

The Performance of Utilization of bus fleet of Sri Lanka Transport Board at Maximum Capacity



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01. Executive Summary

All kinds of media of transport are certainly essential to the development process of Sri Lanka. Bus service plays an important role in maintaining the connectivity between cities and villages in a country. The Sri Lanka Transport Board maintains the transport services spread across the country for the socio-economic development of the country. Under the Conversion of Public Corporations or Government-Owned Business undertakings into Public Companies Act No. 23 of 1987, 93 transport board depots became limited companies, and half of the shares in those companies were given to the Employees and the remaining shares were held by the General Treasury. Later, by amending the National Transport Commission Act No. 37 of 1991, the aforementioned depots were merged and cluster bus companies were formed. Later, the Sri Lanka Transport Board was re-established by Section 07 of the Sri Lanka Transport Board Act No. 27 of 2005 and 1415/15 and the Special Gazette Notification dated 19th October 2005.

The purpose of this performance audit report is to evaluate the performance of the Sri Lanka Transport Board's bus fleet in providing safe, reliable and comfortable road transport services to the people by using them to their maximum capacity. In evaluating the performance of this work, the Sri Lanka Transport Board's bus fleet has moved towards the relevant goals by following the existing rules and regulation through the coordination of the relevant agencies for maximum capacity utilization, the National Transport Policy approved by the Cabinet of Ministers on 27th November 1991 and later in 14th October 2009 has revised as of March 2023 (15 years) still in draft status due to non-approval by the Cabinet of Ministers, although it was the government's policy to give 40% of the market share of the running routes to the Sri Lanka Transport Board which time tables are prepared in accordance with the Cabinet of Ministers Decision No.CP/09/0300/358/009 dated 13th March 2009, that the related measures had not been followed.

According to the Section (a) of the Preamble of the Transport Commission Act No. 37 of 1991 has not prepared a scientifically determined common time table for public and private bus services, According to section (b) the bus service should have been spread fairly throughout Sri Lanka, but no formal program has been prepared for it, according to section (c), unfair and unprofitable program has not been prepared to create good competition among the service providers, and as per section (e) it was also observed that no formal arrangements have been made to ensure that the buses are a safe and comfortable service.

In examining the measures taken to maximize the performance of the Sri Lanka Transport Board, in accordance with 10 (i) (a) of the Sri Lanka Transport Board Act No. 27 of 2005 have not been prepared an annual action plan including budget consulted with the National Transport Commission and the relevant Provincial Transport Authority, In accordance with 10.1 (c) Operation activities have not Maximized (16 percent decrease in number of buses and 31 percent reduction in running kilometers) According to 10(i) (d) although , the proposals related to the implementation of transport sector or services have been included in the action plan they have not been implemented, reviewed the action plan of the year 2022, it was observed that the relevant actions have not been taken to deploy buses on new routes, to deploy buses on rural routes that have been withdrawn from operation, to start new courier services in connection with the postal department, expected to start a new office bus service ect .

In order to maintain the bus fleet in maximum running condition in the year 2022 by using the treasury and SLTB provisions the percentage of repairing the engine and putting it into operation remained 28 percent, the percentage of old gearbox repair is 19 percent, the percentage of bus body repair is 56 percent, Idle bus reruns are 3 percent, rebuild tyre production is 62 percent, and received amounts are 21 percent from the ordered buses. The repair and maintenance cost of one bus was approximately Rs.359,665 per year, and the fuel cost per passenger kilometer was approximately Rs.105. Shortage of drivers and conductors for run the buses , duty rosters are not being arranged according to a formal system, leave being taken without control, a 1,105 buses which was unable to run is being stoped in depots and obtaining quality report for those the action had not taken to repair or disposal. For the rehabilitation of buses Rs.750 million given by the Treasury in the year 2022 and Rs. 2,020 million given in the year 2023 as expencing for recurrent expenditure and a report for rehabilitating those buses and puting them into operation had not being send to the Department of Public Enterprices and Department of Treasury Operation through Ministry of Transport in each month, Depot Engineer is not preparing a report including related time lines on bus faults and repairs and it was observed that there was no centralized information system between the Engineering Division, the Depot and Regional Offices.

51 depots out of 111 depots had not obtained environmental permits from the Central Environment Authority to run buses in an environment friendly manner. 226 buses out of 566 buses in 07 depots that were sample checked to reduce the damage to the atmosphere through greenhouse gas emissions have not obtained air emission certificates, the percentage of repaired and new buses adding for crew is 11 percent, the percentage of reduction in the number of buses proposed to run in 14 divisions of the Sri Lanka Transport Board in 2022 and the number of buses actually run was 16 percent and the percentage of the decrease in the number of kilometers proposed and the

number of kilometers actually run was 31 percent. Also, although the percentage of increase in way bill income and actual income is 304 percent the main reason for that was the increase of bus fare by 300 percent in the year 2022.

In view of the above observations expediting the preparation of the National Transport Policy approved in November 1991 as amended in October 2009, Carrying out related tasks in accordance with the Transport Commission Act No. 37 of 1991, implementation of proposals so that the fleet can be utilized in a way that improves the quality of public transport service, Preparation of an annual action plan including the budget by incorporating the proposals of the National Transport Commission and the concerned Provincial Transport Authority and the Transport Board in accordance with Section 10.1.(a) of the Transport Board Act No. 27 of 2005, Running the buses on identified new routes by effectively revising currently existing destination of bus services, starting postal services and courier services, introducing new office bus services, Proper utilization of financial allocations and repair of old spares parts and buses by regional workshops and depots and proper utilization of technical sector staff, Increase the capacity of the tyre retreading factory and take action to rebuild and recap the tyres needed for the board's bus fleet. Meeting passenger transport needs on a common time table scientifically determined by the National Transport Commission to meet passenger transport needs, Preparation of active timetables applicable to both public and private buses in a manner that provides safety and convenience to the passengers as per Cabinet policy decisions, take relevant action for coverage by the Board of 40 percent of the total market share of the route or routes for which a time table is prepared , Conduct quality tests regularly on the fuel consumption of buses and formally arrange duty rosters to avoid the shortage of drivers and conductors . Keeping status records of the condition of the respective bus by the depot engineer when the buses arrive for repair work, Check whether the bus is in running condition during repairs and re-commissioning, carry out docking and greasing of the buses in a timely manner, Introducing a formal system for a centralized supply process instead of purchasing spare parts for buses from depots, Purchase of high value items such as turbocharger, radiator, starter motor, tyres, Re- build tyres, batteries and fuel pumps like spare parts and engine oil to stop purchase at the depot level and arrange for purchase of required stocks through open tenders and distribution to depots so that quantity discounts can be availed Timely obtaining air emission reports and environmental permits for buses, It is recommended that the bus fleet owned to the Sri Lanka Transport Board should be used economically, efficiently and effectively for a cost-effective, reliable and comfortable transport service to the public through good coordination between the relevant institutions.

02. Introduction

2.1 Background

There were 3,532 registered buses peopelized under the Motor Traffic Transport Act No. 48 of 1957 for the bus service provided by 80 bus Transporters who fully operated buses on about 1200 routes in Sri Lanka and the Sri Lanka Transport Board came into operation on 1st January 1958. From then and there SLTB had a monopoly on road passenger transport until the year 1977. According to the Trasport Board Constitution No. 19 of 1978 and in 1978 SLTB had decentralized and established 10 Regional Transport Boards coordinated by the Sri Lanka Central Transport Board. More efficiently and effectively meeting the needs of commuters by decentralizing and anticipating that smaller units will be able to provide immediate solutions to local transport problems while being more sensitive to the needs of the region and province despite the expectation that it would be possible to do so due to the continued loss of SLTB after decentralization, the new concept of free economy and due to the inability to meet the ever-increasing passenger demand, permission had given to the private sector for passenger transport.

SLTB had been peopelized under the Conversion of Public Corporations or Government Owned Busines Undertaking into Public Companies Act No. 23 of 1987. At the time of peopelization, the existing 93 Transport Board depots had become separate limited companies, and a board of directors was chosen from among the employees to control the companies. Half of the total shareholding in these companies was given to the Employees and the rest being held by the General Treasury. Since peopelization was implemented informally, it started in the year 1990 and ended in the year 1993.

The above mentioned depots were merged and cluster bus companies were formed by amending the National Transport Commission Act No. 37 of 1991 on the failure to achieve the desired results through peopelization. Employee redundancy, inefficiency, serious breakdown of discipline, unfair private sector and competition, conduct of school services, conduct of uneconomic services, collapse of social responsibilities, shortage of professional knowledge, rising cost of running, political and trade union undue influence and rampant corruption also led to the failure of cluster bus companies . As a solution to this, the Sri Lanka Transport Board was re-established by Section 07 of the Sri Lanka Transport Board Act No. 27 of 2005 and 1415/15 and the Special Gazette Notice dated 19th October 2005.

Currently, the Sri Lanka Transport Board is spread throughout the country, and 12 regional offices have been set up in order to decentralize the board's activities to meet the passenger transport service. 114 depots were established under those regional offices and also, 11 regional workshops and 07 driving training schools have been established under the board to repair and maintain buses.

Bus fleet

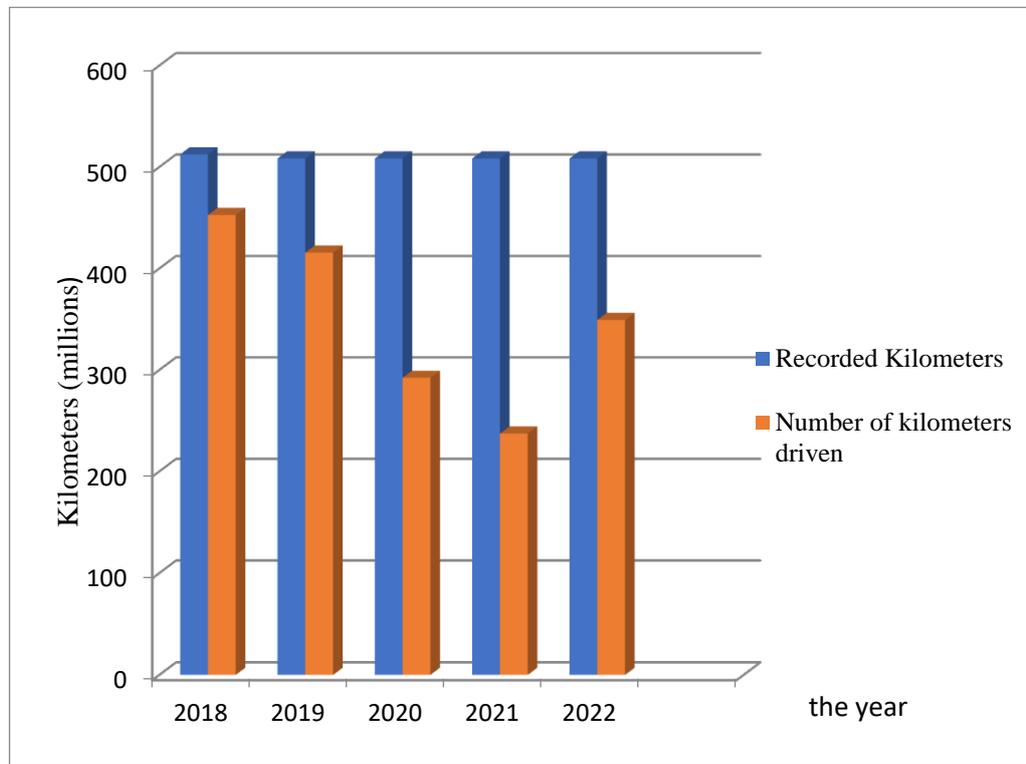
As on 31st December 2022, the total fleet was 6,951 buses and the total number of timetables to be run was 7,339. A total amount of 5,050 buses had been run as per the given targets, which was about 84 percent. (Annexure 01)

Number of running kilometers and its progress

In the year 2022, according to the overall running records of the 12 regions of the board, the number of running kilometers to be run is 513,479,007 kilometers, an amount of 349,194,082 kilometers had run only. Accordingly, the running target that has been achieved as a percentage was about 68 percent. (Annexure 02)

In addition, the following table and bar chart show the running kilometers and its variations for the last five years.

Year	Kilometers driven (millions)
2018	452.67
2019	415.61
2020	292.21
2021	237.24
2022	349.19



The number of kilometers driven showed a gradual decrease from the year 2018 to the year 2021, and although it increased relatively in the year 2022, it had decreased by 22.86 percent compared to the year 2018.

Employing employees for effective work

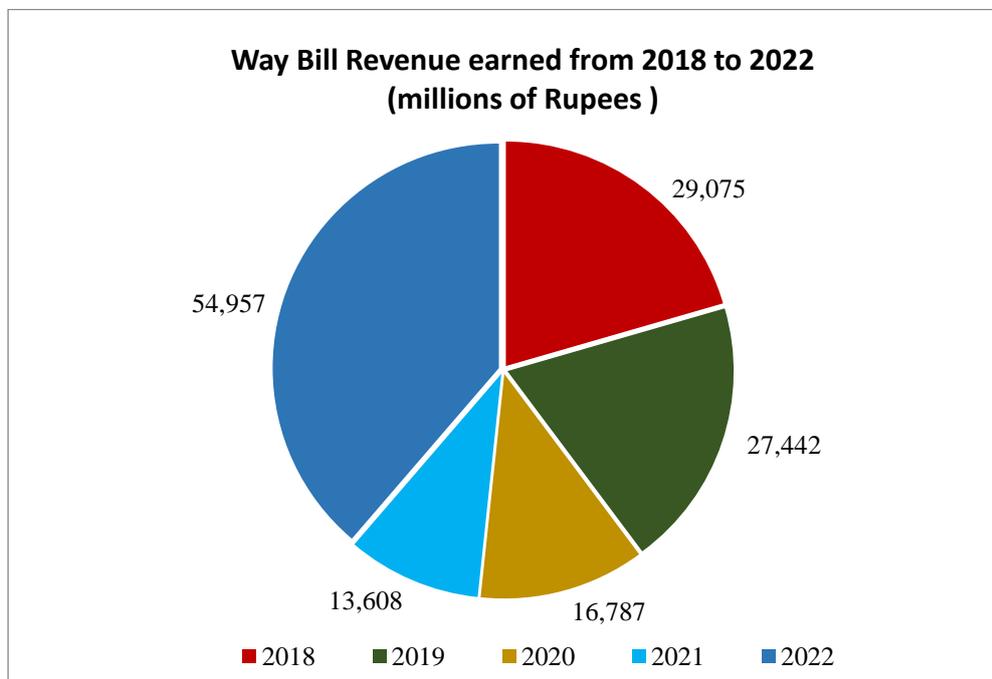
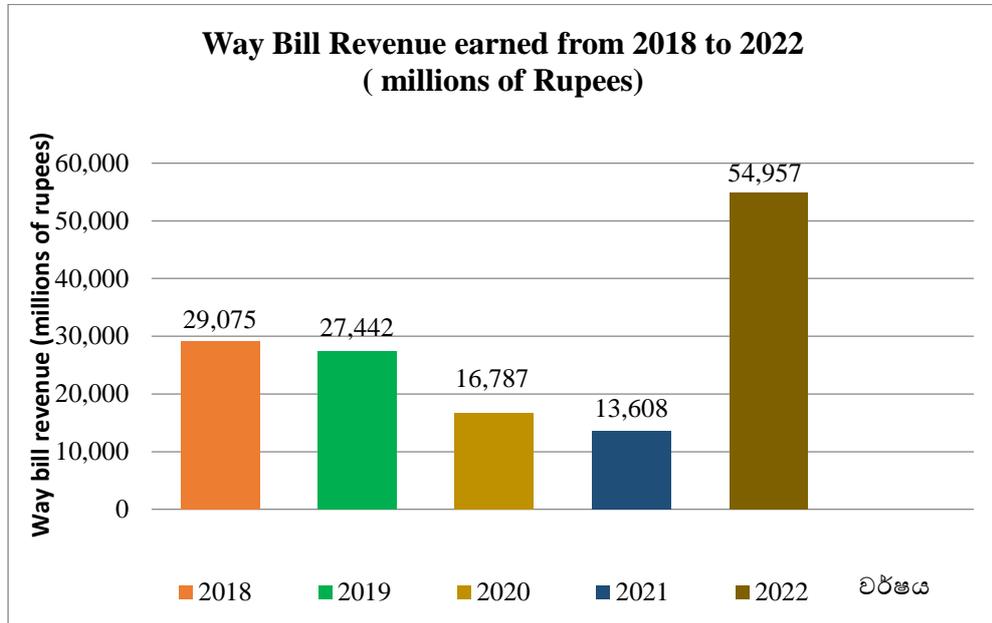
As on 31st December 2022, the number of effective jobs was about 7,005 and 19,574 drivers and conductors were required to run that job, but the actual number of drivers and conductors on that date was 7,786 and 7,768 respectively. Accordingly, there was a vacancy of 2,001 drivers and 2,019 conductors. Accordingly, the deficiency is 21 percent. (Annexure 03)

Bus driving progress

In the year 2022, the number of bus turns that should be run according to the time table requirement was 1,924,280 and the number of bus turns that had been run according to the time table requirement was 1,552,820. Also, 5,475 bus turns were run for the running needs of the army and police and 23,725 bus turns were run for special trips and 342,260 bus turns were not run due to running problems in that year. (Annexure 04)

Way Bills Revenue

The Way bill revenue earned from the year 2018 to the year 2022 is below. Thus, the way bills revenue had gradually decreased from the year 2018 to the year 2022, and in the year 2022, it had increased significantly. This was due to the increase of bus fare by 300 percent in the year 2022.



2.2 Related institutions, its vision, mission and objectives

(a) In the Ministry of Transport and Highways

Vision - Sri Lanka to be the country with the premier people centered transport system in the region.

Mission - To use state of Art Technology to Implement, develop and sustain worldclass transport infrastructure and services to enhance Living standard of the people.

Goles and Objectives of the Ministry of Transport and Highways

- i. Providing a safe and reliable passenger transport system
- ii. Introducing an environment friendly transport system
- iii. Establishment of car parks to reduce traffic congestion
- iv. Regulating private transport services
- v. Establishment of local industry system related to production of buses and transportation sector
- vi. Launch strategic programs in order to harness the contribution of the transport secoter to minimize emission of greenhouse gases.

(b) National Transport Commission

Vision - To ensure a qualitative, cost-effective and safe integrated transport system and services that will provide for the spcio-economic Development throughtout the Island and fulfill the different mobility requirment of every citizen in Sri Lanka.

Mission - To advise the Government of Sri Lanka on the national policy for passenger transport and to established the required regulatory framework in order to ensure an efficient bus transportation system meet of the public.

Duties, Goles and Objectives of the National Transport Commission

To advice to the Government of the national policy relating to passenger transport services by ominibuses and having regard to such policy,

- i. To monitor the availability of omnibus services of an acceptable quality to meet the passenger transport need of the public and to determine the minimum levels at which such services shall be maintained;
- ii. To specify the conditions subject to which an Authorized person may issue or review a passenger service permits or other authority authorizing the use of omnibus for the carriage of passengers at separate fair ;
- iii. To determined the rates to be charged for the issue or renewal of passenger service permits by an authorized person;
- iv. Carrige of a mail and provision of school services for school services on concessionary rate, for school children and students of universities, Technical Institutions and similar Institution;
- v. To Grant Passenger Service Permits for omnibus services to the specified area.
- vi. To ensure the provision of omnibus services on unremunerative routs,by entering,after the consideration of competing bids,into conteacts with persons for the provision of those services and where necessary, providing financial suporttopersons providing such services andto specifythe fairs that may be charged by such persons having regard to the nature of the service provided;
- vii. To enter into agreement with any person for the provision of inter-provincial omnibus services and the issue passenger carrage permits in respect thereof;
- viii. To Provide managerial expertise and assistance to authorized persons for the proper discharge of their functions relating to the provision of omnibus sercices;

(c) Sri Lanka Transport Board

- Vison - To be the excellent transport provider in the region.
- Mission - To provide the public a safe, dependable and comfortable transport at a reasonable fare system through a staff dedicated to service and obtains the maximum utilization of all resources functioning as an economically viable organization.

Golls and Objectives of the Sri Lanka Transport Board

- i. To promote a qualitative and quantitative and efficient and effective bus service through 12 regions by monitoring coordinating with Head office and counselling.
- ii. To provide satisfactory bus service for school going children.
- iii. To provide bus services on un- economic routes which are neglected by the private bus operators due to precunary consideration.
- iv. To provide long-distance services to remote area from Central Bus Station, Pettah
- v. To coordinate public and private sector transport agencies.
- vi. To coordinate bus services during festivals, special occasions, parliamentary and provincial council elections ect.
- vii. To Transport mail and newspapers.
- viii. To coordinate with the Treasury, National Transport Commission, Provincial Councils, relevant Ministries and other relevant agencies for operation of buses.
- ix. To provide well trained and disciplined drivers from the board's driving training schools.
- x. To conduct seminars and workshops for drivers, conductors, mechanics and judicial staff.
- xi. To provide units/sub-units manufactured by provincial workshop to depots.
- xii. To offer season tickets for adults and students at attractive discounted rates.
- xiii. To maintain a trancit stores at S.L.T.B. Head office at Narahenpita for issue of critical spare parts for provincial workshops.
- xiv. To conduct security, investigation, flying squad raid etc. in respect of bus operation in depots.

(d) Road Passenger Transport Authority

Vision - Provide efficient, safe and quality and cost effective passenger transport services.

mission - To provide efficient, safe, quality and cost effective public Transport Services to the people of the province by providing the nessary infrastructure and providing the nessary infrastructure facilities for transport services, regulating , ransporting bus and alternative passenger transport busineeemen guidance to stab lize.

2.3 Audit Approach

According to the total running capacity reports of the 12 regions of the Sri Lanka Transport Board, it was planned that 513,479,007 kilometers should be run, and the 349,194,082 number of kilometers was run. Accordingly, the problem approach was used for this audit due to the following primary issues which had affected to the down the total amount of mileage by 32 percent.

- (a) 114 depots including 12 regional offices, 11 regional workshops and 07 driving training schools and lack of interrelation between the head office and the absence of a amalgamated accounting system.
- (b) Failure to establish a system with regular duty roster to carry out bus maintenance and repair work so that the bus fleet can be utilized to its maximum capacity.
- (c) Failure to establish a formal system including systematic procurement procedures for the purchase of spare parts and equipment for buses.
- (d) Failure to establish an interrelated time table structure for running of buses recognizing the order of priority.
- (e) Lack of installation of necessary facilities in depots to avoid shortage of employees and create employee motivation.
- (f) Lack of program for attitudinal change for a decent workforce.
- (g) Absence of formal coordination with the General Treasury, National Transport Commission, Provincial Councils, relevant Ministries and other relevant institutions regarding bus operations.

2.4 Audit objectives and criteria

The main objective - Evaluation of performance in providing a safe, reliable, comfortable, road passenger transport service to the public by using the bus fleet owned by the Sri Lanka Transport Board at its maximum capacity.

Sub-objectives and criteria

Sub no	Sub-objectives	criteria	sources
01	Assess the adequacy of existing rules and regulations for maximum capacity utilization of the bus fleet.	According to the Sri Lanka Transport Board Act No. 27 of 2005 dated 15 th September 2005, there are guidelines for running the bus fleet at maximum capacity.	Sri Lanka Transport Board Act No. 27 of 2005 Section 10.1 (a), Section 10.1 (c)
02	Assess coordination among existing agencies for maximum capacity utilization of bus fleet.	Existence of a coordination system between Sri Lanka Transport Board related agencies.	Reports of the Coordinating Committees set up in accordance with the (VIII) aims and objectives of the Sri Lanka Transport Board
03	Deploying the existing fleet of buses according to bus time tables and evaluating its effectiveness.	<ul style="list-style-type: none"> i. Existence of approved schedules, performance indicators ii. Reviewing whether bus services are maintained in an acceptable condition and the existence of rules regarding the minimum level at which those services must be maintained. 	<ul style="list-style-type: none"> i. Annual Plans (2022) ii. National Transport Statistics (2019-2021) iii. Transport Commission Act No. 37 of 1991, Internal Circulars (Time tables, performance Indicators)
04	Performance evaluation to utilize the available resources to the maximum capacity to run the bus fleet at optimum level.	<ul style="list-style-type: none"> i. Existence of mechanisms to obtain necessary financial resources. ii. Presence of relevant goals in concrete and action plans. iii. Existence of procurement procedures as per procurement guidelines 	<ul style="list-style-type: none"> i. Treasury Appropriations Reports ii. Sri Lanka Transport Board Act No. 27 of 2005 iii. Budget iv. Operating Income Statements

		and procurement plan.	v. Composition plan
		iv. Existence of a management system to ensure that stocks are maintained adequately.	vi. Action plan vii. guidelines viii. Maintenance guidelines ix. Procurement Guidelines x. Register of Assets
05	Identifying new routes and evaluating how to run uneconomic routes economically and efficiently.	<ul style="list-style-type: none"> ➤ Existence of provisions as per National Transport Commission Act No. 37 of 1991. ➤ Existence of new route identification system as per Transport Policy (2021 - Draft). ➤ Existence of passenger estimation system. <ul style="list-style-type: none"> i. Existence of a system for preparation, issuance and implementation of timetables applicable to both public and private sector buses. ii. Giving Sri Lanka Transport Board to provide 40% of the total market share of running routes. iii. Existence of a system to identify the number of passenger passes issued and the number of buses deployed to provide the relevant service. 	<ul style="list-style-type: none"> i. Time Tables ii. Passenger estimates iii. Passenger requests iv. Traffic and revenue analysis reports v. Cabinet Paper on the Policies and Procedures to be followed in Preparing Time tables for Inter-Provincial Bus Services No. CP/09/0300/358/009 dated March 13, 2009 <ul style="list-style-type: none"> • Information on new routes identified • Information about revised time table • Information about uneconomical roads • Information time table on new proposals
06	Evaluation of the method of reducing the environmental damage caused by bus driving.	There should be approved rules to reduce environmental damage and air pollution caused by running buses	<ul style="list-style-type: none"> i. Environment Act No. 47 of 1980 ii. Gazette No. 1533/16 dated 25th January 2008

2.5 Audit Scope

Examine the transactions of a sample of 20 depots representing 08 out of 12 regions from the year 2018 to 31st January 2023 and only the review of public representations and comments received in accordance with the existing rules and regulations for transporting the Sri Lanka Transport Board's bus fleet at maximum capacity had been examined in this audit.

2.6 Limitation of Scope

Due to the lack of staff and existing problems in the regional offices, it was not possible to obtain management confirmation and real time data, and there were instances of contradictions between the data obtained.

2.7 Authority for Audit

This performance audit 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 and in accordance with the provisions of the National Audit Act No. 19 of 2018.

2.8 Audit methodology

(a) Obtaining documentary evidence

Relevant evidence was obtained from the following sources.

- i. File inspection
- ii. Study of newspaper articles and magazines
- iii. Obtaining information from the Internet
- iv. Studying research paper
- v. Studing time table

(b) Other sources of evidence

- i. Inquiries from corporate personnel.
- ii. Obtaining relevant information from third parties.
- iii. Obtaining necessary information through public petitions and representations.
- iv. Obtaining necessary evidence through physical examination.
- v. Gathering and verifying various news items published by media programs

03. Detailed audit findings

3.1 Planning for utilization of Bus fleet

By utilizing the Sri Lanka Transport Board's bus fleet at its maximum capacity, passengers can be provided a safe, reliable, comfortable and efficient passenger transport service with a fair fare system. In examining the planning of utilizing the bus fleet at its maximum capacity the attention had been paid to the national policies and plans of the Ministry of Transport, the policies, goals and objectives of the National Transport Commission, and the action plans of the implementing agencies directly link with the long-term plans and transport policy of the Road Passenger Transport Authority. The following facts were observed in this regard.

3.1.1 Policy of Ministry of Transport and Highways

The Transport Policy which was approved by the Cabinet of Minister on 27th November 1991 has been revised on 14th October 2009. Rs.2.5 million had been allocated for the policy formulation process including conducting workshops, short-term consultancy fees, public enquiries, conferences, newspapers, advertisements etc for the purpose of updating it from the funds available under the National Transport Commission. Although, from that amount of Rs.334,135 had been spent for the above points, it was observed that the National Transport Policy is still in the draft stage have passed 15 years from the year 2009 to 1st March 2023.

3.1.2 Policies of the National Transport Commission

- (a) In terms of Section 08 of the National Transport Commission Act No. 37 of 1991, to advise the government on the national policy related to passenger transport services by buses and to monitor the availability of omnibus services of an acceptable quality to meet the passenger transport need of the public and to determine the minimum levels at which such services shall be maintained but it has not been done by the National Transport Commission.
- (b) According to clause (a) of the Preamble of the said Act, the Transport Commission should have arranged to get an expert public bus service or a private bus service to meet the actual passenger demand on a common time table which was scientifically determined, but the Commission had failed to fulfill that task so far.
- (c) According to clause (b) of the preamble of the Act, the services related to passenger transport by buses should be improved to the extent and condition necessary to meet the needs of the public and spread these services fairly throughout Sri Lanka, but the commission had not implemented a formal program for that.

- (d) According to Clause (c) of the preamble of the Act, making arrangements for conducting adequate bus services related to the transportation of passengers by socially necessary but unprofitable route services and turn buses and to create good competition among the service providers and to prevent unfair and unprofitable competition although, an arrangement should have been prepared the commission had not acted on it.
- (e) According to clause (e) of the preamble of the Act, it was supposed to ensure that safe and comfortable transport services are provided to the public by buses, but the commission has not implemented a formal program for that and provided relief to the people through it.

3.1.3 Sri Lanka Transport Board Policies and Plans

- (a) In terms of Section 10.1.(a) and Section 10.1.(c) of the Sri Lanka Transport Board Act No. 27 of 2005, it was observed that after consulting the National Transport Commission and the relevant Provincial Transport Authority, incorporating the proposals of the Board to provide an efficient and effective regular bus service by creating economic stability and Identifying how implementation should be done and identifying the relevant stakeholders responsible for the various proposals and although an annual plan should be prepared and including the time frame and budget likely to be taken in implementing the entire plan, the Annual Action Plan of the Transport Board was not such an action plan prepared in consultation with the relevant parties. .
- (b) According to section 10.1.(c) Of the Act, although the operations of the Board should be conducted in such a manner as to ensure that the strength of the operations of the Transport Board is at its maximum. It was observed that the bus operations have decreased by about 25 percent.
- (c) According to Section 10.1.(d) Of the Act, other schemes or services in the field of transport should be implemented in such a way as to improve the quality of the public transport service, although the board had included the proposals for that in the action plan, but those were not implemented.
- (d) Although the S.L.T.B Technical Division planned to provide 5,918 buses through the regional and as an aggregate amount of 6,003 buses including 85 buses of the Central Bus Office and the luxury tourist transport service were planned to be put into service daily, and it was observed that the Technical Division had succeeded to provide a amount of 5,118 buses for operation as a percentage of 85.26 percent.

- (e) It was planned to deploy 120 buses on the identified new routes by identifying the essential destinations of the buses running from the main cities and effectively revising the existing routes and deploying 200 buses on the rural routes which have been removed from service, and through that it was planned to provide, efficient and comfortable passengers transport service in the buses and increase the income, but in the year 2022 it was not possible to achieve those goals.
- (f) To start a courier service for daily deliveries within two days by combining with the postal department using the currently running buses, Introducing a new office bus service and deploying 100 buses to make the service an interesting method of office transportation and It was planned to increase the income through it, but the board had failed to implement those measures.
- (g) The running division of the Sri Lanka Transport Board had planned to utilize the bus fleet in the year 2022 as follows.

Running Division	Proposed and Actual number of buses to run		Proposed and Actual Run Kilometers (Millions)		Way Bills revenue (Rs. million)	
	proposed	true	proposed	true	proposed	true
Colombo	220,460	209,393	45.86	31.81	7,281.61	5,914.10
Gampaha	126,290	125,399	31.45	21.66	4,642.84	3,577.59
Kaluthara	96,360	97,036	21.58	15.54	2,770.96	2,255.71
Wayaba	214,985	191,661	54.82	41.11	6,481.89	5,964.17
Kandy	148,920	145,481	29.34	23.95	4,342.15	4,220.82
Sabaragamuwa	212,065	200,530	40.72	32.73	5,672.13	5,350.74
Ruhuna	177,025	167,609	46.38	34.92	6,038.45	4,934.53
Rajarata	154,395	145,847	42.77	33.69	5,029.57	4,842.88
Nuwara Eliya	134,685	125,535	28.01	22.86	4,573.09	4,179.50
East	104,390	96,272	31.94	24.57	3,917.34	3,821.13
North	90,520	84,223	27.43	21.18	3,321.03	2,891.41
Uwa	208,780	179,000	49.90	37.70	6,847.00	5,951.10
C.B.S	9,855	6,473	3.45	1.63	-	-
SLTTS	25,550	18,190	9.96	5.85	2,229.50	1,053.10
Total	1,924,280	1,792,649	463.61	349.2	63,147.56	54,956.78

According to the above data, the number of buses proposed to run in the year 2022 and the number of actual buses that were run compared to the proposed number of kilometers, the actual number of kilometers that should have been run is 430,415,606 kilometers. Thus, the actual number of kilometers driven in the year 2022 had decreased by 81,216,890, which is 23 percent as a percentage. Also, it was observed that the actual revenue has decreased by Rs.3,331,535,370 or 6 percent as compared to the number of buses proposed to run and the actual number of buses that were run compared to the proposed Way Bills revenue.

- (h) In order to maintain the fleet in running condition, it was planned as follows to refurbish old engine sets and put them into operation by local workshops and depots using the allocation from the General Treasury and S.L.T.B in the year 2022, but only 28 percent of the expected output unit target had been reached.

Local workshop	Out Put Target (Units)	Out Put (Units)	Allocated amount (Rs.m.)	Utilized amount (Rs.m.)	Amount utilized as percentage of allocated amount
Kurunegala	240	60	189	20.3	11%
Yatinuwara	240	75	189	21.8	11%
Ginthota	180	45	142	19.1	13%
M'wachchiya	180	53	142	25.0	18%
Total	840	233	662	86.2	13%

- (i) In order to improve the running condition of the fleet, the following plans were made in the year 2022 to repair the old gearboxes and deploy them in the buses by employing the staff of the S.L.T.B Technical Division, but only 19 percent of the expected output unit target had been reached.

Local workshope	Output goal (Units)	Output (Units)	Allocated amount (Rs.m.)	Amount utilized (Rs.m.)	Amount utilized as percentage of allocated amount
Kurunegala	180	17	35.10	1.7	5%
Yatinuwara	240	54	46.80	4.9	10%
Gampha	300	67	58.50	8.5	14%
Total	720	138	140.40	15.1	11%

- (j) Although, a sum of Rs.238.50 million had been allocated to repair the old and disposable bus bodies by employing the mechanics and painters in the local workshops had been planned as follows in the year 2022, and it was observed that 56 percent was nearing the completion target of painting sufficient number of buses.

Local workshop	Output target (Units)	Output (Units)	Allocated amount (Rs.m.)	amount used (Rs.m.)	Amount utilized as percentage of allocated amount
Kurunegala	48	17	38.16	9.16	24%
M'wachchiya	12	12	9.54	4.11	43%
Kaludawala	96	52	76.32	27.69	36%
Bandarawela	48	21	38.16	9.70	25%
Badulla	72	51	57.24	14.30	24%
Udubaddawa	24	16	19.08	5.14	27%
Total	300	169	238.50	70.10	29%

- (k) Amount of Rs.180 million was allocated in the year 2022 to add the buses for running that had been disabled due to the lack of the following engine parts, but it was observed that 03 percent of the amount was utilized to achieve the desired completion targets.

Local workshop	Output target (Units)	Output (Units)	Allocated amount (Rs.m.)	Amount utilized (Rs.m.)	Amount utilized as percentage of allocated amount
Starter motor	2,040	91	61.50	2.18	3%
Alternator	1,200	74	40.50	1.46	4%
Fuel pumps	1,080	12	61.50	0.57	0.9%
Fuel injector	3,000	48	16.50	0.77	5%
Total	7,320	225	180.00	4.98	3%

- (l) About 195,904 tyres are required annually to maintain the fleet, and Re-build Tyres are used to meet that need, and for that, the Re-build Tyre Factory run by S.L.T.B had planned to produce 14,400 tyres for the year 2022, and a provision of Rs.113.20 million Has been allocated for that purpose. But, the quantity of 8,997 Re-build tires had been produced in the year 2022, and the amount of Rs.107.64 million had been spent for that. Also, Rs.50 million had been allocated in the year 2022 to expand the capacity of this Re-build tyre factory, but any sum of that money had not been spent, and the expected

output target through this investment was not mentioned. Attainment of tyre production targets for the year 2022 is 62 percent.

- (m) The local workshop in Ginghota for bus body repair was installed on 18th May 2020 at a place near Koggala sea, and 16 mechanics including an engineer, other workers and guards as an aggregating 29 persons were assigned to the workshop and the annual completion target of this workshop was 36 buses. But, it was observed that the number of buses that have been repaired and put into operation in the workshop during the period of 03 years from the beginning to 30th June 2023 is 12, so the completed target is 11 percent. Further, since this workshop is located in an open area near the sea, it was also observed that there is a risk of the buses being taken out for repair due to the sea winds getting corroded.



- (n) It was planned to add total number of 600 new buses as of 30-35 seats 500 new buses and 42-45 seats 100 new buses to the fleet under the Indian credit facilities, and a Rs.2,796.50 million Money had been allocated for this purpose in the year 2022. But, USD 2,666,250 money was paid as 20 percent advance for 500 buses, and 125 buses had been received. For that, an amount of Rs.271, 102,287 was paid as customs charges, shipping charges, clearance and highway charges and bank charges. The percentage of the number of buses received from the planned number of buses was 21 percent.

3.1.4 Cabinet Policy

- (a) According to the Cabinet of Ministers Paper No. CP/09/0300/358/009 dated 13th March 2009 it is the policy of the Government that any person authorized by written law to issue passenger service permit authorizing the use of an omnibus for regular service for the carriage of passengers at separate fares, shall formulate, issue and impose a coordinated and rotational time table incorporating both the state and private buses, which affords equity to operators and safety and convenience to the traveling public and to permit Sri Lanka Transport Board to cater to 40 percent of the total market share of a particular route or group of routes for which a time table is prepared. But the

Ministry of Transport had not acted by intervene the parties responsible for that tasks and to carry out the nessary tasks correctly.

(b) All persons authorized by written law to issue passenger service permits authorizing use of omnibuses for regular bus service shall strictly adhere to the following procedure prepared in line with Government's policy time tables.

- Computation of the distance, travel time and its variations, fare, idetification of stop of the route measured accurately.
- Incorporate times for rest stops and layover at terminal in term of the Motor Traffic Act.
- Identification of number of issued permits and the physical identifiaton of the actual no of number of buses available for a given service on the route.
- The existing length of traffic day and its variations over the week and for other events.
- Conduct of Screen line counts of buses, and passengers carried by that service, in both directions of travel covering for a period of not less than the duration of one traffic day where the distance between screen lines would not be more than 80 kms.
- Conduct of boarding and alighting analysis of at least 10 percent of the existing daily trips by that service along the entire route and in both directions of teavel covering the entire traffic day and its variations.
- Development of demand graph and calculation of headway, adjustment of traffic day.
- Accommodate all buses scheduled for operation at the time of the preparation of time tables or up to 40 percent of the all identified dispatches to be operated by the Sri LankaTransport Board.
- In case the dispatches permitted in the time table is less than 40 percent of the Market Share of The route, all future increase in demand up to 40 percent be offered to the SLTB.
- Deployment of buses in the list using computer software considered suitable for this purpose in order to satisfy the demand.

But, all the parties involved including the Transport Board, the Ministry of Transport and the Transport Commission have not been properly implemented the government's policy.

3.2 Operational problems encountered in the use of the bus fleet

3.2.1 According to the states report of the Sri Lanka Transport Board has 6,998 buses and the number of buses in running condition is about 5,094 as at 31st January 2023. Thus, it was observed that 1,904 buses are not in running condition. Out of these 1,904 buses, 1,240 buses were more than 12 years old, and 1,105 buses were more than 15 years old.

lifespan	Running status	Type of bus			Total
		Tata	Leyland	Other	
Less than 02 years	Is running	-	84	01	85
	Not running	-	07	-	07
Between 02-05 years	Is running	-	290	06	296
	Not running	-	45	-	45
Between 05-10 years	Is running	01	1,992	35	2,028
	Not running	-	384	34	418
Between 10-12 years	Is running	41	534	-	575
	Not running	09	185	-	194
Between 12-15 years	Is running	147	299	03	449
	Not running	55	79	01	135
Over 15 years	Is running	811	823	27	1,661
	Not running	630	425	50	1,105
Total		1,694	5,147	157	6,998

3.2.2 A sum of Rs.2, 516,932,153 had been spent for the maintenance of this fleet of 6,998 buses in the year 2022. Accordingly, it was observed that the repair and maintenance cost of one bus is approximately Rs.359,665.

3.2.3 The fuel cost incurred in the year 2022 for running this fleet of buses is Rs.36,675,482,191. But it was observed that the number of buses run and the number of kilometers run in the year 2022 are 1,792,649 and 349,198,715 respectively. Thus, it was observed that the value of fuel burnt is Rs.105 per kilometer.

3.2.4 As about 75 percent of the 6,998 buses added to the service their milometers had out of order, the figure of 349,198,715 indicated as passenger kilometers driven was unsatisfactory, and it was unable to satisfied the amount of fuel burned per passenger kilometer.

- 3.2.5 Due to the quality checks had not been done on the fuel consumption of the existing buses added to the service in the bus fleet, it was not possible to get an accurate estimate of the amount of fuel burned per kilometer by each bus. Due to this, it was not possible to satisfy in audit the amount of Rs. 36,675 million spent annually as expenditure for fuel.
- 3.2.6 It was observed that the number of 7,786 drivers and 7,768 conductors in the board was the main obstacle to fully deploying the bus fleet. It was further observed that this situation has been caused by the non-recruitment of drivers and conductors for a long time.
- 3.2.7 The duty rosters were arranged according to a formal system and the drivers and conductors were not employed to run the buses accordingly, taking leave without control and employing the drivers and conductors for office duties without specific duties ect had hindered the operation of the fleet with maximum efficiency and at least the redundant driver and conductor staff had not been transferred between regions and brought together to run buses.
- 3.2.8 An aggregate amount of 1,105 buses as 630 Tata type buses, 425 Leyland type buses, 50 other types of buses were not in running condition had been parked in the depots without any safety measures and the lifetime of the existing fleet of buses over 15 years. It was observed that the action had not been taken to find out which buses could be put into service by obtaining a condition report on them which should be used to carry out repairs or dispose the buses unusable.
- 3.2.9 The General Treasury has given Rs.750 million for the rehabilitation of buses in the year 2022, and the Board does not have any records of the buses that have been rehabilitated and put into operation using this money, and from that amount Rs.606.31 million by the Transport Board and Rs.143 million by Lakdiva Engineering (pvt) Ltd had been spent but the rehabilitated buses were not put into operation as a product. It was observed that the amount of Rs.750 million given by the treasury for the rehabilitation of buses has been spent for recurrent expenses together with the Board and Lakdiva Engineering (pvt) Ltd.
- 3.2.10 Although an amount of Rs.2020 million has been allocated by the General Treasury for the rehabilitation of buses for the year 2023, and a description of the buses that have been rehabilitated and put into operation using that amount and the monthly reports regarding the receipt of advances from that amount had not been sent to the Department of Public Enterprises and Department of Treasury Operation through the Ministry. It was observed that this amount is not being used for bus rehabilitation but used as recurrent expenditure currently. Due to this, it is impossible to get true information about the fleet of buses added to the operation in the year 2023.

3.3 Engineering problems encountered in the utilization of the bus fleet

- 3.3.1 There was no accurate documentation of the process from the time the distressed and defective buses arrived at the depot for repair until the buses were repaired and put back into service. It was observed that the depot engineer does not prepare a report about the fault in the bus and the repairs to be done and the time frames for the same.
- 3.3.2 The correct information about the work done by the depot's engineering department and the staff assigned to it has not been centralized, and it was not observed that the same information is maintained at the depot level or at the regional level.
- 3.3.3 Although the bus fleet of Point Pedro depot which was inspected was 51 buses, 19 buses were not used for running. Out of which 10 buses were classified for Class B and B+ repairs as per engineering repair coding and remaining 09 buses were classified as general repairs. But these buses for put in to service by repair a program were not implemented for a period from 01 to 09 months.
- 3.3.4 The schedule repairing and greasing of the buses are not done properly had hindered to the continuous operation of the fleet, and at the time of the audit inspection at the Point Pedro depot, 15 buses had not been done scheduled service on the scheduled date and could not be put into service for the scheduled journeys, and further it was observed that 09 other buses had not been greased on the relevant date as scheduled.
- 3.3.5 It was observed that when the paint needed for painting the buses could not be procured locally when it was possible to get them from the store of the head office, but due to the fact that arrangements were not made to get the paint needed for painting, the painting of the buses at the Point Pedro depot had stopped. Further, the depot has a compressor machine for washing buses, it was observed that due to the fact that it was not placed in a proper place, the washing and cleaning of buses was not done properly.
- 3.3.6 It was proposed to remove 11 buses of B and D models and 61, 62 and 63 from the fleet at Nawalapitiya depot, and 09 buses from the buses suitable for running had been removed from the fleet due to engine faults, clutch faults and accidents. Also, NB-6449 bus was sent to Ceylon German Industrial Institute for repair work had passed about 1 ½ years, that bus was not added to the fleet after the repair work was completed.

- 3.3.7 20 buses in the fleet of Avissawella depot were taken out of service due to engineering reasons and 11 buses of NA, GE and 63 category were taken out of service due to lack of engines, gearboxes, radiators, tyre tubes, starter motors and spare parts. Furthermore, there was a shortage of 24 key panels and equipment needed for the repair of buses to the depot's engineering department, and it was observed that the reason for the shortage of necessary equipment and spare parts was the weakness and irregularity of the procurement process.
- 3.3.8 As of 31st May 2022, an amount of 314 buses had been withdrawn from operation due to the lack of batteries used for buses in 09 regional offices through the island, and 628 batteries were needed to run these 314 buses. Since the price of this one battery is Rs.57,098 and for buying those 628 batteries cost will be Rs.35,857,952. According to the tender submitted for the purchase of 6,000 batteries it was observed that this situation was caused not to act for purchase batteries.

3.4 Environmental problems arising in the use of the bus fleet

- 3.4.1 According to the No 47 of 1980 the National Environment Act vide Extraordinary Gazette No. 1533/16 dated 25th January 2008, a permit should be obtained from the Central Environment Authority for recognized and approved method of disposal of waste fuel and lubricating oil shall be used in all depot premises and yards of local workshops belonging to the Transport Board. But according to the data of the 12 regions belonging to the board, out of 111 depots and workshops belonging to those regions, 51 depots and workplaces had not obtained environmental permits and the waste had not been disposed of in a harmless manner.
- 3.4.2 A large number of buses in the fleet owned by the Transport Board had not obtained the air emission certificates (smoke test certificates) that should be submitted when obtaining revenue permits, and out of the 566 buses belonging to 07 depots in the Kandy region that were inspected, 226 buses had not obtained air emissions Certificates . It was observed that due to not obtaining proper air emissions certificates, by adding harmful gases such as Co, S such as heavy metals to the environment and by those air emissions lead to environmental pollution.

04. Recommendations

The following recommendations are made.

- 4.1 Expediting the preparation of the National Transport Policy approved in November 1991 and revised in October 2009.
- 4.2 Carrying out related functions in terms of the Transport Commission Act No. 37 of 1991.
- 4.3 Implementation of proposals so that the fleet can be utilized in a way that improves the quality of public transport service.
- 4.4 Preparation of an annual action plan including the budget by incorporating the proposals of the National Transport Commission and the concerned Provincial Transport Authority and the Transport Board in accordance with Section 10.1.(a) of the Transport Board Act No. 27 of 2005.
- 4.5 Running the buses on identified new routes by effectively revising currently existing destination of bus services, starting postal services and courier services, introducing new office bus services.
- 4.6 Proper utilization of financial allocations and repair of old spares parts and buses by regional workshops and depots and proper utilization of technical sector staff.
- 4.7 Increase the capacity of the tyre retreading factory and take action to rebuild and recap the tires needed for the board's bus fleet.
- 4.8 Meeting passenger transport needs on a common time table scientifically determined by the National Transport Commission to meet passenger transport needs.
- 4.9 Preparation of active time tables applicable to both public and private buses in a manner that provides safety and convenience to the passengers as per Cabinet policy decisions, Take relevant action for coverage by the Board of 40% of the total market share of the route or routes for which a time table is prepared.
- 4.10 Conduct quality tests regularly on the fuel consumption of buses and formally arrange duty rosters to avoid the shortage of drivers and conductors.
- 4.11 Keeping status records of the condition of the respective bus by the depot engineer when the buses arrive for repair work, Check whether the bus is in running condition during repairs and re-commissioning, carry out docking and greasing of the buses in a timely manner.

- 4.12 Introducing a formal system for a centralized supply process instead of purchasing spare parts for buses from depots.
- 4.13 Purchase of high value items such as turbocharger, radiator, starter motor, tyres, Re- build tyres, batteries and fuel pumps like spare parts and engine oil to stop purchase at the depot level and arrange for purchase of required stocks through open tenders and distribution to depots so that quantity discounts can be availed.
- 4.14 Timely obtaining air emission reports and environmental permits for buses.
- 4.15 Economically, efficiently and effectively utilizing the bus fleet of the Sri Lanka Transport Board's to provide cost-effective, reliable and comfortable transport services to the public through good coordination between relevant institutions.

Sgd./W.P.C. Wickramaratne
Auditor General

W.P.C. Wickramaratne
Auditor General

15 December 2023

**Bus fleet owned by Sri Lanka Transport Board as at 31 December
2022**

regional/ The depot	fleet	Timetable requirement	Given target	Number of buses put into operation	Percentage provided
-----	-----	-----	-----	-----	-----
Central Bus Office	34	35	30	20	66.7
Colombo	858	1,159	773	596	77.1
Gampaha	507	750	459	340	74.1
Kaluthara	359	480	330	264	80.0
Kandy	566	655	481	408	84.8
East	406	374	325	268	82.5
North	341	302	283	226	79.9
Nuwara Eliya	466	384	394	363	92.1
Rajarata	491	460	440	407	92.5
Sabaragamuwa	752	717	634	567	89.4
SLTTS	70	70	55	33	60.0
Ruhuna	662	711	563	482	85.6
Uwa	737	525	600	529	88.2
North West	702	717	636	547	86.0
Total	6,951	7,339	6,003	5,050	84.1

Number of kilometers driven by buses - year 2022

Regon /Depot	Recorded Kilometers	Number of kilometers driven	The number of km driven as a percentage
Colombo	67,831,600	31,808,694	47
Gampha	41,219,450	21,658,053	53
kluthara	29,886,200	15,541,430	52
Kandy	39,456,500	23,952,701	61
East	32,266,000	24,571,109	76
North	27,521,000	21,184,032	77
Nuwara Eliya	28,497,375	22,855,477	80
Rajarata	36,182,450	33,678,353	93
Sabaragamuwa	49,263,794	32,727,994	66
Ruhuna	51,389,262	34,915,771	68
Uwa	44,238,000	37,705,726	85
North West	52,888,500	41,110,484	78
Central Bus Office	2,874,375	1,629,615	57
SLTTS	9,964,500	5,854,642	58
Total	513,479,007	349,194,082	68

Employment of Buses - As on 31st December 2022

Region / Depot	Number of effective tasks	Number of jobs run	Need for effective work		Actual Amount of Servents		Deficit/ Exces	
			Driver	Con.	Driver	Con.	Driver	Con.
Colombo	834	639	1,168	1,168	980	924	-188	-244
Gampha	551	411	771	771	597	544	-174	-227
Kaluthara	377	292	528	528	423	420	-105	-108
Kandy	550	422	770	770	540	536	-230	-234
East	405	288	567	567	396	453	-171	-114
North	347	261	486	486	362	396	-124	-90
Nuwara Eliya	380	355	532	532	475	495	-57	-37
Rajarata	515	429	721	721	563	510	-158	-211
Sabaragamuwa	675	588	945	945	783	828	-162	-117
Ruhuna	742	572	1,039	1,039	947	947	-92	-92
Uwa	735	547	1,029	1,029	781	795	-248	-234
North West	780	595	1,092	1,092	867	869	-225	-223
Central Bus Office	44	20	62	62	41	33	-21	-29
SLTTS	70	33	77	77	31	18	-46	-59
Total	7,005	5,452	9,787	9,787	7,786	7,768	-2,001	-2,019

Bus Running Progress - Year 2022

Region / Depot	Expected Time Table requirement	On Time Table requirement	Ran On the need of Running Army and Police	Special trips	Amount not run on running issues
	-				
Colombo	220,460	163,236	1,095	12,410	43,719
Gampha	126,290	90,623	2,920	5,840	26,907
Kaluthara	96,360	74,367	-	1,460	20,533
Kandy	148,920	130,076	-	-	18,844
East	104,390	84,013	-	-	20,377
North	90,520	72,138	-	-	18,382
Nuwara Eliya	134,685	116,211	365	730	17,379
Rajarata	154,395	126,736	730	-	26,929
Sabaragamuwa	212,065	188,048	-	365	23,652
Ruhuna	177,025	142,857	-	2,190	31,978
Uwa	208,780	171,815	-	730	36,235
North West	214,985	174,946	365	-	39,674
Central Bus Office	9,855	5,460	-	-	4,395
SLTTS	25,550	12,294	-	-	13,256
Total	1,924,280	1,552,820	5,475	23,725	342,260