

Head 306 - Department of Sri Lanka Railways

1. Financial Statements

1.1 Qualified Audit Opinion

The audit of the financial statement of the Department of Sri Lanka Railways for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019, the statement of financial performance and 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 of the National Audit Act, No. 19 of 2018. In terms of Sub-section 11(1) of the National Audit Act, No. 19 of 2018, the summary report including my comments and observations on the financial statements of the Department of Sri Lanka Railways was issued to the Accounting Officer on 21 August 2020, In terms of Section 11(2) of the National Audit Act, the Annual Detailed Management Audit Report relating to the Department was issued on 29 May 2019 to the Accounting Officer. This report which should be read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka is submitted to Parliament in terms of Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements prepared in accordance with the provisions of State Accounts Circular No. 271/2019 dated 03 December 2019 give a true and fair view of the financial position of the Department of Sri Lanka Railways as at 31 December 2019, and of its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control exists in Department and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities 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 observation an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

I express the following matters in accordance with Section 6 (i) (d) and 38 of National Audit Act, No. 19 of 2018.

- (a) whether the financial statements are in line with the previous year;
- (b) I had implemented the recommendations I had made regarding the financial statements for the previous year.

1.6 Comments on financial statements.

1.6.1 Statement of Financial Performance

Audit Issue

Recommendation

Comments of the Accounting Officer

According to the financial statements submitted, the revenue collected during the year under review was Rs. 7,003,591,048 but according to the monthly account summary, that amount is Rs. 6,975,667,205 and no action had been taken to compare the difference of Rs.27,923,843.

If the numbers in the accounts does not match with the accompanying documents, the reasons for the difference should be investigated and reported.

Occurred on accounting errors.

1.6.2 Statement of Financial Status

The following observations are made.

Audit Observation	Recommendations	Comments by the Accounting Officer
(a) According to the Non-Financial Assets Navigation Report of the Department of Railways as at 31st December 2019, Rs. 15,338,622,687 worth of assets were reported to have been purchased, but according to Treasury computer prints, the value was Rs.4,868,024,578. Accordingly there was a difference amounted to Rs.10,470,598,109	The causes of the changes for the differences should be investigated and rectified.	This difference has been resolved.
(b) The value of land owned by the Railway Department had not been disclosed in the financial statements.	Arrangements should be made to account for all assets.	The Valuation Department has been informed to assess the land. The Comptroller General has been informed of the value of several buildings currently estimated. (at 03 railway stations)
(c) The total weight of the discarded rails of various types and sizes in 19 offices of permanent way inspector was 3,502,674 kg and they were sold at a price of Rs. 50 and the income that could have been earned by selling on the basis of Rs. 175,133,700 It is also observed that the remaining 26 permanent way inspector may have more scrap metal.	Steps should be taken to dispose of discarded items in a proper manner.	Disposal rails should be handed over to the Department of Wildlife as per the instructions of the Cabinet Circular No. 10/2020/1661/314/005 dated November 10, 2020.

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| <p>(d) At the beginning of the year 2019, according to the department books, the initial balance of the advance control account of public officers was Rs. 1,515,528,889 and it was Rs. 1,519,706,694. According to the treasury print outs there was a difference between departmental books and treasury books Rs. 4,177,805 and the balance, which has been in place since 2004, has yet to be resolved.</p> | <p>Action should be taken to settle the balance.</p> | <p>That steps will be taken to negotiate and settle with the Treasury.</p> |
| <p>(e) There was a difference between the Control Accounts Balance of Public Officers and the sum of the Single Balance Classification Summary amounted to Rs. 1,470,717 and no action had been taken to settle this difference.</p> | <p>The reasons for the change must be found and resolved</p> | <p>The money due was received from the Director of Pensions and credited to the control account but there was not enough information to right off those balances.</p> |
| <p>(f) Medawachchiya - Madhu Railway Construction Project Track value has been accounted as Rs.10,077,821,527 and according to the financial statements, the value was Rs. 11,441,402,866. Accordingly, the value of the railway line amounted to Rs. 1,363,581,339 were under stated.</p> | <p>Management should take steps to accurately record the relevant values in the accounts.</p> | <p>It is advised to make sure that such errors do not happen in the future.</p> |

1.6.3 Cash Flow Statement

Audit Issue -----	Recommendation -----	Comments by the Accounting Officer -----
Receivables and payments of Public Officers' Advance "B" Account, compared to the Cash Flow Statement for the year under review, were Rs. 55,251,046 and a difference of Rs.1,173,954 was observed.	Such reasons indicate that there are deficiencies in the accounts. Steps must be taken to compare differences.	We will ensure that such errors do not occur in the year 2020.

1.6.4 Store Advance Account.

The following observations are made.

Audit Issue -----	Recommendation -----	Comments by the Accounting Officer -----
(a) Purchased under the stores batch categories by the Department amounted to Rs. 403,516,467 and were over-estimated in the previous year. This balance, which has been in place since before 2013 has not been settled so far and the amount due to the Treasury has been reduced owing to this overestimation.	Action should be taken to identify unresolved balances.	The change in the opening balance of the account for the year 2018 is Rs. 394,680,245 This is due to the underestimation of stock is further stated that this has now been rectified.
(b) Demerges paid to the Shipping Corporation and Sri Lanka port Authority amounted to Rs. 8,758,560 and Rs.2,799,922 respectively and amounted to Rs.11,937,392 bank fees also have been added to the receipt of wholesale value of foreign purchase caused to overstate the value of receipts .	Proper accounting should be done as adding such expenses to the stock value will unnecessarily increase the value of the stock.	That action will be taken to release him from the port without further delay.

<p>(c) Even though the goods have been received from the suppliers in respect of letters of credit and Storage Advance Account Rs. 205,421,768 were listed as debtors due to reasons such as non-issuance of fitness certificates and non-receipt of ineligible goods as well as non-availability of funds from the votes of sub departments.</p>	<p>Take action to keep files up to date and settle advances.</p>	<p>That the files will be kept as up to date as possible.</p>
<p>(d) The goods imported under Indent No. SRS RDM 3385/15 received by Ratmalana Warehousing Division on 20th June 2018 amounted to Rs. 50,289,517 and several items out of them which have been identified as spare parts for the Train fleet were found as not received even though the relevant supplier was informed this matter on November 14, 2018, the full value has been shown as indebtedness for non-importation of goods in arrears at the audit date of October 20, 2019.</p>	<p>Necessary steps should be taken to expedite the supply of less supplied goods and to settle the debtor balance.</p>	<p>Suppliers have been notified to procure the relevant spare parts and fitness certificates have been issued subject to reduced cost for the less supplied parts.</p>

1.6.5 Exceed the Limits.

Audit Issue -----	Recommendation -----	Comments by the Accounting Officer -----
<p>Debit Balance Limit of Store Advance Account No. 30602 for the year under review was exceeded by Rs. 152,833,037.</p>	<p>Steps should be taken to amend the relevant limits or to act within the limits</p>	<p>Although the maximum expenditure and minimum receipts have been revised during the year, the maximum debit balance limit could not be revised accordingly.</p>

1.6.6 Non-authorized operating losses.

Audit Issue

In the Stores Advance Account, there was a working loss of Rs. 13 Million, but actions have not been taken to settle this amount up to now

Recommendation

Arrangements should be made to make provisions from the Treasury to cover the relevant operating losses as per the Financial Regulations.

Comments by the Accounting Officer

This is a loss incurred in relation to tenders during the period year 1991-1993 and no information can be found as it is very old.

1.6.7 Maintain a books and records

Sample audits revealed that the following documents were not maintained by the Sri Lanka Railway Department and some documents were not maintained in a proper and up-to-date manner.

Audit Observation

Recommendation

Comments by Accounting Officer

(a) **Fixed Assets Register**

A Fixed Asset Register for the asset worth of Rs.112,177,386 such as buildings, motor vehicles and office equipment under the north Railway Signal and Telecommunication Project had not been maintained.

Should follow the Treasury Circular no 842 dated 19 December 1978 and Financial Regulation no. 502(2)

A Fixed Asset Register has not been maintained.

(b) **Register of Damages**

The Damage Register had not been updated in accordance with Financial Regulation no 110.

In accordance with the provisions of Financial Regulations 110, a Record of Damages shall be maintained and kept in accordance with the format under which it is maintained.

That will be kept up to date.

(c) **Register of Liabilities**

The list of liabilities had not been updated in accordance with Financial Regulation no 214.

Liabilities should be recorded in a liability register so that liabilities can be checked regularly in accordance with Financial Regulation no 214.

That a list of liabilities is maintained.

(d) **Register of loans and advances**

The CC-10 register had not been kept up to date as per paragraph no 05 of State Accounts Circular No. 256/2017 dated 05 July 2017.

The register should be maintained so that the outstanding loan balances can be easily maintained.

That the officers in charge of the subject have been informed to maintain the Credit Register correctly.

1.6.8 Non-compliance with rules, regulations and regulations.

The following are the instances of non-compliance with the provisions of Laws , Rules Regulations observed during the sample audit.

	Observation	Recommendation	Comments by According Officer
	Reference to laws, rules and regulations	Non Compliance	
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(a)	Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i)	FR 396	There were 15 checks worth Rs. 311,917 not paid for 06 months to 15 months in respect of 03 bank accounts.	Must comply with Financial Regulations have been amended in the year 2020 in respect of checks which have not been paid for more than 06 months.

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| (ii) FR 383 | Directory credited Rs. 2,852,344 to the department bank account no 176-1-001-2-90727313 had not been identified. | Action should be taken to identify direct credits and revise the cash book. | Identified and reported. |
| (iii) FR 570 & 571 | Rs. 34,499,383 had not been credited to the deposit income which is exceeding 02 years. | In this regard, action should be taken to take them to the revenue. | Steps have been taken to credit deposits exceeding 02 years to income. |
| (b) Paragraph no. viii in the Establishments Code of the Democratic Socialist Republic of Sri Lanka | Overtime is generally calculated based on the number of hours worked in excess of the average working hours of each day. But when working hours are set on a weekly basis, overtime should be calculated based on the number of hours worked in excess of the allotted number of hours per week. However, the Train Guards had taken overtime pay, including the normal working hours, even though they were required to receive overtime pay only for those who worked more than 42 hours a week for 7 hours a day. | Must act in accordance with paragraph VIII of the Establishments Code. | That departmental actions has been taken on many occasions to control overtime. |
| (c) Paragraph 02 and Paragraph 05 of the Public Finance Circular No. 02/2015 dated 10 th July 2015 | The department had identified 46 vehicles to be disposed of and an Assessment Board for this purpose had been appointed to assess the vehicles by the end of | According to the Public Finance Circular, activities of disposement of vehicles should be done within the relevant period. | A Technical Evaluation Committee has been appointed to prepare the procurement documents required for the auction and |

August 2019. According to paragraph 2 (a) of the Ministry of finance and Mass Media Circular No 01/2018 dated 19 March 2018, vehicles that are to be disposed before 30th June 2018, but no action had been taken accordingly.

sale of these vehicles. Auctions will be held in the future.

- (d) Paragraph 2 (ii) of Public Administration Circular No. 03/2018 dated 20th February 2018
- Retired government officials can be re-employed for a maximum of 12 months, but retired officers have been employed for a longer period.
- Action should be taken to recruit new officers to fill the vacancies
- That this is the shortest alternative method that can be used to maintain the service.
- (e) other circulars
- (i) Clause No. 105 of No. 08 State Land Circular in the year 1947 which is read along with the Land regulation published in the Gasset notification No. 9912 dated 15 October 1948
- A Land Extent of 25.5 perches located on D. R. Wijewardana Mawatha owned by the Railway Department was leased to a private party by the Urban development Authority without the authority of the General Manager of Railways.
- Leasing out of lands owned by the Railway Department should be done only on the authority of the General Manager of Railways.
- That lands have been acquired by the Urban Development Authority without the consent of the General Manager of Railways.
- (ii) Paragraph 3.14 of the General Regulations of the Railway Department
- Although the station master should have made immediate and correct checks on the tickets at the ticket counters, it was not observed in the Ticket stock books that such was done.
- The Railway Department shall act in accordance with paragraph 3.14 of the General Regulations.
- That station master have been instructed.

(iii) Paragraph 3.7 of the General Regulations of the Railway Department

Parcels not received by the owners should have been sent to the head office but this was never done at the Medawachchiya railway station.

The Parcels which is not received the owners should take action to send the unclaimed parcel to the head office.

The owners have instructed the relevant departments to take action so as to that there is no problem with the parcels not received.

2. Financial Review.

2.1 Revenue Management.

Following observations are made

Audit Issue	Recommendation	Comments by the Accounting Officer
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(a) In the year 2015, a sum of Rs. 900,000 have been spent to develop software to computerize the tax files maintain regarding tax revenue and to streamline the tax collection system. But the department had so far failed to accomplish that task.	Steps should be taken to utilize computer technology to make tax collection more efficient.	Relevant divisions have been informed to take action to recover Rs. 900,000 paid in the year 2015.
(b) Leasing out of lands to the Ceylon Petroleum Corporation amounted to Rs. 36 million was due but it was not accounted for as receivables. At the same time the Department of Railways has to pay Rs. 199.9 million to the Ceylon Petroleum Corporation for the supply of Petroleum as at 31 December 2019, but the department had not considered to recover the money over the receivables.	Steps should be taken to recover the arrears expeditiously.	That this money has been recovered by November 30, 2020.

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| <p>(c) According to the agreement entered into with a private company to operate an intercity express train service, the amount mentioned in the bill has to be paid within 07 days from the date of billing, but the outstanding amount for the bill from June to December 2019 is Rs. 2,221,010.</p> | <p>The department should take action to recover the money as per the agreement.</p> | <p>Relevant departments have been instructed to recover the money as per the agreement.</p> |
| <p>(d) The restaurant at the Gampaha Railway Station has been idle for about 1 and half year period without any lease. By leasing this restaurant in the year 2016, an income of Rs. 811,800 have been earned.</p> | <p>Leasing should be done following the relevant rules and procurement procedures.</p> | <p>The lessee had closed the restaurant due to reduce the passenger traffic.</p> |
| <p>(e) Tickets for Kandy to Matale and Kandy to Nawalapitiya will be issued by the Railway Guards for passengers boarding the Railway Car at the places not located Railway Stations. It was observed that tickets printed on paper would be issued differently to the tickets used by the department for this purpose. Even though , the railway earns an income around Rs. 150,000 the department did not pay attention to the possible losses and risks.</p> | <p>Reservations must be made in a systematic manner.</p> | <p>The future e-Ticketing system will correct this error.</p> |
| <p>(f) <u>Leasing of lands</u></p> | | |
| <p>(i) Although the General Manager of Railways has the powers related to lands under the Land Regulations 1948 published in the Gazette Notification No. 9012 dated 15th October</p> | <p>Provisions should be provided that as to the power vested by ordinance so that no one else can exercise them.</p> | <p>At present only the General Manager of Railways has the power to deal with this matter.</p> |

1948; Subsequently, regulations were issued adding the name of Land Officer of the Railway Department instead the General Manager of Railway. But those powers were delegated to the Commercial Superintendent.

(ii) A list of lands owned by the Railway Department had not been maintained during the last period and the extent of the lands owned by the Railway Department has not been revealed as a result of not conducting a census of those lands and boundaries of those lands and the value of the identified lands had not been assessed.

- The details of the arrears of income from the aforesaid leased lands are given below during a sample audit of 12 land files conducted in connection with the lease of lands.

- Arrears of income for 10 leased lands had not been calculated after 2017 and the arrears amounted to Rs. 136,485,202. The following is a chronological analysis of this long-standing arrears.

A database of lands owned by the department should be prepared and maintained.

Re-establishment of an archive in the Land Leasing Division and in addition a database of lands is being prepared.

Attention should be paid to recovering arrears.

A mechanism for recovery of arrears income has been prepared and instructed to relevant divisions for expedite this process.

More than 5 years	More than 10 years	More than 20 years	More than 25 years	More than 30 years
23,430,450	9,030,585	-	74,274,658	29,749,510

	- Lease agreements were not included in the tax files and no action was taken to renew the lease agreement at least once in 05 years.	Action should be taken to keep the tax files up to date.	do
	- Lands owned by the Railway Department were acquired by other parties and revenue earning opportunities were observed.	Legal action should be taken for this.	Legal actions have already been taken. Relevant divisions have been instructed to expedite this.
(g)	The Railway Department had lost lease revenue due to breach of contract terms, sub-leasing, non-compliance with the original purpose and non-revision of lease rents in respect of land leases.	Action should be taken to avoid this situation by expeditious use of computer software related to land leasing.	Relevant divisions have been instructed to look into breaches of contract, sub-leases etc.
(h)	According to the letter of the Director of the Urban Development Authority No. 10/8/387 dated September 10, 1998, the land was leased under a lease agreement LA 34817 and the lease agreement was not in the possession of the department.	Care should be taken to keep all documents safe.	The lack of an Record Room has led to this situation. But this situation will be avoided as an archive will be established in the future.

<p>(i) As at 31 December 2019, the total arrears of the Department was Rs. 1,707,694,480. The following observations are made in this regard.</p>		
<p>(i) In the year under review, Rs. 1,052,847,205 out of which 45% of the license revenue had been in excess of 05 years.</p>	<p>Action should be taken to recover the arrears expeditiously.</p>	<p>Out of Rs. 47,445,141 over 05 years only Rs. 7,144,037 has been recovered as at June 30, 2020 and action will be taken to recover the balance expeditiously.</p>
<p>(ii) An amount of Rs. 84,430,855 was outstanding owing to the transport of goods by train from 31 number of institutions by the end of the year under review. Out of an amount of Rs.20,514,436 due from 17 number of institutions and they have been closed down.</p>	<p>Do</p>	<p>Out of this amount Rs. 37,949,865 as on June 30, 2020. Recovering that money has become a problem due to some institutions have been currently closed.</p>
<p>(iii) Rs. 18,237,958 was due and out of which Rs. 11,924,341 as arrears of passenger revenue from the railway stations as at the end of 31 December 2019 and Rs. 5,422,538 arrears as parcel revenue and various arrears were amounted to Rs. 891,079.</p>	<p>Do</p>	<p>That will be gradually settled in the future.</p>

2.2 Expenditure Management.

Following observations are made.

Audit Issue	Recommendation	Comments by the Accounting Officer
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(a) Rs. 1,781,866, under the vote no. 306-2-1-1404 or 38 per cent of the net provision, was cited as a reason for the failure of local authorities to submit assessment bills on time, which was unacceptable.	Paying attention to the fact that the assessment bills for the next year will be submitted by the local authorities in December next year.	Action will be taken to pay the 2020 arrears assessment on the allocations received.
(b) 76 per cent of the net allocation for the purchase of machinery and equipment under vote no. 306-2-2-2002 money amounted Rs. 1,215,222 had been saved but no valid reasons had been given.	Reasonable reasons should be given when giving reasons for savings.	That provisions are left over due to difficulty in finding suppliers and acted as thrifty manner.
(c) Although out of 15 per cent of the capital provisions under the vote no.of 306-2-4-2104 (46) and 306-2-2104 (47) were required to be saved, but the estimated allocation for these expenditure items were Rs. 300,000,000 and Rs.200,000,000 respectively but the entire provision have been withheld.	While it has been decided to block 15 per cent, the reasons for blocking more than that should be explained.	This expenditure was blocked due to the activities under this vote are not processed.

2.3 Advance Account of Public Officers

The following observations are made.

Audit Issue -----	Recommendation -----	Comments by the Accounting Officer -----
The loan balance to be recovered from the officers who are not currently in service is Rs. 85,000,523. Following are the audit observations made in this regard;		
(a) According to the age analysis of the loan, out of the total value of Rs.36,624,501 and 43 percent are the loan balances more than 5 years and adequate action had not been taken to recover them.	Steps should be taken to recover the arrears.	Accountants have been instructed to deal with settle able balances.
(b) The balance to be further settled from an officer who has left the departmental service is Rs. 71,431.	Do	That steps are being taken to recover the debt.
(c) Debt balance due as on 31st December 2019 from the officers who are not in service of the department and have obtained property loans amounted to Rs. 5,924,027.	Do	That legal action is being taken.

2.4 Entered into Commitments and Liabilities.

Audit Issue

There was a difference of Rs.302,198,949 between the combined statement of SS.92 issued by the Treasury and statement of liabilities in the financial statement.

Recommendation

If the number of accounts does not match the accompanying documents, the reasons for the difference should be investigated and reported.

Comments by the Accounting Officer

Failure to submit liabilities and obligations through the Sigas Computer Program

3. Operational review

3.1 Vision and Mission.

Audit Issue

Although it is the mission of the Department to provide a safe, reliable, timely, economical and efficient train transport service for passenger and freight transport, Train accidents, injuries, deaths and deaths of wild elephants were reported at 1385, 369, 215 and 7 respectively. Furthermore there were 2254 number of freight train cancellations and 9718 passenger train cancellations.

Recommendation

Efforts should be made to maintain a high level of performance so that the vision and mission can be achieved.

Comment by the Accounting Officer

Reasons to the accidents included that; weak track, weak line, weak signal system, bad weather, etc. These matters have to be dealt with on the provisions given by the Treasury every year and as the manpower has not been duly received by the Railway Department, so that the department could not able to achieve its targets.

3.2 Planning.

Audit Issue	Recommendation	Comments by Accounting Officer
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(a) Under the item no 4.3.1 of the Action Plan, it has been reported that works are in progress at 125 railway stations, building and construction works. The total of work being completed and the working progress according to the progress reports of the Way and Works Department, and the total of works are 33. Accordingly, the progress made by the Planning Division could not be satisfied in the audit.	Management must take steps to provide accurate information for decision making.	That work to record accurate information.
(b) Occasions were observed where accurate data were not included in the action plan.	do	Those shortcomings will be avoided in the future.

3.3 Failure to obtain the desired output level.

Audit Issue	Recommendation	Comment by the Accounting Officer
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The following conclusions were reached when physically evaluating the production based on the current capacity of the machines at the Ambepussa quarry and the amount of fuel and machinery used per hour.		

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| <p>(a) During the crushing of 21 cubes of stone used as inputs, a total of 16 cubes of 1 and half inch and one cube of ¾ inches and 04 cubes of stone powder totaling 21 cubes were obtained as products. Thus the product combined ratio is 16: 1: 4. When adjusting the production volumes for the year 2018 to the physical production ratio, a surplus of 94.5 cubic meters was observed and a shortfall of 94.5 cubic meters was observed. The audit could not be satisfied with this.</p> | <p>Steps should be taken to increase the production capacity of the quarry.</p> | <p>Relevant divisions have been informed to take necessary steps to increase the required capacity.</p> |
| <p>(b) The crushing time using the stone cube 21 generator used as inputs was 02 hours 35 minutes including idle time and the amount of fuel required to produce a (one and half) 1 ½ inch stone cube was 3.31 liters. For 1,135 cubic of one and half inches of stones, fuel to be used to produce those in 2018 have been consumed 3,759 liters of fuel, which is 2,590 liters more than the 6,349 liters burned.</p> | <p>Efforts should be made to operate the quarry at maximum capacity while minimizing waste and pollution.</p> | <p>do</p> |
| <p>(c) The Geological Survey and Mines Bureau has issued a grade B excavation permit for this quarry to the extent that but there is no excavation engineer, so the maximum annual production is about 6,300 cubic meters of stone. As a Grade A mining license had been issued until 2015, there was no focus on obtaining that license again to increa the production to generate additional revenue.</p> | <p>Management must intervene to obtain a Grade A license.</p> | <p>Quotations have been submitted for the advice and services of excavation engineers and approval will be sought.</p> |

3.4 Failure to obtain the expected benefits (Outcome)

Audit Issue

Recommendation

Comment by the Accounting Officer

The Government of Japan has provided Rs. 564.20 million worth of Japanese products had been agreed to be delivered to the Department of Railways worth Rs.311.6 but those machineries have not been used up to 30th June 2020. At the same time Rs. 56,815,021 of local funds had also been spent for import of those machineries.

Action should be taken to obtain the expected benefits from the assistance.

That the equipment could not be used due to the corona epidemic.

3.5 Delays in project execution.

Audit Issue

Recommendation

Comments by Accounting Officer

The audit observed that there was a delay in the commencement of five projects worth of Rs. 121 million by the end of 2019 on the physical progress achieved and therefore there are problems with completion during the project period.

Steps must be taken to perform the relevant function as planned.

The delay is due to the shortage of manpower and cash available.

3.6 Projects which have been funded but have not made progress

Audit Issue

Recommendation

Comments by Accounting Officer

(a) Installation of water meters for the official quarters premises of the Mechanical Sub Department of Ratmalana at a cost of Rs. 15 million had been provided, but the

For water consumption in official quarters the department had spent nearly Rs. 25 million. Immediate action should

Although the Railway Department requested, no provision was made.

work had not been accomplished. Therefore, the water consumption of the premises had to be borne by the department.

be taken to prevent this situation

(b) Construction of a road for transporting Materials at a cost of Rs. 08 million had been allocated but the relevant work had not been completed.

Funds should be used for the purpose for which the railway service should be made efficient.

No answers.

(c) For the maintenance of Signal and Communication System on Northern Railway Line (Mahawa - Anuradhapura) USD \$ 136 million worth of foreign loans had been approved but had not been used for that purpose.

Funds should be used for the purpose for which the railway service should be made efficient.

The advance has been paid.

(d) For the purchase of machinery and equipment, bridges etc. required for the Permanent Way Inspection Office at a cost of Rs. 2,570 million had been allocated but the work had not been completed.

do

No answers

3.7 Performance.

The following observations are made.

Audit Issue	Recommendation	Comments by Accounting Officer
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(a) <u>Medawachchiya Permanent Road Inspection Office.</u>		
(i) As the speed limit has been imposed to cover 16.22 km out of the total distance of 35 km on the	Speed limits should be removed and trains should be made more efficient.	Necessary steps are being taken to rehabilitate the railway line from Mahawa to Vavuniya by the year 2020.

Northern Railway Line, the average travel time of a train in the Medawachchiya

Inspector Permanent Way area is 32.91 km per hour and the time taken by the train to cross that area at that speed is 01 hour and 06 minutes. If the speed limit was lifted and the train ran at 70 kilometers per hour and it would take 30 minutes to cross the area, thus saving 36 minutes.

Accordingly, the speed limit will be reduced and trains will be considered in the future.

(ii) Although the main reasons for imposing speed limits were identified as poor sleepers, weak rails and inadequate use of ballasts. But no shortage of ballasts was observed and the main factors affecting the efficiency of the railway service were not taken into consideration.

Weak spots have been identified and need to be addressed immediately.

Lack of funds for procurement of rails, concrete sleepers, granite and other maintenance materials and shortage of staff for road maintenance due to existing vacancies.

(iii) A deficiency of 34 cubes was observed while physically measuring of 60/65 mm ballasts stored in the Medawachchiya yard, and its financial value was Rs. 435,500.

The causes of the shortage should be investigated and acted upon in accordance with Financial regulations.

That action should be taken not to mix rock dust with ballast.

(b) It was observed that all the speed limits imposed in the Kandy Permanent Way Inspectors area are from 2008 onwards. It has been more than 10 years since the

Actions should be taken to remove the speed limit or take other measures.

Removing other speed limits while maintaining only the essential speed limits on limited provisions and limited funds.

speed limit was imposed in 2008 but no actions have been taken to remove the speed limit.

(c) According to the parcel distribution register, it has been recorded that existence of unreleased parcels but those parcels were not submitted for inspection.

Formal investigation should be conducted and remedies applied.

That to act in accordance with the Train Instructions Code regarding parcels not received.

3.8 Projects implemented with local funds.

Audit Issue

Recommendation

Comment by the Accounting Officer

According to the contract agreement for the construction of 200 Road Safety Systems were to be completed and handed over by January 27, 2017, but by December 31, 2019, number of 155 Road Safety Systems had been completed.

Steps should be taken to get this long-term project completed as soon as possible by the contractor.

The installation of security systems has been delayed due to the ongoing Covid 19 epidemic. Accordingly, payments have also been delayed.

3.9 Procurement.

Following are the audit observations made in this regard.

Audit Issue

Recommendation

Comments by the Accounting Officer

(a) **Purchase of S 13 Power Sets.**

(i) According to the engineering estimate submitted by the Railway Department for purchasing power sets,

Procurement guidelines and prior experience should be considered.

In preparing engineering estimates, the market value and the price is determined by taking into account the various technologies.

the shipping cost per unit is Rs. 1,166.70 million and the bid submitted by the bidder was Rs. 1,402.80 million. Accordingly, the value to be paid for one power set is more than the engineering estimate of Rs. 236.10 million.

Furthermore since there is no production of local power Sets or major components of those to perform the recommendation on 20 percent price variation.

(ii) The bid submitted by the Bidding Company was US \$ 63 million. That is Rs. 9,135 million. As the price is more than the engineering estimate of Rs. 7,317.60 million, the decision taken in the discussions with the Cabinet Negotiating Committee was Rs. 8,787 million. When compare with this , the revised price also more than the engineering estimate by Rs. 1,469.40 million.

Procurement guidelines should be followed.

When supply them on calling tenders, consider the conditions entered into by both parties and the agreement and the quality of the goods supply and recommend after examine the goods.

(iii) In order to expedite the purchase of power sets, one economical class compartment has been removed from the order and the price which was agreed finally was Rs. 8,417.25 million. That price also more than the engineering estimate value of Rs. 7,317.60 by Rs. 1,099.65 million. Under those

Transactions should be approached thriftily.

The price is determined considering the market average value and taking into account the technologies, as there is no production of local Power Sets or major components of them.

circumstances, one Economical Class Compartment has been lost.

(iv) The first power set should have been sent by the supplier within 14 months from the date of the advance payment and the date of commencement of the letter of credit or the date of conceptual planning and the other power sets should have been sent within 22 months. Also, a 0.5% of delay charge will be levied for each week following the 30-day delay. The delay charge due to non-delivery of Power Sets on time is Rs. 35,619,617 and had not been recovered.

Procurement guidelines should be followed.

The first power set is delivered within 14 months from the date the plan is approved and the final power set is delivered within 20 months from the date the plan was approved as it was cleared on December 23, 2019.

(b) According to Special Clause 8.1 of the Agreement signed by the Department on 16 March 2017 for the supply of Railway Sleepers, the supplier is subject to a warranty period of up to 02 years upon receipt of the relevant goods and performance bond is required to cover that warranty. During the two years and four months from 16 March 2017 to 31 July 2019 when the agreements were signed, only 1,950 number of sleepers were supplied.

Action should be taken to extend performance bond as per the special terms of the agreement.

In this connection, action will be taken to extend the warranty period on acceptance receipts for performance bonds, which are due to expire on 13 February 2020.

3.10 Asset Management.

The following observations are made.

Audit Issue	Recommendation	Comment by the Accounting Officer
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(a) It was observed that 06 vehicles parked in 18 factories were left unrepaired.	Action should be taken to repair or dispose of the vehicle.	That it would be costly to repair.
(b) Unauthorized constructions had been carried out on two plots of land from the railway reserve towards Maradana without the permission of the department.	The Department should pay attention on an unauthorized constructions and take action to resolve them.	No answers.
(c) Worth of Rs. 358,940,567 non-running Locomotives, Bogies and Wheels which are exceeded their effective life span had not been removed or disposed of from fixed assets.	Action should be taken to properly dispose of unused assets.	Do
(d) Although the Kadugannawa Railway Museum, which was established in 2014 to mark the 150th anniversary of the Sri Lanka Railways, has attracted a large number of local and foreign tourists, no steps have been taken to protect it and to increase revenue.	Since it is the responsibility of the Accounting Officer to protect public property, appropriate action should be taken.	The development of the Kadugannawa Museum has been stopped due to the need to establish a National Railway Museum as per the Cabinet decision dated 26th February 2018. However, the shortcomings of the museum have been rectified and steps have been taken to make it a popular and popular museum.

(e) Even though the Ambepussa Quarry had millions of rupees worth of machinery and vehicles but had not been properly secured.

Steps must be taken for the security

This machine had been brought to the site the day before for washing. But due to the dry weather in those days, it was difficult to do due to lack of water in the evening. That washed the machine in next morning and put in the garage.

(f) It is observed that 33 unauthorized occupants of the land belonging to the Ambepussa Quarry have affected the security of the assets.

Steps must be taken to prevent land misuse.

Relevant divisions have been informed about the eviction of unauthorized occupants.

3.11 Losses and damages.

The following observations are made.

Audit Issue	Recommendation	Comments by the Accounting Officer
(a) During the period from 1983 to 1987 no an effective action has been taken in the last 37 years regarding the damages of Rs.100,504,756 occurred due to the terrorist activities.	The Treasury should be informed of such damages and action should be taken to obtain the necessary provisions to right off them.	The Treasury should be informed about this and necessary action should be taken to cut it off.
(b) Due to the Tsunami incident the Transport Superintendent's Office (Colombo) lost Rs. 6,210,343 had not been properly dealt with in the last 15 years.	The Treasury should be informed of such damages and action should be taken to obtain the necessary provisions to cut them off.	Relevant divisions have been informed to take immediate action.

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(c) The number of financial damages reported from 20 September 1990 to 14 September 2019 in the Chief Mechanical Engineering Division of the Ratmalana Railway is 37 numbers and its value is Rs. 30,187,729. 23. Out of those 37 damages were due to theft and the value of them was Rs. 28,089,368. Although the Railway Security Service was deployed to secure the yard, the audit observed an increase in thefts.</p> | <p>Although the department has a separate security division, appropriate action should be taken as thefts at factories have not decreased.</p> | <p>Vacancies in security personnel are a major factor. The Chief Mechanical Engineer has recommended that other government security personnel be hired until these vacancies are filled.</p> |
| <p>(d) Although a committee has been appointed to investigate the burning and destruction of the 40 million worth of stone machine in 2015, the report has not been released yet. The remaining parts of the burning machine had not been properly disposed .</p> | <p>Must act in accordance with financial regulations.</p> | <p>No answers.</p> |

3.12 Non-economical transactions.

The following observations are made.

Audit Issue -----	Recommendation -----	Comment by Accounting Officer -----
<p>(a) Land use fee of Rs. 54,824,188 due from two persons had not been processed for recovery.</p>	<p>Action should be taken to recover land use charges as per the agreements reached.</p>	<p>Due to the large number of vacancies, immediate actions will be taken to recover from this situation.</p>
<p>(b) An amount of Rs. 22,298,512 had been spent for the recruitment of staff from outside to the Railway sub Department of Way and Works in the year 2019. Although</p>	<p>It is advisable to perform such tasks on a hire basis.</p>	<p>Due to the remained vacancies in the Railway Department, the maintenance works have been delayed and not in the required standard.</p>

unskilled employees were recruited for the vacancies and attached to the respective divisions and got the service it was observed in the physical inspection by the audit that those activities have not been got it done properly.

However, it is not practical to hire contractors for a period of 90 days and maximum maintenance will be done by the existing employees.

(c) It has been observed that the transportation of petroleum oil by rail has been very limited since about 03 and half years ago and also a Guard Compartment has been attached from Nawalapitiya to Hatton and from Hatton to Nawalapitiya even though empty oil tanks have not been attached or filled. The train had taken off on days when oil tanks did not have to be attached and the train had not been formally approved or authorized by a competent authority to take such action, and no action had been taken to prevent such unsustainable train runs. Except the dates of transported petroleum oil during the last three years, the Department of Railways has been incurred an expenditure of Rs.58,968,000.

The assets of the department should not be allowed to be misused.

This is due to the lack of accommodation for Train Drivers and Rail Guards at Hatton Railway Station. However, accommodation is currently available.

(d) Retired officers were recruited on contract basis to fill vacancies in various posts during the year under review. It was observed in the audit that the Department had to bear a heavy cost as salaries and allowances had to be paid based

That the cost of salaries can be reduced by taking steps to recruit new staff for vacant posts

Those recruitments are being made.

on the salaries received on the day of retirement and the salaries and allowances had to be paid 100 percent and more than 80 percent that of more than the new recruits to the vacant post.

(e) The annual requirement of Rubble of the Railway Department is around 40,600 Rubble cubes and according to the information provided in the audit and observed that the Department spends around Rs.81,552,633 for the purchase of 15,313 Rubble cubes from outside. It was observed that large quantities of 3/4" Rubbls and Rubble Powder required for the construction work carried out by the Building Inspectorate of the Department were procured from outside and the information was not submitted to the audit.

Action should be taken to make maximum use of the resources available to the department.

Relevant divisions have been informed to provide the required information without delay. Engineers have also been instructed to increase the efficiency and productivity of the Ambepussa quarry.

3.13 Management weaknesses.

The following observations are made.

Audit Issue	Recommendation	Comments by Accounting Officer
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(a) Although the Railway Department has spent on procurement to purchase a machine to carry out repairs to the Shock absorber in the Train Engine and Carriages machinery for 3 years period, the same machine has not been	Steps should be taken to make the railway service efficient by utilizing modern technology.	A new Technical Evaluation Committee (TEC) has been appointed for procurement.

purchased up to now so as those inspections are done manually.

(b) Imports under the Indent number of RLM 3507/14 in 2016 and the Item valued at Rs. 1,080,340 and the specifications of those items have not been matched with the departmental specification. It was observed that the validity of the bank guarantee given for the goods had also expired, but Railway Department has not acted as to reimburse of those money or to obtain suitable items for those items.

Action should be taken to extend the bank guarantee period and import suitable items.

A new Technical Evaluation Committee (TEC) has been appointed for procurement. That another indent to be paid to the supplier is being reimbursed in cash.

(c) Although numbers of 1,000 Brake Pad Assemblies worth of Rs. 4,644,739 were sent to Maligawatta FC & W Store on 21st December 2015, the Superintendent of Railway Stores had not taken action to obtain the relevant Receipt (GRN) by 31st December 2019.

Receipt of goods should be obtained from the relevant sub department as soon as the goods are issued.

Eligibility report has been obtained and notice of receipt of goods has been issued.

3.14 Informal transactions.

The following observations are made.

Audit Issue	Recommendation	Comment by Accounting Officer
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(a) Proceeds from Mount Mary Stadium and the Railway Club were used to offset the company's expenses without being credited to government revenue.	According to the Director General of Public Finance dated April 25, 2016, PED / RED / 07 / FR / Gen, all revenue of the Republic	Acting in accordance with the instructions given in the letter of the Director General of Public Finance.

should be credited to the Consolidated Fund and expenditure should be provided for in the Appropriation Act.

- (b) The construction had not been carried out in accordance with the building plan DRG NO - 22509 prepared by the District Engineer (Upper) on 26th September 2018 and an amendment plan with citing relevant amendments had not been prepared and approval had been obtained.

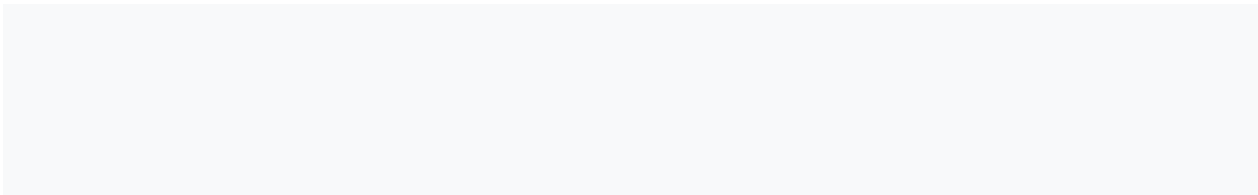
Construction should be done in accordance with the approved building plan and if there are any amendments, formal approval should be obtained for the same.

It has been advised to take action to prevent such a situation in the future.

- (c) Pursuant to Financial Regulation 213, the daily attendance of workers paid by check roll must be verified by an authorized officer and re-checked by a supervising officer. In addition, if there are workers working in various outdoor locations, their attendance should be accurately recorded and the locations where they are employed should also be named. However, as of September 01 to 09 of 2019, the building inspector's office has not approved the future programs of the supervisory officers of the employees who are getting salary through Check Rolls and there is no one to supervise the duties of these workers. The audit could not rule out the possibility of misuse of government funds.

According to Financial Regulation 213, the authorized officer must ensure that the daily attendance of workers paid by check roll is correct.

Relevant divisions have been informed to act in accordance with the instructions given by the auditor.



3.15 Fraudulent transactions.

Audit Issue	Recommendation	Comment by Accounting Officer
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<p>The Board is responsible for regulating the financial control of the Sri Lanka Railways Uniform Fund, which is made up of members' membership fees and membership deposits. However, during the audit conducted on January 27, 2020, The Chairman of the Fund had signed 44 blank checks (ie Nos. 134457 to 134500) in respect of the People's Bank Current Account No. 176100193280345 with a balance of Rs. 64 million. It was observed that there are more possibilities to occurring of financial irregularities.</p>	<p>Must act in accordance with the powers of Sections 6.1 and 07 of the Act with the governing authority to minimize financial irregularities.</p>	<p>The Institute was informed about the shortcomings pointed out in the audit and that the General Manager of Railways is not supervising as it is governed by Ordinance No. 50 of 1947 and an amended Constitution.</p>

4. Achieving the Sustainable Development Goals.

Audit Issue	Recommendation	Comments by Accounting Officer
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<p>While it is essential to have an accurate database to measure the correct performance of a task, the organization has not yet developed an accurate database to measure the achievement of the Sustainable Development Goals.</p>	<p>Steps need to be taken to set up an accurate database to identify the targets required to achieve the desired objectives.</p>	<p>There is currently no formal database in the Railway Department. But after the activation of the (ERP system) this situation changes.</p>

5. Good Governance.

5.1 Performing services to the public.

The following observations are made.

Audit Issue	Recommendation	Comment by Accounting Officer
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<p>(a) Tickets for air-conditioned trains currently operating on the Kandyan line connected to the Kandy railway station should be booked one month in advance. About 95 Percent of the seats are reserved on the opening day and all bookings are completed within two to three days of weekday travel. Thus, it was observed that a large number of passengers who wish to travel in reserved seats would lose that opportunity due to the lack of adequate reserved seats and the absence of extra trains.</p>	<p>Reservations must be made in a systematic manner.</p>	<p>In the future, the public will be able to book seats online through the desired e-Ticketing system.</p>
<p>(b) It was observed that the parcel was not inspected by the security forces and it was observed that it also affects the safety of the train passengers.</p>	<p>Parcels received must be inspected by the Security Division.</p>	<p>Prior to accepting all the expected parcels, the relevant sender will check in the presence of the Station Master and accept only if he is satisfied.</p>

6. Human Resource Management.

Staff information as on 31st December 2019 is given below.

Employee type	Approved Number	Actual Number	Vacancies Number
Senior level	212	127	85
Tertiary level	451	125	326
Secondary level	11,273	5,814	5,459
Primary level	8,601	6,038	2,563
Casual / Contract	-	-	-
Total	20,53	12,104	8,433

The following observations are made in this regard.

Audit Issue	Recommendation	Comments by Accounting Officer
(a) The performance of the officers is expected to be enhanced by signing a performance agreement in addition to the performance appraisal papers of the public sector officers as per paragraph 01 of Public Administration Circular 02/2018 dated 28th January 2018 of the Ministry of Public Administration and Management. Accordingly, although it was mandatory to sign the agreement from the year 2018, no such agreement had been prepared regarding the performance of the officers of the department. According to paragraph 05 of the same circular, a human resource development plan should be prepared with effect from that date and should	Should act in accordance with paragraph 01 of Public Administration Circular No. 02/2018 dated 28th January 2018 of the Ministry of Public Administration and Management	It is advised to look into the possibility of complying with the circular and report.

be updated at least once in two years. The department had not prepared such a plan.

(b) The procedures for recruitment of Public Officers of the Public Service Commission for 11 posts in the Department have not been prepared and the approval of the Public Service Commission has been obtained in accordance with Section 35 of Chapter IV of the Code of Conduct.

The procedures for recruitment of public officers of the Public Service Commission should be prepared and the approval of the Public Service Commission should be obtained in accordance with Section 35 of Chapter IV of the Code of Conduct.

5 posts have been submitted for approval and the remaining posts are being submitted for approval.

(c) According to the staff data submitted for audit by the Railway Department, the number of vacancies in senior level posts as on 31st December of the year under review was 185 which was 40 percent of the approved number of posts. It was observed that this situation could affect the optimum performance of the department.

Vacancies for essential posts should be filled as soon as possible.

That there are no qualified officers to be permanently appointed to these posts and that they have been appointed for cover duties.

(d) 405 officers who had retired from the department without filling the vacancies had been rehired. There were 2,278 vacancies directly related to railways and 237 retired officers were recruited. That amount covers about 10 percent of the total vacancies. It was observed that such a situation directly affects the performance of the train.

Steps should be taken to recruit as required.

Employees are employed on a contract basis as there is no possibility of filling the vacancies expeditiously and the railway service should be maintained without any breakdown.

(e)	It was revealed that the number of officers who had been illegally released by the Department to other parties during the year under review was 35 and there were vacancies in those released posts. Apart from the salaries of the officers released for the projects, the salaries of the officers were borne by the Department and no action had been taken to reimburse them.	No action should be taken to release employees for the needs of other institutions when there are vacancies in the department.	No responses
(f)	There were 8,433 approved staff vacancies during the year under review. This was due to the non-approval of recruitment schemes and the long delays in the recruitment process.	For services that do not have recruitment procedures, steps should be taken to get them approved as soon as possible.	Do
(g)	Overtime pay should not be allowed to cover the duties of a post just because it is vacant and the Heads of Departments should take a decision after carefully examining the situation in each case. However, a system was observed to approve overtime of one officer subject to a maximum of 80 hours per month to cover the vacancies without considering such a situation.	Overtime should be paid only on the basis of service requirement.	Due to the large number of vacancies, when there are further vacancies, filling the essential duties by employing overtime in non-recruitment situations.
(h)	It was observed that although two Survey Superintendents are required to be employed for 16 Survey Posts as per the approved staff, the Survey of 08 Surveyors is supervised by two Survey Superintendents.	Must act in accordance with the number of employees approved by the Treasury.	The Survey Department has taken action to send 02 Survey Superintendents. But they are not able to send 16 surveys. However, 08 survey posts have been completed so far.

- (i) The service of the Rail Guards had not been properly amended and an additional cost had to be borne by having to hire additional officers.
- The governing body should take action to revise the service plan at no additional cost.
- As there are vacancies, they have to be employed on the basis of fixed service and overtime pay. In order to avoid such overtime pay, the required number of employees must be present.
- (j) The Railway Department had obtained the services of a Wharf Field Officer from the Food Department since 2008 and the services of 10 Survey Department Officers. The wharf clerk's salary had been paid by the department and the money had not been reimbursed.
- If approved posts are vacant, steps should be taken to recruit for those posts.
- The salary of the wharf clerk is paid to him by the Food Commissioner's Department and is reimbursed by the Railway Department to the Food Commissioner's Department. Expenditure on overtime allowances paid to the ward clerk is paid by the department head.