



DEPARTMENT OF MOTOR TRAFFIC

**PERFORMANCE REPORT
2020**

P.O.BOX NO. 533 – 341, Elvitigala Mawatha, Colombo 05

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Message from the Commissioner General of Motor Traffic

The Department of Motor Traffic, which was established in 1928 with the objective of registering motor vehicles and issuing driving licenses, has come a long journey of 95 years. It is a pleasure to note that the Performance Report, which is compiled to measure the performance of the Department, is released for the 91st time in this year. The main functions of this department are new registration of motor vehicles, registration of vehicle ownership transfers, issuance of driving licenses, technical services related to motor vehicles, road safety and regulation of emissions.

Considering the progress of the year 2020, the number of new registration of motor vehicles was 202,628. The number of vehicle transfers made in this year was 522,628 and the number of driving licenses issued was 708,909. Accordingly, the total vehicle population in Sri Lanka at the end of the year was 8,297,852. Our Department has earned a revenue of Rs. 9,027 million in the year 2020 as a Grade A Department and the recurrent expenditure of the Department is Rs. 1,484 million.

I would like to extend my sincere thanks to the Hon. Minister of Transport and the Hon. State Minister of Vehicle Regulation, Bus Transport Services, and Train Compartments and Motor Car Industry for necessary guidance given in the regulation of motor vehicles and to the Secretaries to the Ministry for their support in providing infrastructure and advices, in discharging out the functions of this department in accordance with government policies. I would also like to thank all the institutions affiliated to the Department for their support in fulfilling the role of the Department and to all the staff of the Department for providing an efficient and effective service with dedication in achieving the objectives of the Department. Our future expectation is to become the most reliable service provider in the public service while proceeding towards excellence through a responsive organization that regulates and controls motor traffic through a process that is guided by standards and technology to achieve the objectives of the Department.

Sumith C. Alahakoon
Commissioner General of Motor Traffic

CHAPTER 1

Department of Motor Traffic

1.1 Background of the Department

The Act No.14 of 1916 which was introduced aiming at registering vehicles and issuing driving licenses in Sri Lanka , was commenced its proceedings under the Inspector General of Police. Another important milestone in this regard was the enactment of Motor Traffic Ordinance No.20 of 1927, on the recommendation of a special committee that was set up for this purpose, later in 1925.Under this Act which was introduced in 1927, the office of the Registrar of motor vehicles was commenced on 01st of January, 1928, and it was aimed at registering motor vehicles and drivers and inspecting taxis and lorries prior to issuing annual revenue licenses.

Another significant milestone in this journey was the establishment as a department by the Motor Traffic Act No. 14 of 1951.Today, the main objective of the department is to provide an efficient and effective service focusing on registering and regulating motor vehicles, issuing driving licenses, ensuring road safety and usage of eco-friendly vehicle in Sri Lanka.

At present the department provides its service through Werahera Office and each and every district office while the head office at Narahenpita is functioning as the centre for all, in order to provide quantitative and qualitative service with the rapid increase in vehicle usage in Sri Lanka. Accordingly the department has been able to operate several district offices on on-line connection by now.

One of the key aspirations of the department is to fulfill the customer needs expeditiously and to accomplish the customer expectations/requirements using modern facilities and technology at rural/regional level, through the online connection of all district offices.

1.2

Vision of the Department

"Excellence through a responsive organization that regulates and controls motor traffic through a process that is guided by standards and technology"

Mission of the Department

"Creating a responsive organization through the effective use of collective effort and new technology through the implementation of the Motor Traffic Act and other laws and regulations."

Objectives of the Department

- ✓ Creating a department equipped with productive and efficient technology.
- ✓ Providing better customer service through developed infrastructure facilities.
- ✓ Creating a productive and efficient office management system
- ✓ Ensuring the systematic functioning of regulations related to the improvement of service processes.

1.3 Functions of the department

1. New registration of Motor vehicles in running condition
2. Registration of vehicle ownership transfers
3. Issuing driving licenses
4. Providing technical services in relation to motor vehicles.
5. Regulating air emission conditions
6. Compilation of policies regarding road safety.

Staff

Staff Officers - 2020

- Commissioner General of Motor Traffic - Mr. Sumith C.K. Alahakoon
- Chief Financial officer - Mr. S.L. Hettiarachchi
- Commissioner (Administration) - Mr. Susantha Jayathilake
- Commissioner (Development) - Mrs. D. Kusalani De Silva
- Commissioner (Investigation) - Mr. H.M.J.M. Herath
- Commissioner (Information and Communication Technology) - Mr. D.T.F. Suraweera
- Commissioner (Driving Licenses) - Mr. Wasantha Gunarathne
- Chief Accountant - Mrs. U.D.N.S. Siriwardena
- Chief Internal Auditor - Mr. T.O.R. Wanigaratne
- Project Director (Air Emission) - Mr.R.L. Molagoda
- Deputy Commissioner (Administration) - Mrs.. K.K. Fonseka
- Deputy Commissioner (Car Transfer) - Mr. W.A.R.Wickramasinghe
- Deputy Commissioner (Jaffna) - Mr. Y. Paramthaman
- Deputy Commissioner (Motor cycle N.R.) - Mrs. B.A.D.D.W. Siriwardena
- Deputy Commissioner (Commercial Vehicle Transfer) - Mr. D.D.C. Athukorala
- Assistant Commissioner (Buses and Land Vehicle Transfer) - Mr. M.P. Kasun Pramodith
- Assistant Commissioner (Kurunegala) - Mr. E.G. Wickramasinghe
- Assistant Commissioner (Motor Cycle Transfer) - Mrs. R.D.P. Wedikkara
- Assistant Commissioner (Commercial Vehicle N.R. II) - Mrs. M.L.N. Sandamali
- Assistant Commissioner (Commercial Vehicle N.R. I) - Mr. H.D. Satharasinghe
- Assistant Commissioner (IT/Three wheel N.R.) - Mrs. K.K.K. Fonseka
- Assistant Commissioner (Anuradhapura) - Mr. R.M. Dharmasiri Jayawardena
- Assistant Commissioner (Gampaha) - Mr.M.H.P.L.A. Wijepala
- Assistant Commissioner (Hambantota) - Mr.L.G.P. Prasad
- Assistant Commissioner (Werahera) - Mrs. P.K. Sanjeewani
- Accountant (Revenue) - Mr.W.K.P.H.N.M. Rodrigo
- Accountant (Payment) - Mrs. H.N.S. Perera
- Assistant Commissioner (Technical) - Mr. J.A.S. Jayaweera
- Assistant Director (ICT Technology) - Mr. P.W.P.B. Eriyagama
- Legal officer - Mr. K.I. Yogachandra
- Administrative Officer (Administration) - Mrs. A.M.C.J. Adikari
- Administrative Officer (Werahera) - Mrs. U.I. Munasinghe
- Administrative Officer (Werahera) - Mrs. K. Indradevi

1.5 Administrative Functions of the Department

The administrative functions are directed by the Commissioner (Administration) and development functions are directed by Commissioner (Development) under the guidance of the Commissioner General of Department of Motor Traffic. The information Technology Unit is directed by a commissioner and the investigation activities too are directed under a commissioner. In addition to this, Werahera sub office is also directed in connection with the head office under the guidance of a commissioner. The other district offices are under control of the District Secretary and an Assistant Commissioner. The head office of the Department which is located at Narahenpita is the centre that monitor Werahera sub office and all the other district offices that are spread all over the island.

Branches of the Head Office

- i. Commissioner General's Office
- ii. Establishment Branch
- iii. Development Branch
- iv. Accounts Branch
- v. Computer and Information Technology Branch
- vi. Internal Audit and Investigation Branch
- vii. Legal Branch
- viii. Luxury Taxes Branch
- ix. Postal Branch
- x. New Registration of Commercial Vehicles Branch I
- xi. New Registration of Commercial Vehicles Branch II
- xii. New Registration of Three-wheelers Branch
- xiii. New Registration of Motor Cycles Branch
- xiv. Motor Car Transfer Branch
- xv. Commercial Vehicle Transfer Branch
- xvi. Lorry Transfer Branch
- xvii. Buses and Land Vehicles Transfer Branch
- xviii. Three-wheeler Transfer
- xix. Motor Cycle Transfer Branch
- xx. Technical Branch
- xxi. Number Plates (Colombo) Branch
- xxii. Number Plates (Out Station) Branch
- xxiii. Record Room I
- xxiv. Record Room II
- xxv. Statistics Branch

Functions of the Branches in Head Office

I. Commissioner General's Office

The key function of this branch is to support the Commissioner General of Motor Traffic to fulfill the public needs. This branch is functioned under the guidance of the Commissioner General of Motor Traffic.

II. Establishment Branch

The establishment Branch is functioned based on the vision "An effective public service through positive attitudes". The key function of this branch is performing institutional and administrative activities of the entire staff of the department and the maintenance activities inclusive of infrastructure facilities under the guidance of the Commissioner (Administration). Handling of appointments, transfers, promotions, retirements, service extensions, disciplinary activities, maintaining personal files of the staff are some of the functions carried out by this branch. In addition to that approving salary increments, approving various types of loans, settling Agrahara Insurance bills, settling water, telephone, electricity bills are also carried out by this department. Apart from the afore mentioned activities, the activities in connection with Record Room 1 and Record Room11 are also operated under the administration of Establishment Branch.

III. Development Branch

The activities of this branch are carried out under the vision of "Higher public satisfaction through a satisfied staff" under the purview of the Commissioner in Charge of the Development Branch. Whilst implementing development activities in the department throughout the year many more important activities viz. continuing construction and renovation activities of the premises, conducting training programmes to enhance the motivation of the staff, reviewing the progress of all the branches of the office as well as the regional offices, preparing all progress reports, budgetary reports, performance reports, action plans to be sent to ministries and other institutions, and activities pertaining to productivity development are carried out by this department.

IV. Accounts Branch

Accounts Branch is guided by the vision of "Institutional improvement through accurate and transparent financial management". The role of the Accounts Branch is to assist the departmental process by giving priority to all the accounting and remitting activities pertaining to revenue and

expenditure, submitting accurate reports to audit queries and Committee on Public Accounts, and activities related to power delegation under Financial Regulations No. 135.

V. Computer and Information Technology Branch

Managing the computerized technical activities by introducing modern technological methodologies that is needed to accomplish the vision and mission of the department, and coordinating with other external institutions that provide technical support to the department are the key functions of Computer and Information Technology Branch. Further to that issuing the information when necessary is also a function assigned to this branch.

VI. Internal Auditing and Investigating Branch

The responsibility of this branch is to extend its cooperation to direct the departmental activities towards the correct path through internal auditing and investigating in all the branches of the department pertaining to the vision “Higher productivity through auditing and investigating”

VII. Legal Branch

This branch which is guided by the vision that “Justice goes before the law” provides its service by bringing in the legal amendments in the form of bills, contributing to legal proceedings of the department by coordinating with the Department of Attorney General and other parties in litigation against the department and appearing for it and proving necessary advice on legal matters related to motor vehicles.

VIII. Luxury Tax Branch

This branch runs under the vision “Shouldering National Development through formal taxation”. The key functions of this branch are managing and directing the insurance companies that involved in luxury, semi luxury, semi luxury dual purpose taxation, acknowledging owners of the vehicles and collecting tax arrears, maintaining the computer system on each vehicle regarding tax payments, transmitting tax revenue to general treasury and preparing revenue reports.

IX. Commercial Vehicle New Registration - Branch I and II

Registration and issuance of registration certificates for special purpose vehicles, dual purpose vehicles, lorries, motor cars and vehicles purchased by the armed forces, and vehicles that were confiscated and auctioned, is the major function of this branch which serve guided by the vision “ Higher

public reputation through regulation and new registration of commercial vehicles” In addition, this branch engages in allocation of advance numbers for vehicles as per the state policies and obtain charges. In year 2020, 43,374 motor vehicles were registered by this division.

X. Three-wheelers New Registration Branch

The main role of this division is to register unregistered three wheelers for the first time, operating under the vision of “humane and law abiding society through the new registration of three wheelers”. In addition, the transfer and registration of vehicles at embassies, the cancellation of the registration of such vehicles and functions related to take such vehicles outside the country is carried out by this branch. During the year 2020, 7,150 three wheelers were registered by this division.

XI. Motor Cycles New Registration Branch.

The main function of the division is to register new motorcycles that have not been registered in Sri Lanka so far and to carry out all related activities in line with the vision of "providing excellent service to the public without delay". 151,634 motorcycles have been registered, in the year 2020.

XII. Vehicle ownership Transfer Branches

Registration of transfers of ownership of all vehicles which have been initially registered with the Department of Motor Traffic is done through these branches. For this purpose, six branches have been established in the department according to the type of vehicle. That are,

- ❖ Lorry transfer Branch
- ❖ Car Transfer branch
- ❖ Commercial Vehicle transfer branch
- ❖ Three Wheeler transfer branch
- ❖ Motorcycle transfer branch
- ❖ Bus and Land Vehicle Transfer branch

Each of these divisions is headed by a Commissioner or a Deputy Commissioner or an Assistant Commissioner and carries out their functions under normal service and one day service categories. The role of all these branches in general can be summarized as follows.

- * Registration of transfer.
- * Registration of transfer with absolute ownership or mortgage.

- * Cancellation of absolute ownership or mortgage and registration of transfer.
- * Issuing duplicates of the certificate of registration
- * Inclusion of legal physical changes as well as documentary changes in the certificate of registration.
Ex: - Engine number, color, address
- * Computerization of data for issuance of duplicates of number plates and stickers in vehicles with new English letters.
- * Issuing MTA-11, on confirmation of the documents, that is required to obtain the Revenue License for the vehicles that have applied for a transfer and submitted to the Transfer Branch
- * Issuance of certified computer citations required for legal proceedings and recording of objections received.

XIII. Technical Branch

The technical Branch provides technical services related to vehicle registration such as inspection of vehicles, issuance of tare certificates and other technical services as well as providing necessary advice in this regard. This Division functions under the Assistant Commissioner (technical) and assists the Commissioner General of Motor Traffic by supervision of motor vehicle examiners.

Werahera Sub Office

The Werahera Sub Office, which is affiliated to the Narahenpita Head Office of the Department of Motor Traffic, carries out all the functions related to the issuance of driving licenses, vehicle inspection, and issuance of tare certificates and regulation of driving schools. All the activities of this office are managed by a Commissioner and a Deputy / Assistant Commissioner.

District Offices

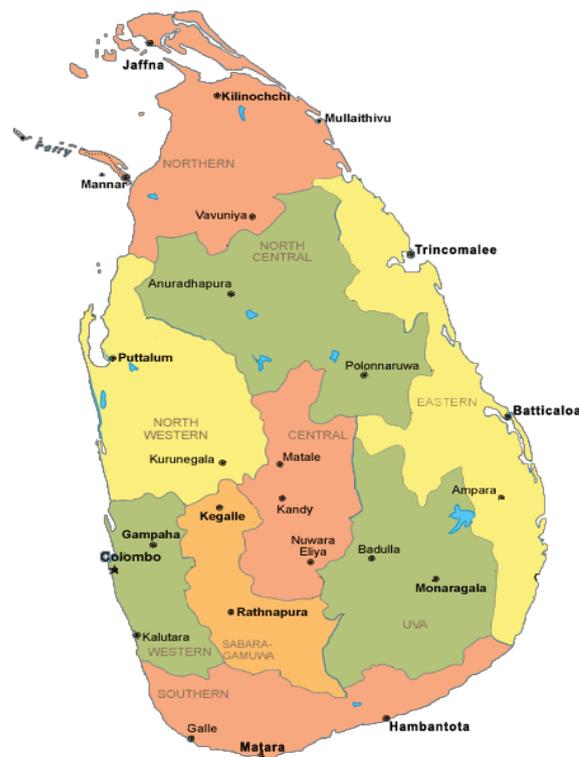
District Offices have been established covering all the district to expand the functions of the department island wide and to provide maximum service to the clients within their own districts. All District Offices are maintained under the supervision of the

District Secretaries, out of which the Jaffna Office is functioning under a Deputy Commissioner and the Hambantota, Anuradhapura, Gampaha and Kurunegala Offices are functioning under the Assistant Commissioners. A chief motor vehicle examiner and motor vehicle examiners are attached to all district offices.

These district offices primarily involve in accepting applications for driving licenses, as well as conducting written and practical tests for licenses. Among these, driving licenses are printed and issued by Anuradhapura and Hambantota district offices. Although activities related to on-line issuance of driving licenses are carried out through the District Offices in Kurunegala, Gampaha, Kalutara, Moneragala, Kandy and Jaffna, only the activities related to collecting the applications for driving licenses are performed. The Driving licenses for so collected applications are issued by the Werahera office. Other district offices use offline method for issuing driving licenses.

In addition to these functions, registration of new motorcycles relevant to the district on reserved numbers, registration of the transfer of such motorcycles within the district, issuance of tare certificates, activities related to technical services and accepting applications for all activities which should be assigned to the head office are the functions carried out by district offices.

Extension of the District Offices



1.1 Location of the District

Chapter 02

Progress of the Department

2.1 New Registration of Motor Vehicles in running Condition

This activity involves in registering imported, manufactured, or assembled vehicles for the first time in Sri Lanka. These registration activities are carried out by 04 branches in the department. i.e.,

1. New Registration of Motor Cycles Branch
2. New Registration of Three-wheelers Branch
3. New Registration of Commercial Vehicles Branch I (cars, Lorries, dual purpose vehicles, single cabs, prime movers, hearses, and ambulances)
4. New Registration of Commercial Vehicles Branch II (buses, tractors)

The first registration certificate of these vehicles is issued within a single day on verification of the accuracy of the documents submitted by the applicant after paying the relevant registration fee.

The number of new registration of motor vehicles in year 2020 is 202,628. Accordingly, the total vehicle population is 8,297,852. The number of new registered vehicles shows a 44.83% decrease compared to year 2019. Its summary is given hereunder.

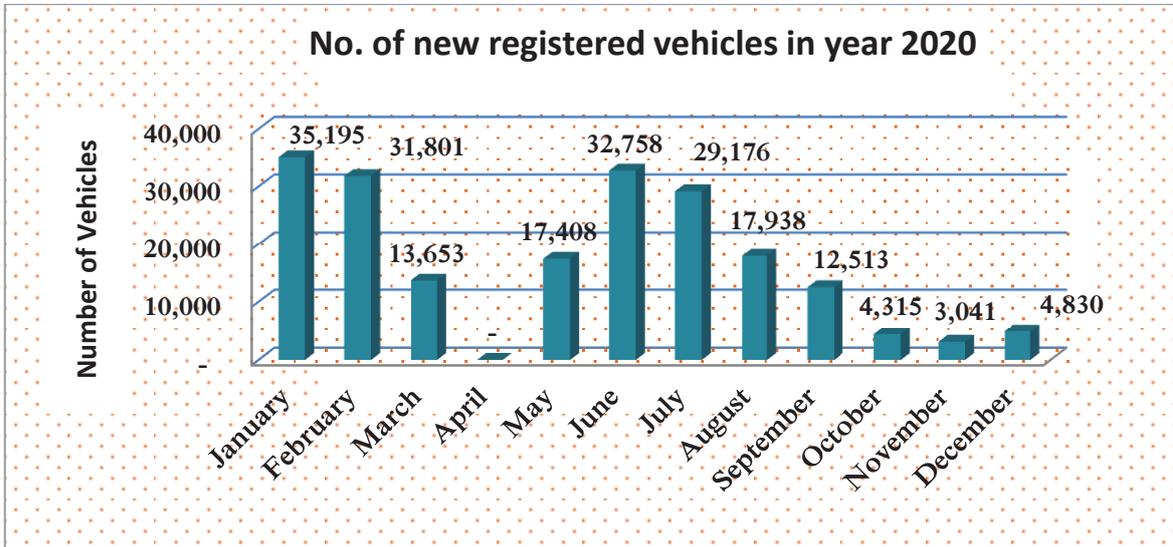
Chart 2.1.1:- Vehicle Population

Year	Quantity	Total Vehicle Population
2011	525,421	4,479,732
2012	397,295	4,877,027
2013	326,651	5,203,678
2014	429,556	5,633,234
2015	668,907	6,302,141
2016	493,328	6,795,469
2017	451,653	7,247,122
2018	480,799	7,727,921
2019	367,303	8,095,224
2020	202,628	8,297,852

Source: Department of Motor Traffic.

The number of new registered vehicles in year 2020 is illustrated by the graph hereunder.

Diagram :2.1.1



Source: Department of Motor Traffic

Considering the new vehicle registrations in Sri Lanka, a decrease is shown in year 2020 compared to year 2019.

Diagram:2.1.2



Source: Department of Motor Traffic

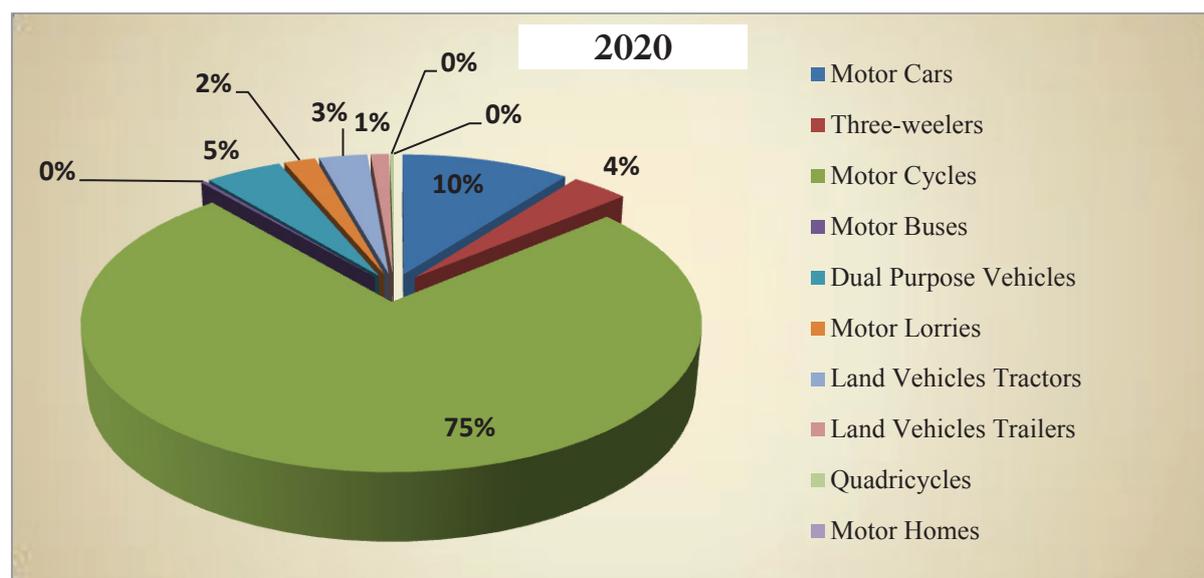
2.1.2 Table :- New Registered Vehicle Class

Vehicle Class	Vehicles as at 2019.12.31	Vehicles as at 2020.12.31	Increase/ Decrease as a Percentage
Motor Cars	38,232	21,021	-45.02
Three-wheelers	15,490	7,150	-53.84
Motor Cycles	284,301	151,634	-46.66
Motor Buses	1,613	578	-64.17
Dual Purpose Vehicles	13,459	9,532	-29.18
Motor Lorries	5,223	3,941	-24.55
Land Vehicles (Tractors)	5,696	6,025	5.78
Land Vehicles (Trailers)	1,970	2,277	15.58
Quadricycles	1,318	470	-64.34
Motor Homes	1	-	-100.00
Total	367,303	202,628	-44.83

Source: Department of Motor Traffic.

New Registered Vehicle Categories in year 2020

Diagram 2.1.3



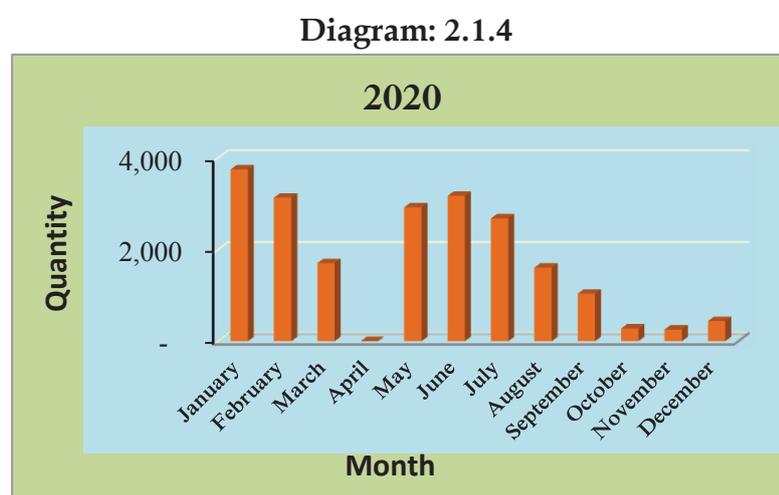
Source: Department of Motor Traffic.

When considering vehicle registration compared to 2019, a decrease is shown in the numerical value of the registration in many vehicle classes. The factors such as government policy regarding the importation of vehicles, as well as the limitation of the percentage of leasing affected for this. Considering the numerical values of the said vehicle registrations, it can be pointed out that the registration of motor cars, three-wheelers, and motor bicycles makes a significant contribution to the increasing number of vehicle population in Sri Lanka. The registration of the said 3 vehicle classes can be illustrated separately as follows.

New Registration of Motor Cars in Year 2020

Table :2.1.3 :- New Registered Motor Car Data

Month	No. of Vehicles
January	3,753
February	3,139
March	1,710
April	-
May	2,929
June	3,177
July	2,688
August	1,611
September	1,041
October	279
November	254
December	440



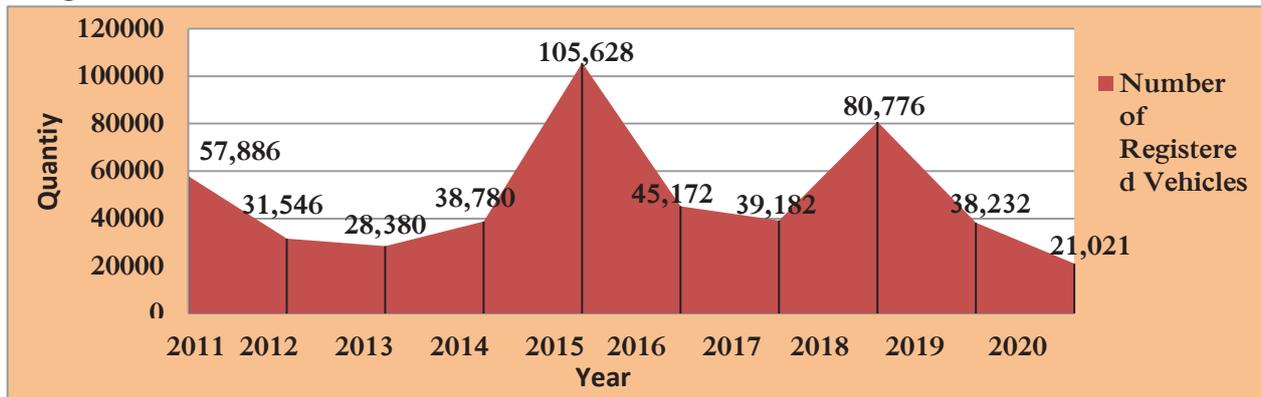
Source: Department of Motor Traffic.

Table: 2.1.4 :- New Registered Motor Car Data (2011 – 2020)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of Registered Motor Cars	57,886	31,546	28,380	38,780	105,628	45,172	39,182	80,776	38,232	21,021

Source: Department of Motor Traffic

Diagram 2.1.5

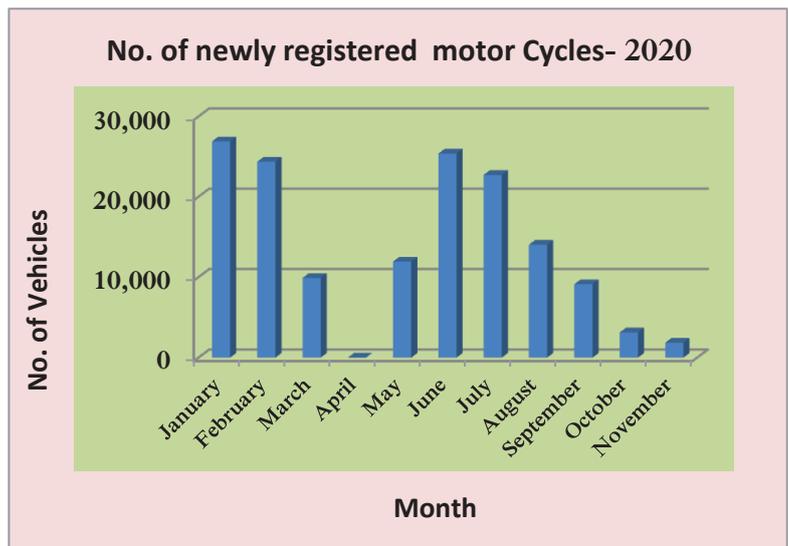


Source: Department of Motor Traffic

New Registration of Motor Bicycles in Year 2020

Table 2.1.5 :- New Registered Motor Cycles Data 2.1.6 diagram

Month	No. of Vehicles
January	26,903
February	24,375
March	9,908
April	-
May	11,942
June	25,382
July	22,725
August	14,035
September	9,129
October	3,137
November	1,856
December	2,242



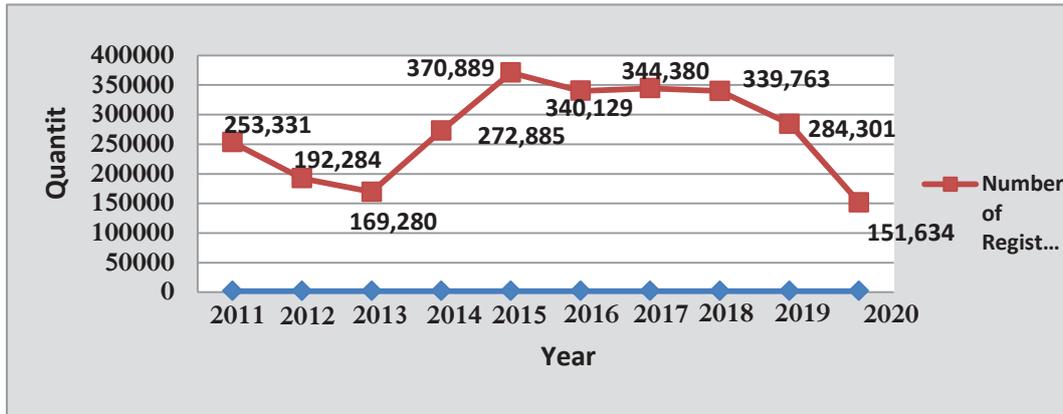
Source: Department of Motor Traffic

Table 2.1.6:- New Registered Motor Bicycle Data (2011 – 2020)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of Registered Motor cycles	253,331	192,284	169,280	272,885	370,889	340,129	344,380	339,763	284,301	151,634

Source: Department of Motor Traffic

Diagram2.1.7



Source: Department of Motor Traffic

2020 New Registration of Three-wheelers

Table2.1.7 :- New Registered Three-wheelers 2.1.8 Diagram

Month	No. of Vehicles
January	1,687
February	1,539
March	786
April	-
May	812
June	1,152
July	698
August	234
September	132
October	57
November	29
December	24



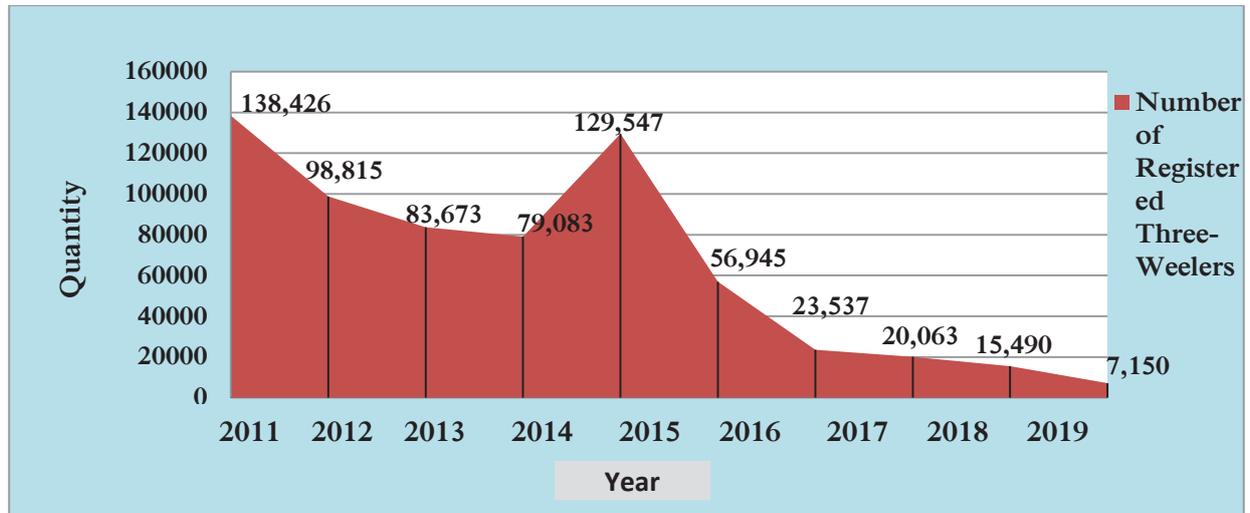
Source: Department of Motor Traffic

Table 2.1.8 :- New Registered Three-wheelers (2011 – 2020)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of Registered Three-wheelers	138,426	98,815	83,673	79,038	129,547	56,945	23,537	20,063	15,490	7,150

Source: Department of Motor Traffic

Diagram 2.1.9

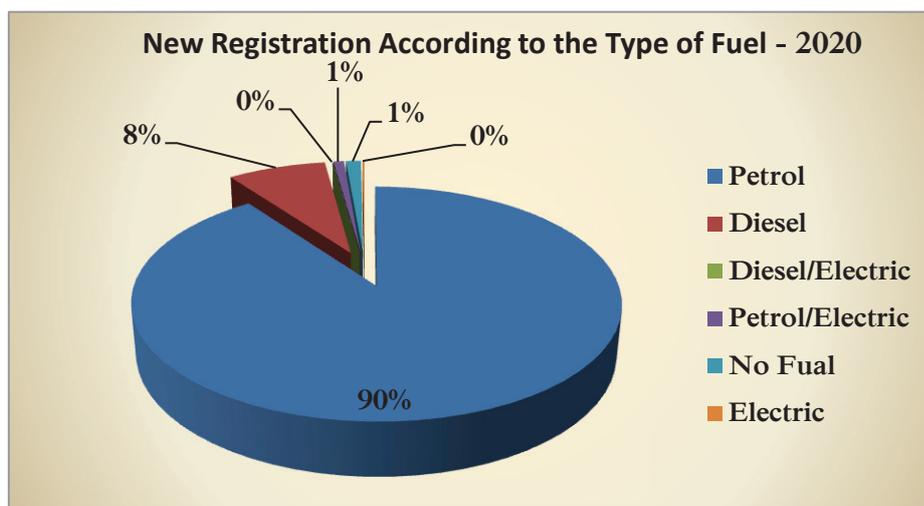


Source: Department of Motor Traffic

These afore mentioned newly registered vehicles can be categorized under 03 main categories depending on the type of fuel used, viz.,

- ✓ Petrol used vehicles
- ✓ Diesel used vehicles
- ✓ Other
 - Petro/ Electrical vehicles
 - Diesel/ Electrical Vehicles
 - Electric Vehicles
 - Vehicles that do not use fuel

Diagram 2.1.10



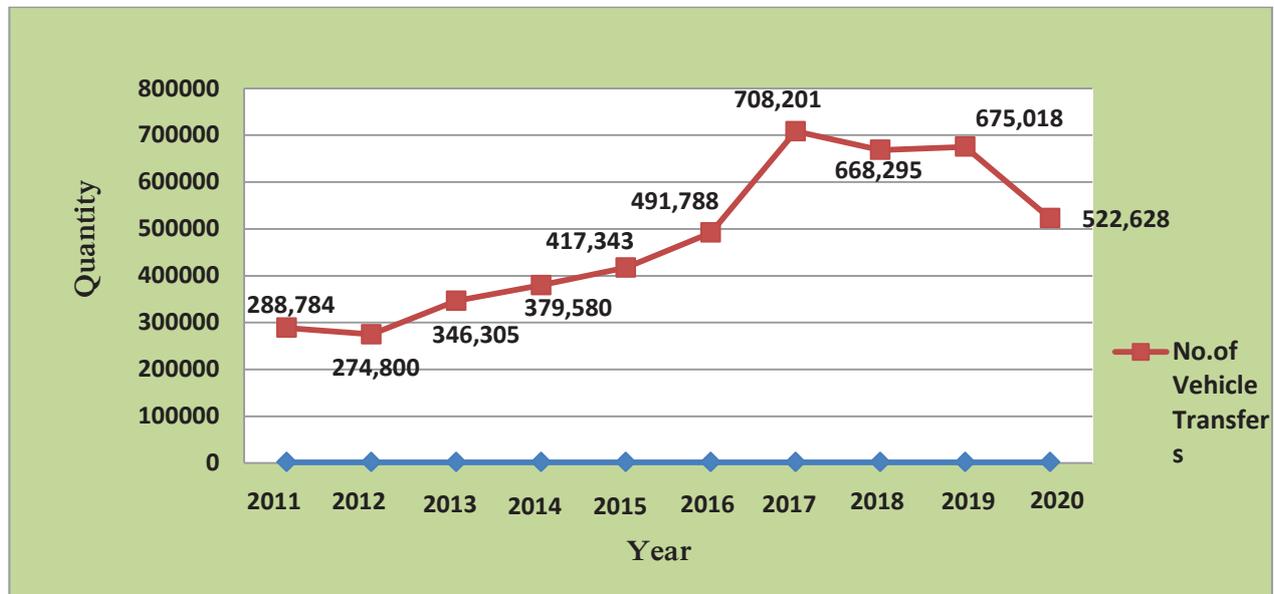
Source: Department of Motor Traffic

182,441 petrol used vehicles, 15,768 diesel used vehicles and 2,414 vehicles that do not use fuel were registered in year 2020. Out of total number of registered vehicles 90% of the vehicles use Petrol.

2.2 Registration of Ownership Transfer

552,628 Ownership Transfer Registrations were carried out in year 2020. The following diagram shows the growth trend in vehicle transfers. The transfer process shows the nature of the circulation of vehicle ownership among the public in the country. A notable feature here is that it shows some increase every year.

Diagram: 2.2.1



Source: Department of Motor Traffic

According to the above diagram, the number of transfers in 2020 was 552,628 compared to the number of transfers 675,018 in 2019.

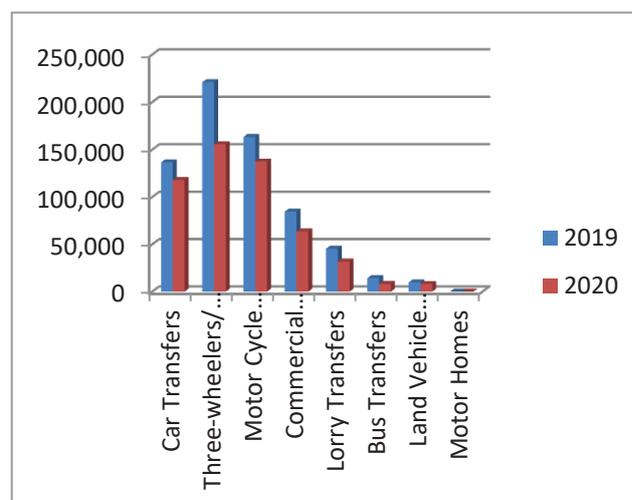
The number of transfers in 2020 can be categorized according to each vehicle class as follows;

Table 2.2.1 :- Vehicle Transfer Composition

Vehicle Category	2019	2020
Car Transfers	136,618	118,012
Three-wheelers/ Three-Wheeler Vans/ Three-wheeler car Transfers	221,006	155,654
Motor Cycle Transfers	163,399	137,390
Commercial Vehicle Transfers	84,582	63,665
Lorry Transfers	45,374	31,771
Bus Transfers	14,246	8,088
Land Vehicle Transfers	9,792	8,048
Motor Homes	1	-
Total	675,018	522,628

Source: Department of Motor Traffic

2.2.2 Diagram



2.3 Driving License Issuance Service

Procedure of issuing Driving Licenses and its nature have been subject to evolution on several occasions since inception of the department and it has now been evolved to the present system of New Smart Card Driving License with international standards. Security contrivances of high quality have been used to prevent fraudulent printing of the said Smart Card Driving License and the holder's blood group too has been included. Process of issuing driving licenses is carried out in two-fold systems through other district offices with Werahera sub office as the pivotal centre, viz,

1. On line

Under this process, the basic information of the client who comes to obtain a driving license is computerized and photographs, finger prints, and signatures are taken through the program itself. After the relevant vital documents are scanned and verified the information into the data base the driving license is issued. In addition, written tests are performed and information is entered in to the data base at the same time and on the instances where an extract from the driving license is requested, it is issued appropriately. This is being implemented at Werahera sub office as the pivotal centre and other District offices of Hambantota, Anuradhapura, Gampaha, Kaluthara, Kurunegala, Monaragala, Jaffna and Kandy.

2. Off Line

When driving licenses are issued by other district offices written tests are conducted on obtaining applications and relevant documents through formats. The information obtained so is verified and submitted to Werahera office and the driving license is issued. A temporary driving license is issued by the district office to the client.

Table : 2.3.1 :- Issuing Driving Licenses 2020

Month	Number of licenses as on 31.12.2020	Category	Number of licenses as on 31.12.2020
January	72,111	Amendments	29,632
February	82,290	Conversions	22,675
March	35,209	Duplicates	35,700
April	12,685	Combination of Vehicle Classes	50,866
May	50,251	New Driving Licenses	251,231
June	77,500	Renewals	317,684
July	89,016	Conversions of Foreign Driving Licenses	1,121
August	73,711	Total	708,909
September	78,163		
October	53,610		
November	29,082		
December	55,281		
Total	708,909		

Source: Department of Motor Traffic

The total number of driving licenses issued up to 31st of December, 2020 is 708,909. In addition to printing of driving licenses in Werahera office, driving licenses printing machines have been installed in Anuradhapura and Hambantota district offices too.

The department has taken another step forward in information technology, by conducting written tests for driving licenses, with the use of computers (Touch Screen). Presently this facility is available in Werahaera office only but it is expected to extend this service to all the district offices as well.

2.4 Technical Services Related to Motor Vehicles

The activities carried out by the head office, Werahera sub office and all district offices in relation to the technical service are mentioned hereunder.

- Conducting written and practical tests regarding driving licenses.
- Issuing Tare certificates and identification certificates on inspection of vehicles.
- Issuing road worthiness certificates for state vehicles.
- Participating for tender boards regarding vehicles, giving recommendations to cancel vehicle registrations.
- Registering garages and Renewing annual licenses.
- Issuing CMT chassis numbers, trailer chassis numbers.
- Preparing and implementing driving instructor courses and training courses related to technical sector.
- Inspecting vehicles involved in serious accidents and reporting to the court

The technical services provided by the head office and all the other offices can be categorized under 19 categories and the statistical data pertaining to each of these categories can be summarized as presented in table 2.4.1 as follows;

Table : 2.4.1 :- Technical Services

	Function	2019	2020
1	Conducting written tests for driving Licenses	204,398	44,542
2	Conducting practical tests for driving Licenses	392,181	475,709
3	Issuance of No. Plates (Colombo)	597,633	50,553
4	Issuance of No. Plates (Out Stations)	107,057	184,814
5	Inspection of Garages and new commercial establishments	53	36
6	Registration of Garages and new commercial establishments	72	31
7	Renewal of Garages and new commercial establishments	937	715
8	Inspection of driving schools	576	334
9	Issuance of formats	112	76
10	Issuance of C.M.T. chassis Numbers	3	4
11	Issuance of trailer Chassis Numbers	1,434	1,229
12	Issuance of C.M.T. Chassis Nos. for customs auction vehicles	8	-
13	Inspection of motor cycles	159	205
14	Issuance of certificates of weight	6,061	4,454
15	Issuance of identification certificates.	855	666
16	Issuance of prohibition orders.	1,377	640
17	Removal of prohibition orders.	1,364	500
18	Inspection of vehicle accidents	3,848	3,241
19	Participating in special duties.	305	315

2.5 Regulatory Functions Pertaining to Air-emission Conditions

Air emission tests were commenced with effect from 17th November, 2008 as per order published in the extra ordinary Gazette No. 1533/17 of 25th January, 2008 Motor Traffic (Amendment) Act No. 08 of 2009 and Extra Ordinary Gazette No. 1557/14 on National Environment (Air Emission, Fuel and Vehicle Importation Standards) with the objective of preventing air pollution and controlling the air emission from vehicles which contribute towards air pollution. Further, new standards were declared on 05.11.2014 which are in force with effect from 15th September, 2016 and press notices have been published and community awareness programmers have been conducted.

Vehicular Emission Test Trust Fund has purchased 03 circulatory air quality measuring units to measure the air quality of the surrounding atmosphere. Two permanent units have been established in Kandy town and Battaramulla and they were handed over to Central Environmental Authority to maintain and to obtain data. Obtaining data from mobile unit is carried out by National Building Research Organization. The data obtained through these instruments are used to study the results of the Vehicle Emission Testing Program.



Permanent Air Quality Measuring Unit



Mobile Unit

Further, the data and conclusions given through the research conducted by National Building Research Organization, National Institute of Health Science and the senior lecturers of the Universities of Peradeniya and Moratuwa, using the provisions of Vehicular Emission Test Trust Fund, are used to future quality management programs. On- road and on-the- spot inspections are carried out by teams to inspect vehicles plying on the roads. 533 such on-road inspections and 2206 on-the-spot inspections have been carried out during January to 31st December to this year. Apart from that 1,079 vehicles belong to Sri Lanka Army and Sri Lanka Air Force have been inspected.

241 centres belong to Laugh and Cleanco, which perform vehicular emission activities under the monitoring of Vehicular Emission Section of the Department of Motor Traffic have already been inspected through on-line.



Inspecting of Centres



On-road Inspection



Spatial Inspection

Leaflets were printed and distributed and newspaper advertisements were published to educate people.

2.6 Compilation of Policies Related to Road Safety

The department, in addition to its main functions, conducts various joint programs pertaining to road safety, in collaboration with external institutions. Accordingly several main pilot projects are presently in operation, viz;

- Conducting management courses for traffic control and road safety.
- Inspecting the vehicles to check the suitability for running on road and resourcing for activities pertaining to discard such vehicles from roads.
- Issuing prohibition orders.
- Providing resource persons and manipulating the courses conducted by National Council on Road Safety.
- Inspecting driving schools



Inspection of vehicles unfit for running

Fore-sight

- Implementing E - motoring project and establishing offices in relation to Hambantota and Colombo ports, simultaneously.
- Providing On Line facilities to all the district offices which do not have on line facilities for issuing driving licenses so far.
- Implementing Touch Screen system for driving license written test in all district offices
- Developing identified infrastructure facilities in district offices.

Chapter 03

Overall Financial Performance for the year ended on 31st of December, 2020

3.1 Financial Performance Statement

ACA - F

Financial Performance Statement for the time period ended on 2020.12.31

Budget (Current Year)		Note	Actual (Rs.)		
			2020	2019	
	Revenue receipts				
	Income Tax	1			
	Local Goods and Services Tax	2	1,783,309,794.00	3,598,674,964.00	} ACA - 1
	Taxes on International Trade	3			
	Non-tax revenue and other	4	7,243,534,291.00	10,303,007,093.00	
	Total Revenue Receipts (a)		9,026,844,085.00	13,901,682,057.00	
	Non-revenue Receipts				
	Treasury Imprest			14,359,970.00	ACA - 3
	Deposits		1,312,757,293.00	1,946,451,261.00	ACA - 4
	Advance Accounts		31,266,362.00	35,985,794.00	ACA - 5/5(a)
	Other Receipts				
	Total Non-revenue Receipts (b)		1,344,023,655.00	1,996,797,025.00	
	Total Revenue Receipts and Non-revenue Receipts C = (a) + (b)		10,370,867,740.00	15,898,479,082.00	
	Reduced cost				
	Recurrent Expenditure				
	Salaries, wages and other employee benefits	5	516,854,357.00	479,304,309.00	} ACA - 2 (II)
	Other goods and services subsidies, subsidies	6	958,955,903.00	1,205,896,392.00	

Performance Report 2020

	Grants and transfers	7			ACA - 2 (II)
	Interest payments	8	7,434,482.00	7,293,287.00	
	Other recurrent expenditure	9			
	Total recurrent expenditure (C)		1,483,244,742.00	1,692,493,988.00	
	Capital expenditure				ACA - 2 (II)
	Capital assets				
	Rehabilitation and improvements	10	13,939,237.00	10,188,425.00	
	Acquisition of capital expenditure	11	10,155,106.00	10,913,207.00	
	Capital transfers	12			
	Acquisition of financial assets	13			
	Capacity development	14	867,605.00	1,015,915.00	
	Other capital expenditure	15	825,917,271.00	1,579,354,586.00	
	Total capital expenditure (e)		850,879,219.00	1,601,472,133.00	
	Main ledger expenditure (f)		1,325,126,193.00	1,944,812,661.00	ACA- 4
	Deposit payments		1,294,280,442.00	1,907,825,915.00	ACA - 5/5(a)
	Advance payments		30,845,751.00	36,986,746.00	
	Remittance to treasury		2,254,763,672.00	3,646,102,902.00	
	Total expenditure g = (c+e+f)		3,659,250,154.00	8,884,881,684.00	
	Imprest balance as at 31 st December, 2019 h = (c-g)		6,711,617,586.00	7,013,597,398.00	

3.2 Statement on Financial Status

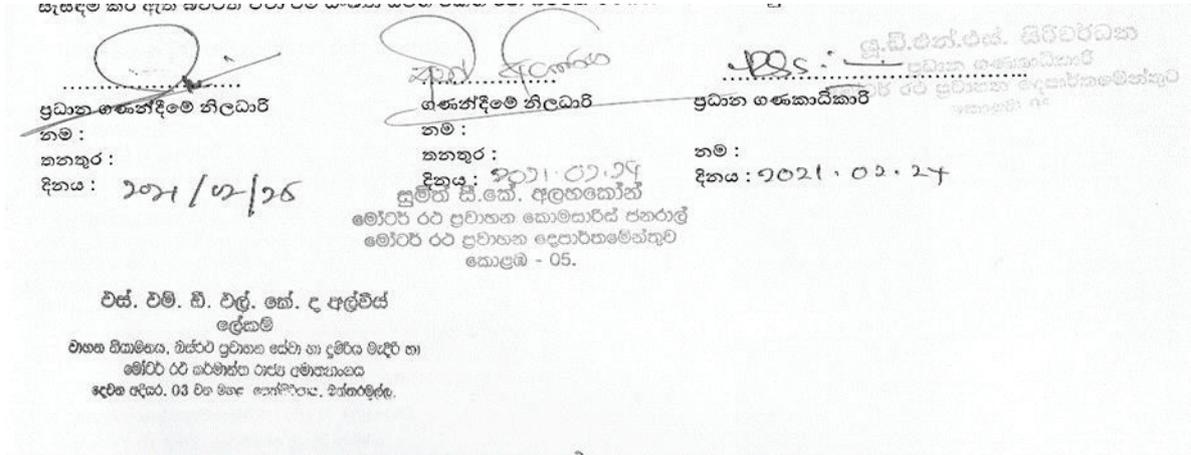
ACA - P

Statement on Financial Status as at 31st December, 2020

	Note	Actual	
		2020	2019
		Rs.	Rs.
<u>Non-financial assets</u>			
properties, plant and equipment	ACA - 6	2,362,461,314.00	2,323,971,920.00
Financial assets			
Advance accounts	ACA - 5/5(a)	129,664,225.00	130,267,131.00
Money and similarities	ACA - 3	59,763,672.00	1,102,904.00
Total assets		2,551,889,211.00	2,455,341,955.00
<u>Net assets / Mass</u>			
Net assets		(134,415,003.00)	(115,335,847.00)
properties, plant and equipment		2,362,461,314.00	2,323,971,920.00
Accumulations			
Accumulation of Rent and work Advance	ACA - 5(b)		
<u>Mobile liabilities</u>			
Deposit accounts	ACA - 4	264,079,228.00	245,602,978.00
Imprest balance	ACA - 3	59,763,672.00	1,102,904.00
Total liabilities		2,551,889,211.00	2,455,341,955.00

Account details and notes submitted in the above ACA 1 to ACA 6 forms from page No. 25 to 27 and account details from page No. 30 to 32 are also included in

this final accounts. The most appropriate accounting principles have been used, as revealed by the notes in these financial statements. It is hereby certified that the figures mentioned in the final accounts above, the relevant accounts, and other account details are compared with treasury account books and that they are tallied with those figures.



(Extracted the page No. 03 of the financial statement of the Department of Motor Traffic-2020)

3.3 Statement on cash flow

ACA - C

Statement on cash flow for year ended as at 31st of December, 2020.

	Actual	
	2020 Rs.	2019 Rs.
<u>Cash flows generated from operational activities</u>		
Total tax receipts	130,174,723.00	147,134,924.00
Fees, surcharges, fines, and licenses		10,303,007,093.00
profits		
Non-revenue receipts	4,401,465,516.00	14,359,970.00
Revenue collected for other heads		
Imprest receipts		
Cash flow generated by operational activities (a)	4,531,640,239.00	10,464,501,987.00

<u>Reduced - cash expenditure :</u>		
Individual salaries and operational expenditure	1,436,087,558.00	6,361,750,117.00
Subsidies and transfer expenditure		
Expenditure incurred for other expenditure heads		
Settled imprest for treasury	2,254,763,672.00	3,646,102,905.00
Cash flow expended for operational activities (b)	3,690,851,230.00	10,007,853,022.00
Net cash flow generated from operational activities(c) = (a) - (b)	840,789,009.00	456,648,962.00
<u>Cash flows generated from investment activities</u>		
Interests		
dividends		
Disclaimer Provisions and sale of physical assets		
Recovery of sub loans		
Recovery of advance	600,208.00	491,848.00
Cash flow generated by investment activities (d)	600,208.00	491,848.00
<u>Less – Cash expenditure</u>		
Construction or purchasing physical assets and acquisition of other investments.	833,942,260.00	393,432,000.00
Advance payments	15,459,019.00	24,129,703.00
Total cash flow expended for investment activities (e)	849,401,279.00	417,561,703.00
Net cash flow generated from investment activities (f) = (d) - (e)	(848,801,071.00)	(417,069,855.00)
Net cash flow generated from operational and investment activities (g) = (c) + (f)	(8,012,062.00)	39,579,107.00
<u>Cash flows generated from financial activities</u>		
Domestic loans		
Foreign loans		
Grant receipts		

Deposit receipts	1,302,292,504.00	1,946,451,261.00
Cash flows generated from financial activities (h)	1,302,292,504.00	1,946,451,261.00
Reduced - cash expenditure		
Repayment of domestic loans		
Repayment of foreign loans		
Payment of deposits	1,294,280,442.00	1,907,825,915.00
Total Cash flow expended for financial activities (i)	1,294,280,442.00	1,907,825,915.00
Cash flow generated from financial activities (j) = (h) - (i)	8,012,062.00	38,625,346.00
Net changes in cash (k) = (g) - (j)		953,761.00
Initial cash balance as at January 1st		
Final cash balance as at December 31st		953,761.00

3.4 Financial statements

3.5 Revenue collection Performance

Revenue code	Revenue code description	Revenue estimate		Revenue collected	
		Original estimate	Final estimate	Amount Rs.	As a % of final revenue estimate
	<u>Tax on domestic services and goods</u>				
1003	License fees and other				
1003.01.00	Luxury motor vehicle tax	700,000,000.00	1,500,000,000.00	1,614,916,914.00	107.66
1003.02.00	Transfer tax				

1003.07.00	Other license fees				
1003.07.04	Tax on selling motor cars	80,000,000.00	55,000,000.00	65,617,489.00	119.30
1003.07.09	Carbon tax	1,500,000,000.00	90,000,000.00	102,775,391.00	114.19
		2,280,000,000.00	1,645,000,000.00	1,783,309,794.00	108.41
	<u>Non tax revenue</u>				
2003.02.14	Fees under Motor Traffic Act and other	10,000,000,000.00	6,800,000,000.00	7,236,841,853.00	106.42
2003.02.15	Registration fee charged under issuing concessionary motor car licenses	5,000,000.00		6,692,438.00	133.85
	Revenue received from other sources (b)				
	Total non-revenue tax (a) +(b)	10,005,000,000.00	6,800,000,000.00	7,243,534,291.00	106.52
	Total revenue	12,285,000,000.00	8,445,000,000.00	9,026,844,085.00	106.89

3.6 Performance of Utilizing Allocated Provisions

Category of Provision	Allocated Provision		Actual expenditure	Utilized provisions as a % of the amount of completed final provisions
	Original Provision	Final provision		
recurrent	1,657,382,000.00	1,657,382,000.00	1,483,244,742.00	89.49
capital	1,006,058,000.00	1,006,058,000.00	850,879,219.00	84.58

3.7 Grant of allocations for this department / district secretariat/ provincial council as an agent of other ministries/ departments, in terms of F.R. 208

Sr. No	Ministry/ Department Received the provision	Objective of the provision	Provisions		Actual cost	Utilized provisions as a % of final provisions granted
			Financial Provisions	Final Provisions		
01	Sri Lanka Army		642	-	5	6%

3.8 Performance of Reporting Non-financial Assets

Asset code	Code Description	Balance as at 31.12.2020 according to the Report of Board of Survey	Balance as at 31.12.2020 according to Financial status report	Scheduled to be accounted in the Future	Reporting Progress as a %
9151	Buildings and structures		213,177,095.00		
9152	Machinery		179,582,367.02		
9153	Lands				
9154	Intangible Assets		2,909,120.12		
9155	Biological Assets				
9166	Work in Progress		273,453,157.14		
9182	Leasing Assets		33,700,000		

3.9 Auditor General's Report

Indicated by Annex 1

Chapter 04

4.1 Institutional Performance Indicators (Based on Action Plan)

A number of programs have been identified based on the Annual Action Plan of the Department of Motor Traffic, and the progress of each of these projects is outlined below.

Special Indicators	Actual Output as a (%) of Expected Output		
	100% - 90%	75% - 89%	50% - 74%
Physical and financial progress of construction and repair under physical resource development	99.54%		
Physical and financial progress of acquisition of hardware and software under the acquisition of fixed assets			0.07%
Number of programs implemented for human resource development and its financial progress	95%		
The amount of driving licenses issued under capital investment and the cost incurred		88.64%	

- This department which has a long history among the government departments is equipped with the Narahenpita head office, Werahera office and a cluster of district offices.

Many of the buildings belonging to this department are age-old buildings that need to be repaired from time to time and as a result priority has to be given to essential constructions and repairs. Accordingly, this was given priority in last year's action plan and it was not possible to do so due to the Covid epidemic in the country.

- Our department is a Grade A department which carries out a large capacity of work load annually. Our department has to pay special attention to purchase and repair technical equipment required to provide the necessary services to the large number of clients who comes to get done these services related to car registration and issuance of driving licenses. In addition, our department carries out several long term projects with external service providers to develop software to provide a high level of service.

- In analyzing the human resource development of the department, it has been identified that motivating the internal staff of the department and the staff attached through other services including combined service, through continuous training and development is very important to improve the quality of service delivery. Officials were not directed to training programs due to Covid epidemic situation this year.

- The Department works on agreements with a number of external agencies to enhance service delivery, the most important of which are printing driving licenses and number plates. The progress made through it is at an optimal level.

Chapter 05

Performance in achieving Sustainable Development Goals (SDG)

5.1 Relevant Sustainable Development Goals Identified

Goal/ Objective	Activities Implemented by the Department to Achieve the Goal	Success Indicators	Progress on achievements so far		
			0% - 49%	50% - 74%	75% - 100%
<p>Ensuring healthy living and promoting the welfare of all ages</p> <p>Reduce the number of road accident injuries and deaths by 2030.</p>	<p>To maintain the standards of vehicles driving on the roads</p> <ul style="list-style-type: none"> Registering of standard vehicles only, when importing vehicles Carrying out emergency inspections while driving on the roads <p>When issuing driving licenses</p> <ul style="list-style-type: none"> Issuance of driving licenses after testing theoretical knowledge and practical training Reconsideration of physical fitness when renewing a driving license Consider age limits when issuing driving licenses 	<p>Percentage difference in the number of injuries and deaths from road annual accidents</p>			

	<ul style="list-style-type: none"> • Adopting a special procedure for persons with disabilities and special needs • Issuing driving licenses with special note for public transport • Implementation of the demerit marking system for drivers 				
<p>Significant reduction in mortality and morbidity due to chemical, air, water and soil pollution by 2030.</p> <p>Reduce the emissions of toxic chemicals and other substances to improve water quality through reduction of water pollution by 2030.</p> <p>Reducing adverse environmental impact through air quality management by 2030</p> <p>Release of chemicals and wastes into the environment in an eco-friendly manner</p>	<ul style="list-style-type: none"> • Carrying out vehicle emission tests to control vehicle emissions • Examine proper wastewater and waste disposal methods during garage registration • Testing the standard of honking and loudspeakers to prevent noise pollution 	<ul style="list-style-type: none"> • Fluctuation in the public complaints received regarding vehicle emission <p>Fluctuation in the no. of complaints regarding disposal of unrefined waste water to water resources when registering garages.</p> <p>Fluctuation in the no. of complaints regarding noise pollution</p>			

as per the international work plan agreed by 2020					
<p>Ensuring a perfect, reasonable, quality education and providing lifelong learning opportunities for all</p> <p>Increasing the number of youth and adults who have technical and vocational qualifications and skills for appropriate jobs and entrepreneurship</p> <p>Significant reduction in the number of unemployed youth without education, training and employment by 2020</p>	<ul style="list-style-type: none"> Grading and regulation of institutions that can provide training for each vehicle class by introducing vehicle classes. <p>Maintaining a system of issuing driving licenses through written and practical tests and giving the opportunity to the citizens above 18 years of age to do so.</p>	<p>Fluctuation in the number of problems and shortcomings reported in the regulation of driving schools</p>			
<p>Building fully-pledged, effective, responsible institutions for sustainable development.</p>	<ul style="list-style-type: none"> Provide more oriented services to modern IT methods to reduce bribery and corruption Conducting 	<p>Fluctuation in the number of proven allegations of bribery and corruption</p>			

<p>Significant reduction of all forms of bribery and corruption Establishing effective transparent institutions</p>	<p>Awareness campaigns in the institution to take action against bribery and corruption and facilities have been provided to lodge complaints.</p> <ul style="list-style-type: none"> • Develop a system to provide the required information to the public through information officers. 			
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5.2 Achievements and challenges in accomplishing the Sustainable Development Goals

The following are some of the factors that have hindered us from achieving the sustainable development goals and objectives identified by our department.

Sr.No	Goal	Factors that hinder the achievement of goals
1.	Reducing the number of road accident injuries and deaths by 2030.	<p>The number of emergency vehicle inspections conducted to regulate the condition of the vehicles has been reduced due to shortage of human and physical resources.</p> <p>Existing undeveloped conditions of the road system impede the proper standards of vehicles.</p> <p>Lack of quantitative introduction of modern technology to measure the quality of practical driving license issuance tests.</p> <p>Continuous formal training courses for drivers have not yet been planned.</p> <p>The mechanism of implementing the</p>

		demerit marking system for drivers is no longer active as it is affiliated with a number of institutions.
2.	Significant reduction in mortality and morbidity due to chemical, air, water and soil pollution by 2030.	The temptation to pass the smoke test through fake methods. Failure to implement a methodology for supervision after garage registration. Reluctance of the general public in these areas to complain to the responsible agencies about the problems identified by them
3.	Ensuring a perfect, reasonable quality education and providing lifelong learning opportunities for all	Attempting of the trainees to obtain a driving license without quantitative and quality training
4.	Building fully-pledged, effective responsible institutions for sustainable development.	Involvement in bribery and corruption due to negative attitudes among employees and clients.

Chapter 06

Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess) **
Senior	30	27	03
Tertiary	21	4	17
Secondary	823	727	96
Primary	138	121	17

6.2 How does the shortage or excess of human resources will affect the performance of the organization ?

- ✓ As the officers with technical knowledge are not attached to carry out the existing maintenance of the institutions in the department, difficulties are arisen even for the essential duties. Not having a technical officer to prepare estimates, not having officers with sufficient knowledge to make minor repairs of machinery or equipment are some examples.
- ✓ Obstacles due to dearth of Motor Examiners to provide technical services offered by our Department.
- ✓ As an institution which is constantly engaged in the procurement process, such activities are hindered as a result of not having a separate unit under an accountant for the said purpose.

6.3 Human Resource Development

Name of the programme	No. of Trained Employees	Time Period of the Programme	Total Investment (Rs.)		Nature of the Programme (Domestic/Foreign)	Out put/ Knowledge acquired
			Domestic	Foreign		
Training new officers recruited for the post of Motor Vehicle Examiner	22	45 days	100,000.00		Domestic	90%
Basic GIS Training Program conducted by the University of Peradeniya	25	6 days	875,000.00		Domestic	95%

Chapter 07

Compliance Report

No,	Applicable necessity	Compliance status (Complied / Not Complied)	Brief Explanation if not complied	Proposed decisions/Actions to prevent non-compliance in the future
01.0	The below mentioned financial statements/Accounts have been submitted on due date			
01.1	Annual Financial Statements	Complied		
01.2	Public officer's advance account	Complied		
01.3	Business and Production Advance Accounts (Commercial Advance Accounts)	Complied		
01.4	Stores Advance Accounts	Complied		
01.5	Special Advance accounts	Complied		
01.6	Other	Complied		
02.0	Maintenance of books and documents (FR 445)			
02.1	Updating and maintaining the fixed assets register as per Public Administration Circular 267/2018	Complied		
02.2	Updating and maintaining personal payroll documents / personal payroll cards	Complied		
02.3	Updating and maintaining audit query register	Complied		
02.4	Updating and maintaining Internal audit report register	Complied		
02.5	Prepare all monthly account summaries (CIGAS) and submit to the Treasury on the due date	Complied		
02.6	Updating and maintaining cheques and money order register	Complied		
02.7	Updating and maintaining Inventory	Complied		
02.8	Updating and maintaining stock register	Complied		
02.9	Updating and maintaining damages and losses register	Complied		
02.10	Updating and maintaining Liabilities Register	Complied		
02.11	Updating and maintaining counter foil register (GAN20)	Complied		
03.0	Delegation of functions for financial control (F.R.. 135)			
03.1	Delegation of financial authorities in the institution	Complied		

03.2	Acknowledging about financial authority delegation in the institution	Complied		
03.3	Delegating the authority in a way that the approval of each and every transaction through two or more officers	Complied		
03.4	Use of Government Payroll Software Package under the control of an accountant as per Public Accounting Circular No. 171/2004 dated 11.05.2014	Complied		
04.0	Preparing annual plans			
04.1	Preparing annual action plan	Complied		
04.2	Preparing annual procurement plan	Complied		
04.3	Preparing annual internal audit plan			
04.4	Preparing and Submitting the annual estimate on due date to Department of National Budget (NBD)	Complied		
04.5	Submitting annual finance flow statement on due date to Department of Treasury Operations	Complied		
05.0	Audit queries			
05.1	Submitting answers to all audit queries prescribed by the Auditor General	Not Complied	Taken a long time to check the documents	This sort of problems can be avoided in the future by implementing e-monitoring project.
06.0	Internal Auditing			
06.1	Preparing the internal audit programme in consultation with Auditor General at the beginning of the year as per F.R. 134(2) DMA/1-2019	Complied		
06.2	Have replied to all internal audit reports within a month	Not Complied	Officers did not show interest in it.	Officers have been acknowledged
06.3	Submitting copies of all internal audit reports to the Department of Management Audit in terms of sub-section 40 (4) of the National Audit Act No. 19 of 2018	Complied		
06.4	Submitting the copies of all internal audit reports to the Auditor General in terms of F.R. 134 (3)	Complied		
07.0	Audit management committees			
07.1	Have held at least 04 Audit and Management Committees during the year as per DMA Circulars 1-2019	Complied		
08.0	Asset management			

08.1	Submitting information on purchases and disposals of assets to the Comptroller General's Office as per Chapter 07 of Asset Management Circular No. 01/2017	Complied		
08.2	Appointing a suitable liaison officer to coordinate the execution of the provisions of the said circular in accordance with Chapter 13 of the above Circular and reporting the information about that officer to the Comptroller General's Office	Not Complied	Not appointing an officer so far	Will take actions to appoint an officer.
08.3	Having submitted the relevant reports to the Auditor General on the due date after conducting Board of Survey in accordance with Public Finance Circular No. 05/2016	Complied		
08.4	Carried out the excess, deficiencies and other recommendations revealed in the annual Board of Survey within the period mentioned in the Circular	Not Complied	Failure to perform within the time frame due to various reasons	Officers have been acknowledged
08.5	Disposal of condemned articles as per F.R. 772	Not Complied	Failure to supervise such activities properly	Officers have been acknowledged
09.0	Vehicle management			
09.1	Preparing daily running charts and monthly summary reports for pool vehicles and submitting to the Auditor General on the due date.	Complied		
09.2	Having disposed the condemned vehicles within less than 06 months since their condemnation.	Complied		
09.3	Maintaining and updating vehicle log books	Complied		
09.4	Acting in accordance with F.R. 103,104,109, and 110 regarding every car accident.	Complied		
09.5	Re-inspection of fuel consumption of vehicles in accordance with the provisions of paragraph 3.1 of Public Administration Circular No. 2016/30 dated 29.12.2016	Complied		
09.6	On completion of the period of lease, transferring the absolute ownership of the log books of leased vehicles	Complied		

10.0	Bank Accounts Management			
10.1	Preparing, and certifying the bank reconciliation statements on the due date and submitting them for auditing	Complied		
10.2	settlement of inactive bank accounts brought forward during or before the year under review	Complied		
10.3	Settlement of balances revealed by bank reconciliation statements and the balances to be adjusted, within a period of month, in terms of financial regulations.	Not Complied		The Bank has been instructed to submit bank statements properly.
11.0	Utilization of Provisions			
11.1	Incurring expenses without exceeding the limits of provisions provided.	Complied		
11.2	As per F.R. 94 (1), Incurring to liabilities not exceeding the remaining provisions limit at the end of the year after utilization of the provided provisions.	Not Complied	Lack of adequate attention	Steps have been taken to prevent it in the future.
12.0	Public Officers' Advance Account			
12.1	Conformity to limits	Complied		
12.2	Having done a time analysis on outstanding loan balances.	Not Complied	Lack of adequate attention	Officers have been acknowledged
12.3	Settlement of outstanding loan balances continuing for more than one year	Not Complied	Difficulty in ensuring the credit balances	Expect to consult the Treasury
13.0	General deposit account			
13.1	Act in accordance with F.R. 571 regarding lapsed deposits.	Complied		
13.2	Updating and maintaining Control account for general deposits	Complied		
14.0	Imprest Account			
14.1	At the end of the year under review, the balance of the cash book have remitted to the Department of Treasury Operations	Complied		
14.2	Settlement of ad-hoc sub-impressts issued as per F.R. 371, within a month on completion of the purpose for which it is granted.	Complied		
14.3	Issuance of ad-hoc sub-impressts not to exceed the approved limit as F.R 371	Complied		
14.4	Compare the imprest accounts balance, with Treasury Books, monthly	Complied		
15.0	Revenue Accounts			

15.1	making repayments from the revenue collected as per the relevant regulations	Complied		
15.2	Crediting collected revenue directly to the revenue without crediting to the deposit account	Complied		
15.3	Forwarding Arrears of revenue records to Auditor general as per F.R. 176	Complied		
16.0	Human Resource Management			
16.1	Maintaining staff within the approved cadre	Complied		
16.2	Provision of duty lists in writing to all staff members	Complied		
16.3	Submitting all reports to the Department of Management Services in terms of MSD Circular No. 04/2017 dated 20.09.2017	Complied		
17.0	Providing information to public			
17.1	Appointing an Information Officer in accordance with the Act of Right to Information and Regulations and updating and maintaining an information register	Complied		
17.2	Information regarding the organization is provided through its website and facilities have been provided to the public to express their praises / censures about the institution through the website or through alternative channels.	Complied		
17.3	Submission of reports twice or once a year as per Sections 08 and 10 of the Right to Information Act	Complied		
18.0	Implementing Citizens' Charter			
18.1	Compilation and implementation of a Citizens / Clients Charter in accordance with the Ministry of Public Administration and Management Circulars No. 05/2008 and 05/2018 (1)	Complied		
18.2	As per paragraph 2.3 of the said circular, the institution has developed a methodology for monitoring and evaluating the activities of the Citizen / Client Charter and its implementation.	Complied		
19.0	Compilation of Human resource Plan			
19.1	Preparation of a human resource plan based on the format of Public Administration Circular No. 02/2018 Annexure 02 dated 24.01.2018	Complied		

19.2	Ensuring at least 12 hours of training per year for each member of the staff in the above HR Plan	Complied		
19.3	Having signed an annual performance agreements for the entire staff based on the format given in Annexure 01 of the above Circular	Complied		
19.4	Appointed a Senior Officer with the responsibility of preparing Human Resource Development Plan, Development of Capacity Building Programs, Implementation of Skills Development Programs as per paragraph 6.5 of the above Circular	Complied		
20.0	Responding to audit paragraphs			
20.1	Correction of the shortcomings pointed out in the audit paragraphs issued by the Auditor General for the lapsed years	Not Complied	Despite some efforts, there are still shortcomings	It is expected to rectify those shortcomings in the future

Annexure 1

30th June, 2021

Commissioner General of Motor Traffic
Department of Motor Traffic

The Summarized Report of the Auditor General on the Financial Statements of the Department of Motor Traffic for the year ended 31 December 2020, in terms of Section 11 (1) of the National Audit Act, No. 19 of 2018

.....

1. Financial Statements
.....

1.1 Qualified Opinion
.....

The audit of the financial statements of the Department of Motor Traffic for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2020, the statement of financial performance and the cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions in the National Audit Act, No. 19 of 2018. My comments and observations on these financial statements being presented to this Department in terms of section 11(1) of the National Audit Act, No. 19 of 2018 appear in this report.

Annual Detailed Management Audit Report is subsequently submitted to the Accounting Officer in terms of Section 11(2) of the National Audit Act No. 19 of 2018. The Audit Report to be presented in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with section 10 of the National Audit Act, No. 19 of 2018 will be presented to Parliament in due course.

In my opinion, except for the effects of the matters described in Paragraph 1.6 in this report, the financial statements give a true and fair view of the financial position of the Department as at 31December 2020 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for the Qualified Opinion
.....

My opinion is qualified based on the facts set out in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities on financial statements are further described in the Auditor's

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

1.3 Responsibility of the Accounting Officer for the Financial Statements

.....

The Accounting Officer is responsible for the preparation of financial statements that give true and fair view in accordance with Generally Accepted Accounting Principles and in pursuance of provisions stipulated in Section 38 of the National Audit Act, No.19 of 2018 and determination of necessary internal control as required for the preparation of financial statements that are free from material misstatements occurring due to fraud and error.

As per Section 16(1) of the National Audit Act, No. 19 of 2018, the Department is required to maintain books and records of income, expenditure, assets and liabilities properly in order to prepare annual and periodic financial statements.

In terms of the Sub-section 38(1) (c) of the National Audit Act, No. 19 of 2018, the Accounting Officer shall ensure that an effective internal control system is prepared and maintained for the financial control of the Department and it should be reviewed periodically for its effectiveness and thereby make necessary alterations as required to carry out it effectively.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

.....

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the summarized auditor's report that includes my opinion. Although reasonable assurance is a high level of assurance, but it is not a guarantee to the effect that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect material misstatement when they exists. Misstatements can be arisen to a quantitative extent due to the effects of fraud and error on individual or aggregate basis, and the users are expected to consider it when taking economic decisions on the basis of these financial statements.

I undertook the audit in terms of Sri Lanka Auditing Standards with professional judgment and professional skepticism. I also:

- identify and assess the risks of material misstatements of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions or the override of internal control.

- do not expect to express an opinion on the effectiveness of the internal control of the Department, in order to design audit procedures as appropriate to the circumstances.
- evaluate whether the financial statements are appropriately and reasonably inclusive of transactions and incidents underlying the structure and contents of the financial statements including disclosures.
- evaluate whether the transactions and incidents underlying the structure and contents of the financial statements are appropriately and reasonably included in overall presentation of financial statements.

I have made the Accounting Officer aware on the significant audit findings, major internal control deficiencies and other matters that have been identified during my audit.

1.5 Report on other Legal Requirements

.....

As required by Section 6 (1) (d) of the National Audit Act, No. 19 of 2018, I state the following:

- (a) Financial Statements presented are consistent with that of the preceding year.
- (b) The recommendations given by me with respect to the financial statements of the preceding year have been implemented.

1.6 Comments on the Financial Statements

.....

1.6.1 Financial Performance Statement

.....

1.6.1.1 Revenue Receipts

.....

Although the calculation of income arrears for luxury motor vehicle tax from 1995 to 2014 was commenced in 2016, no steps have been taken to prepare a report on the outstanding income and to submit it with the financial statements. As a result, the outstanding income relevant to that time period could not be confirmed in auditing.

However, the arrears of tax revenue collected for 13 years before 2009 were Rs. 34, 898, 108.

1.6.1.2 Recurrent and Capital Expenditure.

.....

There was a difference of Rs. 2,092,955,819 when comparing expenditure balance of the financial performance statement, with expenditure incurred in cash as per Form A.C.A.2 (ii), and the total balance of expenditure incurred by other Ministries / Departments.

1.6.2 Imprest Adjustment Account

.....

A difference of Rs. 36,156,577 and Rs.12, 379,811 were remained in the balances of receipts and payments of District Offices recorded in the Cash Adjustment Account, when comparing the same balances according to the Cigars Programme.

1.6.3 Statement on Financial Status

.....

A total of 17 vehicles worth Rs. 86,071,226 had not been capitalized as property, plant and equipment fixed assets.

1.6.4 Cash Flow Statement

.....

There was a difference of Rs. 2,049,622,835 when comparing Expenditure Balances of the Cash Flow Statement with balances of expenditure incurred in cash in Format ACA 2 (ii).

1.6.5 Failure to maintain documents and books.

.....

Type of document	Relevant regulation	Not updated / Not maintained
(a)The register	containing Section 6 (a) of the Motor	Not maintained

Details of all registered motor Traffic Act (Chapter 203).
vehicles in accordance with the
prescribed format

(iv) Register regarding the Section 18 (8) (a) of the Not maintained
cancelled vehicles Motor Traffic Act (Chapter
s 203).

observed during the sample audit that the department have not maintained the
following documents.

2. Financial Review

.....

2.1 Revenue Management

.....

The following observations are made.

- (a) According to F.R. 128 (2) (d) and paragraph 7 of Public Finance Circular No. 1/2015 dated July 20, 2015, although the quarterly revenue reports for the year 2020 on behalf of 4 revenue codes are required to be submitted along with the financial statements, the relevant documents had not been prepared by 25th February, 2021. Similarly, bi-annual reports on arrears of revenue have not been prepared under 01 income code.
- (b) According to the statement of revenue in arrears, the arrears of Rs. 313,528,052 collected during the year 2020, were not classified as the year under review, lapsed year and years before the lapsed year.
- (c) There was a difference of Rs. 1,012,000,000 in 4 revenue codes, as per the revised revenue estimates and statement of revenue, according to the annual revenue estimate.
- (d) The opening balance of the statement of revenue in arrears on Luxury Taxes for the year under review had a difference of Rs. 426,827,000 compared to the closing balance of the lapsed year.
- (e) As per paragraph 4 of the Public Finance Policy Circulars No. 01/2015 dated July 20, 2015, no action had been taken to keep systematic records on outstanding revenue and to prevent further accumulation of arrears. Total outstanding Revenue continued to increase annually and the increase in outstanding Revenue by 2020 compared to 2016 was of 318 percent.

2.2 Expenditure Management.
.....

The following observations are made.

- (a) 87 percent of the net allocation was remained in 7 votes and the said remained allocations were between 42 to 100 percent range. However, the covid 19 epidemic was the main reason for the said remaining.
- (b) 31 to 145 Percentage of the estimate value of 04 votes had been transferred through F.R. 66.

2.3 Liabilities and entering into Commitments
.....

The following observations are made;

- (a) A statement of liabilities and commitments in Note (iii) format had not been prepared and submitted with the financial statement.
- (b) Although the expenditure of Rs. 4,600,822 for the year under review had been settled in the year 2021, those expenses were not identified as liabilities in the preparation of financial statements.

2.4 Statement of Non-Financial Assets.
.....

In the Declaration on Non-Financial Assets bearing No. ACA-06, other machinery and equipment were classified into five sub-codes, but the equipment in the value of Rs. 1,880,273 purchased during the year was not classified under those codes.

2.5 Certifications to be made by the Accounting Officer.
.....

According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Accounting Officer was required to certify the following matters but had not acted accordingly.

The Accounting Officer shall ensure that an effective internal control system is prepared and maintained for the financial control of the Department and it should be reviewed periodically for its effectiveness and thereby make necessary alterations as required to carry out it effectively. Such reviews shall be carried out in writing and a copy should

have been submitted to the Auditor General, but no statement were submitted to the audit stating that such a reviews had been made.

- (c) Although the Accounting Officer should ensure that all audit queries are answered within the timeframes required by the Auditor General, the audit queries have not been answered as per paragraph 3.4 of the report.

2.6 Non-compliance with Rules and Regulations

.....

Reference to Rules and Regulations	Instances of Non-compliance
(a) Section 42 of the National Audit Act No. 19 of 2018.	There were instances where files regarding vehicle registration and information requested for audit purposes were not submitted to the audit.
(b) Motor Traffic Act. (Chapter 203)	The Commissioner General of Motor Traffic had lost the opportunity to cancel the registration of the vehicles that applying for renewal of Revenue Licenses exceeded two years due to lack of a system that the Provincial Authorities to obtain the necessary instructions or approval from the Department of Motor Traffic.
(i) Sub- Section 18 (3)	The number plates of the vehicles that the registration had been cancelled, should have been returned within 7 days, but the number plates of 872 vehicles which were cancelled the registration during the period from 2015 to 2019, had not been handed over to the department.
(ii) Subsection 18 (7)	Cancellation and disposal of Vehicles had been carried out improperly. This was due to the fact that the Minister had not prepared any orders regarding the disposal of cancelled vehicles and the records to be maintained for such vehicles.
(iii) Sub-section 18 (13).	Although it was not possible to possess a motor vehicle without a revenue license, it was controversial that 3 vehicles had not obtained a revenue license until exceeding 15 years since the
(iv) Sub-section 25(1).	

date of first registration.

(v) Sub-section 30 (1) (f) (111)

- (i) Although the revenue license had to be obtained within 3 days from the first registration of a vehicle, the revenue license for 5 vehicles had been obtained at the same instance, for a long period of 23 to 27 years from the first registration date.
- (ii) Cars older than 3 years since the year of manufacture cannot be imported to Sri Lanka, but 07 and 08 years old 2 vehicles were registered.

2.7 Issuance and settlement of advances

.....

The following observations are made.

- (a) Not settling the loan balances that exceeded 5 years since death in the total value of Rs. 536,749 is contrary to the Section 4 of the Establishment Code.
- (b) In terms of F.R. 485 (4) and Public Enterprises Circular No. 89 of 1993 dated October 22, 1993 the loans of the transferred officers had to be settled within three months of the transfer but there were 4 unsettled loan balances of Rs. 226,230 that exceeded 05 years as at 31st December, 2020.
- (c) The outstanding loan balance of Rs. 302,722 to be recovered from 07 officers whose pensions were suspended was more than five years old.
- (d) No action had been taken to recover the outstanding loan balance of Rs.1,330,463 to be recovered from 19 officers who had been dismissed or from their guarantors up to 31st December, 2020. There were 17 balances in the value is Rs. 1,170,753 exceeded 05 years was included in the above balance.
- (e) Up to 31st December 2020, no action had been taken to recover the outstanding loan balance of Rs. 234,042 that exceeded 05 years since the last installment was recovered from 7 officers who had vacated the service or from their guarantors.
- (f) There was a difference of Rs. 2,359,113 between the total of as at 31st December 2020 and the balance of the Department Books for the same day. It was mentioned in accounting records as an accounting error that had been existed for many years.

2.8 Deposits

.....

The following observations are made.

- (a) In terms of Financial Regulations 571, no actions had been taken regarding 12 deposit balances amounting to Rs. 24,179,394 exceeding 4 years as at 31 December 2020 in relation to 1 deposit account.
- (b) According to F.R. 571 (1), lists of all deposits that had expired at the end of each half year had not been prepared.
- (c) Due to the lack of an analysis of deposit balances amounting Rs.5,708,778/- as at 31st December 2020, it was not possible to ascertain how old the balances were and for which district offices they belong to, as per individual balance sheets in 3 deposit accounts.
- (d) According to paragraph 4 (c) of Financial Policy Circular No. 1/ 2015 dated July 20th, 2015, the revenue in the deposit accounts should be settled within the first week in the upcoming month. However the revenue collected on behalf of the Provincial Councils had not been remitted accordingly. Also, an unsettled opening balance of Rs. 550,687 that would effect for the impending year remained.

2.9 Managing Bank Accounts.

.....

The following observations are made.

- (a) No action has been taken to prepare bank statements after settling the unidentified payments of Rs. 970,612 and unidentified receipts of Rs.6, 994,558 which remained in the bank reconciliation prepared for a current account, as at 31st December, 2020.
- (b) Cheques in the value of Rs. 2,238,324 which issued but exceeded 06 months as at 31st December 2020, not been credited to revenue as per F.R.396 (d). Cheques amounting to Rs. 490,693 exceeding one year were also included in the above Rs. 2,238,324.
- (c) The information of a bank current account that is credited with a luxury tax income of Rs. 306,124,336 in the year under review, had not been disclosed in financial statements, as per Treasury Operation Circular No. 5/2007 dated 05th September, 2007.

3. Operational Review

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3.1 Transactions in the form of financial irregularities.

.....

- (a) The data of 33 vehicles, which were illegally imported to Sri Lanka without paying customs duties, or illegally assembled in Sri Lanka have been falsely incorporated into the Department's computer system and released for use as legal vehicles. The government had lost approximately rupees 558,640,627/ revenue as production tax, luxury tax, and other government charges for only 21 vehicles among them. Also, the department had not taken steps to maintain the original files regarding these vehicles.

Details are given below.

- (i) A number that had been omitted from the then-registered serial numbers under 302 category, which is no longer in use, had been used to register a Mercedes-Benz. Since such an old number could not be registered as a new number at present, the data of a Toyota Carina car registered in the year 2000 was computerized as the data of that Benz car. Income tax license had been obtained for this vehicle for 16 past years at once, and the loss incurred to the government due to non-payment of luxury taxes was Rs. 307,500.
- (ii) There was no any data and the relevant customs records in the computer system about the first registration of two cars in category 302.
- (iii) Using a customs notes of two heavy vehicles (used wheel loaders) and (used Toyota diesel Forklifts) imported to Sri Lanka, the Department of Motor Traffic has falsely registered three super luxury cars of TOYOTA LEXUS, MITSUBISHI MONTERO PAJERO AND TOYOTA LAND CRUISER PRADO. The import duty and luxury tax revenue lost to government is approximately Rs. 141,174,339. Although the computer system noted that these vehicles were auctioned by the Customs, none of them had been presented for auction.
- (iv) A Mitsubishi jeep which had no customs link was registered on 22nd November 2002.
Two three wheelers were registered on November 22nd and 25th, 2002 respectively before and after the registration number of the said vehicle and the custom links for them were remained in the computer system of the Department. Also, the revenue license for this vehicle was obtained in the

year 2018 after paying the revenue license fee at one instance, for 17 years from 2002.

- (v) The Government had lost approximately Rs.114, 597,000 as production and luxury tax due false registration of 03 vehicles. The facts that not existing any data on custom records regarding registration of the said vehicles in the computer system, not having any import records of the chassis numbers in the computer system of Sri Lanka Customs as informed by them, and obtaining the revenue license in 2018 for all the years even if it was indicated that the first registration is in year 2002, were all unrealistic.
 - (vi) 5 vehicles have been registered by incorporating data into the computer system erroneously using 5 omitted numbers for the period from 1992 to 2015. Rs. 4,249,600 production tax had been lost to the government for 01 vehicle out of those. Rs. 99,200/- new registration fee had not been charged for 05 vehicles and the luxury tax levied on 1 vehicle to be recovered was Rs. 295,000/-.
 - (vii) The revenue lost for the government as production tax, luxury tax other government fees and revenue was approximately Rs. 297,057,788 only for 09 vehicles out of 17 falsely registered vehicles. Apart from that, all of the observations, such as, intentionally leaving a certain amount of numbers blank without issuing registration numbers according to the order and later registering the vehicles using those blank numbers, incomplete sectoral data records in the computer system, lack of customs record data in the computer system, computerization of the data after 8 to 25 years later although the first registration of 14 vehicles was during the period from 1992 to 1997, obtaining the first revenue license for 10 vehicles on a nearest day after that computerization and obtaining revenue licenses at once for 5 vehicles including 4 of the above mentioned vehicles for a period of 23 to 27 years were all unrealistic.
 - (viii) The Government had lost a luxury tax of Rs.652,500 due to misrepresentation in the computer system that a first registration of a motor car belong to 302 category which taken revenue licenses for past 18 years at once in 2018, as in 2006.
- (b) The registration rights of a government owned cab were later transferred to a person. The customs duty of Rs. 3,175,774 released in 2013 had not been levied on the vehicle that imported on behalf of the government. Also, it is doubtful that the licensing authority of this vehicle has been in the North Western Province since

2013, but the revenue license fees from 2014 to 2018 have been recovered at one once by the Western Provincial Licensing Authority in 2019.

- (c) Due to the registration of vehicles imported for special purposes under the registration numbers for dual purpose vehicles without including any special conditions in the registration certificate, the Government had lost a customs duty of Rs.27,472,988 , for only 09 vehicles, in year 2018 and 2019.

3.2 Losses and damages

.....

The following observations are made.

- (a) Due to the printing of provincial letters on the vehicle number plates, new number plates had to be purchased when the ownership of a vehicle was transferred to another province. It is not observed any utility other than the profit that the printer would make by printing these letters. Accordingly, the effectiveness of the amount of Rs.778,448,278 paid for the printer, during only previous 03 years, on behalf of printing number plates for 376,233 vehicles that were transferred between provinces was questionable in the audit. As a result, approximately Rs. 260 million foreign exchange was spent annually on imported number plates.
- (b) Since the sticker with radio frequency identification letter introduced for vehicle identification is not used practically, no use has been observed for any party other than the profit made by the private company printing them. Despite having a utility, Rs. 153,059,534 paid to the private company for 302,192 stickers issued from December 2019 to August 2020 was found to be a waste of money as it provided only limited data such as the vehicle number, province, and chassis number.
- (c) Printing of number plates was done in different scales and their purchasing cost was also different. Similarly, all the surface markings on the number plates were the same for all number plates. Although the scale and density of those markings were more or less, it is an inadequate factor in cost evaluation. Accordingly, the purchase cost per square millimeter of a number plate of any size should be the same but the mostly used 300 x 80mm and 240x430 mm number plates had a higher cost per square millimeter and 520x110 mm number plate had a relatively low cost. The selling price of 520x110 mm number plate is determined by the supplier with a certain margin of profit. Accordingly, when the payments made for the remaining number plates were calculated on the basis of the purchase price, it was observed that an additional amount of Rs. 719,182,714 had been paid for the number plates issued during the period from May 2015 to June 2019.

(d) The contract for issuing a driving license at the rate of Rs.1,340 had been ended on 26th March,2016, but the authorities have failed to carry out the following;

- Taking over the printing of these licenses by the Department of Motor Traffic and taking necessary steps to continue
- If it is not possible to take over and maintain it as above, actions should have been taken to select a new supplier through a formal procurement process as it was known prior to seven years that the agreement would be terminated in 2016.
- If both of the above cannot be met, negotiations should have been carried out with the relevant supplier for a price reduction and get the price reduced.

Instead of fulfilling the above requirements, the contract was awarded to the same supplier until June 30, 2020, extending the contract period by five terms at existing prices.

That is, on 5 occasions when the dates were extended for a period of 51 months, price revision was not discussed even at a single instance. However, for 06 months from June 1st, 2020, the supplier had agreed to reduce the price of a driving license by Rs. 340/- i.e. 1,000/- for one license. The agreement to reduce the price of a license by 340 rupees, i.e., 25 percent, despite the the country continues to have inflation and the Sri Lankan rupee continues to depreciate, shows that a higher profit margin was included in the purchase cost of Rs. 1,340 per driving license since 2009.

Therefore, the audit could not rule out the doubt that the wide possibility of supplying the lowest bid by the same supplier or by a new supplier if the formal procurement process was implemented within the pre-agreement period or if the reduction of prices was negotiated with the same supplier. However, it was observed that due to the failure of the management of the Ministry / Department to make such decisions efficiently for the better use of public funds, the amount of public money flowing to a private company for 3,075,625 driving licenses printed during a period of 51 months from March 2016 to June 2020 was Rs.1,045,712,500.

3.3 Operational Weaknesses

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The following observations are made.

- (a) It was observed that despite receiving information about 10 vehicles which were registered falsely, due to further actions followed by formal investigation have been delayed, those vehicles are also exist as usual while subject to transfer of ownership and obtaining revenue licenses etc.

- (b) There were no written approvals for the removal of 115 vehicles and chassis from the black list within one year and 81 vehicle and chassis within six months. It was observed that there were instances that removal from the black lists have been taken place prior to the approval.
- (c) Although the Technical Division of the Department had recommended the cancellation of the registration of 600 vehicles during the period from December 2015 to May 2019, the Vehicle Transfer Divisions had not taken action to cancel them. However, during that period, the Information Technology Branch and the Vehicle Transfer Branches had taken actions to cancel the registration of 223 vehicles not recommended by the Technical Division. Also, the cancellation of the registration of the vehicles was recorded in the computer system but the date was not mentioned.
- (e) Vehicle registration numbers should be issued in order but some numbers were left blank. It was questionable to leave the numbers blank except for the number thirteen. Since the vehicles had been falsely registered using those blank numbers, attempts were not taken to find out the possibilities to discourage such irregularities by publishing the information regarding such numbers in the newspapers.
- (f) In the year 2016, a committee had decided that the Letter stating that customs duty was levied, Foreign Registration Certificate and its English translation, Pre-export certificate etc. shall be submitted on the registration of motor vehicles that released from the Sri Lanka Customs on charging customs duty as fines. It was decided to give a CMT chassis number with the approval of the Technical Division of the Department if those documents are not available. i.e. printing the 3 letters "CMT" and a serial number and printing the state emblem on either sides near the existing chassis number.

The observations are as follows.

.....

- (i) Although it was decided to issue CMT chassis numbers only in the absence of the above documents, CMT chassis numbers were issued on 80 occasions from 2016 to 2019 for various reasons. Therefore, it was observed that there is a possibility of false registration of vehicles under CMT numbers.
- (ii) Details of the 21 CMT chassis numbers to be printed were communicated to the Government Workshop during the period from 2015 to 2019, but vehicles with such chassis numbers were not registered until January 2021. Also, 6 vehicles which had been sent to government workshop for printing CMT chassis numbers were registered as normal vehicles.

- (iii) There were 3 instances which vehicles were registered under both old and new chassis numbers though the old chassis number should be cancelled after giving a new chassis number. Two motor cycles were registered under the same chassis number.
- (iv) The department had informed the relevant High Court that a confiscated Mitsubishi Pajero was suitable for sale as spare parts, after considering the Government Analyst's observations regarding it. However, as it was an offense committed by the High Court, the vehicle was registered in 2016 with a chassis number and a registration number in response to a request made by the purchaser of the vehicle to the Commissioner of Motor Traffic. But if there was such an error, no evidence found that it was corrected.
- (v) During the registration of CMT chassis numbers issued by the department during the period from 2015 to 2019, there were 30 instances where the registration certificate of the motor vehicles released by the customs after levying customs duties as fines was marked as "Registration" instead of "Brought from auction"
- (vi) There were 8 instances where new customs notes were created and entered into the computer system when there was no customs notes for the CMT chassis numbers. There were no legal provisions for this.

3.4 Failure to answer audit queries.

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Answers for 7 audit queries submitted to the Department for the financial years 2019 and 2020 had not been submitted as at 30 March 2021.

4. Sustainable Development

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In order to achieve the 3.6, 3.9, 11.2, and 11.6 objectives in Sustainable Development Act No. 19 of 2017, the resources shall be managed efficiently. The Department of Motor Traffic had identified those objectives but no programmes were prepared to achieve them.

5. Human Resource Management
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5.1 Attached Staff, Actual Staff
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The number of employees in the Department of Motor Traffic as at 31st December 2020 is as follows.

Employee Type	Approved Cadre	Actual number of employees	Number of vacancies
(i) Senior Level	30	27	03
(ii) Tertiary Level	21	04	17
(iii) Secondary Level	823	727	96
(iv) Primary level	138	121	17
Total	1012	879	133

The following observations are made.
.....

- (a) By the end of the year under review, actions have not been taken to fill 133 vacancies.

- (b) A first class officer of the Sri Lanka Administrative Service had been recruited by creating a new post through staff proposals under the Appendices of the Financial Regulations adducing the reason that the expansion of the existing functions of the Department. 4 years had been passed since the said recruitment by 2020 but none of the expected work was observed to be accomplished as adduced by the staff proposals. Also, none of his educational qualifications and professional skills in the field of Information and Communication Technology as the Commissioner of Information and Communication Technology could be confirmed.

R.R.M. Abeysinghe Banda
Deputy Auditor General
For Auditor General