

Report of the Auditor General on Head 160 - Ministry of Environment and Renewable Energy and the Department under the ministry – Year 2014

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

1. Department under the Ministry

<u>Head</u>	<u>Department</u>
283	Department of Forest

1.1 Scope of Audit

The audit of the Appropriation Account, including the financial records, reconciliation statements, books, registers and other records of the Ministry of Environment and Renewable Energy and the Department of Forest for the year ended 31 December 2014 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Reports for the year under review was issued to the Secretary to the Ministry and the Head of the Department on the following dates. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and the reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

<u>Head</u>	<u>Ministry/ Department</u>	<u>Date of Issue of Management Audit Report</u>
160	Ministry of Environment and Renewable Energy	16.7.2015
283	Department of Forest	03.07.2015

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

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. 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.

2. Accounts

2.1 Appropriation Accounts

Total Provision and Expenditure

The total net provision made for the Ministry and the Department under the Ministry amounted to Rs.4,304.27 million out of that a sum of Rs.3,497.29 million had been utilized as at the end of the year under review. Accordingly, the savings out of the net provision of the Ministry and the Department amounted to Rs.785.27 million and Rs.21.7 million and represented 29.63 per cent and 1.3 per cent of the net provision. Respectively Details appear below.

Head	Net Provision	As at 31 December 2014		Savings, as a Percentage of Net Provision
		Utilization	Savings	
	Rs.millions	Rs.millions	Rs.millions	
160	2,649.95	1,864.69	785.27	29.63
283	1,654.32	1,632.60	21.7	1.31
Total	4,304.27	3,497.29	806.97	18.75

2.2 Revenue Account

----- Estimated and Actual Revenue -----

The Forest Department had estimated revenue aggregating Rs.2,060 million from 2 Revenue Codes for the year 2014 and the amount collected as revenue during the year under review amounted to Rs.789 million and the revenue collected ranged between 37 to 83 per cent of the estimated revenue. Details appear below.

Revenue Code	Estimated Revenue	<u>As at 31 December 2013</u>		Shortfall, as a Percentage of Estimate
		Actual Revenue	Shortfall	
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	Rs. millions	Rs. millions	Rs. millions	
10:03:07:03	60	50	10	16.67
20:02:01:02	2,000	739	1,261	63.05
Total	2,600	789	1,271	61.70
	=====	=====	=====	

2:3 Advance Account

2.3.1 Advances to Public Officers Account

----- Limits Authorized by Parliament -----

The limits authorized by Parliament for the Advances to Public Officers Account of the Ministry and the Department under the Ministry and the actual amount are given below.

Item Number	<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
	Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
-----	-----	-----	-----	-----	-----	-----
	Rs. millions	Rs. millions	Rs. millions	Rs. millions	Rs. millions	Rs. millions
16001	7.5	6.28	4.5	5.68	40.00	24.24
28301	60	41.45	48	62.20	301.00	217.00

2.4 Imprest Accounts

The balances of Imprest of the Ministry and the Department under the Ministry as at 31 December 2014 totalled to Rs.10.48 million. Details appear below.

Ministry/ Department	Imprest Account Number	Balance as at 31 December 2014
		Rs. millions
Ministry of Environment and Renewable Energy	7002/0000/00/0323/0014/000	0.52
Department of Forest	7002/0000/00/0045/0014/000	9.96
Total		10.48

2.5 General Deposit Account

The balances of Deposit Accounts of the Ministry and the Department under the Ministry as at 31 December 2014 aggregated Rs.24.77 million. Details appear below.

Ministry/ Department	Deposit Account No.	Balance as at 31 December 2014
Ministry of Environment and Renewable Energy	6000/0000/00/0015/0070/000	6.16
Department of Forest	6000/000/00/0015/0138/000	18.61
Total		24.77

2.6 Audit Observation

According to the Financial Records and Books for the year ended 31 December 2014, it was observed that subject to the audit observation appearing in the Management Audit Reports referred to in paragraph 1.1 the Appropriation Account, Revenue Accounts and Reconciliation Statements of the Ministry of Environment and Renewable Energy and Department of Forest have been prepared satisfactorily. The material and important

observations out of the observations included in those Management Audit Reports appear in paragraphs 3 to 4 herein.

3. Head 160 – Ministry of Environment and Renewable Energy

3.1 Budgetary Variance

The following observations are made.

- (a) The entire net provision amounting to Rs.65,724,000 made for 5 Objects had been saved.
- (b) Excess provision had been made for 57 Objects and as such the savings after the utilization of provisions ranged between 10 per cent to 99 per cent of the net provision relating to the respective Objects.

3.2 General Deposit Account

Action had not been taken in terms of Financial Regulation 571 with regard to 4 deposits aggregating Rs.5,278,058 which had exceeded a period of 2 years (Except land deposit).

3.3 Reconciliation Statements relating to the Advances to Public Officers Account

According to the test checks of the Reconciliation Statements as at 31 December 2014 relating to the Advances to Public Officers Account Item No.16001, the total of the balances of arrears as at that date amounted to Rs.329,983. Those arrears of balances had been existing for over 15 years. However, the Ministry had failed to recover those arrears of balances.

3.4 Good Governance and Accountability

Annual Procurement Plan

The Annual Procurement Plan had not been prepared even by 31 December 2014 in terms of the National Budget Circular No.128 of 24 March 2006.

3.5 Assets Management

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

(a) Idle and Underutilized Assets

Office equipment and 71 other items had been either idle or underutilized.

(b) Conduct of Annual Board of Survey

Action had not been taken in terms of the Financial Regulation with regard to excesses, shortages and other recommendations pointed out in the Boards of Survey Reports of 2014.

3.6 Foreign Aid Projects

The Ministry had implemented 17 projects under the foreign financing during the year under review. The estimated cost thereof according to the credit agreement and project agreements. totalled Rs.790,571,046. A sum of Rs.295,728,256 had been utilized for those projects during the year under review. The following observations are made with regard to these foreign aid projects.

- (a) A Performance Progress Review report had not been prepared and furnished to audit in accordance with the Action Plan prepared for the year under review. As a result, proper evaluation of performance of foreign aid projects could not be carried out.
- (b) Two instances of savings and an instance of excess of money were observed while examining the Progress Review Report of the Foreign Aid Project relating to the National Ozone Unit and the functions of the Action Plan.
- (c) The provision of Rs.150,000 made for Environmental Chemical Management Capacity Building Programme of the staff of the Ministry had not been utilized and as such the programme had been abandoned.

3.7 Performance

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

(a) Key functions not Executed Adequately

The Ministry had either not fulfilled or adequately fulfilled key functions and several instances so revealed are given below.

- (i) A sum of Rs.45 million had been provided to implement 45 Atavisi Bodhi Pooja Programmes. However, 9 programmes alone had been conducted by utilizing Rs.65,350.
- (ii) Variances ranging from 81.97 per cent to 88.25 per cent existed between the Action Plan and the Actual Expenditure.

(b) Planning

The following observations are made with regard to the Action Plan prepared in terms of the Public Finance Circular No.01/2014 of 17 February 2014.

- (i) Fourteen activities valued at Rs.186,225,000 to be fulfilled as per Action Plan had not been fulfilled during the year under review.
- (ii) A sum of Rs.1,675,000 had been spent on two activities not included in the Action Plan.
- (iii) There were 2 activities which had been postponed without action being taken in terms of the said plan.

3.8 Transactions of Contentious Nature

A sum of Rs.378,000 had been utilized out of the provision of Rs.1,500,000 made for establishment of a Secretariat relating to Purification Development Machinery for conducting an international seminar relating to “Effect on Climatic Changes towards Food Preservation and Adaptability.”

3.9 Losses and Damages

The observations relating to losses and damages revealed at audit test checks appear below.

- (a) There were two losses and damages amounting to Rs.588,278 existing prior to 2010.
- (c) There were losses and damages aggregating Rs.882,675 relating to 6 matters exceeding Rs.25,000 since 2009 apart from the losses and damages referred to at paragraph (a) above.

3.10 Uneconomic Transactions

A sum of Rs.179,200 had been spent without preparing the required plan or an estimate for acceptance of ways and means for a “National Policy Relating to Traditional Knowledge.” However, action had not been taken for acceptance of a correct national policy.

3.11 Human Resources Management

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

The position relating to cadre as at 31 December 2014 is as follows.

Category of Employee	Approved Cadre	Actual Cadre	No of Vacancies
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(i) Senior Level	55	24	31
(ii) Tertiary Level	38	34	04
(iii) Secondary Level	183	119	64
(iv) Primary Level	76	47	29
(v) Others (Casual/ Temporary/ Contract Basis)	01	01	-
Total	353	225	128
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The following observation is made.

The Ministry had not taken action to fill 128 vacancies by end of the year under review.

4. Head 283 – Department of Forest

4.1 Non-maintenance of Registers and Books

It was observed at test checks that the Department had not maintained the registers shown below.

Register	Related Regulation
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(i) Register of fixed assets	Treasury Circular No.842 of 19 December 1978.
(ii) Register of fixed assets for computers, accessories and softwares	Treasury Circular No.IAI/2002.02 of 28 November 2002.
(iii) Stock book for fuel and lubricants	Financial Regulation 1647(d)
(iv) Register of lapsed deposits	Financial Regulation 571(1)

4.2 Lack of Evidence for Audit

The paid vouchers of Zonal Offices of District Forest Offices, Kumbalpola Research Centre and the Institute of Forest Service for the year 2014 had not been furnished in terms of Financial Regulation 272(3).

4.3 Budgetary Variance

Excess provision had been made for 07 objects and as such the savings, after the utilization of provision ranged between 78 per cent to 11 per cent of the net provision relating to the respective Objects.

4.4 Revenue Account

4.4.1 Revenue Code 20:02:01:02 – Revenue from Government Forests

The following observations are made.

- (a) A sum of Rs.2000 million had been estimated to be collected with regard to the Revenue Code as per Annual Budget Estimates. A sum of Rs.739 million had been collected as at end of the year under review and it was 37 per cent of the estimated revenue. Non recovery of royalties amounting to Rs.1,056.38 million receivable from the State Timber Corporation had attributed to the decrease in revenue of the year under review.
- (b) The arrears of revenue as per Revenue Account furnished to audit amounted to Rs.1,060 million. Those arrears of revenue related to a period of 01 to 04 years. The follow up action taken to recover arrears of revenue was at a weak level.
- (c) The Revenue Accounting officer had furnished the Annual Arrears of Revenue Report as at 31 December 2014 to the Auditor General in terms of Financial Regulation 176(1). The arrears of revenue of the head office amounting to Rs.458.31 million had been understated in that report.
- (d) The Arrears of Revenue had been prepared on the basis of about 19 out of 31 institutions including the Head Office, Kumbalpola Research Institute and Forestry School.
- (e) The sum of Rs.187,831 which had not been included in the arrears of revenue of 2014 had been received in January 2015.

- (f) The difference between the Royalties due to the Department of Forest from the State Timber Corporation and the Royalties due to the Department from the State Timber Corporation amounted to Rs.92,091,958.

4.4.2 Revenue Code No. 10.03.07.03 – Private Timber Transport Revenue Account

The following observations are made.

- (a) The estimated collection of revenue with regard to the above mentioned Revenue Account as per Annual Budget Estimates was Rs.60 million. However, about Rs.50 million representing 83 per cent of the estimated revenue had been collected as revenue by end of the year under review.
- (b) According to the Revenue Account furnished for audit, the arrears of revenue was Rs.534,758 and the arrears of revenue concerned related to a period of 01 to 04 years. The follow up action for recovery of arrears of revenue was at a weak level.
- (c) The Arrears of Revenue report had been prepared on the basis of 20 out of 31 institutions such as at head office, Zonal office, District Forest office, Kumbalpola Forestry Research Centre and the Forestry school while preparing the Arrears of Revenue Report in terms of Financial Regulation 128(2).
- (d) While examining the revenue receipts of January 2015 revenue for the year 2014 amounting to Rs.168,536 had been received in 2015 which had not been included in the Arrears of Revenue

4.5 Advances to Public Officers Account

The following observation is made in this regard.

According to the Reconciliation Statement furnished for audit, the balances of arrears recoverable as at that date aggregated Rs.8,778,490. Of these, arrears of loan balances amounting to Rs.4,947,593 related to a period of 01 to 05 years and the follow up action taken in this connection was at a weak level.

4.6 General Deposit Account

The following observations are made in this regard.

- (a) Action had not been taken in terms of Financial Regulation 571 with regard to 60 deposits of the head office exceeding 2 years amounting to Rs.1,562,363.
- (b) The balance of the Miscellaneous Deposit Account of the Head Office as at 31 December 2014, as per Treasury Printouts amounted to Rs.12,538,867. However, it was Rs.11,701,980 as per Register of Miscellaneous Deposits. Accordingly, the difference amounted to Rs.836,887.

4.7 Good Governance and Accountability

The following observations are made in this regard.

(a) Annual Action Plan

The Department should prepare an Annual Action Plan in terms of the Public Finance Circular No.01/2014 of 17 February 2017. However, the Action Plan for the year under review had not been prepared even by 31 December 2014. It had been prepared on 30 March 2015.

(b) Annual Procurement Plan

The Annual Procurement Plan had not been prepared even by 31 December 2014 as required by the National Budget Circular No.128 of 24 March 2006. It had been prepared on 04 April 2015.

4.8 Assets Management

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

(a) Annual Board of Survey

An Annual Board of Survey should be conducted and the report should be furnished to the Auditor General before 17 March 2015 in terms of the Public Finance Circular No.02/2014 of 17 October 2014. However, the Department had not furnished the report even by 31 May 2015. The last annual board of survey conducted was in respect of the year 2013.

(b) Use of Assets belonging to other Institutions

It was observed that the Department of Forest had used 49 vehicles belonging to the Ministries and 10 Miscellaneous Projects without proper authority.

(c) Idle and Underutilized Assets

Two damaged Honda motor cycles and two Kinetee motor cycles remained parked at the official residence building of the Matugama Forest Office. Action had not been taken either to repair them and make use of them or to dispose of them.

4.9 Non-compliance

Non-compliance with Laws, Rules, Regulations etc.

Instances of non compliance with laws, rules and regulations observed at audit test checks are analyzed and shown below.

Reference to Laws, Rules and Regulations	Non-compliance
(i) Financial Regulation 104	Action had not been taken in terms of the Financial Regulation with regard to damages caused in 9 instances.
(ii) Financial Regulation 1647	The daily running charts and monthly performance summaries of 343 pool vehicles used by the Department had not been furnished for audit even by 30 March 2015.

4.10 Foreign Aid Projects

The Department had executed a project under the Foreign Financial Grant during the year under review. The estimated cost of the project as per project agreement amounted to Rs.771 million. A sum of Rs.187.72 million had been utilized for the project during the year under review.

The following observations are made in this connection.

- (a) Wages amounting to Rs.389,621 of the project for the year under review had not been included in the Consolidated Expenditure Report.
- (b) Three vehicles had been purchased for Rs.29,756,748 for the project. However, the value had been overstated in the Consolidated Expenditure Report by Rs.9,918,916.
- (c) A sum of Rs.1,555,180 had been provided to conduct 32 programmes to enhance the knowledge of Field Officers of the Department during the year under review. However, out of this a provision, of Rs.1,529,878 had been spent to conduct only 21 programmes. The details of those who were expected to be participate and who had actually been participated in those programmes had not been furnished to audit.
- (d) Thirty nine per cent or Rs.304 million only of the amount estimated for the project had been spent at the end of 60 per cent of the project period.
- (e) A register of fixed assets had not been maintained and annual verification of assets had not been conducted although assets worth Rs.6,783,873 had been purchased for the project.

4.11 Deficiencies in the Operation of Bank Accounts

The following deficiencies were observed.

(a) Undue Delays in the Preparation of Bank Reconciliations

The Bank Reconciliation Statements of the Current Account of the Mullaitivu District Forest Office for the period October 2014 to March 2015 had not been prepared even by 10 April 2015.

(b) Balances to be Adjusted

Action had not been taken even by 31 March 2015 in terms of the Financial Regulation 396(d) with regard to 09 lapsed cheques totally valued at Rs.23,786 issued from 5 bank current accounts.

4.12 Irregular Transactions

Deviation from Government Procurement Procedure

The following observations are made with regard to procurements made by the Department.

(a) Purchase of Furniture and Equipment

Furniture and equipment valued at Rs.102,474 had been purchased during a period of 4 months for the Forest Statistics and Geological Science Information Division deviating from Government Procurement Procedure.

(b) Purchase of Boundary Posts by the Kalutara District Forest Office

The following observations are made in this connection.

- (i) The Forest Conservator (Forestry and Management) had authorized the District Forest Officer of Kalutara to manufacture 1100 boundary posts by his letter No.FM/MA/2014. Ni Ka dated 23 July 2014. But contravening the instructions, quotations had been called for, from 2 institutions which were not manufacturers of boundary posts, without the approval of the head office. A physical verification carried out on 08 August 2014 revealed that the institution concerned had no labourers or a suitable place to manufacture the concrete posts.
- (ii) Quotations for transporting boundary posts upto the forest range of Agalawatta of the Kalutara District had been called for, without competition and without transparency.
- (iii) Further, the values had been entered in figures only in the letters calling for quotations while forwarding quotations enabling alteration of figures

in the quotations furnished and it was revealed that many persons who had quoted were absent at the time of opening quotations.

- (iv) Further, there were instances where many letters calling for quotations had been taken to many institutions and signatures obtained by affixing rubber stamps of those institutions in the blank quotation letters which had subsequently been filled and forwarded to the quotations committee while calling for supply of necessary building materials for the World Environmental Commemoration Programme.

4.13 Losses and Damages

Thirty three instances of losses less than Rs.25,000 and 62 instances of losses more than Rs.25,000 remained unsettled even by 31 December 2014. Of these losses, 68 instances of losses had exceeded a period of 10 years.

4.14 Uneconomic Transactions

The particulars of transactions entered into devoid of economy revealed during the course of test checks are given below.

(a) Repairs to Official Quarters of Beat Forest Officer, Morapitiya

An estimate for Rs.599,616 had been prepared and a provision of Rs.600,000 had been obtained for repairs to the Morapitiya Beat Forest Officer's official quarters. The following observations are made in this connection.

- (i) The amount estimated for concreting the 200 sq.ft floor of the quarters was Rs.33,710. But, actually 62 sq.ft of floor only had been concreted. Accordingly, the amount over estimated amounted to Rs.23,260.
- (ii) A sum of Rs.21,700 had been over estimated for 35 ceiling sheets.
- (iii) An estimate of Rs.20,800 had been prepared for a 40 sq.ft door frame. However, such a door frame had not been fitted.
- (iv) The estimate for making 120 sq.ft of door was Rs.87,000. A physical verification revealed that the doors affixed were of 94 sq.ft resulting in an over estimation of Rs.8,000.
- (v) The over estimation for engaging skilled labourers, unskilled labourers and casual labourers were 63, 86 and 63 respectively.

(b) Removal of Stones – Wellaway Forest Office

Eighteen persons had been permitted during the year 2014 to break and remove stones at the reservations coming under the Wellaway Forest Office. The following shortcomings were observed at sample checks carries out at 4 centres.

- (i) Permission had been granted to break stones at the Kone Pelena Reservations belonging to the Wellaway Forest Office and to maintain the store grinding centre situated close by. Three of them had been operating stone grinding centres in a nearby place.
- (ii) The Forest Office had not exercised due care while issuing licences to break stones at the reservation while executing the job. As such the persons who obtained licences had removed forest materials without paying the dues to the government and the loss caused to the government amounted to Rs.3,588,600.
- (iii) Nine persons had been permitted to remove Silica stones at the Kotigama Bokka Reservation belonging to the Wellaway Forest Office in 2014. These Silica stones were among rocks surrounded by nicely grown trees. An examination revealed that the breakage of stones had caused extensive damage to the natural environment. The government had incurred a loss of Rs.188.100 while issuing licences to break Silica stones during the year 2014.

4.15 Unresolved Audit Queries

Reference to the audit paragraphs relating to the Department included in the Report of the Auditor General on which follow up action had not been finalized is given below.

<u>Reference to Report of the Auditor General</u>		<u>Subject under Reference</u>
<u>Year</u>	<u>Paragraph No.</u>	
2008	4.3 (b)	Weaknesses in the follow up action taken with regard to recovery of arrears of loan balances of the Advances to Public Officers Account
2009	4.3(ii)	
2010	1.3 (d)(i)	
2011	1.3 (f)	
2012	1.3 (e)	
2012	1.3 (e)	

2010	1.21 (f)	}	Non-maintenance of register of fixed assets
2011	1.11 (k)		
2013	1.6 (a)(iii)		Non-maintenance of a register of assets with regard to computer accessories and software.

4.16 Management Weaknesses

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

(a) Repairs to the Forest Office, Matugama

An estimate for Rs.207,948 had been prepared for repairs to the official quarters belonging to the Matugama Forest Office. The expenditure incurred on these repairs amounted to Rs.179,003. Necessary repairs needed for a portion of the roof had been neglected.

(b) Renewal of Registration of Timber Business

Eighty four timber businesses under the forest offices Waga, Agalawatta, Matugama and Ingiriya had not renewed their licences for 2014. The government had incurred a loss of Rs.114,810 as follow up action had not been taken in this regard.

(c) Planning of Forest Cultivation Project on either side of the Habarana Trincomalee Road

The following observations are made.

- (i) Adequate attempts had not been made to execute the above project by paying special attention towards enhancement of forest cultivation in Sri Lanka with the contributions from private sector in collaboration with the Department of Wildlife Conservation and a private company. Meanwhile, an expenditure of Rs.429,689 had been incurred on producing 50,000 plants before entering into an agreement with such a company.
- (ii) The project should have been commenced by making a provision for the project. However, the expenditure concerned had been incurred from an object allocated for Reforestation as per verbal instructions of the

Conservator of Forest (Forest Science and Management). As a result, the reforestation to be carried out under the said Object could not be carried out.

(d) Disposal of old Vehicles getting Destroyed due to Non-usage

Action had been taken to dispose of 26 obsolete vehicles of the Department on the basis of the Letter of the Secretary to the President No. PCMD/PR/2013 dated 05 June 2013. 14 out of those vehicles only had been recommended to be disposed of by the Committee valuing those vehicles. The Department had published newspaper advertisements for disposal of 22 vehicles including 8 other vehicles. The following observations are made in this connection.

- (i) The Committee had recommended sale of 5 vehicles by cancelling their registrations. Of these, 3 vehicles had been recommended for rectification of lapses in their registrations. These too had been included in the advertisements for sale of vehicles. As such, the non refundable deposits of Rs.57,000 paid by 114 buyers at the rate of Rs.500 each had been credited to state revenue.
- (ii) In addition, the security deposits paid by 114 bidders at the rate of Rs.5,000 each aggregated Rs.570,000. Of this, a sum of Rs.70,000 remained in the Deposit Account for over 7 months without being refunded.
- (iii) The Department had rejected sale of vehicles to certain bidders who had furnished quotations. However, action had not been taken to credit to state revenue the security deposits of Rs.40,000 paid by them even by 13 November 2014.
- (iv) Although the buyers concerned had paid money and removed 2 vehicles, action had not been taken even by 13 November 2014 to transfer the legal ownership of those vehicles to them.
- (v) The applications for transfer of legal ownership relating to 7 out of 12 vehicles sold on 04 April 2014 had been filled and the copy of transfer of ownership (MTA 6) had been handed over to the Department of Motor

Traffic. However, action had not been taken to vest those vehicles to the new owners even by 13 November 2014.

- (vi) A bidder who had quoted the highest price for a vehicle to be sold had paid the money on 09 July 2014. Meanwhile, it had been instructed to sell the vehicle to the second highest bidder by paying the amount quoted without considering the above. Accordingly, money had been paid for that vehicle on 21 July 2014. Later, the receipt for acceptance of money from the second bidder had been cancelled and the money refunded.
- (vii) No action had been taken even by 13 November 2014 with regard to 7 vehicles which had been recommended for sale after cancellation of registrations by the Committee which condemn and value the vehicles.
- (viii) In addition, 5 vehicles that cannot be used remained parked at the Depanama Nursery even as at 13 November 2014. No action had been taken with regard to those vehicles even by 31 December 2014.
- (ix) Further, 2 vehicles which had not been forwarded to the Committee for condemn and value had been remained parked at the Depanama Nursery even by 13 November 2014.
- (x) A person who had purchased the vehicle had paid Rs.300,000 on 25 September 2014 and the receipt issued to him showed acceptance of Rs.3,000,000 both in figures and letters, resulting in a difference in values.

4.17 Human Resources Management

Approved Cadre and Actual Cadre

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

Category of Employee	Approved Cadre	Actual Cadre	No of Vacancies
(i) Senior Level	85	65	20
(ii) Tertiary Level	42	11	31
(iii) Secondary Level	1,383	1,109	274
(iv) Primary Level	1,609	1,022	587
Total	3,119	2,207	912

The following observation is made.

The Department had not taken action to fill 912 vacancies even by end of the year under review.