

**Appropriation Head 184 - Ministry of Private Transport Services**  
**Auditor General Report – Year 2012**

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1:1 Scope of Audit

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The Appropriation Account including the financial reports, reconciliation statements, books, registers and other records of the Ministry of Private Transport Services for the year ended 31 December 2012 were audited in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Secretary to the Ministry on 11 July 2013. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

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

1.3 Audit Observations on the Accounts and Reconciliation Statements

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According to the Financial Reports and the Books for the year ended 31 December 2012, it was observed that except for the general observations appearing at (a) to (c) and the other major audit findings appearing in paragraphs 1.4 to 1.9 herein, the Appropriation Account and the Reconciliation Statements of the Ministry of Private Transport Services have been prepared satisfactorily.

(a) Non-maintenance of Registers and Books

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The Ministry had not updated the Votes Ledger in terms of F.R. 477.

(b) Appropriation Account

(i) Total Provision and Expenditure

The total net provision made for the Ministry for the year under review. amounted to Rs. 729,050,000 and out of that, a sum of Rs. 301,382,309 had been utilized by the end of the year under review. Thus, the net savings amounted to Rs. 427,667,691 and it represented 58.66 per cent of the total net provision. Details appear below.

Expenditure	Estimated Provision as at 31 December 2012	Net Provision as at 31 December 2012	Savings as at 31 December 2012	Savings as a Percentage of the total net Provision
	Rs.	Rs.	Rs.	%
Recurrent	479,000,000	481,275,000	246,093,737	51.13
Capital	229,000,000	247,775,000	181,573,954	73.28
<b>Total</b>	<b>708,000,000</b>	<b>729,050,000</b>	<b>427,667,691</b>	

(c) Advances to Public Officers Account

Limits Authorized by Parliament

Limits authorized by Parliament for the Advances to Public Officers Account under Item No. 18401 and the actual values are given below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
<u>Maximum Limit</u>	<u>Actual</u>	<u>Minimum Limit</u>	<u>Actual</u>	<u>Maximum Limit</u>	<u>Actual</u>
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,800,000	669,708	600,000	778,823	5,500,000	(109,115)

## 1.4 Accountability and Good Governance

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### 1.4.1 Corporate Plan

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Even though a Corporate Plan for minimum of 3 ensuing years from the year 2010 to further period should have been prepared by the Ministry in terms of the Letter No.PF/R/2/2/3/5(4) of the Director General of Public Finance dated 10 March 2010 addressed to all Secretaries of Ministries, Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and Heads of Local Authorities, such plan had not been prepared by the Ministry even by 31 December 2012.

### 1.4.2 Annual Performance Report

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In terms of the Public Finance Circular No. 402 and 402(1) dated 12 September 2002 and 20 February 2004 stated in the letter of the Director General of Public Finance as stated in paragraph 1.4.1 above, the Annual Performance Report to be prepared within 150 days after the closure of the financial year by the Ministry, should be tabled in Parliament with a copy to the Auditor General. Nevertheless, the performance report relevant to the year under review had not been tabled in Parliament even by 30 June 2013.

### 1.4.3 Annual Procurement Plan

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The Annual Procurement Plan in terms of the National Budget Circular No. 128 of 24 March 2006 had been prepared only on 31 July 2012.

## 1.5 Assets Management

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### (a) Improper Utilization of Assets belonging to other Institutions

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Although a vehicle belonging to an institution is being utilized for the activities of the Ministry, no action had been taken to acquire the ownership of such vehicle up to 31 December 2012. Further, two vehicles which was not belonging to the Ministry was made available under this Ministry while action to properly acquire those or handing over these vehicle to the relevant Ministry had not been taken.

### (b) Unsettled Liabilities

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Liabilities not settled by the Ministry as at 31 December 2012 amounted to Rs.5,204,903 and these liabilities remaining for a period of less than one year.

(i) According to the examination of first 03 month vouchers of the year 2013, 05 items of liabilities totalled to Rs. 75,726 which was paid during the year 2013 relating to the year 2012 had been included in the Register of Liabilities of the Appropriation account.

(ii) In terms of F.R. 94(1) except where otherwise provided for, no expenditure or commitment should be incurred by any department for work, service or supply, unless financial provision exists therefor in the Annual Estimates and at no time should the commitments and the expenditure incurred exceed such provision for the financial year while commitment by Rs. 3,859,841 in respect of 14 Objects had been incurred.

1.6 Non – compliance with Laws, Rules and Regulations.

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According to the paragraph 2(1) of the Public Administration Circular No. 19/2009 (1) of 17 June 2009, all officers including Staff of Minister, Secretaries to the Ministries, Heads of Institutions should be ensured their arrival and departure through the finger print machine. Nevertheless, the officers of Minister of the Ministry of Private Transport Services had not been used the finger print machine.

1.7 Performance

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(a) Planning

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(i) Non perform in line with the Annual Action Plan

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In the following instances it had not been perform in line with the Annual Action Plan

- Although an Action Plan for the year 2012 had been prepared by the Ministry of Private Transport Services, it was failed to achieve the targets thereto.
- Even though it was targeted to construct 04 bus stands during the year 2012, activities was initiated to construct 07 bus stands. However, only 03

bus stands had constructed and action was taken to open them by 31 August 2013.

- It was targeted to provide training for 33 officers as end of the second quarter of the year under review. Nevertheless, no officer had been trained by the end of the year.
- Although it was targeted to construct 02 resting places (Mahaoya and Vakarai) for passengers whom travel long distances, it had been commenced only preliminarily works in those places.

#### 1.8 Management Weaknesses

Even though 08 vehicles for the staff including the Minister of the Ministry of Private Transport services had been assigned, a pool vehicle had also been assigned to the Media Unit of the Minister and a sum of Rs. 312,470 had been paid only for fuel during the year under review.

#### 1.9 Human Resources Management

##### Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Number of Excess
(i) Senior Level	08	06	02	-
(ii) Tertiary Level	01	-	01	-
(iii) Secondary Level	34	20	14	-
(iv) Primary Level	15	14	01	-
(v) Others (Casual/ Temporary/ Contract Basis)	-	02	-	02
(vi) Staff of the Minister	15	15	-	-
<b>Total</b>	<b>73</b>	<b>57</b>	<b>18</b>	<b>02</b>

Action had not been taken to fill 18 vacancies even by the end of the year under review.