

**Head 184 - Ministry of Private Transport Services**  
**Report of the Auditor General - Year 2013**

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**1.1 Scope of Audit**

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The audit of the Appropriation Account including the financial records, reconciliation statements books, registers and other records of the Ministry of Private Transport Services for the year ended 31 December 2013 was carried out in pursuance of provisions in Article 154 (1) of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 13 October 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

**1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation statements**

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The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Accounts and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Financial and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliations Statements that are free from material misstatements whether due to fraud or error.

**1.3 Audit Observation**

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According to the Financial Records and books for the year ended 31 December 2013, it was observed that except for the effects of the general observations appearing at (a) to (c) and major audit findings appearing in paragraphs 1.4 to 1.8 herein, the Appropriation Account, and the reconciliation statements of the Ministry of Private Transport Services had been prepared satisfactorily.

**(a) Appropriation Accounts**

Following observations are made

**(i) Total Provision and Expenditure**

While the total net provision made for the Ministry of Private Transport Services amounted to Rs. 769,275,000, a sum of Rs.504,925,676 had been utilized as at the end of the year under review. Accordingly, a saving of Rs.264,349,324 or 34 per cent of the net provision was observed. Details are shown below.

Expenditure	As at 31 December 2013			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.	Rs.	Rs.	
Recurrent	562,475,000	431,562,823	130,912,177	23.27
Capital	206,800,000	73,362,853	133,437,147	64.52
<b>Total</b>	<b>769,275,000</b>	<b>504,925,676</b>	<b>264,349,324</b>	<b>34.36</b>

**(ii) Budgetary Variance**

After utilization of provision made for 04 Items of Expenditure, liabilities had been committed in excess of the savings amounting to Rs.2,917,444.

**(b) Advances to Public Officers account****Limits Authorized by Parliament**

Limits authorized on Advances to Public Officers account Item No 18401 relating to the Ministry of Private Transport Services and actual values are shown below.

Item No	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
18401	2,000,000	650,250	600,000	855,546	5,500,000	(205,296)

**(c) Imprest Accounts**  
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Action had not been taken by the Ministry either to recover or write off an advance of Rs. 2,520 due from an officer under interdiction as the case filed in courts had not been finalized.

**1.4 Good Governance and Accountability**  
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Annual Procurement Plan  
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Annual Procurement Plan had been prepared on 31 August 2013 in terms of National Budget Circular No.128 dated 24 March 2013.

**1.5 Assets Management**  
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Following observations are made at the audit sample checks carried out with regard to the assets of the Ministry.

**(a) Improper use of Assets own by other Institutions.**  
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It was observed that the building constructed by the National Transport Commission for establishment of Nuwara-Eliya District Office of the National Transport Commission having spent a sum of Rs. 2,977,179 is being used as the District Office of the Minister and as a circuit bungalow. Due to this, it had not been possible to establish the District Office by the National Transport Commission. A sum of Rs. 476,603 had been spent for water, electricity, telephones and newspapers during the year 2013, by the Ministry. Although it was stated by the Chairman of the Commission that this District Office will be established within a month, at the Public Enterprises Committee meeting held on 06 March 2014 with regard to the National Transport Commission, that office had not been established even as at 31 December 2014. The Secretary had informed the audit that opening of the District Office was delayed due to inadequacy of staff and that this office will be opened after recruiting officers based on the scheme of recruitment now approved for the National Transport Commission.

**(b) Improper use of Assets not Vested**  
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Although a vehicle belongs to the Ministry of Live Stocks had been used for the work of the Ministry of Private Transport Services, action had not been taken up to 15 July 2014 to transfer the ownership of the that vehicle. A sum of Rs.234,944 had been paid by the Ministry for repairs and maintenance of this vehicle.

(c) **Unsettled Liabilities**  
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While the liabilities unsettled by the Ministry of Private Transport Services as at 31 December 2013 amounted to Rs. 2,917,444, according to the age analysis prepared in that connection, those balances related to a period less than one year.

**1.6 Performance**  
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Following observations are made in the sample audit checks carried out with regard to the performance of the Ministry.

(a) **Activities not executed According to the Annual Action Plan**  
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It was observed that activities had not been carried out in conformity with annual Action Plan in the following instances.

- (i) Although a national transport policy had to be prepared and finalized during the year 2013, it had not been submitted to the Cabinet of Ministers for approval even as at the end of May 2014. While comments and proposals for amendment of the draft prepared had been submitted by the Ministry on 01 August 2014, to the Ministry of Private Transport Services, the Secretary to the Ministry had informed that a joint Cabinet Memorandum will be submitted after getting the assent.
- (ii) Although it had been included in the Action Plan for the year 2013 to make certain amendments to the National Transport Commission Act and obtain the Parliamentary approval, approval of the Parliament had not been obtained up to end of November 2014. The Secretary had informed that Concepts Paper will be submitted to the Cabinet of Ministers immediately after getting the instructions from the Attorney General.
- (iii) Proposed bus terminal at Bakamoona was a project to be constructed during the year 2012, that had not been implemented. Therefore it had been included in the Action Plan for the year 2013 as well. However, it had not been commenced during that year too and had been deleted from the Action Plan for the year 2014.
- (iv) It had been proposed to construct the Galewela and Poodaluoya Bus Terminals during the year 2013. However, construction works had not been commenced due to unsettled land disputes.
- (v) Although it had been planned and a provision of Rs. 2 million had been made for construction of 8 Passenger Sheds during the year under review, any Passenger Shed had not been constructed.
- (vi) According to the Action Plan for the year 2013, it had been planned to train 15 graduates and 15 management assistants. None of them had been trained.

## 1.7 Losses and Damages

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While a vehicle belongs to the Ministry had met with an accident on 13 August 2013, preliminary inquiry had not been commenced in that connection in terms of Financial Regulation 104(1)(3). The loss amounting to Rs.4,704 occurred had not been shown in the Appropriation Account. A Register of Losses and Damage had not been maintained in terms of Financial Regulation 110.

## 1.8 Human Resources Management

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### Approved Cadre and the Actual

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Cadre position as at 31 December 2013 was as follows.

	Category of Employee	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior level	09	05	04
(ii)	Tertiary Level	01	-	01
(iii)	Secondary Level	34	19	15
(iv)	Preliminary Level	15	15	-
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	Total	<b>59</b>	<b>39</b>	<b>20</b>
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Action had not been taken by the Ministry to fill 20 vacant posts at the end of the year under review.