

## **National Transport Commission - 2019**

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### **1.1 Qualified Opinion**

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The audit of the financial statements of the National Transport Commission for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 and Finance Act No.38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

### **1.2 Basis for Qualified Opinion**

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My opinion is qualified on the matters described in paragraph 1.5 of this report.

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 qualified opinion.

### **1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Commission or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

As per Section 16(1) of the National Audit Act N.19 of 2018, the Commission 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 by the Commission.

## 1.4 Scope of Audit

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My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 judgement and maintain professional scepticism 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a , material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- 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.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following:

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Commission and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Commission has complied with applicable written law, or other general or special directions issued by the governing body of the Commission;
- Whether the Commission has performed according to its powers, functions and duties; and
- Whether the resources of the Commission had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## 1.5 Financial Statements

### 1.5.1 Internal Control over the preparation of financial statements

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that, transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards, and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

### 1.5.2 Accounting Deficiencies

Audit Issue	Management comment	Recommendation
(a) The Commission had capitalized Rs. 4,834,504 incurred on building repairs irrespective of the expenditure incurred without considering as revenue expenditure. As a result, profit for the year and the corresponding depreciation value of the assets for the year under review were Rs. 4,592,779 and Rs. 241,725 respectively have been overstated in the financial statements.	This value was capitalized on because the value of this expense is material and thereby increases the value of the asset.	Capital and revenue expenditure should be identified and accounted for according to the relevant accounting standards
(b) Although the Commission took steps to recover bid bond of Rs. 4,869,212 and performance bond of Rs.2,438,700 due to violation of the agreement regarding the construction of the Kilinochchi bus stand, those amounts have been accounted under the payable accounts instead of credited to the income since previous year. Accordingly, the cumulative surplus in the financial	The Kilinochchi bus stand will be handed over to the Northern Provincial Council in this year and the issue of financial statements will be resolved thereafter.	Bids and performance insurance must be properly charged and accounted for.

statements was less than Rs. 7,334,912 and the balance due was more than that amount.

- (c) The Commission had not submitted the vouchers to the audit for assets, liabilities, income and expenses amounting to Rs. 40,698,427 with the total value adjusted in the Accounts as at 31 December 2019 and also due to the non-submission of the Tender Deposit Register for Rs. 59,703,404 payable by 31st December of the year under review caused not to verified satisfactorily.

Whenever possible schedules were attached to the journal and detailed schedules that could not be attached were maintained in separate files and those documents were submitted to the auditor. However, whenever possible noted that the schedules to be included in the journal.

Relevant schedules and details should be submitted accurately.

- (d) No provisions have been made in the financial statements for the liabilities of Rs. 30,205,433 to be paid as at 31st December 2019 to the institutions which provided services under the Sisu Sariya, Gamiseriya and Nisi Sariya projects. At the same time, though the grants have been provided by the Treasury to reimburse the relevant expenditure as a government policy basis for the providing of these services, the Commission had not identified an accounting policy for the accounting of such grants.

Credit provisions have been allocated for the difference between the amount paid as at 31st December 2019 for the Sisu Sariya, Gami Sariya and Nisi Sariya projects and the allocations received from the treasury for the year and the excess amount is shown as expenses for the following year. The reason for this is that not enough treasury allocations are released to cover the relevant expenses related to the year.

Accounting should be in accordance with the policy.

- (e) The Online Passenger Booking project was completed and handed over to the Commission on October 27, 2018. The value of this project was Rs. 1,750,000 and though the total value of this project completed last year was Rs. 1,428,545 and was to be capitalized on the computer-linked software account, but it was credited to the working progress account. Furthermore as it was not corrected during the year under review, the computer related software account was less than that value and the working progress account and also was more than that value in the financial statements.

Corrective adjustments to the value of Rs. 1,428,545 for the online passenger booking project have been adjusted in the financial statements. (Annex 09)

The correct methodology should be followed.

## 1.6 Non Compliance with Laws , Rules, Regulations and Management decisions.

Reference to the laws, rules, regulations and management decisions	Non compliance	Comments by the management	Recommendation
<p>(a) No.PED 12 of Public Enterprise Circular dated 2nd June 2003;</p> <ul style="list-style-type: none"> <li>• Clause 9.1.2</li> </ul>	<p>Although the approval of the Department of Public Enterprises in the Treasury should be obtained regarding the institutional welfare schemes, amounting to Rs. 12,209,422 had been incurred on employee insurance and other welfare activities without obtaining the approval.</p>	<p>The Board of Directors of the Commission has approved the provision of welfare recreational facilities for the officers and employees of the Commission in accordance with the powers vested in the Board of Directors under Act No. 9E of the National Transport Commission Act No. 37 of 1991.</p>	<p>The Treasury approval should be obtained</p>
<p>(b) No. PED 2/2015 of Public Enterprises Circular dated 25th May 2015;</p> <p>Clause no. 4</p>	<p>Contrary to this circular, Rs. 136,500 and Rs. 223,999 were spent on two occasions to purchase a mobile phone and I - pad (Apple 11.0 I - pad)</p>	<p>It will need to contact the company's GPS control room to make inquiries along the way. For that, a mobile phone with special facilities has been provided. The I Pad is used for approval from the company's ERP system, allowing the chairman to connect to the company's CCTV system. It is given considering the necessity of duty.</p>	<p>As the provisions are not available according to this circular, corrective procedures should be followed.</p>
<p>(c) No.2016/30 of Public Administration Circular Dated 29 December 2019</p>	<p>According to the circular, a certified mechanical engineer of a public sector department, corporation or board should obtain a certificate regarding the fairness of the prices obtained from the vehicle garage, which would be uprooted the vehicle for the repair, but the commission had</p>	<p>As this vehicle was the official vehicle of the Chairman, the repairs had to be completed as soon as possible and the repairs were carried out by Sanjeewa Motors on the instructions of the Chairman. While being repaired, the SLTB</p>	<p>The correct procedure should be followed in accordance with the circular regarding vehicle repairs.</p>

	spent Rs. 167,847 to repair a vehicle without obtaining such a certificate.	technical engineer inspected the car and recommended that the repairs have been carried out successfully even after the repairs.	
(d) Finance Act No. 38 of 1971; Clause 10 (5)	Although all the balance of the net surplus at the end of each year of the Commission should be credited to the Consolidated Fund. Although there was a surplus of Rs. 178,379,348 in 2019, only Rs. 50,000,000 was credited to the Consolidated Fund.	It was noted that the maximum amount of funds should be sent to the Treasury, saving funds considering the working capital needs so that they can be utilized in case of emergencies.	Excess money should be sent to the Treasury as per the provisions of the relevant Finance Act.
(e) Section 11 of the Finance Act and clause no 8.2.2 of the Public Enterprise Circular No. PED / 12 dated June 02, 2003	Although the consent of the Minister of Finance and the approval of the relevant Minister should be obtained in investing surplus money, The commission had invested Rs.37,397,490 in Fixed Deposits and Rs.13,823,174 in Treasury Bills during the year under review without obtaining such approval and with the approval of the Board of Directors. Furthermore Rs. 528,949,572 had been invested in short term investments as at 31 December 2019.	The Ministry of Private Transport Services has requested for Treasury approval to invest in temporary surplus funds. However, at the Committee of Public Enterprises on August 22, 2012, it was suggested that instead of investing short-term surplus funds, which are seven-day calling deposits, a portion should be invested in fixed deposits to earn higher interest income.	Excess cash investment should be done in accordance with the Act and Circular dated June 02, 2003 PDI / 12.
(f) Financial Regulations of Sri Lanka Democratic Socialist Republic (i) Financial Regulations 371 (2) (b)	When making advances for special functions, Advance should be given only to the staff grade officers, but Advances had been given for other officers also. Furthermore when paying of Add hoc Advances should not be exceeded to Rs. 100,000 in any particular time. But total	I kindly inform you that the advance will be released in accordance with the accounting policy of the National Transport Commission. Also, when going to remote areas for implementation of various projects, advance	Relevant monetary regulations should be followed.

	amount of Rs. 4,827,137 has been paid exceeding this limit in the year 2019 on 22 occasions,	payments have to be made to the relevant officials and in most cases payments are made by cheques.	
(ii) Financial Regulations 371 (5)	Interim Impress must be settled during 10 days after the completion of the relevant work, but contrary to this requirement such advances amounting to Rs. 737,675 had not been settled accordingly.	Advance settlement will be made within 03 days and even if there is a delay of a few days due to unavoidable circumstances, the settlement will be made with the approval of the Director General and it was noted that such delays will not occur in the future as indicated in the audit inquiry.	Must comply with applicable financial regulations.

**2. Financial Review**  
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**2.1 Financial Result**  
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Operational result for the year under review was Rs. 178,379,346 and the corresponding surplus last year was Rs.165,205,063. Accordingly an increase of Rs.13,174,283 was observed in the financial result. This increase was mainly due to the increase in Routes permits by Rs. 3,215,738 and the increase in other revenue by Rs. 1921,557.

**3. Operational Review**  
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**3.1 Identified Losses**  
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Audit Issue -----	Comments by the management -----	Recommendation -----
(a) The Commission had procured 15,000 uniforms at a price of Rs. 8,372,619 from a private company in 2014 for providing uniforms to drivers and conductors of inter-provincial buses. It was observed that number of 1801 shirts worth Rs. 887,893 out of these uniforms had been piled up in the Record Room till the the date of the audit of 7th of July 2020 and no confirmation was submitted to the audit that the remained shirts had been distributed.	The uniforms distributed to the drivers and conductors are in the documents provided to them and can be submitted when required. Also, 1801 of these uniforms have been left behind due to protests and bus strikes during the distribution of the uniforms, which will be distributed in the future.	Uniforms should not be distributed to the relevant drivers and conductors and should be used effectively without wasting government money as it has been spent in vain without fulfilling the required objectives and remained in a warehouse.

<p>(b) In the Section 24 of the National Transport Commission Act No. 37 of 1991 provided authority to the Commission to provide and issue passenger service permits. Although the Cabinet of Ministers dated 06 October 2005 had approved the issuance of Regular Passenger Service Permits after calling for tenders, the Commission had not introduced specific procedures for issuing passenger service permits. However, the Commission had not taken any action to amend the Act to include the issuance of passenger service permits by calling for tenders.</p>	<p>Procedures approved by the Cabinet of Ministers for the issuance of new passenger service permits in accordance with the powers vested in it under the National Transport Commission Act No. 37 of 1991. Accordingly, in accordance with the Cabinet approval No. AMPA / 05/1461/031/036 approved in 2005 for the issuance of Passenger Service Permits on Ordinary Roads, Issuance of New Passenger Service Permits on Expressways 17/0700/709/09/09/09 It is done on the methodology mentioned in the cabinet paper approved by the cabinet in 2017.</p>	<p>A proper procedure for issuing passenger service licenses should be introduced and acted upon accordingly.</p>
<p>(c) Without amending the Act, the Commission had issued 3103 passenger service permits as at 31 December 2019, out of which 223 permits had been issued by calling for tenders. No of 2880 licenses were issued before the starting tender calling procedure and were licenses that had to be renewed at an annual payment of Rs. 3,000 and Rs. 15,000. Accordingly, it was observed that the issuance of licenses had been carried out under various methods without a procedure approved by the Commission. And also, 61 passenger service permits were issued on the expressway per day on the minimum technical value and 16 passenger service permits were issued at Rs. 2500 per day.</p>	<p>Although there are provisions for the Commission to issue passenger permits under Section 24 of the National Transport Commission Act No. 37 of 1991, the Act does not specify the procedure for issuing passenger service permits in an open and transparent manner. From the inception of the National Transport Commission to 2008, passenger service permits have been issued based on individual requests. There was no openness or transparency.</p> <p>There was no mention of longevity in those passenger permits and Rs. 3000 / = has been charged and updated annually.</p>	<p>Passenger service permits should be dealt with in a proper manner</p>



### 3.2 Management Inefficiencies

----- <b>Audit Issue</b> -----	----- <b>Comments by the management</b> -----	----- <b>Recommendation</b> -----
<p>(a) Only the purchases of fixed assets are recorded in the register of fixed assets maintained by the Council and the details of the disposal of assets were not included in that register. 45 number of items of assets amounting to Rs. 4,507,651 stated in the financial statements as purchased during the year were not included in the Register of fixed assets. Also, there were instances where a numerical method of identifying assets was not mentioned in the records of assets. And also although the assets worth Rs. 1,248,178 were disposed during the year under review, the audit could not verify the value and depreciation of those assets due to the lack of a fixed asset register. Furthermore, library book value shown in the financial statements valued at Rs. 1,269,973 was not recorded in a register.</p>	<p>Steps were taken to record the removal of assets in the asset register in future.</p> <p>Steps were taken to record and update all the assets purchased.</p> <p>Steps were taken to rectify such shortcomings in the future.</p> <p>Library books purchased for each year are documented separately for the relevant year.</p>	<p>The asset register should be maintained and updated correctly.</p>
<p>(b) The Commission had entered into an agreement with a private company for a period of 10 years from 18 September 2010 to 17 September 2020 to maintain the public facilities of the two toilet systems near the Council Offices and the Bastian Mawatha Police Station. The Commission has received a number of public complaints continuously regarding violations of clauses 1, 2, 7 and 8 of this Agreement. Accordingly, although warning letters had been sent in 2015, 2016, 2017 and 2019, the agency had not acted in accordance with the agreement. At the same time although the institution had violated the terms, no action had been taken to formalize them by the audit date of January 30, 2020 and the Commission</p>	<p>Medha Enterprises, a private company, has entered into an agreement for a period of 10 years from 18.09.2010 to 17.09.2020 to maintain and maintain the public utility of the toilet system near the Bastian Mawatha Police Station. Medha Enterprises has incurred a cost of Rs. 58 lakhs for the repair of this toilet system.</p> <p>As per the agreement, its administration has been given to the institution on the basis of a monthly rent of Rs. 525,000.00 initially with the agreement of both parties.</p>	<p>Agreements with outsiders for various purposes must include the terms of the agreement correctly, check that the terms are being followed properly, and comply with the terms of the breach of the terms.</p>

too had not taken the necessary action. Furthermore, though Rs. 2 million has been allocated to provide necessary facilities to the disabled at the Bastian Mawatha bus stand, but only 50 percent of the physical progress has been observed, according to progress reports.

This monthly rent increases by 10% each year. Accordingly, by the year 2020, the monthly rent will be Rs. 768,652.50. The Manager of the National Transport Commission (NTC) has been summoned to the National Transport Commission (NTC) on several occasions for neglecting certain conditions, including the monthly payment to the NTC and the agreements were reached.

### 3.3 Operational Inefficiencies

Audit Observation	Comments by the management	Recommendation
<p>Although new routes were identified through passenger surveys in 2019, the Commission had not yet issued permanent passenger service permits. However, in case of large passenger demand, temporary passenger service permits were issued at a daily rate of Rs. 200, Rs. 1000 and Rs. 1500 per day.</p>	<p>The Procedure currently being implemented by the National Transport Commission to issue new licenses is that when calling for open tenders, tenderers have a tendency to apply for tenders at a higher tender price than their service earnings. As a result, even if licenses are issued to the tenderers, those services will not continue and after a while the relevant tendered bus service will be withdrawn. Accordingly, as a new methodology is currently being prepared, it is possible to call for tenders for new roads after submitting that methodology to the Cabinet for approval.</p>	<p>Appropriate procedures should be followed in issuing regular passenger service permits for routes identified by the new survey.</p>

### 3.4 Weaknesses in Contract Management

Audit Observation	Comments by the management	Recommendation
<p>(a)The contract for the construction of the Kilinochchi bus stand had been entered into for a period of 12 months at a cost of Rs. 48,773,045 but the registration of the contractor had expired on 29 December 2016. Also, although this contractor had neglected the construction work, no action had been taken to include the name of the contractor in the list of contractor defaulters under sections 8.11.4 and 5 of the 2006 Procurement Guidelines but Rs.16,469,363 was paid to the contractor for the work completed. Due to this the public had to miss the opportunity to use the bus stand due to the work not being completed properly. Accordingly, it was observed that the above amount paid to the contractor was a non economical expense. Although this construction was planned to be handed over to the Northern Provincial Council for further construction but it was not accepted by the Northern Provincial Council until June 30, 2020.</p>	<p>According to the report provided by the consulting firm, the selected bidder has submitted the lowest bid and ICTAD registration is grade C3. It is mentioned that it has been extended till 06-06-2017. At the close of the agreement, the advance bond of Rs. 4,896,212.70 was recovered from the relevant bank. Accordingly the amount paid (16,469,363.48-4,896,212.70) was Rs.11,573,150.78. The amount of work done at the end of the contractor's contract is Rs. 15,397,989.93 certified by the State Engineering Corporation. But as mentioned above, the amount paid is Rs. 11,573,150.78 Also, Rs. 2,438,700.00 has been charged by the commission for performance security and Rs. 2,438,625.25 has been charged for late fees. 9,134,450.78 (11,573,150.78 - 2,438,700.00). Accordingly, I kindly state that no financial loss has occurred to the institution. Due to the proper action taken in accordance with the contract agreement, it was possible to recover advance security, performance security and late fees. As per the decisions of the Board of Directors, all the documents pertaining to the handing over of the Kilinochchi Bus Stand to the Northern Provincial Council, Committee</p>	<p>The contract should be in accordance with the guidelines issued by ICTAD and should be executed in accordance with those terms.</p>

Reports, Submission Letter have been signed by the Jagakosa Party and forwarded to the Northern Provincial Council for further action.

(b) The Commission had entered into an agreement with a private company on 31st December 2017 to carry out the Process Automation System (PAS) project at a cost of Rs. 31,735,051 and the project was scheduled to be completed by November 15, 2018. However, the project had not been completed by December 31, 2019 and the physical performance of the project had not been submitted for audit by December 31, 2019 but Rs. 23,056,820 had been paid to the relevant contractor.

The project was implemented in three phases, with software development in all three phases have been completed up to now.

The project will involve a much more complex process than estimated, the delay in obtaining cloud facilities from ICTA, the delay in scanning the 3200 files in the organization and incorporating them into the software.

Software development specifications developed for each process (Software Requirement Specification) are subject to request, subject to change at various times for the convenience of the tax process. Due to the fact that it takes a considerable amount of time to integrate the officers who have done manual work into the software so far, as well as the need to create an environment that is more user-friendly for users in live operation (Live Operation), this project will take longer than estimated time. Happened.

This software is currently in Live Operation.

The contract should be in accordance with the guidelines issued by ICTAD and should be executed in accordance with those terms.

#### 4. Accountability and Good Governance

##### 4.1 Presentation of Financial Statements

<b>Audit Observation</b>	<b>Comments by the management</b>	<b>Recommendation</b>
According to paragraph 6.5.1 of Government Enterprises Circular No. PED / 12 dated June 02, 2003, the financial statements for the year under review should have been submitted for audit within 60 days of the end of the year, but the financial statements had been submitted on 11 June 2020 with a delay of one month period.	There were no comments.	Circular provisions should be followed.

##### 4.2 Annual Action Plan

<b>Audit Observation</b>	<b>Comments by the management</b>	<b>Recommendation</b>
(a) According to the action plan for the year under review, it was planned to introduce a prepaid card system for bus fares, but it was not implemented.	Although the prepaid card project was introduced under the 2019 Action Plan, it was not a project that could be implemented by the National Transport Commission alone. The project was to be implemented in collaboration with several institutions such as the Ministry of Transport, the Central Bank of Sri Lanka, other commercial banks, the SLTB, the Western Provincial Road Passenger Transport Authority and the National Transport Commission. Accordingly, 12 discussions have been held between all stakeholders regarding the implementation of this project in the year 2019 and the necessary steps are being taken to implement this project expeditiously.	The action plan should indicate the amount of action that can be taken during the year and the activities of the plan outlined should be implemented during the year.

(b) Although the Commission had planned to start 50 new bus services for the Sariya Sariya project, only 6 new bus services were able to be started. The physical progress was only 12 percent, saving was Rs. 2.6 million from the allocated funds.

The National Transport Commission (NTC) is implementing the Nisi Sariya project only with the Sri Lanka Transport Board. Accordingly, the SLTB had recommended 128 services for the year 2018/2019 and referred them to the National Transport Commission in 2017 for inclusion in this project.

Approval was obtained at the meeting of the Commission held on 03/09/2017 to check whether the 128 such services were actually running and to enter into an agreement. Accordingly, 42 of these 128 services were tested and confirmed to be operational in the year 2018 and then included in the Nisi sariya project.

Nisi Sariya Project should be properly planned and implemented as the Treasury provides direct allocations for the implementation of government policies.