

Vehicular Emission Test Trust Fund of the Department of Motor Traffic – 2024

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Vehicular Emission Test Trust Fund of the Department of Motor Traffic for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024, the statement of financial performance, statement of changes in equity, cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(3) 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. My comments and observations which I consider should be report 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 financial statements give a true and fair view of the financial position of the fund as at 31 December 2024, 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

I expressed qualified opinion 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

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 management determine 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 fund'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 fund or to cease operations, or has no realistic alternative but to do so.

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

As per Sub Section 16(1) of the National Audit Act No. 19 of 2018, the fund 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 of the fund.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on 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 fund'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 fund 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 fund, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the fund has complied with applicable written law, or other general or special directions issued by the governing body of the fund;
- Whether the fund has performed according to its powers, functions and duties; and
- Whether the resources of the fund had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit Observations on the preparation of Financial Statements

1.5.1 Accounting Deficiencies

	Audit Observation	Management Comment	Recommendation
(i)	In accordance with paragraph 38 of Sri Lanka Public Sector Accounting Standard 1, when preparing financial statements, an assessment should be made of the possibility of a going concern and the quantitative uncertainties related to events or occasions that give rise to significant doubt should be disclosed. However, although instruction had been given on 04 occasions, since 2017 through Cabinet Decisions, Circulars and Acts, to closed down the Vehicular Emission Test Trust Fund, the financial statements had been prepared considering it had a going concern without disclosure in such a situation the financial statements.	The Ministry of Transport has taken steps to submit a Cabinet paper dated 31.01.2023 to the Cabinet of Ministers to reach an agreement in this regard and continue to maintain the fund. In that regard, considering the observations of the Minister of Finance, Economic Stabilization and National Policies dated 14.03.2023, a committee consisting of 05 Additional Secretary-level officers has been appointed as per the decision of the Cabinet of Ministers on 20.03.2023 and forwarded for recommendations. Through the memorandum submitted on 12.06.2023, the recommendations of the special committee appointed regarding the continued need for the fund have been submitted to the Cabinet of Ministers. the line ministry and related ministries have agreed to continue the fund based on the need and future work has been carried out.	Since the closure of the fund has been announced on 04 occasions since 2017 through Cabinet decisions, circulars and acts, it is necessary to disclose this in the financial statements, the continued instability of going concern in accordance with Sri Lanka Public Sector Accounting Standards.
(ii)	The amount payable by the Fund for the electricity and water received from the Department of Motor Traffic had not been calculated and accounted, and as a result, the expenditure account and the accrued expenditure account relating to the accounting year had been devalued.	According to the audit report of the previous year, the Department of Motor Traffic has been informed again to prepare a correct methodology for making payments for the supply of electricity and water. However, until now, a correct methodology has not been prepared for making these payments, and will discuss with the Department of Motor Traffic again and make the payments.	All expenses relating to the year should be properly identified and included in the financial statements.
(iii)	During the year under review, four officers of the Department of Motor Traffic were employed full-time for the work of the Fund, however the salaries and wages paid to them for their services of Rs.3,648,181 had not been	Accepted. will take steps to account for them as expenses of the Fund in the future.	All the expenses relating to the year under review should be properly identified and included in the financial statements.

accounted for as expenses of the Fund, therefore the surplus for the year had been overstated by that amount.

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| (iv) | The possibility of settlement of the amount of Rs.1,096,875 payable to a private institution for 08 years from 2017 had not been investigated and the necessary accounting adjustments had not been made. | The amount of Rs. 1,096,875 retained for providing emission equipment to the Sri Lanka Transport Board with the approval of the Cabinet was retained without being paid to that private institution until the report for the release of this amount was received from the Sri Lanka Transport Board, and the Sri Lanka Transport Board has been informed in this regard and will take steps to obtain the relevant reports in the future and pay this amount. will take steps to remove the amount of Rs. 17,807 payable to an employee who has left the Vehicular Emission Test Trust Fund from the Accrued Expenses Account. | Only identifiable due payables in the following year should be accounted and, if any, such allocations which should be adjusted to the Accumulated Fund. |
| (v) | The 61 journal entries, totaling Rs.171,437,319 prepared in relation to the financial statements of the year under review had not been signed by the authorized approving and certifying officers, and journal vouchers and supporting documents had not been maintained in relation to those journal entries. | Will take steps to rectify. | Correctly accounting for income and expenditure for the year, adjustments made through journal entries after accounting should be made with the approval and certification of authorized officers in the same manner as approving a voucher, and maintaining supporting documents related to it. |
| (vi) | The RANOMOTO motorcycle, which was received as a donation and transferred to the fund on 10 June 2014, had not been accounted. | The motorcycle bearing BAY-9100 will be revalued and accounted. | All the fixed assets owned by the fund should be recorded and disclosed them through financial statements. |

(vii)	A value of Rs.51,894,608 had been added to the cost and accumulated depreciation of 05 asset classes whose net value was zero under fixed assets, during the year under review, and the evidence to verify that value had not been submitted to the audit.	Will be taken steps to resubmit the fixed asset depreciation file related to the addition of cost and accumulated depreciation related to the 05 asset classes whose net value was zero in the Emissions Trust Fund.	The cost and accumulated depreciation of the fixed assets owned by the Fund should be confirmed by the accounting and disclosures in the financial statements, relevant source documents and other information.
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1.5.2 Going concern of the Fund

Audit Observation	Management Comment	Recommendation
In terms of paragraphs 03 and 04 of the Public Finance Circular No. 02/2018 dated 18 August 2018, Cabinet Paper No. 17/1615/702/002-xvii and the decision of the Cabinet meeting held on 09 August 2017, the Vehicular Emission Test Trust Fund should be liquidated and its liabilities should be settled and closed in the year 2018.	The Ministry of Transport has been taken steps to submit a Cabinet paper dated 31.01.2023 to the Cabinet to reach an agreement in this regard and continue to maintain the fund.	In accordance with the relevant circular provisions and Cabinet approvals, steps should be taken to abolish and close this fund or, if there are reasonable grounds to continue, to legalize it through an Act of Parliament.
Also, the Department of Management Services letter No. DMS/1143/VETF dated 10 December 2017 had been approved a staff of 47 posts for the Vehicular Emission Project Office proposed to be established as a division under the Department of Motor Traffic.	In that regard, considering the observations of the Minister of Finance, Economic Stabilization and National Policies dated 14.03.2023, a committee consisting of 05 Additional Secretary-level officers has been appointed as per the decision of the Cabinet on 20.03.2023 and forwarded for recommendations.	
Furthermore, under paragraph 15 of the Public Finance Circular No. 01/2020 dated 28th August 2020, non-statutory funds in accordance with Financial Regulation 876(2) and (3) shall be abolished with immediate effect and their balances shall be credited to the Consolidated Fund, and if there are reasonable grounds for continuing to maintain a non-statutory fund, such funds should have to be legalized by an Act of Parliament within one year of the issuance of this circular.	Through the memorandum submitted on 12.06.2023, the recommendations of the special committee appointed regarding the continued need for the fund have been submitted to the Cabinet of Ministers. Further, the line ministry and related ministries have agreed to continue the fund based on the need and future work has been carried out.	

In terms of Section 39(4) of the Public Finance Management Act, No. 44 of 2024, Public Finance Circular No. 04/2024 dated 06 November 2024 and Circular Letter No. 1/2025 (Funds) dated 11 April 2025, if it is necessary to maintain non-statutory funds after 07 August 2025, the Secretary to the Treasury should have to be consult and refer to the Minister of Finance.

In accordance with the Public Finance Management Act No. 44 of 2024, it had been recommended to liquidate the Vehicular Emission Test Trust Fund in accordance with the discussion held at the Department of Public Finance on 23 January 2025 and the decision of the Public Investment Monitoring and Evaluation Committee meeting on 25 March 2025.

Despite the aforementioned Cabinet approval, circular provisions and recommendations issued to liquidate the Vehicular Emission Test Trust Fund, almost 07 years have been passed since 2018, and the Board of Trustees of the Fund had been taken steps to maintain this non-statutory fund by obtaining the approval of the budget documents of the fund from the Line Minister without legalizing it through an Act of Parliament or without the approval of the Cabinet of Ministers, the approval of the Ministry of Finance or the Treasury.

1.6 Accounts Receivable and Payable.

Advances

Audit Observation	Management Comment	Recommendation
Although in terms of Financial Regulation 371(2)(b) as amended by the Public Finance Circular No. 01/2020, only officers of staff rank are to be given interim advances for a specific task, interim advances totaling Rs.5,617,720 were given to 16 officers not belonging to the	Since there is only one full-time staff officer of the Fund, problems arise in carrying out the work. Therefore, as per the approval of the Director General of the Vehicular Emission Test Trust Fund, interim orders have been issued to these officers for the	Action should be taken in accordance with the provisions of the circular and to determine the necessary procedures for sound internal control.

staff rank on 147 occasions during the year under review.

Although the advance should have been settled immediately after the completion of the task, the amount of Rs.120,000 given to three non-staff officers on 03 occasions during the year under review had not been settled, and it took 21 to 91 days to settle the advance of Rs.1,133,510 received by 14 non-staff officers on 27 occasions.

time being. Although there have been minor delays due to certain practical reasons, all of them have been resolved. Instructions were again given to settle the advances received in the future as soon as possible.

1.7 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, regulations etc.	Non-compliance	Management Comment	Recommendation
I. Section 3.2 of Public Administration Circular No. 30/2016 dated 29 December 2016.	Whenever the pool vehicles are required to travel for duty for a distance of more than 100 km, an advance payment should be made to the officer authorized to use the vehicle and the fuel should be filled. However, at the beginning of the year, an advance payment of Rs.50,000 had been made to a supervisory officer who is not a staff grade officer, and the fuel had been filled in the name of that officer, by reimbursing the bills totaling Rs.991,154 for the 03 vehicles owned by the fund during the year under review.	It is necessary to travel all over the island to conduct smoke testing center inspections and random vehicle smoke tests. Even if the fuel tank is filled once, excess fuel is required. Since the involvement of fillings, a motor vehicle examiner who is designated as the traveling officer from time to time, is not practical, this has been done.	should have adequate internal control over the refueling of vehicles, and should well preparation in accordance with circular provisions when advance payment for refueling is required.
II. Treasury Circular No. P.E.D 3/2015 dated 17th June 2015	Without the legal provisions of this circular to pay allowances to the Board of Trustee and the Secretary, without formal approval, an allowance of Rs.12,500 had been paid to each member of the Board of Trustees attending the meetings of the Board of Trustees and Rs. 6,000 to the Secretary of the Board of Trustees for performing the duties of the meeting, had paid amount of Rs.205,500 for 03 meetings which	The Board of Trustees has the power to decide and make all relevant payments in terms of the Trust deed of the Vehicular Emission Test Trust Fund and these payments have been made accordingly. Furthermore, the then Board of Trustees inquired from the Department of Public Enterprises in this regard, and at that time the Department of Public Enterprises informed	If only these allowances have been approved by circulars or other laws and regulations, the payments can be made.

	are held during the year under review, based on the approval of the Board of Trustees given on 21st December 2022.	that the Board of Trustees had the authority to make payments in accordance with the Trust deed. Accordingly, the payments have been made.	
III. Management Audit Circular No. DMA/2009/ (2) dated 01 September 2009 and Financial Regulation 502(2)	As per the inventory records of the Vehicular Emission Test Trust Fund as at the end of the year, the Fund had 213 asset units in 47 asset categories but sufficient accounting evidence had not been maintained to verify whether all the assets accounted for in the financial statements were confirmed by the said surveys.	The assets purchased from the inception of the Vehicular Emission Test Trust Fund up to 31.12.2024 have been included in the inventory records. Accordingly, the depreciated assets have been removed and the cost of the relevant assets up to 31.12.2024 has been accounted for in the financial statements. A fixed asset register has been maintained by the Fund since its inception using a computerized form and has not been subject to audit queries to date. In the future, will take steps to maintain a fixed asset register according to the government model.	Should maintained the necessary documents and books to confirm the value of the fixed assets of the fund disclosed in the financial statements through source documents and fixed asset registers.
IV. Paragraph 8 of the State Finance Circular No. 01/2020 dated 28 August 2020 and Financial Regulation 753(2)	The Fund had been purchased non-current assets totaling Rs.114,237,646 and physically transferred them to the Department of Motor Traffic including its branch offices, the Central Environmental Authority and the National Building Research Institute, but those assets had not been legally transferred in accordance with the provisions of this circular. Also, no receipt order in general Form 219 had been obtained from those institutions in accordance with the Financial Regulations to confirm that these assets had been properly physically transferred.	will be taken steps to transfer the said assets in accordance with the provisions of paragraph 08 of the State Finance Circular No. 01/2020 dated 28 August 2020 and to obtained the General form 219 from the relevant institutions in accordance with the Financial Regulations. For the Department of Motor Traffic, receipt orders have been received in the format used by the relevant institutions and issuance orders have been issued under the general procedure of the government.	Fixed assets transferred to other institutions should be removed from the books after taking action in accordance with the provisions of the relevant circular and obtaining receipt orders.
V. Financial Regulation 1645 (a)	Although a vehicle logbook should be maintained for each vehicle, the vehicle logbooks had	All information has now been updated	Action should be in accordance with financial regulations by

not been updated with information such as vehicle details, fuel consumption, servicing, monthly summary of journeys.

entering and updating all information in vehicle log books.

2. Financial Review

2.1 Financial Result

The operating result of the year under review was a surplus of Rs.376,081,255 and the corresponding surplus of the previous year was Rs.334,633,332. Accordingly, a growth of Rs.41,447,923 in the financial result is observed and the increase of income was mainly due to this growth.

3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Management Comment	Recommendation
(a) The duties specified in the job description of a particular post must be performed at a salary agreed upon for that post and no additional payment is due for those duties. However, in the year under review, 11 project assistants, research assistants and technicians recruited on a contract basis to perform tasks related to air emissions such as conducting smoke testing programs and conducting awareness programs had been paid participation allowances of Rs.934,500, from the fund, as the rate of Rs.2,000 per day to the project assistants and research assistants and as the rate of Rs.1,500 per day to the technicians with the approval of the Board of Trustees only, without the approval of the Ministry of Finance.	The offices of the Vehicular Emission Test Trust Fund supervise this smoke testing centers, conduct random smoke testing activities and conduct awareness programs. The existing officers have been recruited as technical assistants and research assistants. These officers plan and prepare all the activities related to the supervision of smoke testing centers, conduct random smoke testing activities and receive all the reports. These officers perform duties beyond their daily duties. In this situation, problematic situations have arisen due to the shortage of staff, and this allowance is paid as an incentive to complete the additional work and complete this work successfully. Payments have been made with the approval of the Board of Trustees to appoint the necessary staff and pay the allowances as per the Trustee Agreement.	Steps should be taken to make expenses based on formal approval.
(b) Without the approval of the Ministry of Finance or the relevant salary authorities, solely on the approval of the Board of Trustees obtained from the Board Paper No. 2022/04	The Payments have been made with the approval of the Board of Trustees to appoint the necessary staff and pay allowances as per the Trust deed. Furthermore, since there is not enough	Steps should be taken to make expenses based on formal approval.

submitted to the Board of trustee on 21 December 2022, A participation allowance of Rs.2,000 per day had been paid to external government officials such as officers of the Central Environmental Authority, officers of technical colleges, etc., Rs.1,500 per day to police officers, and Rs.1,000 per day to technicians of Cleanco Lanka and Laugh Eco Sri Private Companies, each, total of Rs.2,246,200 during the year under review.

staff to carry out this work at the district level, these programs are implemented by bringing together environmental officers scattered at the district level. Therefore, it has been possible to conduct random emission tests on about 10,000 vehicles last year. Furthermore, it has been possible to launch this program at the district level. Furthermore, through the involvement of all parties, extensive publicity about the program has been given to the society.

- (c) Although the Department of Management Services letter No. DMS/1143/VETF dated 10th December 2017 had been approved 47 posts under 12 post names for the proposed Emissions Project Office to be established as a division under the Department of Motor Traffic and it had been informed that recruitment and attachment for those posts should be carried out in accordance with the approved promotion procedures and service regulations, no staff posts had been approved under the Vehicular Emission Test Trust Fund.

Audit Observation	Management Comment	Recommendation
(i) Without approval from the Department of Management Services to pay salaries and allowances for posts under the Fund and without a formal service minute/recruitment procedure, salaries and allowances totaling Rs.14,925,950 had been paid to 24 posts under the Fund during the year under review, including posts other than those approved for the Vehicular Emission Project Office proposed to be established as a division of Department of Motor Traffic.	Although the names of the staff have been prepared and submitted to the Department of Management Services, it has been informed that the expenses of the Project Office should be covered by the Fund as stated in the letter of the Department of Management Services dated 10MT/02/01/01/02/11/II. Therefore, it was informed in the discussion held with the Department of Management Services on 2022.01.23 that the said absorption cannot be made until the policy decision on the Fund is received. A final decision has not been reached yet regarding the liquidation of the Vehicular Emission Test Trust Fund, and since the relevant work is being carried out in this regard, since this office is the only institution dedicated to carrying out the regulatory work of the emissions program, the functions of the Vehicular Emission Project Office will be carried out by a staff with specialized qualifications that are more than those of other general	Officers should be recruited under a formal service minute/recruitment procedure only for approved posts in accordance with the provisions of the Establishments Code, Financial Regulations and Management Service Circulars, and arrangements should be made to pay salaries and allowances only for those posts.

public services. For this purpose, the staff has also undergone training both locally and abroad.

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| <p>(ii) Acting allowances, transport allowances and communication allowances totaling Rs.1,775,875 had been paid to 04 officers in 04 acting posts of the Vehicular Emission Test Trust Fund without the approval of the competent appointing authority, and acting salaries and allowances totaling Rs.902,622 had been paid to 03 officers in the service of the Department of Motor Traffic for 03 posts outside the staff approved for the Vehicular Emission Division, during the year under review.</p> | <p>The Vehicular Emission Test Trust Fund has been established under the Department of Motor Traffic. It has a Board of Trustees consisting of 03 Ministry Secretaries for administrative activities. Since there are currently no staff officers in that office, the work is carried out by the officers of the Department of Motor Traffic. Accordingly, the work is carried out with the approval of the Secretary to the Ministry and the recommendation of the Commissioner of Motor Traffic. the board of Trustees belongs to the necessary legal powers to pay the allowances.</p> | <p>To pay an acting salary to an officer, the relevant officer should have been appointed to that acting position by the appointing authority.</p> |
| <p>(iii) The post of Director approved for the Vehicular Emission Division by the Department of Management Services letter No. DMS/1143/VETF dated 10th December 2017 as to be Grade I post of the Sri Lanka Engineering Service, but without attaching a suitable officer to it, a Grade III officer of the Sri Lanka Engineering Service had been recruited with the aim of replacing the post of Director, which is an acting post included in (ii) above, and the said officer was paid an acting salary of Rs.113,280 corresponding to the Grade I post of the Sri Lanka Engineering Service and a fuel and transport allowance of Rs.1,162,410, which is not be entitled to a Grade III officer.</p> | <p>The Ministry of Public Administration has advertised the vacant Director post every year since 2018. However, since the Project Office has not yet absorbed the said posts into the full public service, officers directly employed in the public service cannot be admitted to these posts. Instead, they can be admitted only on a secondary or part-time basis. Therefore, a Grade 2 officer of the Engineering Service, who is in full-time service in the Department of Motor Traffic, has been appointed with the approval of the Board of Trustees in accordance with the Trustee deed Provisions. For this purpose, appointed in a formal manner and the relevant allowances are paid, by a Board of Trustees, of which the Secretary of the Ministry is also a member, on the recommendation of the Commissioner General and with the consent of the Secretary of Transport Ministry.</p> | <p>Appointments to acting positions and payment of allowances should be made in accordance with the provisions of the Establishments Code.</p> |
| <p>(iv) According to the financial statements, the accumulated profit as at the end of the year was</p> | <p>The Vehicular Emission Test Trust Fund has been established with the aim of reducing overall air pollution.</p> | <p>Steps should be taken to properly credit public funds to the Consolidated Fund or</p> |

Rs.983.002 million, but that accumulated profit had been invested in fixed deposits and savings deposits without being credited to the Consolidated Fund.	The Trust Deed stipulates the collection and expenditure of funds. Accordingly, the funds are not to be debited from the Consolidated Fund, but are collected in connection with emission activities. There is no need to give excess money to the Consolidated Fund, and there are provisions for investment. However, the excess money in the Fund is credited to the Consolidated Fund only subject to the approval of the Board of Trustees at the request of the State Finance Department.	surplus funds should be invested with the approval of the Treasury Secretary.
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3.2 Operational inefficiencies

Audit Observation	Management Comment	Recommendation
According to the agreements with the two private companies that conduct emission tests, 10 percent of the test fee charged for each vehicle is to be paid to the Vehicular Emission Test Trust Fund. However, without a contractual agreement regarding a methodology for obtaining sufficient data to verify the number of emissions tests conducted by those private companies, the testing fees they have charged for them, and the revenue to be received by the Vehicular Emission Test Trust Fund accordingly, Rs.363.85 million had been identified as the fund's revenue based on information obtained from those private companies. As a result, without properly verifying whether all the revenue due to the government from the emissions tests was properly received and the amount of revenue to be received, the revenue remitted by the said private companies had been accounted for as the actual revenue of the fund.	This Emission testing program has been tendered under the Built own operate method. Accordingly, all the work related to the cost and operational activities will be carried out by the two contracting institutions, and the government will not bear any cost burden. Accordingly, they will maintain the smoke testing databases. The contracting institutions will transmit the smoke testing data to the ICTA database, which is a central database for obtaining smoke testing data revenue licenses. Accordingly, it has been agreed in accordance with the contract agreement that all the operational activities of the smoke testing system will be carried out by the contracting institutions and that we will be provided with facilities to monitor this process. Accordingly, we have been provided with facilities to access the data systems of the two contracting institutions and monitor the smoke testing data. Accordingly, we will access this data system and carry out monitoring activities.	Should Identify and account for income precisely.

3.3 Performance

Audit Observation	Management Comment	Recommendation
In order to obtain the data required for air quality management and display them to the public, the Air Emissions Fund had purchased 02 air quality measuring instruments costing a total of Rs.82,752,000, had transferred to the Central Environmental Authority and 02 mobile air quality measuring instruments costing a total of Rs.78,068,892, had transferred to the National Building Research Institute. It had been observed that, the measurement data obtained by purchasing this equipment at a cost of over Rs. 160 million, made as useless due to the fact that, the fund did not have a pre-defined plan regarding the tasks to be performed using that data, that the machines could only measure the air quality in the vicinity where they were installed, and that the fund did not perform any useful work for the overall air quality management using that measurement data.	The Vehicular Emission Test Trust Fund has been established to purchase scientific-level air quality measurement equipment to take necessary steps to minimize air pollution and to spend funds through this fund without incurring additional costs to the government for its sustainable maintenance. Accordingly, funds have been provided to the Central Environmental Authority and the National Building Research Institute to obtain information on air quality in order to reach correct policy decisions on air conditions. Hence, the two relevant institutions are currently preparing the necessary software to make all air quality data measured through the equipment and other technical methods provided by the fund available to interested parties and to display it to the public. Furthermore, an Air Quality Index has been created, which displays the quality of the surrounding air conditions. Furthermore, the data obtained by these units are displayed on the websites of the Central Environmental Authority and the National Building Research Institute for the purpose of obtaining such data by interested parties and for display to the public. In addition, it is informed that this data has been directed to be used by the Air Quality Management Center of the Ministry of Environment to identify policies, decisions and activities related to air quality management.	The assets should be utilized in a non-wasteful manner.