipment amounting to Rs.73.38 million related to the preceding year and the adjustments made to the provisions of Accumulated depreciation amounting Rs.182.03 million.
- (iii) Adjustment of Rs.206.76 million made for the Government grants relating to the preceding year.
- (iv) Capitalization of 06 motor vehicles valued at Rs.24.4 million purchased by the Board in the preceding year.
- (v) Adjustments made during the year under review in respect of 12 buses valued at Rs.14.92 million which had been identified as received on government grants during the preceding year.

(d) Sri Lanka Accounting Standard 16

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- (i) The Board had adopted the Policy that no depreciation in the year of purchase of assets and full depreciation in the year of disposal. Even though the depreciation of asset should be systematically made beginning at the event of making the asset available for use and all over its useful life, provision for depreciation had not been made for the property plant and equipment purchased at a cost of Rs.1,264.25 million during the year under review.



- (ii) Carrying value of property plant and equipment in the preceding year had not been correctly disclosed in the financial statements.

(e) Sri Lanka Accounting Standard 17

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In disclosing lease liability in the financial statements, lower of the minimum fair value of those leased assets or the present value of lease instalments payable should be disclosed. However the Board had measured the lease liability at cost and the interest thereon at Sum of digit method and shown the lease liability as Rs.1066.12 million.

- (ii) The following disclosures in respect of leases had not been made.
  - i. The net carrying value at the end of the relevant period for each class of lease assets.
  - ii. A reconciliation between the minimum lease instalment at the end of the period and its present value.
  - iii. The total of future lease instalments at the end of the accounting period, and their present value for each of the following periods.
    - Not less than one year
    - More than one year and less than 05 years
    - More than 05 years

(f) Sri Lanka Accounting Standard 18

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Even though the interest on fixed deposits should be calculated on the Effective interest rate method, interest had been calculated and brought to account on cash basis contrary to the accrual concept adopted by the Board.

(g) Sri Lanka Accounting Standard 19

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Although the projected unit credit method, authorised by the Institute of Chartered Accountants of Sri Lanka for small and medium scale business Institutions, shall be used in measuring the provision of gratuity allowances, the Board had



measured it based on the average salary scales of each post and the records to show the amount of gratuity payable to each employee had not been maintained by the Board. Therefore, the Board had not planned a proper methodology to minimize the future risk.

(h) Sri Lanka Accounting Standard – 37

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Even though a Provision for contingent liabilities or disclosure should be made in the financial statements, a provision or disclosure in respect of the compensation of Rs.11.08 million claimed relating to 06 Court cases, out of 37 cases filed in Courts against the Board, had not been made in the financial statements.

(i) Sri Lanka Accounting Standard – 39

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(i) Even though loans, and receivable balances should be measured on Amortized Cost method and shown in the financial statements, the Board had measured the investment balances on cost and shown in the financial statements.

(ii) The balance of trade and sundry debtors due from 300 Depots and regional offices had been amounted to Rs.57.66 million and age analysis had been received only from 10 Depots and Regional Offices therein. Although about 50 per cent of those loan balances had been older than one year, the Board had not made any examination on the recoverability of those debts and a provision for doubtful debts for the balances of which the recoverability remained doubtful had not been made.



### 2.2.3 Accounting Deficiencies

The following observations are made.

- (a) The value of three single cabs amounting to Rs.4.95 million received to the Board during the year under review had not been brought to accounts and the expenditure of Rs.1.48 million in capital nature incurred on these vehicles had been written off as revenue expenditure.
- (b) The stock of fuel valued at Rs.3.98 million sold by the Board had been further shown, in the accounts as stock in transit.
- (c) A credit balance of Rs.2.99 million in the fuel stock in transit account relating to the North Western Retail Shop had been shown. Even though this was a result of an accounting error, action had not been taken to identify and rectify such lapse.
- (d) As there was no proper control system in respect of accounting the condemnation of buses, the cost of a condemned bus and its accumulated depreciation had been transferred to the condemned bus account and to the accumulated depreciation account of condemned buses in several occasions. According to the test check, the cost and the accumulated depreciation excessively transferred in respect of 4 such buses sold during the year under review had been Rs.5.17 million and Rs.5.16 million respectively.
- (e) A sum of Rs.12.5 million deducted from salaries of the employees for the Sports Fund had been entered as a payable amount under current liabilities instead of being posted to the Sports Fund Account.
- (f) The manufacturing loss of the workshops belonging to the Board for the year under review included in the comprehensive income statement amounted to Rs.187.56 million and the total revenue received from depots, as per the notes to accounts, had been amounted to Rs.236.03 million. Action had not been taken to set off such inter transactions in preparing the consolidated accounts and to show only the expenditure, which exceeded the income, as Regional workshop expenditure in the financial statements.



- (g) Even though the Confidence Security Insurance Fund investments of Rs.5,318.179 had been shown as assets in the accounts, the balance of the Confidence Security Insurance Fund account relating thereto amounted to Rs.86,993.
- (h) Rates payable and gratuity allowances payable as at the end of the year under review amounting to Rs.25.83 million and Rs.10.69 million respectively had not been brought to accounts.
- (i) Instead of accounting the loan instalments of buses, bank charges, overdraft interest and cheque book charges etc. totalling Rs.3.17 million directly charged by the Bank and under Standing Orders had been shown in the Bank Reconciliation Statement.
- (j) In accounting the value of 10 Super luxury buses, purchased on lease during the year under review for Rs.98 million, it had been stated as Rs.97 million, the balance of the Account of buses had been understated by Rs. 1 million.
- (k) Closing stock of Rs.4.0 million in the Regional Workshops had not been brought to accounts.
- (l) In taking over the fixed assets of 11 integrated Cluster bus companies and 11 Regional Transport Boards at the time of reestablishment of Sri Lanka Transport Board in the year 2005, depreciated value of those assets valued at Rs.3,511.34 million without being physically verified and revalued, current assets valued at Rs.217.69 million and current liabilities of Rs.369.04 million had been acquired at book values. These assets had not been revalued even by the end of the year under review and as such the fair value of fixed assets shown in the Statement of financial position had not been disclosed in Accounts.
- (m) A sum of Rs. 31.66 million, 5 per cent on the total income of Travel pass income, Army trip income, police warrants amounting to Rs.633.11 million received in full at the event of preparing financial statements had been provided as doubtful debts.



#### 2.2.4 **Dormant Balances**

The following observations are made.

- (a) Details, required to audit the total debit balances of Rs.6,689.6 million and the total credit balances of Rs.24,010.39 million in number of accounts which had not been identified and unreconciled for a long period due to lack of supervision and weak internal control, had not been made available for audit. As these balances had been shown as debit balance Assets and credit balance Liabilities in the Statement of financial position in the year under review, the correct position had not been disclosed through the financial statements. Further, the final credit balance of this account as at the end of the preceding year had been stated as Rs.26,885.4 million whereas the opening credit balance as per the current year ledger had been overstated by Rs.1.9 million. A debit balance of Rs.53.84 million and a credit balance of Rs.80.72 million had been transferred to this account during the current year, too.
- (b) Although 66 debit balances totalling Rs.3,232.23 million and 23 credit balances totalling Rs.2,010.92 million of immovable assets and liabilities had been written off from books as per the approval of the Department of Public Enterprises on 30 July 2002 granted to write them off from books after carrying out a full examination and on the knowledge and approval of the Board of Directors, neither a full examination had been carried out nor the approval of the Board of Directors had been obtained.

#### 2.2.5 **Unexplained Differences**

The following observations are made.

- (a) Since the stock balance amounted to Rs.758.17 million and the stock balance as per Bin Cards in the stores amounted to Rs.756.59 million according to the



financial statements, action had not been taken to identify the reasons for the difference of Rs.1.57 million and to rectify the same.

- (b) In calculating the profit and loss on sale of condemned buses during the year under review, the cost and the accumulated depreciation had been taken to accounts as Rs.1,161.06 million and Rs.1155.77 million respectively. However, according to the sales register obtained from the Accounts Division, they had been shown as Rs.1014.19 million and Rs.1010.63 million respectively. Reasons or explanations for the difference of Rs.146.87 million and Rs.145.14 million respectively had not been made available for audit.
- (c) One thousand six hundred and four buses had been sold during the year under review and their sales value had been amounted to Rs.239.28 million according to the information of the Procurement Division, but 1422 buses had been sold and their sales value had been amounted to Rs.225.93 million according to the accounts. The difference therein had not been identified and rectified. Out of them, the cost and the accumulated depreciation of 130 buses sold at Rs.20.37 million had been amounted to Rs.113.08 million and Rs.110.37 million respectively as per the sales register and they had been amounted to Rs.139.24 million and Rs.135.36 million respectively as per the register of condemnation.
- (d) Although the income of the year under review from operating the "Sisuseriya" and "Nisiseriya" bus services had been amounted to Rs.172.35 million and Rs.5.41 million respectively as per the information received from the National Transport Commission, they had been shown as Rs.139.0 million and Rs.5.2 million respectively in the financial statements.
- (e) A balance of a savings account of Rs.155,333 and a fixed deposit of Rs.313,699 directly confirmed the balance by Banks had not been included in the financial statements.
- (f) Although the value of travel passes issued on cash basis during the year under review amounted to Rs.587.18 million according to the information in the



operations Division, a difference of Rs.54.10 million had been observed due to presenting it as a sum of Rs.533.08 million in the financial statements.

#### 2.2.6 Suspense Accounts

A credit balance of Rs.2.35 million in a suspense account, brought forward for more than 10 years being changing the balance and a balance adjustment account of Rs.23.78 million relating to the year under review had not been settled even by the end of the year under review.

#### 2.2.7 Lack of evidence for audit

Evidence shown against the following transactions was not made available for audit.

| <u>Item</u>            | <u>Evidence not made available</u>   |
|------------------------|--|
| (a) Non-current assets | (i) Detailed schedules in respect of each asset to get ascertained the balances of lands and buildings, motor vehicles, condemned vehicles and other assets.<br>(ii) Duly prepared Registers of fixed assets in the Head office and all other offices of the Board.<br>(iii) Documents for the confirmation of ownership of lands and buildings.<br>(iv) Invoices relating to the purchase of 10 Super luxury buses valued at Rs.98 million. |
| (b) Investments        | Confirmations of balances of fixed deposits amounting to Rs.48.51 million and savings of Rs.51.28 million.   |
| (c) Stock              | Verification reports for the stocks valued at Rs.108.39 million relating to 17 Depots, 03 Regional Workshops and 02 Regional Offices.  |
| (d) Stock of fuel      | Verification reports for the fuel stocks valued at.  |



Rs.24 million as at the end of the year under review in Fuel stores at 58 Depots and the Office of Central Bus Stand.

|  |  |
|--|--|
| (e) Sundry debtors                       | Schedules and age analysis inclusive of individual balances for Rs.39.37 million.  |
| (f) Trade Debtors                        | Schedules and age analysis inclusive of individual balances for Rs.18.28 million.  |
| (g) Other income receivable              | Schedules inclusive of individual balances for Rs.6.69 million.  |
| (h) Trade creditors                      | (i) Schedules and age analysis inclusive of individual balances for Rs.35.33 million relating to 31 Depots and 11 Regional workshops.<br>(ii) Age analysis relating to a sum of Rs.698.05 million. |
| (i) Other creditors                      | Schedules and age analysis inclusive of individual balances for Rs.19.18 million.  |
| (j) Employee deposits and other deposits | Detailed schedules and registers relating to employees deposits of Rs.65.62 million and other deposits of Rs.7.9 million.  |
| (k) Bank balance/ Bank Overdraft         | Bank reconciliation statements for 32 bank balances of Rs.74.38 million and 51 bank overdrafts valued at Rs.268.6 million.   |
| (l) Condemnation of buses                | Particulars of condemnation of 314 buses valued at Rs.193.78 million.  |



### 2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Cash shortage of Conductors and cashiers had been Rs.17.18 million and Rs.31.85 million respectively. It had increased by Rs.0.87 million and Rs.30.31 million respectively during the year under review. Even though certain balances had been brought forward since several years, no proper action had been taken to recover this money from the responsible officers. Further, as the checking of way bills of the Depots had not been updated, the accuracy of those balances had not been ascertained.
- (b) A sum of Rs. 29.53 million, used for making payment of salaries and fuel out of the Daily revenue without banking it in certain days from May to December in the Badulla Depot, had been included in the above cash shortage of cashiers and no action had been taken to settle the same.
- (c) A sum of Rs.1.80 million recovered from the employees of the Board for Tsunami Fund had been retained without being remitted to the relevant Fund.
- (d) Loan instalments of Rs.304.61 million recovered from loans granted to employees from the Account of employees fine fund had not been credited to that fund but retained by the Board.

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

The following non-compliances were observed.

| <b>Reference to Laws, Rules, Regulations,<br/>Management Decisions etc.</b>   | <b>Non-compliance</b>   |
|---|---|
| (a) Sections (8)(1), (8)(3) and 11 of Finance Act, No. 38 of 1971 and paragraphs 5.2.1, 5.2.4, 5.2.5 and 8.2.2 of Public Enterprises Circular No. PED/12 dated 02 June 2003 | (i) The budget submitted had not been approved by the Board of Directors and a copy thereof had been submitted to the Auditor General only on 15 February 2012. |



- (ii) The budget had not been prepared in compliance with the financial statements presented.
- (iii) The consent of the Minister of Finance and the approval of the Minister in charge of the subject had not been obtained for the investment totalling Rs.630.55 million.
- (b) Paragraph 6.1.3 of the Public Enterprises Circular No. PED/12 of 02 June 2003. A draft Annual report had not been presented along with the Annual financial statements.
- (c) Paragraphs 1 and 2 of Public Enterprises Circular No. PD/39 dated 09 October 2006.
- (i) Official vehicles had been given to 12 officers who were not entitled for official vehicles.
- (ii) Eight vehicles had been obtained on hire basis without the approval of the Director General of Public Enterprises and without calling quotations.
- (iii) Despite there were sufficient number of vehicles for the activities of the Board, 08 vehicles had been obtained on hire basis and 05 out of them had been attached to 3 officers who were not entitled for vehicles.
- (d) Letter No. திரு-மது/பொ/நி/ம (மா)2010/ 18 dated 12 July 2010 of the Deputy General Manager (Technical) Even though it had instructed to remove 143 buses, which had been sent to the VISKO company, from the bus fleet, action had not been taken accordingly.



### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented, the Sri Lanka Transport Board had incurred a loss of Rs.3,966.53 million for the year ended 31 December 2012 and as a result of receipt of Treasury grants amounting to Rs.1,508.97 million that loss had been reduced to Rs.2,458.34 million. The corresponding loss for the preceding year amounted to Rs.3,491.22 million and as a result of Treasury grants of Rs.1,153.6 million received, such loss had been reduced to 2,337.62 million. A deterioration of Rs.120.72 million in the financial result in this year had been displayed as compared with the preceding year. Increase of operating expenses and other fixed expenses by 23 per cent and 13 per cent respectively had mainly attributed to this deterioration.

#### 3.2 Legal cases instituted against/ by the Board

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The Board had filed two cases against 02 external Institutions asking for compensation amounting to Rs.702.310 in respect of causing accidents to buses.

### 4. Operating Review

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#### 4.1 Performance

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(a) According to the data and information presented by the Planning and Research Division, the performance of bus operations in the year 2012, as compared the data with the preceding 3 years, is given below.

|  | 2012  | 2011  | 2010  | 2009  |
|--|-------|-------|-------|-------|
|  | ----- | ----- | ----- | ----- |
| - Bus fleet  | 7756  | 7821  | 8403  | 9125  |
| - Requirement of buses according to the time table (Average) | 7172  | 7131  | 7129  | 7134  |
| - Number of buses provided for running per day               | 4694  | 4933  | 5119  | 4984  |



|   |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| - Percentage of number of buses ran from the time table requirement | 61%         | 60%         | 61%         | 62%         |
| - Number of kilometres (km) expected to run during the year         | 609,651,210 | 611,411,135 | 616,363,455 | 598,280,260 |
| - Number of km ran  | 337,830,439 | 340,840,718 | 341,617,984 | 335,861,305 |
| - Number of Employees (Average)                                     | 34,092      | 34,263      | 34,772      | 35,365      |
| - Number of employees depended per bus with running condition       | 7           | 7           | 7           | 7           |

Although total bus fleet belonged to the Board in the year 2008 amounted to 9326, it had shown that the bus fleet had dropped gradually during the preceding 5 years, and it had dropped by 16.83 per cent in the year 2012 as compared with the year 2008. Similarly, only 61 per cent of that bus fleet had been in running condition and it had failed at least to fulfil the time table requirement. Further, the Board had been able to run the buses only for 55 per cent of the number of targeted km during the preceding 5 years. Although the revenue position of the Board had been at a very low level, the number of employees depended per bus by the year 2012 had been 7.

- (b) The operating progress of the Board during the year under review as compared with the preceding year is given below.

|   | 2012  | 2011  |
|---|-------|-------|
|   | ---   | ---   |
|   | Rs.   | Rs.   |
| - Revenue earned per km from transport of passengers    | 53.90 | 44.26 |
| - Total revenue per km (inclusive of Government grants) | 77.86 | 66.07 |
| - Total expenditure per km (inclusive of depreciation)  | 85.24 | 69.81 |
| - Operating loss per km (Prior to Government grants)    | 25.14 | 19.45 |
| - Total loss per km (After Government grants)           | 7.38  | 3.74  |



Even though the income received from passenger transport in the year under review had increased by 18 per cent, as the total expenditure had also increased by 21 per cent as compared with that of the preceding year and as the expenditure had enhanced more rapidly than the enhancement of income, the Board had continuously incurred losses.

- (c) Even though it was planned to purchase 200 small buses of "E" model and 200 buses of "B" model on credit basis for the requirement of General public in rural areas according to the Action Plan for the year 2012, 04 buses of "E" model and 04 buses of "B" model had only been purchased during the year under review.

#### 4.2 Inefficiencies in the Utilization of Funds

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The following observations are made.

- (u) The Board had retained, as at the end of the year without being paid on due dates in each year, a sum of Rs. 491.65 million and Rs. 3,217.12 million which had to be credited to the Provident Fund of the Board and Employees' Provident Fund of the Central Bank of Sri Lanka respectively as at the end of the year under review in terms of the Employees' Provident Fund Act, No.15 of 1958, the articles and regulations of the Employees' Provident Fund of the Board and the provisions in the Employees' Trust Fund Act, No.46 of 1980. As such, the contributions of the Employees' Trust Fund not so credited as at the end of the year amounted to Rs.49.3 million and the surcharge payable due to non-payment of contributions on due dates amounted to Rs.13.78 million. Due to non-payment of contributions on specific dates, payment of surcharge ranging from 5 to 50 per cent had to be made. Action had also not been taken to make provision to meet the legal fees which ought to be paid in respect of judicial process arisen thereby.



- (b) Even though the security deposits recovered from employees should be invested in an external institute, only a sum of Rs.4.63 million out of a sum of Rs.65.6 million recovered from drivers and conductors had been invested and the balance had been utilized for the cash requirement of the Board.
- (c) A practice of giving cheques to the Managers of the filling stations for the value of fuel required for the succeeding 2 weeks had been adopted stating that fuel stocks required for the filling stations at Orugodawatta and Rathmalana would not be given without paying the money to the Ceylon Petroleum Corporation by the Board. Fifteen cheques valued at Rs.10.18 million and 11 cheques valued at Rs.7.86 million had been retained in the hands of the Managers of Filling stations for Orugodawatta and Rathmalana Filling Stations respectively as at 31 December 2012. The value of all these cheques had been brought to accounts as fuel stocks in transit.
- (d) A separate current account had been opened particularly for the purpose of making payments of the relevant loan instalments early for the buses purchased on credit basis, and to prevent the utilization of money received as instalments from the Depots for any other purposes. However in contrary to that objective, a sum Rs.75.07 million had been transferred to some other accounts for the financial requirements of the Board in the year under review. Even though the Board had pointed out that this was a temporary cash exchange due to financial difficulty of the Board, the objective of opening of this account could not be achieved in this manner.

#### 4.3 Management Inefficiencies

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The following observations are made.

- (a) Since the management had not implemented a proper system to inform the particulars of travel passes, issued on cash basis, by the Operation Division to the Finance Division and the recovery particulars thereon by the Finance Division to the Operations Division, the follow up process to ensure whether the money for every pass issued was received had not been carried out by both Divisions.



- (b) As there was no a proper practice had been implemented to bring the Police warrants, issued to police officers to travel by buses of the Board, received by each depot to the Head Office without delay to recover the money from the Department of Police it could not be ensured whether all such police warrants had been sent to the Head Office and recovered the money therefor.
- (c) As lands and buildings belonged to the Board had not been documented from the inception, it was stated at the Audit and Management Committee meetings and replies to audit queries that action would be taken to conduct a Survey and to update Registers of Assets, action had not been taken accordingly, even by the end of June 2015.
- (d) As action had not been taken to send the required information to the Accounts Division for accounting purposes by various Divisions of the Board at the time of effecting the transactions itself and the preparation of financial statements had been delayed for more than 2 years, the following deficiencies had been incurred in preparing the Financial Statements.
- (i) Omissions from accounts
  - (ii) Under accounting
  - (iii) Non-reconciliation of information in each Division
  - (iv) Condemnation of certain buses for several times

Even though these issues observed in audit were brought to the attention by way of audit queries and audit reports at various occasions, action had not been taken to rectify them.

- (e) It was agreed to supply spare parts for 10 years in terms of Section 5(3) of the Agreement signed with the suppliers relating to the purchase of 300 buses on credit basis during the year under review. As spare parts required for the repair of a bus had not been supplied to suppliers within the warranty period, a sum of Rs.87,020 had been spent by the Depot for such purpose.



- (f) Although it had agreed to make the employees participate in a training program to provide them technical knowhow in respect of maintenance of buses purchased in terms of Sections 5(4) and 5(7) of the above agreement, it had not been implemented.
- (g) Even though the Procurement Committee had decided to purchase 10 buses to commence the operation of buses in the Southern Expressway, comprising 04 buses at the Committee meetings held on 13 September 2011 and 15 February 2012, 04 buses at the Committee meeting held on 26 June 2012 and 02 buses at the Committee meeting held on 17 July 2012, 11 buses had been purchased before holding the last committee meeting on 14 March 2012. Although all these buses had been purchased on credit basis, no any agreement whatsoever had been entered into in that respect.
- (h) Hundred and Sixty two buses in the year 2011 and 138 buses in the year 2012 had been purchased out of 300 buses of "B" model approved for purchasing as per the Action plan for the year 2011. Action had not been taken to sign the agreements with the supplier until 291 buses out of 300 were received by the Board.
- (i) The management had failed to sell 1,519 buses which had been condemned from 2007 to 2012 but remained unsold even by the end of the year 2012. The cost and the accumulated depreciation of those buses amounted to Rs.1090.85 million and Rs.1052.99 million respectively.
- (j) The management had not carried out an investigation and taken action in respect of stock shortages and surplus amounting to Rs.3.28 million and Rs.4.88 million respectively disclosed at the stock verification.

#### 4.4 Uneconomic Transactions

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The Board had paid a sum of Rs.111.86 million as Bank overdraft interests during the year under review due to obtaining Bank overdraft facilities. This had been an increase of 99 per cent as compared with the preceding year.



#### **4.5 Resources of the Board given to other Government institutions**

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Two vehicles of the Head Office had been released to the Line Ministry contrary to the Paragraph 8.3.9 of the Public Enterprises Circular No. PED/12 dated 02 June 2003.

#### **4.6 Staff Administration**

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The following observations are made.

- (a) An organization chart, a Scheme of recruitments, a Scheme of promotions and an approved cadre for the Board had not been prepared and get them approved by the Department of Management Services in terms of Chapter 9 of the Public Enterprises Circular No. PED/12 dated 02 June 2003.
- (b) The Board had had only a proposed cadre structure prepared in the year 2008, on the basis of 5.5 employees per bus, based on 5,500 buses made to run. Even though the proposed cadre should have been 30,250, it had been risen up to 30,554 at the time of preparation of proposed structure. As the actual cadre as at 31 December 2012 amounted to 33,731, there was an excess of 3,177 employees. The number of buses made to run during the year under review amounted to 4,694 and as such, number of employees per bus made to run stood at 7.

#### **5. Accountability and Good Governance**

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##### **5.1 Presentation of Financial Statements**

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Even though the Financial Statements for the year under review along with a copy of the Draft Annual report should have been presented for audit on or before 28 February of the ensuing year in terms of paragraph 5.5.1 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, the financial statements for the year 2012 had been presented to audit only on 18 May 2015 after a delay of 02 years and 02 months and a draft Annual Report had not been presented along with such Financial statements.



## 5.2 Corporate Plan

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Even though a corporate plan for the years 2012-2016 should have been prepared and a copy thereof should be presented to the Auditor General 15 days prior to commencement of the year in terms of Paragraph 5.1.1 of Public Enterprises Circular No. PED/12 dated 02 June 2003, it had been presented only on 26 April 2012, after a delay of 04 months.

## 5.3 Action Plan

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Even though an Action Plan should be prepared clearly identifying the responsibility of the Management so as to enable to reach the goals and targets within the period planned in terms of Paragraph 5.1.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, it was observed that the Action Plan presented had not been practicable as to achieve the objectives and targets.

## 5.4 Procurement Plan

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The Board had not prepared a Procurement Plan in terms of Paragraph 4.1.2 (a) of the Procurement Guidelines dated 01 March 2006.

## 5.5 Budgetary Control

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In comparing the budgeted figures with the actual figures, significant variances were observed ranging from 4 per cent to 98 per cent, thus indicating that the budget had not been made use of as an effective instrument of management control.



## 6. Systems and Controls

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

- (a) Control of Fixed Assets
- (b) Stock control
- (c) Accounting
- (d) Debtors and Creditors
- (e) Confirmation of account balances
- (f) Budgetary control

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Auditor General