

## Report of the Auditor General on Head 149 - Ministry of Industry and Commerce and Departments coming under the Ministry – Year 2014

---

Paragraphs 1 and 2 of this Report contain the general information on the Accounts of the Ministry and the Departments under the Ministry and the Audit Observations on each Head appear in paragraph 3 onwards.

### 1. Departments under the Ministry

---

<u>Head</u>	<u>Department</u>
295	Department of Commerce
297	Department of the Registrar of Companies
299	National Intellectual Property Office of Sri Lanka
303	Department of Textile Industries

#### 1.1 Scope of Audit

---

The audit of the Appropriation Accounts, Revenue Account, and the Reconciliation Statements including the financial records, reconciliation reports, books, registers and other records of the Ministry of Industry and Commerce and Departments coming under the Ministry appearing in paragraph 1 above for the year ended 31 December 2014 was carried out in pursuance of provisions in Article 154(1) of the Constitution 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 and the Accounting Officers of the Departments on the undermentioned dates. The audit observations, comments and findings on the accounts and 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.

<u>Head</u>	<u>Ministry and the Departments</u>	<u>Date of Issue of Management Audit Report</u>
149	Ministry of Industry and Commerce	29 July 2015
295	Department of Commerce	26 August 2015
297	Department of the Registrar of Companies	07 September 2015
299	National Intellectual Property Office of Sri Lanka	06 August 2015
303	Department of Textile Industries	31 August 2015

**1:2 Responsibilities of the Chief Accounting Officer and the Accounting Officers for the Accounts and Reconciliation Statements**

-----

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

**2. Accounts**

**2:1 Appropriation Accounts**

**Total Provision and Expenditure**

The total net provision made for the Ministry and 04 Departments under the Ministry amounted to Rs. 3,217 million and out of that Rs. 2,962.8 million had been utilized by the end of the year under review. Accordingly the savings out of the net provision of the Ministry and the Departments ranged between Rs. 236.26 million and Rs. 1.55 million or between 1.85 per cent to 9.08 per cent of the net provision. Particulars are given below.

<b>Head</b>	<b>As at 31 December 2014</b>			<b>Savings as a Percentage of Net Provisions</b>
-----	-----	-----	-----	-----
	<b>Net Provision</b>	<b>Utilization</b>	<b>Savings</b>	
	-----	-----	-----	
	<b>Rs. Millions</b>	<b>Rs. Millions</b>	<b>Rs. Millions</b>	
149	2,601.07	2,364.81	236.26	9.08
295	107.00	105.02	1.98	1.85
297	30.30	27.60	2.70	8.90
299	17.25	15.70	1.55	8.90
303	461.38	449.66	11.72	2.54
	-----	-----	-----	
Total	3,217.00	2,962.79	254.21	
	=====	=====	=====	

## 2:2 Revenue Account

### Estimated and Actual Revenue

The Ministry and one Department under the Ministry had prepared Revenue Estimates totalling Rs. 140 million in respect of 02 Revenue Codes for the year 2014 and the Revenue totalling Rs. 158.54 million had been collected. Accordingly, 8.8 per cent and 70.1 per cent respectively of the estimated Revenue had been collected. Details appear below.

Revenue Code	As at 31 December 2014			Excess as a Percentage of Estimate
	Estimated Revenue	Actual Revenue	Excess	
	Rs. Millions	Rs. Millions	Rs. Millions	
20.03.02.10	130.0	141.53	11.53	8.8
20.03.02.12	10.0	17.01	7.01	70.1
<b>Total</b>	<b>140.0</b>	<b>158.54</b>	<b>18.54</b>	

## 2:3 Advance Accounts

### Advances to Public Officers Accounts

#### Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Accounts of the Ministry and 04 Departments under the Ministry and the actual amounts are given below.

Item Number	Expenditure		Receipts		Debit Balance	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
149	12.00	8.44	8.00	8.79	65.00	37.38
295	6.00	3.32	2.00	4.14	20.00	12.68
297	5.00	4.45	2.10	3.04	30.00	13.06
299	2.50	2.47	1.00	1.22	10.00	3.69
303	5.00	2.47	3.00	2.95	30.00	13.90

## 2.4 Imprest Account

-----  
The Imprest balances of an office under the Ministry as at 31 December 2014 totalled Rs. 84,524.

## 2.5 General Deposit Accounts

-----  
The balances of Deposit Accounts of the Ministry and 02 Departments under the Ministry as at 31 December 2014 totalled Rs.54.13 million. Details appear below.

<b>Ministry/ Department</b>	<b>Deposit Account Number</b>	<b>Balance as at 31 December 2014</b>
-----	-----	-----
		<b>Rs. Millions</b>
Ministry of Industry and Commerce	6000/0000/000/0015/0060/000	50.91
National Intellectual Property Office of Sri Lanka	6000/0000/000/0015/0154/000	0.08
Department of Textile Industries	6000/0000/000/0015/0158/000	3.14
		-----
Total		54.13
		=====

## 2.6 Audit Observation

-----  
According to the Financial Records and Books for the year ended 31 December 2014, it was observed that subject to the audit observations appearing in the Management Audit Reports referred to in paragraph 1.1, the Appropriation Accounts, Revenue Account and the Reconciliation Statements of the Ministry of Industry and Commerce and the Departments under the Ministry, have been prepared satisfactorily. The material and important observations out of the observations included in those Management Audit Reports appear in paragraph 3 to 7 herein.

### **3. Head 149 - Ministry of Industry and Commerce**

-----

#### **3.1 Non-maintenance of Registers and Books**

-----

The Ministry had not maintained the register for vehicle.

#### **3.2 Appropriation Account**

-----

##### **Budgetary Variance**

-----

The following observations are made.

- (a) The provision made under 06 Expenditure Objects had been saved due to Department of Treasury Operations had not issued sufficient imprest for utilize and savings were in a range between 9.45 per cent to 34.73 per cent of the total net provision of those Objects.
- (b) Even though a provision of Rs. 10,000,000 made for a Table Salt Project, the entire provision had been saved due to non-implementation of the project.
- (c) Over provision amounting to Rs. 141,394,628 had been made for 12 Objects and as such the savings, after the utilization of provisions, ranged from 23 per cent to 100 per cent of the net provisions relating to the respective Objects.

#### **3.3 Reconciliation Statement of Advances to Public Officers Account**

-----

The following deficiencies were observed at test checks of the Reconciliation Statement as at 31 December 2014 relating to the Advances to Public Officers Account bearing Item No.14901.

- (a) According to the Reconciliation Statement presented to audit the balances that remained outstanding as at that date totalled Rs. 1,081,902. Out of those outstanding balances a sum of Rs. 779,702 remained over periods ranging from 01 year to 05 years, and the Ministry had failed to recover the outstanding balances.
- (b) The Ministry had failed to recover the outstanding loan balances of Rs.161,402 from officers who were interdicted and vacated their posts, even up to 31 December 2014.

### 3.4 Non-compliances

#### Non-compliance with Laws, Rules and Regulations

Instances of noncompliance with the provision of laws, rules and regulations observed at audit sample checks are analyzed below.

Reference to laws, Rules, Regulations etc.	Non-compliance
<b>(a) Establishment Code of the Democratic Socialist Republic of Sri Lanka</b> ----- Paragraph 23:18 of Chapter XII	A register had not been maintained in respect of officers who spent leave abroad in accordance with the regulations.
<b>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</b> ----- Financial Regulation 1646	Daily running charts and monthly summaries relating to 28 vehicles had not been presented to Audit for the year under review.

### 3.5 Implementations of Projects under Domestic Financing

Following observations are made in this regard.

#### (a) Environmental Friendly Loan Scheme Project

No loans had been granted from the year 2010 to 2014 from the above project which was started in 2005. Receivable from the Donor institutions as at 31 December 2014 out of the loans granted by the Ministry within 5 active years was 1,133,597,701 and a sum of Rs. 5,314,505,883 recovered as installments and interests by the Central Bank relating to this project which was implementing as a revolving fund from 2010.

#### (b) Small and Micro Industries Monitoring and Entrepreneur Promotion Project

This loan project had been implemented as a Revolving Fund from 01 May 2012 which was started as a loan project according to the agreement, entered into with the Government of Sri Lanka and JAICA on 07 December 2004. The following deficiencies were observed during the course of test checks relating to the operations of the project.

- (i) A sum of Rs. 680,500 had been spent for the purchase of computers by the project, but that expenses had been accounted as an operating cost of the Project Management Unit instead of accounting as a capital expenditure.
- (ii) Although the total loans issued as at 31 December 2014 was amounted to Rs. 1,009,761,500 it had been shown as Rs. 825,614,780 in the Financial Statements prepared as at that date. As a result a sum of Rs. 184,146,720 had been under accounted.
- (iii) Even though the utilizable amount of the Revolving Fund which is maintained at the Central Bank of Sri Lanka amounted to Rs. 830,050,000, that amount had not been disclosed in the Financial Statements of the Project as at 31December 2014.
- (iv) Although sub loans can be issued for the Technical Transfers and General Activities according to the operational instructions of the Fund, no any loans had been granted under the Technical Transfers during the year under review.
- (v) Out of the total loans disbursed during the year under review, a sum of Rs. 267.55 million or 32 per cent had been disbursed for food processing, beverages and tobacco related products and the balance amount of Rs. 558.07 million had been disbursed among other 19 sectors. Further, 100 out of 309 total sub loans had been granted only to the above sector. Accordingly, it was observed that loans had not been granted equally among the sectors.
- (vi) A sum of Rs. 516,853,200 or 62 per cent out of the total general loans up to December 2014 had been granted to Western and North Western Province Entrepreneurs.
- (vii) Even though according to the operating instructions the priority should be given to the rural areas, a sum of Rs. 271,859,600 or 33 per cent out of the total loans granted had been issued to the entrepreneurs of the Western Province.

### **3.6 Performance**

-----

The observations on the progress of the Ministry according to the Annual Budget Estimates and the Action Plan for the year 2014 are given below.

#### **Key Functions not Executed Adequately**

-----

Even though Provision of Rs. 586 million had been made for 03 Industrial Cities included in the Action Plan of 2014 prepared by the Ministry, no any financial or physical progress had been shown from those activities even by the end of the year under review.

### 3.7 Human Resources Management

#### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
(i) Senior Level	57	42	15
(ii) Tertiary Level	12	8	4
(iii) Secondary Level	988	685	303
(iv) Primary Level	99	89	10
<b>Total</b>	<b>1,156</b>	<b>824</b>	<b>332</b>

### 4. Head 295 – Department of Commerce

#### 4.1 Non-maintenance of Registers and Books

It was observed at audit test checks that that Department had not maintained the following registers.

Type of Registers	Relevant Regulation
(i) Register of list of Vehicles	Financial Regulations 1674(e)
(ii) Attendance Register of the Procurement Committee and the Technical Evaluation Committee	Government Procurement Guidelines 2.11.2
(iii) Minutes of the Committee meeting	Government Procurement Guidelines 2.11.3 (a)

### 4.2 Appropriation Account

#### Budget Variances

As over provisions had been made for 03 Objects, the savings, after the utilization of provision, ranged from 14 per cent to 78 per cent of the net provisions.



### **4.3 Reconciliation Statement relating to Advances to Public Officers Account**

---

The following deficiencies were observed at test checks carried out in respect of the Reconciliation Statement as at 31 December 2014 relating to the Advances to Public Officers Account bearing Item No. 29501

- (a) According to the Reconciliation Statement presented to audit, the balances that remained outstanding as at that date totalled Rs. 38,650 remained for over a period of 03 years and the Department had failed to recovery of those outstanding balances.
- (b) According to the sccounts presented, there was a difference amounting to Rs. 289,336 between the Treasury Computer Print Outs and the Department Books as at 31 December 2014.
- (c) The member's staff loan register had not been updated in terms of paragraph 6.3 of the Budget Circular No. 118 dated 11 October 2004.

### **4.5 Good Governance and Accountability**

---

#### **4.5.1 Annual Action Plan**

---

The Department had not been prepared an Annual Action Plan in terms of the Public Finance Circular No. 01/2014 of 17 of February 2014 for the year under review.

#### **4.5.2 Annual Procurement Plan**

---

The Annual Procurement Plan in terms of Circular No. 128 of 24 March 2006 of the Department of National Budget had not been prepared.

#### **4.5.3 Internal Audit**

---

An Internal Audit Unit had not been established in the Department and those activities had been given to the Internal Audit Unit of the Ministry of Industry and Commerce. An adequate Internal Audit had not been carried out by that Unit in the year under review.

### **4.6 Non- compliances**

---

#### **Non- compliance with Laws, Rules and Regulations**

---

Instances of noncompliance with the provision of laws, rules and regulations observed in audit sample checks are analyzed below.

**Reference to laws, Rules, Regulations etc.**

**Non-compliance**

**(a) Establishment Code of the Democratic Socialist Republic of Sri Lanka**

Paragraph 9.4 of Chapter XV

Without been not confirming whether the allowances for warm clothing had not been paid for last 5 years to an officer who went abroad, 75 Pounds had been paid to the officer as allowance for warm cloth.

**(b) Circulars of the Presidential Secretariat**

Circular No. PPA/6/1/1 dated 31 December 1993 and Circular No. 105/9/FG/14 dated 17 October 2014 of Ministry of Industry and Commerce.

Even though a report about the foreign tour should be presented to the authorized officer who approved the tour within 7 days after returning to Island the reports relating to the foreign tours had not been presented by the officers in the Department.

**4.7 Performance**

Following observations are made on the performance of the Department according to the action plan of 2014.

**(a) Foreign Commercial Representation**

Sri Lanka's participation for hosting country and hosting country's participation to Sri Lanka for the promotional fairs and in arriving a foreign Sri Lankan Mission to had declined in 2014 as compared with the year 2013, but attention had not been paid thereon.

**(b) Bilateral Free Trade Agreements**

The following observations are made in this connection.

- (i) According to the Free Trade agreements between Sri Lanka, India and Pakistan in the year 2014, it was failed to improve exports in both countries.
- (ii) According to the India Sri Lanka Free Trade agreement, value of import had increased to US\$ 540 million exceeding the value of exports US\$ 375.8 million in the year 2014.

- (iii) According to the Pakistan Sri Lanka Free Trade agreement export value had been shown as US\$ 51.78 million but the import value had been increased to US\$ 79.12 million.

**(c) Issue of Certificates of Origin**

-----  
 A minor growth of 2.5 had been shown in 2014 comparing with the 2013 from 117,337 to 120,302 for the issuance of Certificates of Origin by the Department to the producers with Sri Lanka Origin who are exporting under preference, zonal, bi lateral and free trade agreements. Under the Pakistan-Sri Lanka Free Trade Agreement and Global Trade Selective Method, issuing the Certificate of Origin had decreased which was issued with 14 per cent and 27 per cent respectively.

**(d) Approval of Lending Agencies under the Mortgage Act No. 06 of 1949**

-----  
 Ten out of 18 applications presented in the period under review had been recommended by the Board which was established for the activities of the Act for 03 years from 13 January 2014 to 12 January 2017 under the power of Director of Commerce for state any Company, Trade Company, Institution or a person as an Approved Credit Institution in terms of Mortgage Act No. 06 of 1949.

Sufficient information had not been received to audit for check the progress of following activities which were belonging to the Department in addition to those activities.

- Public awareness through important information and distribution of knowledge about Exports and Imports.
- Export Promotions
- Acting as a Export Data Bank under the Preference Trade Agreement including the GSP proposal.
- Direct foreign investment promotion
- Tourism promotion

**4.8 Human Resources Management**

-----  
**Approved Cadre and Actual Cadre**  
 -----

The position on the cadre as at 31 December 2014 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
(i) Senior Level	63	50	13
(ii) Tertiary Level	05	1	4
(iii) Secondary Level	72	41	31
(iv) Primary Level	19	17	2
	-----	-----	-----
<b>Total</b>	<b>159</b>	<b>109</b>	<b>50</b>

**5. Head 297 – Department of Registrar of Companies**

-----

**5.1 Non-maintenance of Registers and Books**

-----

It was observed during audit test checks that Department had not maintained the following certain registers while some register had not been maintained in the proper and updated manner.

	<b>Type of Registers</b>	<b>Relevant Regulation</b>	<b>Observations</b>
	-----	-----	-----
(i)	Register on fixed assets of Computer, Accessories and Software	Treasury Circular No. IAI/2002/02 dated 28 November 2002.	Not Maintained
(ii)	Register of Attendances of Government Procurement Committee and Technical Evaluation Committee	Government Procurement Guidelines 2.11.2	Not Maintained
(iii)	Register of Calling Bids	Government Procurement Guidelines 5.2.1	Not Maintained
(iv)	Register of Inventory	Financial Regulations 454 (1)	Not Updated
(v)	Register of Electrical Equipment	Financial Regulations 454 (2)	Not Updated

**5.2 Appropriation Account**

-----

**Budgetary Variance**

-----

Excess provisions of Rs. 2,659,276 had been made for 02 Objects and as such the savings, after the utilization of provision, ranged between 14 per cent to 18 per cent of net provisions relating to the respective Objects

### **5.3 Revenue Accounts**

-----

The duties relating to the preparation of Revenue Estimates, Collection of Revenue, Accounting and the Presentation of Accounts relating to 02 Revenue Codes had been assigned to the Head of Department as the Revenue Accounting Officer. The following observations were observed during the course of the audit test check of those Revenue Codes.

#### **(a) Revenue Code 20.03.02.10 – Company Registration Fees**

-----

Following observations are made

- (i) According to the Annual Budget Estimates, the collection of Revenue amounting to Rs. 130 Million had been estimated under the Revenue Code. A sum of Rs. 141 Milion had been collected as at the end of the year under review and that amounted to 108 per cent of the estimated Revenue.
- (ii) According to the Revenue Account presented to Audit, Revenue amounting to Rs. 169,475,000 had been in arrear and a sum of Rs. 73,711,667 had been in arrear only for the year under review. The Department had failed to recover the arrears of revenue.

#### **(b) Revenue Code 20.03.10.12 - Fees under General Contract Act**

-----

According to the Annual Budget Estimates, the collection of Revenue amounting to Rs. 5 Million had been estimated under the above Revenue Code and that estimate had been amended up to Rs. 10 million. A sum of Rs. 17 Million had been collected as at the end of the year under review and that amounted to 170 per cent of the estimated Revenue.

### **5.4 Reconciliation Statement relating to Advances to Public Officers Account**

-----

According to the Reconciliation Statement of Advance Account Item No 29701 as at 31 December 2014 presented to the audit, the balances that remained outstanding as at that date totalled Rs. 154,144 and even though those outstanding balances remained over periods ranging from 06 months to 25 years, the recovery of those outstanding balances was at a weak level.

### **5.5 Good Governance and Accountability**

-----

#### **5.5.1 Annual Action Plan**

-----

Annual Action Plan for the year 2014 had not been prepared in terms of the Public Finance Circular No. 01/2014 of 17 of February 2014. Nature of the each activity to fulfill the objectives and responsible officer and division, timeframe to fulfill the objectives had not been mentioned separately in the action plan by the Department.

### **5.5.2 Annual Procurement Plan**

-----

The Annual Procurement Plan in terms of Circular No. 128 of 24 March 2014 of the Department of National Budget had not been prepared.

### **5.5.3 Internal Audit**

-----

An adequate internal audit had not been conducted during the year under review according to the Management Audit Circular No. DMA/2009(1) dated 09 June 2009 and Financial Regulations 133 (2).

### **5.6 Assets Management**

-----

The following deficiencies were observed during the course of audit test checks of the assets of the Department.

#### **(a) Idle and Underutilized Assets**

-----

It was observed during the course of audit test checks that certain assets categorized below had been either idle or underutilized.

- (i) Although 15 numbers of file racks purchased for Rs. 453,750 for the purpose of store files under the programme of computerizing the activities of the Department of Registrar of Companies, those had been stored in without using those racks since 28 November 2014.
- (ii) Fifty four thousand file covers valued at Rs. 2,180,000 specially prepared for refile the scanned documents under restructuring had not being used up to 27 March 2015.
- (iii) Books purchased for Rs. 683,910 on 31 December 2014 for distribute among the libraries in schools parallel to the Programme of Deyata Kirula 2015, had been stored in the Department without being distribute. No action had been taken for distribute those books up to 27 March 2015.

- (iv) Even though a sum of Rs. 147,360 had been spent for establish an Internal Audit Unit in the Department of Registrar of Companies, currently that unit is being idled. The computers and Internet facilities obtained by the expenses when establishing that unit had been underutilized.
- (v) A double cab vehicle belonging to the entity had been idled without being used.

**(b) Conducting Board of Survey**

-----

Glasses which were removed when the renovation of Samagam Medura Building had not been included in the Board of Survey report and these glasses had stored without any security for more than 06 months but action had not been taken to utilize or to auction.

**5.7 Non-compliance**

-----

**Non-compliance with Laws, Rules and Regulations**

-----

A sum of Rs. 250,000 or 50 per cent of the Consulting Service Estimate had been paid to the institute which provide consulting services in renovation of Samagam Medura Building contrary to the Government Procurement Guidelines 3.4.4.

**5.8 Performance**

-----

The observations on the progress of the Department according to the Annual Budget Estimates and Action Plan for the year 2014 are given below.

**(a) Registration of Companies and Others**

-----

Registration of the companies and others as compared with the previous year had been as follows.

Activity	Number		Difference (Decrease) Increase	Percentage
	2014	2013		
Registration of new Companies	7,100	6,047	1,053	17.41
Examination of Files of Registered Companies	10,838	10,847	(9)	(0.08)
Approval for Names	13,260	12,075	1,185	9.8

Certification of Copies	43,379	36,531	6,848	18.74
Registration of Forms	72,644	70,659	1,985	2.80
Registration of Annual Reports	31,324	29,853	1,471	4.93
Registration of Financial Reports	2,376	2,867	(491)	(17.12)
Selling of forms	3,478	4,207	(729)	(17.33)
Registration of Secretaries	566	437	129	29.52

Following observations are made in this connection.

- (i) Income from registration of financial reports, selling of forms and examination of files had been decreased in the year under review compared with the previous year and though the income from other activities had been increased that income interest had been less when compared with the previous year.
- (ii) Out of 71,110 companies which had been registered as at the end of the year under review 59,113 companies that should present the Annual Reports but 14,886 companies only presented the Annual reports on due date. Accordingly, the arrears of Annual Report Registration Income of Rs. 221,135,000 had not been recovered from 44,227 companies for the year under review. Any special action what so over had not been taken by the Department of Registrar of Companies recover arrears of Annual Reports Registration Revenue of Rs. 508,425,000 to the end of the year under review even up to 27 March 2015.

**(b) Companies Act No. 7 of 2007**

-----

Registration of Limited Companies according to the Company Act, monitor the activities of the registered companies and when they do not act accordingly, taking actions in accordance with the Company Act are the statutory functions assigned to the Registrar General of Companies by the Companies Act. It was observed at audit test check that the monitoring of activities of the registered companies was in a weak level. Further an active procedure for monitor the activities of the registered companies had not been with the Department of Registrar of Companies even up to 27 March 2015.

**(c) Registration of Auditors and Renewal of the Registration**

-----

Seventy seven and seventy four new auditors were registered in the year under review and previous year respectively and income generated thereon amounted to Rs.136,590 and 9,900 respectively. Thus the income increased by 1279 per cent in the year under review as compared to previous year. The renewals of the registration of auditors in the year under review and previous year amounted to 532 and 556 and the income had been Rs. 927,632 and Rs.12,232 respectively. Although the renewal of registration decreased



by 24, the income had increased by Rs. 915,400 due to increase the fees for registration of new examiners and renewal fees from 01<sup>st</sup> of August.

**(d) Societies Ordinance No. 16 of 1891**  
-----

Sixty Seven and Hundred and sixty nine Societies had been registered under the Societies Ordinance No. 16 of 1891 during the year under review and the previous year respectively and income generated from the Registration of Societies amounted to Rs. 9,325 and Rs.4,225. The main reason for increase of income was cancelling stamp fees under the Societies Ordinance and increase the fees from 01<sup>st</sup> of August in the year under review.

**(e) General Contracts Act No 3 of 1987**  
-----

The all contracts which exceeded the value more than Rs.5 million should be registered under Registrar of Companies in terms of the provisions of General Contracts Act No 3 of 1987 and 10,384 and 4,320 General Contracts had been registered by the Department in the year under review and previous year respectively and income thereon collected were Rs. 17,016,000 and Rs. 6,966,00 respectively. Accordingly it was observed an increase of 6,064 numbers of registrations of General Contracts and increase of income by Rs. 10,050,000 in the year under review.

**5.9 Transactions of Contentious Nature**  
-----

Even though all expenditure made by the Registrar of Companies could be incurred by the Fund in achieving the duties and functions in terms of the Companies Act No. 07 of 2007, a sum of Rs.90,275,000 had been spent on 01 March 2007 to purchase shares of a private company which is not come under the purview of such expenditure in accordance with the Sub-paragraph No. 4 of Companies Act. The ownership of the shares had been with the Ministry of Cooperatives and Internal Trade and further no benefit whatsoever had been received by the Department from this investment even by 27 March 2017. Though it was decided to wind up as the company was bankrupt, no any actions had been taken to get rights to that investment or to get the invested money to the Company Fund even up to 27 March 2007.

**5.10 Management Weaknesses**  
-----

The following weaknesses were observed during the course of test checks.

- (a) The contract of the computerizing the activities of registration of Limited Companies had been awarded to a private institution for a contract value of Rs. 88,812,227 on 21 January 2014. Even though the work should be completed before 20 October 2014 according to the contract agreement, the contract had been abandoned even by 17 March 2015. According to the contract 61,000 files of companies and societies should be

scanned but only 33,938 files had been scanned by the contractor. It was observed monitoring and supervision of the contract had not been done by the Department and feedback activities and performance review also had not been done. The contract had been awarded without obtaining a performance bond from the contractor as per the Government Procurement Procedure 5.4.8 (a). The work had stopped by 31 December 2014 and the expenses of Rs. 13,619,577 incurred on this project had become fruitless.

- (b) The contract of the renovation of the Samagam Medura had been awarded to a private institution for a contract value of Rs. 12,664,317 on 23 April 2014. Even though the work should be completed by 31 December 2014 according to the contract agreement, demurrage charges had not been charged from the contractor due to delay of the completion even by 17 March 2015.

## 5.11 Human Resources Management

### Approved and Actual Cadre

The position of cadre as at 31 December 2014 is given below.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excess
(i) Senior Level	12	06	06	-
(ii) Tertiary Level	03	02	01	-
(iii) Secondary Level	123	79	44	-
(iv) Primary Level	24	17	07	-
(v) Other (Casual)	-	01	-	01
<b>Total</b>	<b>162</b>	<b>105</b>	<b>58</b>	<b>01</b>

Following observations are made

- (i) A permanent officer had not been appointed for the post of “Company Registrar General”
- (ii) No. of vacancies in various posts as at 31 December 2014 and how it was affected to the activities of the Department shown below.

Post	Vacancies by	Number	Effect to the Activities of the Department
Assistant Registrar	Company	03	Implementing the company registration activities, taking action to obtaining annual report income, doing windup activities of companies, issuing certificates to the companies registered under the company act

had been done by this post. Accordingly monitoring and obtaining annual report income performing was at a weak level.

Enterprises Assistant	Analysis	08	Providing information to the public about the registration of companies, collecting data relating to the company registration and reprocessing those data according to the institute had been done by this post. Therefore activity of obtaining relevant information was in difficult.
--------------------------	----------	----	---

Inspectors of Companies.		03	Directly affected to taking legal actions against the companies which were breach the rules of the company act and presenting in the courts on behalf of the Company Registrar.
--------------------------	--	----	---

Management Assistants		12	Delays occurs due to 1,500 files has to be done by one officer.
-----------------------	--	----	---

- (iii) There was no any procedure to supervise directly 12 Development Officers who were attached to District Secretariats by the Department.
- (iv) A proper procedure had not been with the institution to train the office duties and pre training about how to do the duties to new officers of the Department.

**6. Head 299 – National Intellectual Property Office of Sri Lanka**

**6.1 Maintenance of Registers and Books**

It was observed during audit test checks that the National Intellectual Property of Lanka had not maintained the following registers

	<b>Type of Registers</b>	<b>Relevant Regulation</b>
	-----	-----
(i)	Register of Securities	Financial regulations 891 (1)
(ii)	Register of Electrical Equipment	Financial regulations 454 (2)
(iii)	Register of Listing of Vehicles	Financial Regulations 1674 (e)
(iv)	Register of Attendances of the Procurement committee and evaluation committee	Government Procurement Guidelines 2.11.2

(v) Committee meeting minutes

Government Procurement  
Guidelines 2.11.3 (a)

## 6.2 Appropriation Account

### Budgetary Variance

Excess provision amounting to Rs. 1,428,811 had been made for 02 Objects and as such the savings, after the utilization of provisions, ranged between 12 per cent to 39 per cent of the net provisions relating to the respective Objects

## 6.3 Reconciliation Statement relating to Advances to Public Officers Account

According to the Reconciliation Statement of Advance Account Item No 29901 as at 31 December 2014, the balances that remained outstanding as at that date totalled Rs. 139,410 and even though those outstanding balances remained over 05 years, action had not been taken to recover the outstanding balances even up to 31 December 2014.

## 6.4 Good Governance and Accountability

### Internal Audit

An internal audit unit had not been established in the office. This work had been carried out by the audit unit of the Ministry of Industries and Commerce. One audit query had been issued for the years under review. Accordingly it was observed an adequate internal audit had not been carried out in the Department for the year under review.

## 6.5 Assets Management

### Construction of a Reparatory for National Intellectual Property Office

Even though a sum of Rs. 22,298,751 had been incurred for construct a reparatory constructing and a maintaining promotion center for National Intellectual Property Office, according to the cabinet paper No. 403/15/0272/625/007 dated 23 April 2015 Urban Development Authority from had been informed to reimbursed the above cost to the National Intellectual Property Office because the ownership of the land had been acquired to the Urban Development Authority, it was unable to recover that amount from Urban Development Authority even up to 10 March 2015, the date of audit.

## 6.6 Performance

-----  
 The observations on the progress of the Department according to the Annual Budget Estimates and Action Plan for the year 2014 are given below.

- (a) The information relating the performance of registration of trademarks, patent licenses and industrial plans during the year under review compared that with the previous year is shown below.

	<b>Registration of Trade Marks</b>		<b>Registration of Patent Licenses</b>		<b>Registration of Industrial Plans</b>	
	2014	2013	2014	2013	2014	2013
No. of applications brought forward from the previous year	36,060	28,720	1,805	1,525	1,171	965
No. of applications received during the year	8552	8,825	536	516	292	346
No. of applications to be attended to during the year	44,612	37,545	2,341	2,041	1,463	1,301
No. of applications registered during the year	(1,138)	(1,485)	(263)	(236)	(529)	(130)
No. carried forward for the ensuing year without registration	43,474	36,060	2,078	1,805	934	1,171
No. of files in progress	(34,501)	(16,400)	(1,909)	(1,730)	(934)	(729)
	-					
Files on which no action had been taken	8,973	19,660	169	75	-	442

Even though the main function of National Intellectual Property Office is registration of Trade mark, Patent License and Industrial Plans, as per the above information it was revealed that those activities were not functioning properly.

- (b) A satisfactory contribution to the economy through new inventions of new inventors had not been received because of new inventors get dissatisfied and registrations are not done in time due to delays in fulfilling the main functions of the National Intellectual Property Office of Sri Lanka as the main activity of registration of trademarks, patent licenses and industrial plans are in very weak level.

The following observations are made in this regard.

- (i) Even though piece rate payment method had been introduced to speed up registration of presented applications in May 2013, registration of trade marks had been decreased by 347 applications or 23 per cent in the under review when compared with the previous year.

- (ii) Even though a sum of Rs. 1,262,595 had been spent by the National Intellectual Property Fund on piece rate basis to speed up the registration of Trade Marks, Patent License and Industrial Plans during the year under review, it revealed in audit that the progress of registration of trademarks and industrial plans had not been in a satisfactory level.
- (c) As shown below several instances had been observed where the main functions of the National Intellectual Property Office not performing of its activities.
- (i) Even though provision of Rs. 1.4 million had been made for introduce a computer system, that activity was not carried out during the year
- (ii) Even though provision of Rs. 100 million had been provided for construction of a new building that construction had not been done.

## 6.7 Human Resources Management

### Approved and Actual Cadre

The position of cadre as at 31 December 2014 is given below.

	<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>
(i)	Senior Level	07	05	02
(ii)	Tertiary Level	04	03	01
(iii)	Secondary Level	72	36	36
(iv)	Primary Level	11	10	01
	<b>Total</b>	<b>94</b>	<b>54</b>	<b>40</b>

Following observations are made in this connection

- (i) Even though the main post of Director General of Intellectual Property in the Intellectual Property Office had been vacant for more than 02 years, a lady officer had been appointed on 15 March 2014 on acting basis without taking action to fill the vacancy. In addition, a post of Additional Director is also vacant.
- (ii) The department had failed to fill 40 vacancies by end of the year under review.

## 7. Head 303 – Department of Textile Industries

### 7.1 Non – maintenance of Registers and Books

It was observed during audit test checks that the Department had not maintained the following Register.

Type of Register -----	Relevant Regulation -----
(a) Register of Fixed Assets	Treasury Circular No 842 of 19 December 1978
(b) Register of Official Telephones	Financial Regulation 845(1)
(c) Register of Security	Financial Regulation 891(1)
(d) Register of Electrical Equipment	Financial Regulation 454(2)
(e) Register of Counterfoil Books	Financial Regulation 341

## **7.2 Non-compliance with limits**

-----

Even though the Minimum Limit of Receipts authorized by Parliament for the Advances to Public Officers Account, Item No. 30301 amounted to Rs. 3,000,000 the actual receipts as at the end of the year under review amounted Rs 2,946,176 and as such it had not been reached to the Minimum Limit of Receipts by Rs 53,824.

## **7.3 Appropriation Account**

-----

### **7.3.1 Budgetary Variance**

-----

Excess provisions of Rs 8,490,662 had been made for 08 Objects and as such the savings after the utilization of provisions ranged between 10 per cent to 64 per cent of the net provisions relating to the respective Objects.

### **7.3.2 Provisions made Available by the Ministry**

-----

Even though it was planned to purchase hand weaving machines by incurring Rs.5,185,000 out of the provisions made available by the Ministry to establish hand loom weaving Villages in the Matale District, the cheques relating to that had been deposited in the General Deposit Accounts on 29 June 2015, without being obtained the Hand Weaving machines.

## **7.4 Imprest Account**

-----

Even though the ad-hoc sub-imprest obtained should be settled immediately after the completion of the purpose in terms of the Financial Regulation 371, sub-imprests amounting to Rs 50,000 had been settled with a delay of a period ranging from 01 month to 04 months after completion of the purpose.

## **7.5 General Deposit Account**

-----

The following observations are made

- (a) Even though a monthly abstract statement of deposits prepared in form General 71 should be furnished to the Auditor General before end of the following month, action had not been taken accordingly.
- (b) A sum of Rs 2,112,600 granted by the Additional Secretary to the President to purchase hand loom machines on 25 March 2013 had been retained in the Deposit Account without being executed the respective activity.

## **7.6 Reconciliation Statement of the Advances to Public Officers Account**

---

The following deficiencies were observed during the course of audit test checks of the Reconciliation Statement as at 31 December 2014 relating to the Advances to Public Officers Account, Item No. 30301.

- (a) Even though the balances as at that date amounting to Rs 117,586 had remained outstanding for a period ranging from 01 year to 11 years according to the Reconciliation Statement presented to audit the follow-up actions on the recovery of those outstanding our standing balances had been at a weak level.
- (b) As an officer who obtained a property loan to purchase a land had died in the year 2002, her Loan balance amounting to Rs 108,465 remained out standing for over of 12 years. The Department of Public Finance had informed that, an investigation should be conducted relating to the loan such as non-registration of the Power of Attorney, issuing the loan without taking title deed to the custody of the Department and the outstanding loan balance should be recovered from the responsible officers concerned as the responsible officers were retired the Department had referred a letter to the Attorney General requesting instructions to recover the above loan on 01 July 2014. Nevertheless, the above loan could not be recovered even by the end of the year under review.
- (c) There was a difference Rs 195,525 between the total of the Summary of Individual List of Balances and the Control Account in the Reconciliation Statement.
- (d) The loan balances recoverable from 6 retired officers amounted to Rs 365,517.

## **7.7 Good Governance and Accountability**

---

### **7.7.1 Annual Action Plan**

---

The Department had not prepared the Annual Action Plan in terms of the Public Finance Circular No.01/2014 dated 17 February 2014.



### 7.7.2 Internal Audit

---

As an internal audit unit had not been established in the Department, an internal audit had not been carried out for the year under review.

### 7.7.3 Assets Management

---

The following deficiencies were observed during the course of audit test checks of the assets of the Department.

(a) **Idle and Under - utilized Assets**

It was observed during the course of audit test checks that the assets shown below had been either idle or underutilized.

- (i) Even though it was planned to provide New Lecture Hall of the Katubedda Complex on rental basis to conduct training courses of other institutions lecture hall had not been deployed for that purpose in the year under review.
- (ii) The textile industry schools of Hiramadagama and Shanthipura situated in Kahawatta and Nuwaraeliya respectively, had been in non-operative position even in the year under review.
- (iii) A vehicle belonging to the Department had been idle and parked in the Katubedda Complex since the year 2013.

(b) **Irregular use of Assets belonging to other Institutions**

Even though a vehicle registered on the name of the Ministry of Finance had been received by the Department on 05 August 2010, action had not been taken to vesting the vehicle on the name of the Department even by 10 August 2015.

### 7.8 Unsettled Liabilities

---

The unsettled liabilities of the Department less than one year old as at 31 December 2014 amounted to Rs 645,483. The following observations are made on this connection.

- (i) The liabilities incurred had exceeded the savings after the utilization of provisions made for the Object of local Travelling by a sum of Rs 47,246 contrary to the Financial Regulation 94.
- (ii) The Department had not updated the Register of Liabilities so as to make regular examination in terms of Financial Regulation 214.

### 7.9 Non-compliances

---

**Non-compliance with Laws, Rules and Regulations**

---

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

**Reference to Laws, Rules and Regulations**

**Non-compliance**

**(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

(i) Financial Regulation 1645(a)

Even though the vehicle Log Books should be maintained for each vehicle, Log Books relating to 02 Vehicles had not been furnished to audit.

(ii) Financial Regulation 1646

Even though the Daily Running Charts for each month should be furnished to the Auditor General before 15th day of the following month, action had not been taken accordingly in respect of 06 vehicles.

**(b) Public Administration Circulars**

Circular No. 41/90 of  
10 October 1990

Even though the fuel consumption on vehicles should be checked once in 06 months, the fuel consumption test relating to 03 vehicles had been done only once in a year.

**(c) Public Finance Circulars**

Paragraph 3 and 4 of the Circular  
No 402(1) dated 20 February 2004.

A report inclusive the details of the assets purchased after 01 January 2014, had not been furnished to the Department of Public Accounts half yearly with a copy to the Department of Public Finance.

**(d) Public Accounts Circulars**

Circular No. SA/AS/AA of  
12 July 2013

Even though the activities of the assessment of lands and buildings of the Department had been commenced in the year 2013, it had not been completed even by the end of the year under review.

**7.10 Performance**

The observations on the progress of the Department according to Annual Budget Estimate and the Action Plan for the year 2014 are given below.

(a) **Key Functions not Executed Adequately**

The key functions of the Department had not been executed adequately and several instances so revealed are given below.

(i) **Enrollment of Students for Training Schools of Textile Industry**

According to the Action Plan, for the one year Training Course of Textile Industry from 01 July 2013 to 31 July 2014 it was planned to enroll 150 students. One hundred and thirty five students only had been enrolled thereon whereas the students completed the course amounted to 114. Accordingly, only 84 per cent students out of the students enrolled had completed the course.

(ii) **Enrollment of Students for Design Training Schools**

A one year residential training course on design training is being conducted in Gatambe and Katubedda Design Training Schools to train designers. Even though it was expected to enroll 50 students at the rate of 25 students per each school for the academic year from 06 January 2014 to 05 January 2015, sixteen students only consisting of 11 and 05 students had been enrolled for two training schools of Getambe and Katubeddda respectively. This represented 32 per cent of the targeted number of students.

(b) **Planning**

According to the Action Plan, a provision of Rs 200,000 had been made to conduct a training work shop on Power loom Textile Industry under in-service training programme. That workshop could not be conducted due to the reasons such as failure to obtain physical resources, resource persons and non-adequacy of financial resources.

(c) **Activities Contrary to the Key Functions**

A sum of Rs 214,200 had been spent to publish a paper advertisement which extraneous to the objectives of the Department.

**7.11 Deficiencies in Operation of Bank Accounts**

-----  
Action in terms of Financial Regulation 396(d) had not been taken on cheques issued but not presented for payment valued at Rs 39,948,596 which exceeded 06 months.

**7.12 Irregular Transactions**

-----  
**Deviation from the Government Procurement Guidelines Procedure**

-----  
The following Observations are made in this connection

- (i) Even though it was planned to purchase furniture amounting to Rs 300,000 according to the Procurement Plan 2014, furniture amounting to Rs 1,359,729 had been purchased during the year.

- (ii) Even though it was planned to incur Rs 700, 000 to purchase equipment for textile schools according to the Procurement Plan 2014, this amount had been credited to the General Deposit Account on 29 June 2015 without obtaining the handloom machines even by June 2015 though the cheques amounting to Rs 2,054,900 had been written to purchase handloom machines for the textile industry project in the month of December 2014.

### 7.13 Management Weaknesses

-----

The following weaknesses were observed during the course of audit test checks.

(a) **Leased out Lands**

Power Loom Textile Enterprises belonging to the Department of Textile Industry and the lands, buildings and machinery thereon had been leased out by the Department on long term lease basis at Rs 47,460,000 to private enterprises.

The following observations are made in this connection.

- (i) Action in terms of the provisions of the Circular of the Presidential Secretarial No SEI/A/4/34 dated 21 July 1995 had not been taken in this regard.

- Even though the lease rent should be revised from time to time once in 5 years at revised amount not less than 150 per cent of the amount pre-determined in terms of the sub paragraph 8(a) of the above Circular, action had not been taken accordingly. However, the Director, Textile Industries had informed to audit that the lease rent will be increased from the year 2014 as a reply to the audit query issued in this regard in the previous year.
- Even though it was specified that the lease agreement will be cancelled automatically due to defaulting the payment of lease rental regularly in terms of the sub-paragraph 8(d), action had not been taken accordingly.
- The lease agreement should be regularly renewed by the lessor in terms of the paragraph 09 and the money should be collected without allowing to collection of arrears of rental. While a special unit under a staff officer to execute the under mentioned activities had not been established which should be established by every Government institution which had been given lands to private parties under lease rental.
  - Maintaining updated Registers relating the lands leased out in terms of the sub paragraph 9(a)
  - Renewal of lease agreements in due periods in terms of the sub paragraph 9(d) and the follow up action on collection of lease rentals regularly.
  - Supervision and observations on compliance with the clauses and the conditions of the agreement by the lessee and take legal actions to obtain the ownership of the property in an instance of

breaking the Clauses and Sections of the agreement in terms of the sub paragraph 9(c).

- (ii) Even though the lands and buildings of the Departments under every Ministry should be assessed by the Chief Valuer of the Government in terms of the letter of the Department of Public Finance No PFD/ASD/04/02 dated 29 June 2012, action had not been taken accordingly.

**(b) Lewella Power loom Industry**

The following observations are made in this connection.

**(i) Textile Factory of Bibila and Passara belonging to Bandarawela Power loom Textile Industry**

-----  
Action had not been taken in terms of the agreement entered in to between the parties relating to the selling of the properties of the Bandarawela Power loom Institute belonging to the Department of Textile Industries. The arrears of Rs.845, 268 should be paid within 3 years from the date of the court decision given on 23 June 2001 relating to a case filed in the Colombo District Courts in this connection, the management had not taken timely action to recover that amount.

**(ii) Textile Finishing Institute, Bibila**

-----  
The above Institution had been rented out to a private company to an annual rental of Rs 150,000, on 99 years lease rental basis on 01 January 1996. As the non-payment of lease rental in terms of the agreement and land and buildings had not been deployed for the expected activities, the agreement was cancelled and they were taken over by the Department of Textile Industry on 04 August 2011 and handed over to the Divisional Secretary, Medagama. The recoverable amount of Rs 1,681,250 from the year 2010 had not been recovered.

**(iii) Power loom Textile Factory, Hingurakkgodra**

-----  
An agreement had been signed with the Department for the above Textile Factory on 21 January 1993 subject to a lease rental amounting to Rs.108,000 per year. The lease rental had been defaulted by the lessee and as such the land and buildings had been handover to the Divisional Secretary, Hingurakkgodra on 12 February 2001. Even though the Department had informed to the Attorney General on 18 November 2013 to recover the arrears of rental amounting to Rs 259,600 recoverable to the Government up to the date, the arrears of rental had not been recovered even by 31 December 2014.

**(iv) Power loom Textile Factory , Kuruvita**  
-----

According to the decision of the case filed to recover the arrears of rental from the institution who had been the lessee of the above power loom textile factory, it was agreed to pay Rs 225,846 as spare parts and the penalty interest. But the respective party had defaulted that payment. Even though action had been taken to obtain advice of the Attorney General to recover the arrears on 06 November 2013, the respective arrears of money had not been recovered even by 31 December 2014.

**(v) Power loom Textile Factory , Yatinuwara**  
-----

As an unauthorized person had occupied a part of the land, the independent peaceful possession of the land could not be handed over to the lessee.

**(vi) Power loom Textile Factory , Thalathuoya**  
-----

The above textile factory had been leased out by the lessee to another private institution at an annual rental of Rs 148,000 on 01 December 2000. The respective lease rental had not been paid by the private institution in terms of that agreement. According to the letter of the Divisional Secretary Thalathuoya, dated 29 January 2014 in connection with that it was informed that the building could not be leased out to another institution as the prior lease agreement of the prior institution had not been cancelled and that institution had abandoned the business of this building and another institution had maintained a business of drying pepper by using machinery in this place. However the recoverable lease rental of Rs. 1,924,000 could not be recovered by leasing out these properties with solving the problems.

**(vii) Power loom Textile Factory, Udunuwara**  
-----

This place had been leased out to a person at an annual rental of Rs. 216,000 on 30 years lease basis from 01 February 2000. The persons who had taken the building on rent had not maintained the business in that place. The lease rental amounting to Rs 2,808,000 could not be recovered even by 31 December 2014.

**(viii) Power Loom Project, Kaluthara**  
-----

A sum of Rs 1,991,962 should be recovered for the spare parts of the Kaluthara Power loom Project which sold to a state owned company. A court case had been instituted against the company to recover the arrears of money and came to a decision on 22 April 1991. The Attorney General had informed that the recovery period of above arrears of rent had elapsed already, and there was no legal provision to recover the arrears of money.

(c) **Payment of Compensation**

The payment of compensation under 2 stages to the employees who deprived the employment and the service period less than 10 years of the power loom factories which sold to private sector should be completed as at 31 December 2014. It was revealed that the compensation of Rs 6,592,000 should be paid further to 149 employees identified by July 2015 as the employees who had died as at the date that compensation paid, the employee not applied for the compensation and not furnished the required documents.

**7.14 Human Resources Management**

-----

(a) **Approved Cadre and Actual Cadre**

The position of the cadre as at 31 December 2014 had been as follows.

<b>Category of Employees</b>	<b>Approved Cadre</b>	<b>Actual Cadre</b>	<b>Number of Vacancies</b>	<b>Excess Cadre</b>
-----	-----	-----	-----	-----
(i) Senior Level	05	04	01	-
(ii) Tertiary Level	01	-	01	-
(iii) Secondary Level	109	93	16	-
(iv) Primary Level	42	25	17	-
(v) Others (Casual/Temporary/ Contract Basis)	-	10	-	10
	-----	-----	-----	-----
Total	157	132	35	10
	=====	=====	=====	=====

(b) **Irregular Release of Human Recourses to other parties**

The Department had released an Assistant Development Officer to the District Secretariat, Galle from the year 2013.