2023

කාර්යය සාධන වාර්තාව

செயலாற்றுகை அறிக்கை

Performance Report

රජයේ කර්මාන්තශාලා දෙපාර්තමේන්තුව

அரசாங்கத் தொழிற்சாலை திணைக்களம்

DEPARTMENT OF GOVERNMENT FACTORY

SLS ISO 9001:2008 QMS Certified Department

Annual Performance Report for the year 2023
Department of Government Factory
Expenditure Head No- 310

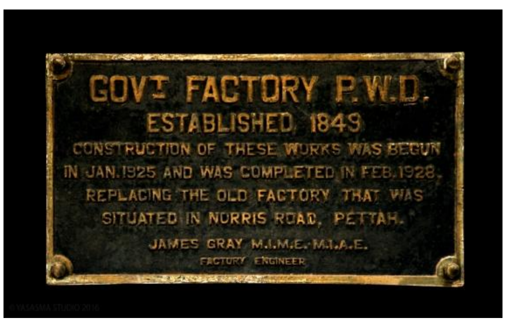
Contents | Page No.

Chapter 01 Institutional Profile/ Implementation overview

1.1 Introduction

Government Factory has been originally established as a sub department of Public Works Department in the year 1849 on Gas Workers Street, Colombo. It has been shifted to the present location close to the petroleum complex along the Dematagoda - Kolonnawa Road in 1928.

During its formative years, the Department has contributed to the development of infrastructure facilities such as roads, bridges, irrigation systems and buildings and the activities of the Department have been handled by foreign engineers.



With the breaking up of the Public Works Department into Highways and Buildings Departments in 1969, followed by the creation of the Territorial Civil Engineering Organization in 1971, the Government Factory became a Class "A" Department with effect from 01/10/1971.

Once the Government Factory became a Class "A" Department, Functions of the Factory has

Bolgoda steel bridge –Side view

20 January 1938

been operated under Advance Accounts of the General Treasury to provide mechanical engineering support services to public sector institutions.

Bolgoda Bridge- Front View

20 January 1938

From time to time, the Government Factory has been attached to the Ministry of Lands and Land Development, Ministry of Housing &Construction & Public Utilities, Ministry of Housing, Construction and Estate Infrastructure Facilities, Ministry of Housing, Construction and Engineering Services and currently it is under the purview of the State Ministry of urban Development and Housing.

As of now, the Department of Government Factory is the market leader of the country in the fabrication and installation of water management gates. In recent times, water management gates of almost all mega irrigation projects initiated by the Irrigation Department were fabricated and installed by the Government Factory Department. Weheragala, Deduru Oya, Pe-aru, Rajanganaya, Thondamanaru, Attikkawa and RambakenOya are some of the examples.

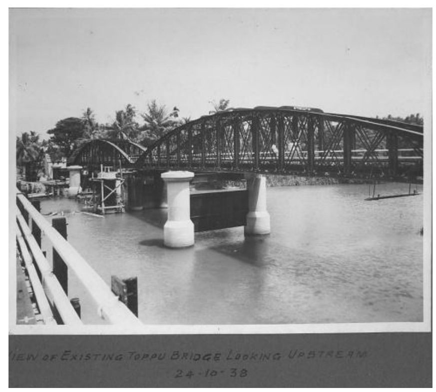
In addition of who disingned fabricated and installed package type water burification units for national water supply and dranage bord.

As the products and services in the field of mechanical engineering are carried out by the Government Factory under the work advance and stores advance accounts system, this Department can be termed as a unique department that handles commercial activities of the public sector.

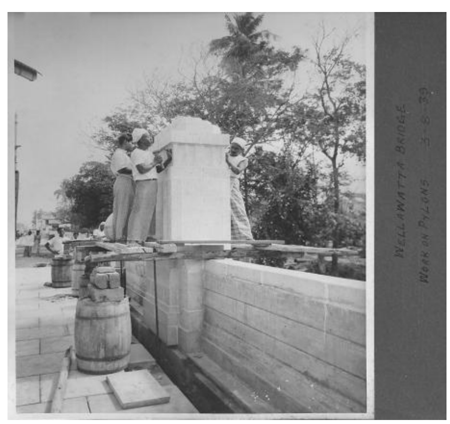
The Department has to earn Rs 22 million monthly from its customers for the payment of salaries of departmental officers and workers deployed for production and maintenance activities as treasury provisions are not provided for this purpose.

In accordance with the Sri Lanka National Quality policy, the Department of Government Factory, managed to win the ISO 9001:2008 International Quality System Certificate in the year 2013. Through the actions taken to earn this certificate, it was possible to increase the efficiency of the Factory, in that year.

We were able to upgrade the certification to ISO 9001:2015 in 2024. Apart from this, EMI (Heavy Steel Fabrication) has been renewed till 2024 for the construction work from CIDA Institute. EMF (Elevators, Escalators & Revelators) was renewed till 2024, SP2 Carpentry & Joinery) renewed till 2024. Enrollment for Weaving and Casting Technology Courses under TVEC. This has enabled us to increase our customer services.



Thoppuwa Bridge
24 October 1938



Wellawatta Bridge
03 August 1939

1.2 Vision and Mission of Department

Vision

"To become the apex public sector institution providing products, services and training in the field of mechanical engineering through sustainable development"

Mission

Providing Quality products, Works & Services, Consultations, Training of Engineers, Apprentices, Craftsman & Technicians in the field of Mechanical Engineering for all Public & Private sector Organizations' and Institutions.

1.3. Main subject areas of the Department

Department of Government Factory

(a) Manufacturing sector

Production of metal and timber items for public and private sectors

1. Manufacturing of irrigation water management equipment, hospital equipment
2. Manufacturing timber items for offices, educational and judicial institutions
3. Manufacturing various cast iron and non-ferrous products for highways and other constructions and machinery and accessories
4. Manufacturing chevrons, stars, number tags for Police Department
5. Postal franks with date, month and year for the Postal Department
6. Steel bridges
7. Water treatment tanks
8. Signage

(b) Construction sector (Heavy fabricating)

1. Designing, fabricating and installing various types of gates and accessories for irrigation sluices and reservoirs.
2. Constructing protective fences and protective roofs for historically important Buddha statues and temples.
3. Constructing iron truss buildings
4. Fabricating timber and metal roofs of buildings
5. Erecting guest shelters, stages and receiving lines for special guests attending state ceremonies and saluting dais for welcoming foreign heads of state.
6. Iron bridges
7. Water treatment tanks

(c) Repairing and maintenance sector

1. Repairing machinery and equipment of, hospitals and ayurveda institutes, prisons and small industries.
2. Repairing gates and accessories of water management sluices of Irrigation Department.
3. Repairing and maintaining furniture of offices
4. Maintaining and repairing typewriters and air conditioners
5. Servicing vehicles of government institutions.

(d) Mechanical engineering services

1. Provision of institutional training for post engineering and engineering undergraduates and apprentices of various training institutes.
2. Providing quality reports for the repaired machinery and equipment of state sector institutions.
3. Extending technical assistance to technical evaluation committees, disposing committees and assessment committees of state sector institutions.
4. Mechanical engineering products and services and provision of consultancy services.

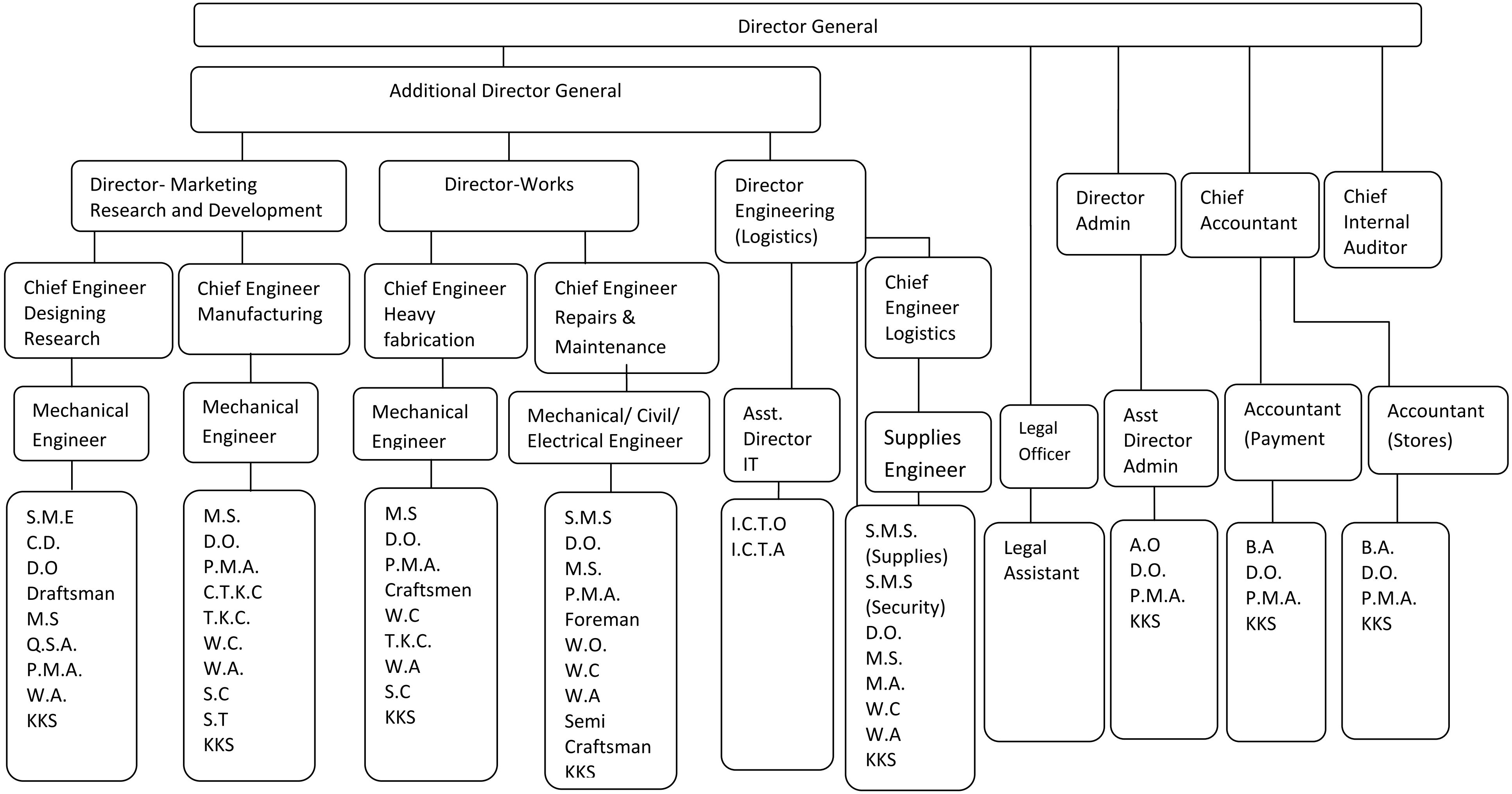
1.4 Main manufacturing activities carried out and services offered at present

No	Organization	Services provided
01	Department of irrigation	Fabricating and installing radial gates and other cast iron, wood ad ferrous water management gates and accessories
02	Hospitals	Powder coated stainless steel products, hospital and household equipment
03	Police Department/Ministry of Defense	Chevrons, name boards, mechanical sirens, official number tags
04	Department of Posts	Postal franks with years, months and dates, household equipment and tools, iron based products
05	Department of Railways	Cast iron and ferrous products
06	Rehabilitation/ Ayurveda hospitals	Installing and maintaining machinery
07	Road Development Authority	Road barriers and signage, manhole frames and lids
08	Water Supply and Drainage Board	Construction/installation/ repairing water treatment plants
09	Department of Elections	Making ballot boxes, provision of household items
10	Department of Moto Traffic	Partitioning, repairing roof and engraving chassis numbers and engine numbers
11	All public sector institutions	Furniture and other wooden products
12	All public/private institutions	Screen printing, digital printing, sign boards, carving and engraving
		Embossing, state emblems
		Making doors and windows, wall paneling (carving), partitioning (aluminium and timber)
		Cutting, drilling, boring, welding work and smithy work, all mechanical work, planning, CNC, milling
		Heavy fabricating work, light fabricating work and smithy work and aluminium fabricating work
		Electromechanical work, designing and making control panel boards, electrical installation and repairs
		Electroplating
13	Chartered engineering engineering undergraduates, apprentices of technical institutions.	Provision of practical training in the mechanical engineering field.

1.5 Contended clientele of our department

No	Institution	Services provided
01	Ministry of Sports	Making wooden doorframes and doors and windows
02	Treasury	Making wooden doorframes and doors and windows
03	Department of Elections	Making and repairing ballot boxes making sign boards
04	Gafoor building- Colombo 01	Making wooden doorframes and doors and windows
05	President's House (Anuradhapura/Nuwaraeliya)	Making wooden doorframes and doors and windows
06	Department of Irrigation	Designing, fabricating, maintaining and repairing water control gates
07	Government hospitals	Powder coating and repairing all hospital furniture (iron and stainless steel)
08	Department of Police	Manufacturing chevrons, household appliances, Bunker Beds (Steel and Wooden)
09	Department of Posts	Postal franks with years, months and dates, household equipment and tools, sign boards and constructing buildings on iron frames
10	Ministry of Justice	Wooden furniture, record room shelves, sign boards
11	Department of Archeology/ Central Cultural Fund	Designing, fabricating, installing Iron canopies for antiquities, sign boards, museum furniture, manufacturing and installing street lamp posts
12	Department of Railways	Brake pads and equipment required for railway signals
13	Ministry of Foreign Affairs	Carrying out ferrous and wooden furniture maintenance work and repairing
14	Road Development Authority/ Provincial Road Development Authority	Fabricating and installing iron bridges, making sign boards
15	National Water Supply and Drainage Board	Designing, making and installing water treatment tanks

1.6 Organizational Structure of the Department



SMS - **Senior MechanicalSuperintendent**
D.O. - **Development Officer**
T.K.C. - **Timekeeper Clerk**
Q.S.A. - **Quantity Surveying Asst**
M.S.O. - **Management Services Officer**
K.K.S. - **Karyala Karya Sahayaka**

C.D. - **Chief Draftsman**
S.M.S.Se. - **Senior Mechanical Superintendent Security)**
A.O. - **Administrative Officer**
W.C. - **Workshop Clerk**
S.C. - **Semi Craftsman**
W.A. - **Workshop Assistant**

S.M.S.Su. - **Senior Mechanical Superintendent Supplies**
M.S. - **Mechanical Superintendent**
W.A. - **Work Administrator**
B.A. - **Budgetary Assistant**
W.O. - **Welfare Officer**
I.C.T.O. - **Information Communication Technical Officer**

1.7 Progress of development programmes implemented in the year 2023 (As at 31.12.2023) – Work done advances

	Project Details	Target 2023		Progress 2023	
		Estimate (Rs Mn)	Physical (%)	Cost (Rs Mn)	Physical (%)
1	General machine workshop	08	100%	80.6	100%
2	Heavy fabrication workshop	192	100%	110.3	80%
3	Carpentry and saw mill. workshop	55	100%	36.4	60%
4	Light fabrication workshop	65	100%	64.6	99%
5	Foundry workshop	30	100%	30.5	100%
6	Craft and light duty workshop	20	100%	19.1	95%
7	Vehicle maintenance workshop	02	100%	1.5	77%
8	Electrical / mechanical / civil / maintenance workshop	08	100%	10.1	100%
	Total	**380**		**281.1**	

Project works and services attended during the year 2023 related to water management sluice gates.

1. Repairs to lifting mechanisms of Iranamadu reservoirs.

2. Kalmadu tank reservoirs.

3. Replace decayed lifting wire ropes at Thannimuruppu and Muthuyankattu reservioirs.

4. Able to attend urgent repair works due to heavy rains affecting the lifting wire ropes at Per Aru reservoirs within 5 days.

5. Able to provide agricultural water for farmers during urgent repair works at Lunugamwehera water management gates.

6. Attend urgent repair and maintenance work required during the rainy season at Thondamamaru Barrage gate.

Water control gates at Thondamanaru barrage

Fabricating gates for Oliyamulla

Water control gates at Rajangana reservoir

Gate hoisting system at Deduru Oya reservoir

Gate hoisting system of Alikota Ara project

Renovations at Kanganikulam

Nawakkuli Barrage

Independence Day Stage

Morana

Deduru oua project emergency Water control gate

Chopping Machine

State Emblem

Hapugala Water treatment plant

Galamuna project water control gate

Casting Products

Calendarine Machine

Steam Generator

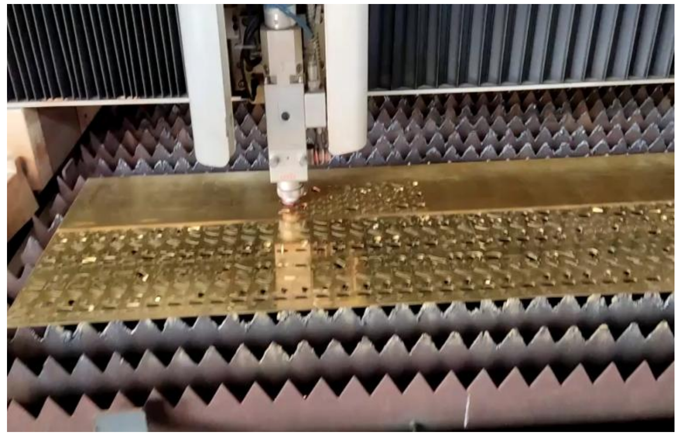
Water Gates of Pulugunavi Project

ICU Beds

Grab Bucket Repair

The use of new technology

CNC Milling Machine



CNC Lathe Machine

Laser Cutter

CNC Plasma Cutter

Plano Miller Machine

Paragraph 02 – Progress and the future outlook
Special achievements

- Obtaining ISO 9001-2015 quality management certificate
- Ability to fabricate and install water control gates at minimum prices in competition with private sector institutions
- Fabricated low cost package yype water parification unite made of stainless steel. Lead to minimize foreign exchange.
- Though most institutions suspended duties fully or partially due to the Covid-19 pandemic, our institution provided 98% of services continually.

<u>Challenges</u>

- As raw materials and accessories required for mechanical engineering products and services are not readily available in the market, they have to be procured from foreign countries which cause inordinate delays in the procurement of raw materials and accessories. Delays are also caused as certain accessories cannot be practically planned and ordered. (Sometimes samples have to be supplied)
- Continuous existence of vacancies in the technical and office staff and the absence of a mechanism for the timely filling of vacancies.
- Though proposals have been submitted to boost efficiency and production through the procurement of high-tech machinery, such proposals have not been implemented.
- Optimizing administrative functions by installing an Enterprise Resource Planning software (ERP).
- Absence of market standards for mechanical engineering construction services and products and absence of a regulatory institution to look into this matter.
- Not receiving payments due from state institutions for completed work within stipulated periods.
- Inability to work with private institutions as the department has co comply with the government procurement guidelines.
- Delays in carrying out work due to regulations imposed in purchasing imported raw materials
- Inability to furnish performance bonds, bid bonds and other forms of bonds
- Problems encountered in registering with CIDA due to the inability provide CSR.
- Recruitments could not be made for the vacancies in the PL category since 1993. Filling vacancies in the PL category has been problematic since there are no qualified professionals for the posts in the PL category.

<u>Future targets</u>

- Holding negotiations to regain orders from the Department of Irrigation, orders for hospital furniture, Department of Police and Department of Posts which have been halted.
- Taking necessary measures to produce tools required for the construction of highways locally without importing from foreign countries.
- Inability to work with private institutions as the department has co comply with the government procurement guidelines.
- Establishing a mechanism to provide mechanical and wooden products and services required by the general public.
-

03- Financial Performance of the year

3.1 Statement of Financial performance statement

3.2 Statement of Financial Position

3.3 Statement of cash flow

3.4 Notes to financial statements

3.5 Performance of the Revenue Collection

3.6 Performance of utilization of allocations

3.7 Progress of reporting non-financial assets

3.8 Auditor General's Report

3.1 Statement of Financial performance statement

ACA(F)

Statement of Financial Performance
For the Period Ended 31st December 2023
Department of Government Factory

Revised Budget Allocations 2023		Note	Actual 2023	Actual 2022	
Rs					
	Revenue Receipts				
	Income Tax	1			ACA-1
	Taxes on Domestic Goods & Services	2			
	Taxes on International Trade	3			
	Non Tax Revenue & Others	4			
	Total Revenue Receipts (A)		-	-	
	Non Revenue Receipts				
	Treasury Imprests		238,390,000	214,046,000	ACA-3
	Deposits		44,817,959	41,672,150	ACA-4
	Advance Accounts		643,411,167	740,447,137	ACA-5
	Other Main Ledger Receipts		-	-	
	Total Non Revenue Receipts (B)		926,619,126	996,165,288	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		926,619,126	996,165,288	
	Remittance to the Treasury (D)		16,895,180	16,895,043	
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		909,723,946	979,270,244	
	Less: Expenditure				
	Recurrent Expenditure				
170,800,000	Wages, Salaries & Other Employment Benefits	5	88,317,269	98,401,331	ACA-2(ii)
48,100,000	Other Goods & Services	6	42,242,728	23,190,801	
1,800,000	Subsidies, Grants and Transfers	7	-	715,616	
0	Interest Payments	8	1,168,218	-	
70,800,000	Other Recurrent Expenditure	9	70,758,134	21,402,480	
291,500,000	**Total Recurrent Expenditure (F)**		202,486,349	143,710,227	
	Capital Expenditure				
42,600,000	Rehabilitation & Improvement of Capital Assets	10	20,898,057	23,436,523	ACA-2(ii)
5,000,000	Acquisition of Capital Assets	11	1,998,225	7,335,911	
0	Capital Transfers	12	-	-	
0	Acquisition of Financial Assets	13	-	-	
1,800,000	Capacity Building	14	1,691,793	300,000	
1,000,000	Other Capital Expenditure	15	1,000,000	500,000	
50,400,000	**Total Capital Expenditure (G)**		25,588,075	31,572,434	
	Main Ledger Expenditure (H)				
	Deposit Payments		45,598,953	72,541,851	ACA-4
	Advance Payments		588,750,173	753,443,765	ACA-5
	Other Main Ledger Payments		-	-	
	Toatal Main Ledger Expenditure (H)		634,349,127	825,985,616	
	Total Expenditure I = (F+G+H)		862,423,550	1,001,268,277	
	Balance as at 31st December J = (E-I)		47,300,395	(21,998,033)	
	Imprest Adjustment Account as at 31st December		47,300,395	(21,998,033)	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3

3.2 Statement of Financial Position

ACA(P)

Statement of Financial Position
As At 31st December 2023
Department of Government Factory

	Note	Actual 2023 Rs.	2022 Rs.
Non Financial Assets			
Property, Plant & Equipment	ACA-6	1,009,227,853	1,007,229,627
Financial Assets			
Advance Accounts	ACA-5/5(a)	(209,609,812)	(154,948,819)
Cash & Cash Equivalents	ACA-3	0	-
Total Assets		**799,618,041**	**852,280,808**
Net Assets / Equity			
Net Worth to Treasury		(232,647,098)	(178,767,099)
Property, Plant & Equipment Reserve		1,009,227,853	1,007,229,627
Rent and Work Advance Reserve	ACA-5/5(b)		-
Current Liabilities			
Deposits Accounts	ACA-4	23,037,286	23,818,280
Imprest Balance	ACA-3	-	-
Total Liabilities		**799,618,041**	**852,280,808**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 6 to 39 and Annexures to accounts presented in pages from 40 to 48 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements. Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer	Accounting Officer	~~Chief Financial Officer~~/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name : W.S. Sathyananda	Name : A. Wijesingha	Name : W.H.C. Himali
Designation : Secretary	Designation : Director General	
Date : 27/02/2024	Date : 2024/2/26	Date : 2024/02/26
W.S. Sathyananda SLAS (SPECIAL GRADE) MBA(Ballarat), PGD(La-Trobe) BSc (Sri Jayawardenepura) Secretary Ministry ... and Housing 12th Floor ... - II, Battaramulla	Eng. A. Wijesinghe Director General Department of Government Factory Kolonnawa	W H C Himali Chief Accountant SLAcS 1 Department of Government Factory Kolonnawa

3

3.3 Statement of cash flow

Statement of Cash Flows
For the Period Ended 31st December 2023
Department of Government Factory

ACA (C)

	ACTUAL 2023 Rs.	2022 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts		-
Fees, Fines, Penalties and Licenses		-
Profit		-
Non Revenue Receipts		-
Revenue Collected on behalf of Other Revenue Heads	16,883,010	68,849,133
Imprest Received	238,390,000	214,046,000
Recoveries from Advance	645,297,160	740,871,944
Deposit Received	44,817,959	41,672,150
Total Cash generated from Operations (A)	945,388,128	1,065,439,227
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	200,206,380	142,264,557
Subsidies & Transfer Payments	1,168,218	715,616
Expenditure incurred on behalf of Other Heads	67,181,148	48,356,527
Imprest Settlement to Treasury	16,895,180	16,895,043
Advance Payments	588,750,173	753,093,199
Deposit Payments	45,598,953	72,541,851
Total Cash disbursed for Operations (B)	919,800,053	1,033,866,793
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	25,588,075	31,572,434
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	25,588,075	31,572,434
Total Cash disbursed for Investing Activities (E)	25,588,075	31,572,434
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(25,588,075)	(31,572,434)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	0	0
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)		-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	

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3.4 Notes to financial statements

Annexure-(i)

Statement of Losses and Waivers

(Losses under F.R. 106 and F.R. 113)

Expenditure Head No :310 Department of Government Factory

Programme No. & Title :2, Development Activities

(i) Statement of Losses Recovered/Written off/Waived off during the year.

Value		No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00		Nil
Over	Rs. 25,000.01		Nil
Total			

Classification of the cases by nature of Losses.	No.of Cases	Value (Rs.)
Total		

(ii) Statement of Losses being held to be Written off/Waived off or recoverable so far

Value		No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00	1	20,050
Over	Rs. 25,000.01		663,890
			683,940.00

Age Analysis per (ii)

Less than five years	No.of Cases	6
	Amount(Rs)	683,940
5-10 years	No.of Cases	0
	Amount(Rs)	-
Over 10 years	No.of Cases	0
	Amount(Rs)	-

Classification of the cases by Nature of Losses	No.of Case	(Rs.)
Vehicle Accidents	6	683,940
Total		

Note- Details on losses under F.R.106 and waives under F.R. 113 which were accounted under object code no 1701 are to be accounted in coming years should be included.

Chief Financial Officer /Chief Accountant/Director (Finance)/Commissioner (Finance)

Date : 27/4/26

W H C Nimali
Chief Accountant
SLAcS 1
Department of Government Factory
Kollonnawa

Annexure-(ii)

Statement of write off from books

Expenditure Head No :310 Department of Government Factory

Programme No. & Title :2, Development Activities

1 **Statement of losses and waivers under F.R. 109 during the year**

	Value		No. of Cases	Value (Rs.)
(i)	Below Rs. 25,000.00	....	....	Nil
(ii)	Over Rs. 25,000.00	....	....	Nil
	Total			Nil

2 **Statement of write off from the book and recoveries under F.R. 109 during the year**

Nature of Loss	Opening balance which was not written off	Value of loss	Recoveries	Value written off from the book	Balance carried forward which was not written off	Reference No. of Approval for write off from the book
	Rs.	Rs.	Rs.	Rs.	Rs.	
Nil						
Total						

Note - Excluding losses and waivers to be accounted in Note(i), only any other losses and waivers under F.R.109 should be included in this format.

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Chief Financial Officer /Chief Accountant/Director (Finance)/Commissioner (Finance)

Date : 2024/02/26

W H C Himali
Chief Accountant
SLAcS 1
Department of Government Factory
Kolonnawa

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Statement of Commitments and Liabilities as at 31st December 2023 — Annexure -(iii)

Expenditure Head No :310 — Department of Government Factory

Programme No. & Title :2, Development Activities

PVT	Lanka Electricity Company (Private) Limited	P2312C17	12/29/2023	310-2-1-0-1403-P	77,946	0	12/29/2023 12:06	77,946	-	-	77,946	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C18	12/29/2023	310-2-1-0-1403-P	3,803	0	12/29/2023 12:06	3,803	-	-	3,803	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C19	12/29/2023	310-2-1-0-1403-P	7,424	0	12/29/2023 12:06	7,424	-	-	7,424	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C20	12/29/2023	310-2-1-0-1403-P	3,547	0	12/29/2023 12:06	3,547	-	-	3,547	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C21	12/29/2023	310-2-1-0-1403-P	3,801	0	12/29/2023 12:06	3,801	-	-	3,801	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C22	12/29/2023	310-2-1-0-1403-P	7,485	0	12/29/2023 12:06	7,485	-	-	7,485	BOC
PVT	Kolonnawa Urban Council	P2312C23	12/29/2023	310-2-1-0-1409-P	78,160	0	12/29/2023 12:06	78,160	-	-	78,160	BOC
PVT	Never Back Security (Pvt) Ltd	P2312C24	12/29/2023	310-2-1-0-1409-P	1,005,965	0	12/29/2023 12:06	1,005,965	-	-	1,005,965	BOC
PVT	The Associated Newspapers Of Ceylon Ltd	P2312C25	12/29/2023	310-2-1-0-1409-P	47,541	0	12/29/2023 12:06	47,541	-	-	47,541	BOC
PVT	Central Implex (Pvt) Ltd	P2312C26	12/29/2023	310-2-1-0-2002-P	11,750	0	12/29/2023 12:06	11,750	-	-	11,750	BOC
PVT	Metropolitan Technologies (Pvt) Ltd	P2312C27	12/29/2023	310-2-1-0-2002-P	23,115	0	12/29/2023 12:06	23,115	-	-	23,115	BOC
PVT	Pettah Computers	P2312C28	12/29/2023	310-2-1-0-2002-P	4,250	0	12/29/2023 12:06	4,250	-	-	4,250	BOC
PVT	Toyota Lanka (Private) Limited	P2312C29	12/29/2023	310-2-1-0-2003-P	74,415	0	12/29/2023 12:06	74,415	-	-	74,415	BOC
PVT	Pettah Computers	P2312C30	12/29/2023	310-2-1-0-2103-P	7,500	0	12/29/2023 12:06	7,500	-	-	7,500	BOC
PVT	CMN Distributors Lanka Pvt Ltd	P2312C31	12/29/2023	310-2-1-0-2103-P	999,350	0	12/29/2023 12:06	999,350	-	-	999,350	BOC
PVT	CMN Distributors Lanka Pvt Ltd	P2312C32	12/29/2023	310-2-1-0-2103-P	285,200	0	12/29/2023 12:06	285,200	-	-	285,200	BOC
PVT	CMN Distributors Lanka Pvt Ltd	P2312C33	12/29/2023	310-2-1-0-2103-P	27,025	0	12/29/2023 12:06	27,025	-	-	27,025	BOC
PVT	Pilot Stationers (Pvt) Ltd	P2312C34	12/29/2023	310-2-1-0-1201-P	19,665	0	12/29/2023 12:06	19,665	-	-	19,665	BOC
PVT	Pilot Stationers (Pvt) Ltd	P2312C35	12/29/2023	310-2-1-0-1201-P	8,338	0	12/29/2023 12:06	8,338	-	-	8,338	BOC
PVT	A.Wijesinghe	P2312C36	12/29/2023	310-2-1-0-2401-P	7,086	0	12/29/2023 12:06	7,086	-	-	7,086	BOC
PVT	Neat Lanka (Pvt) Ltd	P2312C07	12/29/2023	310-2-1-0-1201-P	91,500	0	12/29/2023 12:06	91,500	-	-	91,500	BOC
PVT	CameraLK (PVT) LTD	P2312C08	12/29/2023	310-2-1-0-1201-P	43,500	0	12/29/2023 12:06	43,500	-	-	43,500	BOC
PVT	Pilot Stationers (Pvt) Ltd	P2312C09	12/29/2023	310-2-1-0-1201-P	1,495	0	12/29/2023 12:06	1,495	-	-	1,495	BOC
PVT	Colt Trading Company (Pvt) Ltd	P2312C10	12/29/2023	310-2-1-0-1201-P	22,540	0	12/29/2023 12:06	22,540	-	-	22,540	BOC
PVT	Mercurei Stationers	P2312C11	12/29/2023	310-2-1-0-1201-P	5,450	0	12/29/2023 12:06	5,450	-	-	5,450	BOC
PVT	Mercurei Stationers	P2312C12	12/29/2023	310-2-1-0-1201-P	56,000	0	12/29/2023 12:06	56,000	-	-	56,000	BOC
PVT	Pettah Computers	P2312C13	12/29/2023	310-2-1-0-1302-P	3,500	0	12/29/2023 12:06	3,500	-	-	3,500	BOC
PVT	Sri Lanka State Trading (Gen) Corporation Ltd	P2312C14	12/29/2023	310-2-1-0-1302-P	2,900	0	12/29/2023 12:06	2,900	-	-	2,900	BOC
PVT	J.D.Nimalarathna	P2312C15	12/29/2023	310-2-1-0-1402-P	4,200	0	12/29/2023 12:06	4,200	-	-	4,200	BOC
PVT	Nimal Rathnaweera	P2312C38	12/29/2023	310-2-1-0-2401-P	45,000	0	12/29/2023 12:06	45,000	-	-	45,000	BOC
PVT	Pettah Computers	P2312C39	12/29/2023	310-2-1-0-2002-P	4,250	0	12/29/2023 12:06	4,250	-	-	4,250	BOC
PVT	Fakhri Trading Company	P2312C40	12/29/2023	310-2-1-0-1201-P	13,590	0	12/29/2023 12:06	13,590	-	-	13,590	BOC
PVT	Fakhri Trading Company	P2312C41	12/29/2023	310-2-1-0-1201-P	66,530	0	12/29/2023 12:06	66,530	-	-	66,530	BOC
PVT	Jetform Technologies	P2312C42	12/29/2023	310-2-1-0-1201-P	27,000	0	12/29/2023 12:06	27,000	-	-	27,000	BOC
PVT	Champion Trades Centre	P2312C43	12/29/2023	310-2-1-0-2001-P	3,942	0	12/29/2023 12:06	3,942	-	-	3,942	BOC
PVT	Kalhari Builders (PVT) Ltd	P2312C44	12/29/2023	310-2-1-0-2001-P	40,650	0	12/29/2023 12:06	40,650	-	-	40,650	BOC
PVT	Universal Tyres Private Limited	P2312C45	12/29/2023	310-2-1-0-2003-P	35,190	0	12/29/2023 12:06	35,190	-	-	35,190	BOC
PVT	Lankan AN Global Merchant Solutions (Pvt) Ltd	P2312C46	12/29/2023	310-2-1-0-2002-P 42	4,400	0	12/29/2023 12:06	4,400	-	-	4,400	BOC

PVT	Simplex Corporation (Pvt) Ltd	P2312C48	12/29/2023	310-2-1-0-1402-P	113,850	0	12/29/2023 12:18	113,850	-	-	113,850	BOC
PVT	Shop 21 - OT	P2312C49	12/29/2023	310-2-1-0-1002-P	13,297	0	12/29/2023 13:49	13,297	-	-	13,297	BOC
PVT	Shop 21 - OT	P2312C50	12/29/2023	310-2-1-0-1002-P	6,748	0	12/29/2023 13:49	6,748	-	-	6,748	BOC
PVT	Shop 21 - OT/Bata	P2312C51	12/29/2023	310-2-1-0-1101-P	3,560	0	12/29/2023 13:49	3,560	-	-	3,560	BOC
PVT	Shop 22 - OT/Bata	P2312C52	12/29/2023	310-2-1-0-1002-P	63,583	0	12/29/2023 13:49	63,583	-	-	63,583	BOC
PVT	Shop 22 - OT/Bata	P2312C53	12/29/2023	310-2-1-0-1101-P	33,600	0	12/29/2023 13:49	33,600	-	-	33,600	BOC
PVT	H.A.V.K.Hettiarachchi	P2312C54	12/29/2023	310-2-1-0-1101-P	6,124	0	12/29/2023 13:49	6,124	-	-	6,124	BOC
PVT	W.M.N.S.B.Narampanawa	P2312C55	12/29/2023	310-2-1-0-1101-P	8,000	0	12/29/2023 13:49	8,000	-	-	8,000	BOC
PVT	Training Allowance	P2312C56	12/29/2023	310-2-1-0-1003-P	94,500	0	12/29/2023 13:49	94,500	-	-	94,500	BOC
PVT	Shop 15 - Bata	P2312C57	12/29/2023	310-2-1-0-1101-P	72,106	0	12/29/2023 12:21	72,106	-	-	72,106	BOC
PVT	Shop 15 - Night	P2312C57*1	12/29/2023	310-2-1-0-1101-P	12,800	0	12/29/2023 12:21	12,800	-	-	12,800	BOC
PVT	Shop 22 - Night	P2312C58	12/29/2023	310-2-1-0-1002-P	11,363	0	12/29/2023 12:21	11,363	-	-	11,363	BOC
PVT	R.P.Y.M.Rajapakshe	P2312C59	12/29/2023	310-2-1-0-2401-P	4,565	0	12/29/2023 10:36	4,565	-	-	4,565	BOC
PVT	Shop 21 - OT	P2312C60	12/29/2023	310-2-1-0-1002-P	5,638	0	12/29/2023 13:34	5,638	-	-	5,638	BOC
PVT	R.P.Y.M.Rajapakshe	P2312C61	12/29/2023	310-2-1-0-1002-P	3,456	0	12/29/2023 14:36	3,456	-	-	3,456	BOC
PVT	Fakhri Trading Company	P2312C01	12/29/2023	310-2-1-0-1201-P	3,100	0	12/29/2023 12:06	3,100	-	-	3,100	BOC
PVT	Fakhri Trading Company	P2312C02	12/29/2023	310-2-1-0-1201-P	675	0	12/29/2023 12:06	675	-	-	675	BOC
PVT	Lankan An Global Merchant Solutions (Pvt) Ltd	P2312C03	12/29/2023	310-2-1-0-1201-P	4,900	0	12/29/2023 12:06	4,900	-	-	4,900	BOC
PVT	Lakwin Enterprises	P2312C04	12/29/2023	310-2-1-0-1201-P	5,403	0	12/29/2023 12:06	5,403	-	-	5,403	BOC
PVT	Shop 15 - Bata/N	P2312C65	12/29/2023	310-2-1-0-1101-P	18,920	0	12/29/2023 14:41	18,920	-	-	18,920	BOC
PVT	Shop 15 - Bata/N	P2312C66	12/29/2023	310-2-1-0-1101-P	32,550	0	12/29/2023 14:41	32,550	-	-	32,550	BOC
PVT	K.M.G.Rukshan Prabodha	P2312C67	12/29/2023	310-2-1-0-1101-P	5,600	0	12/29/2023 13:07	5,600	-	-	5,600	BOC
PVT	Lanka Electricity Company (Private) Limited	P2312C68	12/29/2023	310-2-1-0-1402-P	93,140	0	12/29/2023 12:28	93,140	-	-	93,140	BOC
PVT	Sri Lanka Telecom PLC	P2312C69	12/29/2023	310-2-1-0-1402-P	39,968	0	12/29/2023 12:28	39,968	-	-	39,968	BOC
PVT	H.A.Samantha	P2312C70	12/29/2023	310-2-1-0-1002-P	5,607	0	12/29/2023 12:34	5,607	-	-	5,607	BOC
PVT	Topshine Environmental Services (Pvt) Ltd	P2312C63	12/29/2023	310-2-1-0-1409-P	319,631	0	12/29/2023 10:06	319,631	-	-	319,631	BOC
PVT	Uni-Tec Lanka Engineering Co.(Pvt) Ltd	P2312C74	12/29/2023	310-2-1-0-2002-P	4,965,056	0	12/29/2023 12:31	4,965,056	-	-	4,965,056	BOC
PVT	New Ashford International (Pvt) Ltd	P2312C75	12/29/2023	310-2-1-0-2003-P	74,131	0	12/29/2023 12:33	74,131	-	-	74,131	BOC
SOE	National Water Supply And Drainage Board	P2312C64	12/29/2023	310-2-1-0-1402-P	261,472	0	12/29/2023 14:41	261,472	-	-	261,472	BOC
SOE	National Water Supply And Drainage Board	P2312C71-73	12/29/2023	310-2-1-0-1403-P	26,691	0	12/29/2023 12:28	26,691	-	-	26,691	BOC
SOE	State Printing Corporation	P2312C05	12/29/2023	310-2-1-0-1201-P	39,828	0	12/29/2023 12:06	39,828	-	-	39,828	BOC
SOE	State Printing Corporation	P2312C06	12/29/2023	310-2-1-0-1201-P	18,308	0	12/29/2023 12:06	18,308	-	-	18,308	BOC
SOE	National Apprentice and Industrial Training Authority	P2312C62	12/29/2023	310-2-1-0-1409-P	56,000	0	12/29/2023 14:44	56,000	-	-	56,000	BOC
SOE	National Water Supply And Drainage Board	P2312C47	12/29/2023	310-2-1-0-1402-P	230,176	0	12/29/2023 12:18	230,176	-	-	230,176	BOC
SOE	National Water Supply And Drainage Board	P2312C16	12/29/2023	310-2-1-0-1403-P	30,659	0	12/29/2023 12:06	30,659	-	-	30,659	BOC
SOE	Industrial Development Board	P2312C37	12/29/2023	310-2-1-0-2401-P	6,000	0	12/29/2023 12:06	6,000	-	-	6,000	BOC

CIGAS Generated report.

Statement of Liabilities - (i)

Statement of Commitments in terms of FR 94 (2) and (3)

Department of Government Factory

Expenditue Head No: 310

Programme No. & Title : 2, Development Activities

Name of the Person/Institution	Description of Commitments	Project	Sub Project	Object Code	Financing Code	Maximum Commitment Ceiling In terms of FR 94(2) Provisions (Rs.)	Total Cost Estimate In terms of FR 94(3) (Rs.)	Commitment & Liability Amount (Rs.)
1. Ministries/Government Department								
....								
....								
Total								
2. State Corporations/Statutary Boards								
....								
....				Nil				
Total								
3. Others (Private Parties)								
....								
....								
Total								
Grand Total								

....

Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2024/03/28

W H C Himali
Chief Accountant
SLAcS 1
Department of Government Factory
Kollonnawa

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Annexure-(v)

Statement of Liabilities - (ii)

Provision Transferred to the Deposit Account in terms of FR 215 (3) (b) & (c)

Department of Government Factory

Expenditue Head No: 310

Programme No. & Title : 2, Development Activities

Name of the Person/Institution (To be identified at the time of Transfering the Provision to Deposit Accounts.) *	Description of Liability	L/C No.	Particular of Vote details from which Provisions				Deposit Account No.	Amount Transferred (Rs.)
			Project	Sub Project	Object Code	Financing Code		
1. Ministries/Government Department								
....								
Total								
2. State Corporations/Statutary Boards								
....								
Total								
3. Others (Private Parties)	Nil							
Total								
Grand Total								

....

Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2024/02/27

W.H.C Himali
Chief Accountant
45 AcS 1
Department of Government Factory

Annexure-(vi)

Statement of Claims under Reimbursable Foreign Aid

Ministry / Department / District Secretariat :Department of Government Factory

Programme No. & Title :02, Development Activities

		Rs.
(1)	Provision in Estimates - 2023 under Reimbursable Foreign Aid including Supplimentary provisions	
(2)	Total Expenditure disbursed during the year 2023, against (1) above	
(3)	Total of Reimbursement Cliams outstandiñg as at 01st January 2023	
(4)	Total of Reimbursement Claims made during the year 2023, in respect of years 2022 & prior years (if any)	
(5)	Total of Reimbursement Claims made during the year 2023, in respect of year 2023	
(6)	Total of Claims disallowed by the Donor, during 2023 (if any), in respect of Claims 2022 or prior years (if any)	Nil
(7)	Total of Claims disallowed by the Donor, during 2023 (if any), in respect of Claims 2023	
(8)	Total of Reimbursements received during the year 2023, in respect of years 2022 or prior years	
(9)	Total of Reimbursements received during the year 2023, in respect of years 2023	
(10)	Total of reimbursement Claims outstanding as at 31st December 2023 [(3+4+5) - (6+7)] - (8+9)	
(11)	Total of Reimbursement Claims made after 31/12/2023 in respect of 2021 up to the finalization of theFinancial Statements	
(12)	Total of Reimbursement received after 31/12/2023 up to the finalization of the Financial Statements	
(13)	Total of Reimbursement Claims outstanding as at the date of presenting the Financial Statements (10 + 11 - 12)	

....

~~Chief Financial Officer~~/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2024/02/26

Annexure-(vii)

Statement of Missing Vouchers

Department of Government Factory

Expenditure Head No : 310

Programme No. & Title : 2, Development Activities

Date	Voucher No.	Name of Payee	Nature of Payment	Amount (Rs.)
		Nil		

....

~~Chief Financial Officer~~ /Chief Accountant/Director (Finance)/Commissioner (Finance)

Date : 2024/02/26

W H C Himali
Chief Accountant
SLAcS 1
Department of Government Factory
Kolonnawa

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Annexure-(viii)

The Status Report as at 31/12/2023 on Bank Accounts opened
in terms of Treasury Operation Circular No. 3/2015 of 23/10/2015

Expenditure Head No. : 310

Department of Government Factory

Serial No.	Name of Bank	Account No.	Balance as per Bank Statement as at 31/12/2023 (Rs.)	Balance as per Cash Book as at 31/12/2023 (Rs.)	Total value of cheques not yet presented to bank as at 31/12/2023 (if exceeds 6 months) (Rs.)	Month of last bank reconciliation prepared
1	Bank of Ceylon	7042705	16,894,744	-		2023 December
2	Bank of Ceylon	7042706	4,010,717	-		2023 December
3	Bank of Ceylon	7042729	22,472,928	-	7,402	2023 December

I hereby certify that the above information is true and correct.

....
~~Chief Financial Officer~~ /Chief Accountant/Director (Finance)/Commissioner (Finance)
Date : 2024/02/26

W H C Himali
Chief Accountant
SLAcS 1
Department of Government Factory
Kolonnawa

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3.5 Proof of revenue collections Rs. 000

Income Code	In the revenue code Description	Income estimate		Collected revenue	
		original estimate	Final estimate	size	Estimated final revenue as a percentage
01.01.2002	Rent of Government Buildings			5,717	
99.02.2002	interest and others	900	900	910	101%
2003.99.00	Sales and fees others Receipts	-	-	1,522	

3.6 Utilization of Allocated Provisions Performance Rs. 000

Type of provision	Allocated provisions		Actual cost	to use Allocation Completed Final Allocation Amount as %
	Original provision	finished Provision		
Repetitive	291,500	291,500	202,486	69%
Capital	50,400	50,400	25,588	51%

3.7 Non-financial assets Reporting performance Rs. 000

assets Code	Code description	31.12.2023	As on 31.12.2023 Balance as per statement of financial position
9151	Buildings and structures	stable Provision to carry out survey work on the above items under asset survey Balances cannot be given as per goods survey report due to non availability.	408,971
9152	Machinery		286,786
	Vehicles		73,471
9153	land		240,000
9160	WIP		-

3.8 Auditor General's Report
Director General
Department of Government Factory

Head 310 - Summary Report of the Auditor General on the Financial Statements of the Department of Government Factory for the year ended 31 December 2023 in terms of Section 11(1) of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

Head 310 -The audit of the financial statements of the Department of Government Factory for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations on these financial statements submitted to the Department of Government Factory in terms of Section 11(1) of the National Audit Act No. 19 of 2018 are included in this report. The report of the Auditor General that should be submitted in terms of Section 10 of the National Audit Act, No 19 of 2018 which should be read in conjunction with sub section 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in the Parliament in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Department of Government Factory as at 31 December 2023, and its financial performance for the year then ended in accordance with generally accepted accounting principles.

1.2 Basis for Qualified Opinion

My opinion is qualified on the basis of matters set out in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Chief Accounting Officer on Financial Statements

The Accounting Officer is responsible for preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Department is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

The Accounting Officer shall ensure that an effective internal control system is maintained and maintained for the financial control of the Department in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the structure of financial statements including disclosures and content-based transactions and events the structure that the financial statements are appropriate and reasonable.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I will communicate to the Chief Accounting Officer regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

1.5 Report on other legal requirements

In terms of Section 6 (d) of the National Audit Act No 19 of 2018, I declare the following.

(a) The financial statements are consistent with the preceding year.

(b) The following recommendations made by me in respect of the financial statements of the previous year had not been implemented.

Reference to paragraph of the report relevant to previous year	Recommendation which had not been implemented	Reference to paragraph of this report
1.6.1 (b) (ii)	Though the aggregate of debtor balances as at 31 December 2022 of the years 2008 and 2009 in terms of the statement of financial position was Rs. 36,941,553, according to the committee report that granted approval for writing off, the aggregate of the debtor balances was Rs. 4,045, 992. Despite that being so, in the financial statement, the entire abovementioned balance of the years 2008 and 2009 had been written off.	1.6.4 (m)

1.6 Comments on Financial Statements

1.6.1. Non-revenue assets

Due to the non-inclusion of code numbers for identifying assets, it was not possible at the audit to identify whether the assets in the board of survey report of the fixed assets register maintained by CIGAS had only been included or and as to what assets had been removed at the disposal of assets and as to what assets remain in the Department. Further, it was not confirmed that assets to the value of Rs. 1,009,227,853 shown in financial statements were assets only physically existed in the department.

1.6.2 Advance "B" Account of Public Officers

(a) The balance of Rs.116,880 in the Advance "B" Account of Public Officers receivable from an officer as at 01 January 2023 had not been included in the members' loan register.

(b) Out of the unsettled balance of Rs. 133,554 of as at 01 January 2023 of an officer who went on a transfer to the Colombo Municipal Council in the year 2016, only Rs. 4,744 had been recovered for four months during the year.

(c) No amount has been recovered up to now from a loan balance exceeding more than 10 years totaling Rs. 420,905 receivable from 04 retired officers.

(d) It has not been possible up to now to recover from an interdicted officer a loan balance of Rs. 142,650 which is between 10 to 20 years old.

(e) It has not been possible to recover up to now a loan balance of Rs. 59,800 exceeding 20 years, a balance of Rs.282,880 between 10 to 20 years, a balance of Rs. 227,550 between 01 to 03 years from 13 officers who had vacated their posts and other loan balance of Rs. 82,360 between 01 to 03 years.

1.6.3. Stores Advance Account

(a) In terms of F.R. 501, Advance Accounts are not expected to result in losses, nor are they worked on a profit and stocks of materials are computed at the price they are purchased. However, in the preamble of the Stores Advance Account of 2023 states that stocks are issued by adding 10 percent to the cost for the first 06 months and 8 percent for the next 06 months so as to cover the expenditure for purchasing and storing of goods and operational activities. As a result thereof, a surplus of Rs. 5,437,455 (issues exceeding gross expenditure) is shown in the account after deducting the issuing cost and other worker and supply expenditure.

(b) Further, the cost of materials issued to Work Done Account from Stores Advance Account was Rs. 111,541,429 and the calculated value of these issues was Rs. 127,685,080. Accordingly, a value of Rs. 16,143,651 had been added to cover the expenditure for storage and operational activities. Accordingly it was observed that the said value had increased up to 14.5 percent of the cost of issues

1.6.4 Work Done Advance Account

(a) The surplus of the Stores Advance Account of the year under review of Rs. 5,437,456 had been adjusted incorrectly to the Work Done Advance Account. As a result, the production cost had been understated by Rs. 5,437,456 and the profit had been overstated by that amount. Therefore, if the said adjustment had not been made, the loss of Rs. 5,377,653 indicated in the Work Dine Advance Account in the year 2023 would result in the loss being increased to Rs. 10,815,109. In addition overtime, bata and transport expenses pertaining to the Stores Advance Account totaling Rs. 10,706,195 too had been deducted in calculating the production cost. Considering this situation, it is observed that the loss would increase by that amount too. Thus, it was observed that the total loss of the Work Done Advance Account was Rs. 21,521,304.

(b) Rs. 243,243,793 was indicated as sales of the year 2023 in the financial statements. The following matters were observed in that regard.

i. Contrary to the policy of recognizing revenue in the statement of accounting policies, what was indicated as Work Done Invoice Value in the invoice list was not the actual expenditure but the total estimated value which was of higher value. Moreover, by submitting invoices for worksheets which had not been completed by 31 December 2023 and accounting as sales for credit and debtors, the sales value and debtors had been accounted at a higher value.

ii. Instances where the actual value of worksheets was higher than the estimated value were observed and as a result of expenses not being invoiced despite incurring such expenses, it had not been possible to recover the amount spent actually.

iii. According to the cumulative worksheet summary, estimated raw material and labour were not separately stated all estimated values were shown under the other estimated expenditure. Accordingly, that reasons that caused variations between the values included in the sales invoices and estimated amounts were not clear.

(c) Even though the line items should be included on the face of the Statement of Financial Performance as per paragraph 102 of Sri Lanka Public Sector Accounting Standard No. 01, the depreciation of furniture had been directly included in the Statement of Financial Performance.

(d) In terms of paragraph 54 of Sri Lanka Public Sector Accounting Standard No.03, though the nature of prior period error, the amount of correction for each financial statement line item affected to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented and the circumstances that led to the existence of that condition, if retrospective restatement is impracticable for a particular prior period and a description of how and from when the error has been corrected should be disclosed, no disclosure whatsoever had been made in the financial statements as to the adjustment of Rs. 45,689,802 for cumulative profit in the Statement of Changes in Equity as prior year adjustments.

(e) Though action should have been taken in conformity with Sri Lanka Public Sector Accounting Standard 07 in accounting plant, property and equipment, there was no evidence that notes to financial statements had been so prepared. Accordingly, though the opening balance of fixed assets, additions, removals and depreciation, gross carrying amount, cumulative depreciation, net carrying amount as per the Statement of Financial Performance should be included in the notes to plant, property and equipment, instead of 'final balance according to the Statement of Financial Position' as net value, the cost had been stated.

(f) In terms of paragraph 86 of Sri Lanka Public Sector Accounting Standard No. 07, the cumulative depreciation values for each class of property, plant and equipment in the financial statements at the beginning and the end of the year had not been disclosed through notes.

(g) As a result of code numbers of machines and machinery to the value of Rs. 17,569,150 and furniture and office equipment to the value of Rs. 24,421,497 removed from fixed assets of the Work Done Advance Account mot being presented to the audit and the sections from which such assets were removed not being clearly indicated separately, it was not possible to correctly identify such asset.

(h) According to the sample audit, as a result of 50 fixed asset items such as laptop and desktop computers and computer accessories valued at Rs. 4,558,836 removed in the year 2023 from the Work Done Account not being included in General 66 or General 47 of fixed assets surveys of the year 2022 or year 2023, it was not confirmed that such assets had been included in the report maintained by CIGAS progrmame as well as in the financial statements.

(i) Actual values had not been included in the tools survey reports of Workshop 04 in 2023 board of survey reports and 288 stock items of "C" Section valued at Rs. 5,947,315 and 16 stock items of "G-oil" section valued at Rs. 1,967,868 had not been verified.

(j) It was indicated that 6 items of furniture to the value of Rs. 459,946 purchased in the year 2018 had been removed from the cost unit of the Department, but as to what such items had not been specifically mentioned. Similarly, though there was a decline in balances between the beginning of the year and the end of the year of assets such as air-conditioners and electric fans identified in the board of survey, such assets had not been included in the assets removed in the year 2023.

(k) A stock value of Rs. 3,933,070 which remained immobile for over many years was identified at the audit out of which stocks to the value of Rs. 1,547,523 had remained immobile for 10 years.

(l) Though it has been identified at the 2022 board of survey that stocks to the value of Rs. 455,261 should be destroyed, no action had hitherto been taken.

(m) Though the total of debtor balance of years 2008 and 2009 was Rs. 36,941,553 as at 31 December 2022, according to the committee report with the approval of the Secretary of the Ministry for writing off, the total amount of such debtors was Rs. 4,045,992. In spite of that, in the financial statement, the entire abovementioned balance of the years 2008 and 2009 had been written off.

(n) The underutilized assets referred to under 3.2(b) of this report had been exposed to vagaries of weather for many years and evidence to the effect that a large number of these vehicles and machinery had been accounted.

1.6.5 Lack of evidence for audit

Evidence in respect of the following transactions and balances was not submitted to the audit.

Item	Value	Lack of evidence
Direct purchases	3,495,038	Detailed schedules
Miscellaneous expenditure	1,798,386	
Depreciation reserve debtors	1,682,924	
Written off debtors	53.161,909	Relevant approvals
Service expenditure obtained from external parties		
Projects	8,096087	Detailed schedules
Non projects	278,829	Detailed schedules

1.6.6 Non-maintenance of registers and books

Types of documents	**Relevant regulation**	**Observation**
Register of losses & damages	Provisions of F.R. 110	Had not been maintained up to date.
Register of liabilities	Provisions of F.R. 445	Had not been maintained up to date.
Fixed assets register	Provisions of F.R. 502(2)	Had not been maintained up to date.
Stock books	Provisions of F.R. 751	Had not been maintained up to date.

2. Financial Review

2.1 Certification of the Accounting Officer

Although the Accounting Officer should certify on the following matters in accordance with the provisions of Section 38 of the National Audit Act, No. 19 of 2018, it had not been complied with.

The Chief Accounting Officer should ensure that an effective internal control system for the financial control exists and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out and even though such reviews should be made in writing and submitted a copy to the Auditor General, the statements that such reviews were made had not been furnished to audit.

2.2 Incurring of commitments and liabilities

Though commitments and liabilities incurred in terms of paragraph 3.3 of Public Accounting Guidelines No. 05/2023 issued by the Department of State Accounts and Financial Regulation 94(2),(3) should be disclosed separately, the Department had stated that no commitments had been incurred despite entering into agreements with external parties for the modernization of the 4th floor of the department and modernization of the old media complex of the Department of Information.

2.3 Non-compliance with laws, rules and regulations

Reference to Laws, Rules and Regulations	Non-compliance
Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
i. F.R. 504(1)	At the end of the each quarter statements of trade debtors, trade creditors, finished goods, raw materials, stores and supplies and the prescribed limits of the Advance Accounts had not been prepared and forwarded to the Chief Accounting Officer with a copy to Auditor General.
ii. F.R. 504(2)	Though a provisional Profit and Loss Account should be prepared at the end of each quarter to be used as means of securing provisions in regard to the settlement of working losses, such an account had not been prepared and forwarded to the Chief Accounting Officer with a copy to Auditor General.
iii. F.R.505	Though a complete verification of a few items of stocks and stores, with the balance in hand in the Stock Ledgers should be made at least once every month, it has not been done.
iv. F.R. 571	A list of lapsed deposits had not been prepared at the close of each half year.
v. F.R. 756(6)	The disposal report had not been forwarded having taken action regarding goods referred to in General 47 report.
vi. F.R. 1645	Log record books that should be maintained had not been maintained.
vii. F.R. 756	Though serviceable stores of the Department should be recorded in General 66 and unserviceable stores should be recorded in General 47, it was observed that stores included in General 66 had also been included General 47 as well.
viii. Assets management	Information to be furnished to Comptroller General under the

circular 01/2017 of Treasury Secretary dated 28.06.2017 bearing No.MF/CG/02/(iv)	documentation of all nonfinancial assets of the government for the management of assets and cost had not been forwarded.
(b) Government Procurement Guidelines i. Section 8	Though a formal written contract should be executed for goods contract exceeding Rs. Five hundred thousand, instances were observed where these provisions had not been coplied with.
(ii) Section 8.8.1 (a)	Aggrieved bidders had not been informed of the reasons for lack of success, pointing out the specific shortcomings.

2.4 Deposits

Tender deposit balance not settled for a period exceeding two years was Rs. 1,037,461 and action had not been taken in terms of F.R. 571(3) as to such balances.

3. Operating Review

3.1 Vision and Mission

The vision of the Department of Government Factory established on 10 January 1971 as a Class "A" department to carry out mechanical engineering functions is to become the apex public sector institution providing products, services and training in the field of mechanical engineering through sustainable development. The functions of the Department pans out under four areas as manufacturing sector, construction sector (heavy fabricating) repairing and maintenance and mechanical engineering services.

3.1.1 Activities contrary to key functions

(a) Though carrying out building construction projects is not a function of the Department, the contract of the project for the modernization of old studio complex of the Department of Information had been accepted and having published notices in newspapers on 26 August 2019 and invited open bids, the contract had been handed over to an external contractor for Rs. 16,510,934 (without VAT). The following matters were observed in this regard.

i. A company (REDECO) under Land Reclamation and Development Corporation too had submitted a bid for a value of Rs. 14,376,520 and another private company had submitted a bid for a value of Rs. 16,510,934. However, the Technical Evaluation Committee which met on 06 September 2019 had rejected lowest bid submitted by REDECO owing to not renewing its registration with the Construction Industry Development Authority (CIDA) without making inquiries in that regard and had selected the private company. That notwithstanding, authority had been conferred on public institutions as per Cabinet decision No. 13/1114/503/085 dated 30 August 2013 to award contracts up to Rs. 30 million to REDECO outside the normal tender procedure.

ii. Though an agreement in a formal format with formal conditions should be executed for contracts in terms of section 8.9.1 of Procurement Guidelines, there was no such legality in the agreement entered into with the contractor on 25 September 2019.

iii. Variations ranging from 8% to 409% existed between the rates submitted by the contractor company and the engineering estimates. The Department of Government Factory had not taken measures to seek a clarification in this regard from the contractor in terms of section 7.9.11 of the Procurement Guidelines.

iv. The contractor had submitted 62 Special Scheduled Rates to the value of Rs. 7,401,993 from the commencement of the construction activities mentioning items not included in the Bill of Quantity and the Procurement Committee had approved Rs. 5,822,041 of that amount. i.e. 35 percent of the total contract value.

v. As the building of the Department of Information thus modernized becomes waterlogged on rainy days, it is currently in am unusable condition. In spite of such a situation, the Department had recommended the request made by the contractor on 23 February 2022 to release the performance bond.

vi. In terms of section 5.4.6 (a) of the Procurement Guidelines, though the procurement entity should retain from each payment due to the contractor a specified amount as retention money, no such amounts had been retained.

3.1.2 Not acquiring the expected output level

(a) For the upgrading of the existing system for the proper carrying out activities such as stock controlling, stock ordering, purchasing, preparation of estimates which had been irregularly carried out due to the shortcomings in the hitherto existed old computer system of the Department of Government Factory, a private supplier had been selected having invited quotations in the year 2021 and the relevant supplier had been paid Rs. 2,954,700 on 31 December 2021. The following matters were observed in this regard.

i. In terms of 5.3(d) of Procurement Guidelines, though all documents should be vetted and approved by the Technical Evaluation Committee, the TEC had been appointed only after opening of bids.

ii. Though no member should serve in both the Procurement Committee and the Technical Evaluation Committee as per 2.8.1 (a) of Procurement Guidelines, one officer had served in both committees. Moreover, though TEC should consist of subject specialists in terms of 2.8.1 (b) of Procurement Guidelines, such members had not been appointed.

iii. Though the Head of Department should appointed the Technical Evaluation Committee for departmental procurement committees according to 2.8.4 of Procurement Guidelines, the TEC for this system had been appointed by the Mechanical Engineer-Supplies.

iv. Though it had been stated in the specifications that the store orders would automatically be created at the reordering level and presented for approval, it was observed at the date of the audit which was 01.03.2024 that manually written store orders were being submitted to the purchasing division. Further, though it was set out in the specifications that facilities would be made available for the creation of estimated values from the system, the estimated materials and labour cost had not been indicated in the cumulative work summary provided for the year 2023. Due to this reason, it could not be confirmed whether the variations between actual expenditure and estimated expenditure existed from worksheet raw materials, labour or other overhead expenditure.

v. Though details of stock balances generated by the FMS system as at 31 December 2023 was requested by the audit, such an updated report generated by the system was not submitted and instead stock reports prepared by the Accounts Division were submitted to the audit. Similarly, though all details had been mentioned in the items of the report, no date or time range had not been included in the relevant report. Further, minus values had been recorded in four items valued at Rs.1,723,305 in the stock report obtained from the factory management system and those balances could not be traced as per stock books.

3.1.3 Delays in project implementation

(a) The Department of Posts having agreed to the cost estimate of Rs. 104,412,899 submitted by the Sri Lanka Engineering Corporation, had paid Rs. 22,199,572 on 06th March 2020 for the construction of a temporary building for the Transport Division of the Department of Posts. However, since it was confirmed in the discussion held on 13 January 2019 that the soil of the land proposed for the relevant construction is not suitable, a total amount of Rs.22,199,572 as Rs.10,710,572 on 14 March 2019 and Rs.7,694,000 on 06 March 2020 had been collected by this Department from the Department of Posts stating that the construction would be carried out according to a new plan in another location. However, the progress of the project was only 10 percent even by 31 December 2023. Despite the lapse of 05 years, action had not been taken either to complete the project or return the received money.

(b) For the security service of the Department, quotations had been called under national competitive bidding in May 2023 and the contract had been awarded to a private company. The following observations are made in this regard.

i. Though no member should serve in both the Procurement Committee and the Technical Evaluation Committee as per 2.8.1 (a) of Procurement Guidelines, it was observed that, one officer had served in both committees contrary thereto.

ii. Though 02 Officers in Charge and 31 junior security officers should be deployed for the day shift of a weekday, only 09 officers had been reported for duty on 01 April 2024. Hence it was observed that proper security had not been provided to places where security was required.

iii. Further, 68 CCTV cameras had been installed and though it was informed by the IT Division that 09 of them were inoperative, a log entry by security officers stated that 30 out of 68 cameras were inoperative due to heavy rainfall on 21 December 2023 and security duties could not be performed at checkpoint 05 owing to heavy showers and CCTV footage could not be obtained due to constant breakdown of the main electrical switch of Workshop 03. It was therefore observed that the objective of installing CTV cameras had not been achieved and there was a danger of irregularities taking place when the prescribed number of security officers had not been detailed in the required places.

(c) Maintaining official residencies

i. According to a letter forwarded to the media with a copy to the Inspector General of Police by employees of the department residing at Sanhinda Sevana flats who had become disgruntled as to irregularities taking place at the Government Factory's Sanhinda Sevana multi-storey housing scheme, attention had been drawn to matters such as officers occupying houses even after retirement, continued occupation of houses even after taking up residence abroad, renting out government houses to external parties, use of methamphetamine (ice) by residents, interdicted employees occupying official residencies, rearing dogs and houses not being inspected by authorities. The letter No. C/STF/01/out/11207/2023 dated 30 December 2023 sent by the Deputy Inspector General of Police of the Police Special Task Force in response to the above letter was not submitted to the audit.

ii. The above matters were also reported at the physical inspection carried out by security officers of the Department. However, the Housing Committee which met last on 10 November 2023 had only inspected 26 houses and it had failed to inspect the remaining houses and take necessary action even by the date of the audit, i.e. 01 April 2024.

iii. The contractual period of house number 21/18 occupied by an officer who was transferred by the Department had lapsed on 11 February 2023 and the relevant officer had not taken action to hand over the house up to now. In terms of section 7.2 of Paragraph XIX of the Establishments Code, a sum of Rs. 679,581 which was the aggregate of both the penalty rent and open market rent to be recovered from him remained outstanding as at 31 December 2023.

(d) Making daises for national ceremonies conducted by the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government is carried out by the Department of Government Factory and during the year 2023, bills to the value of Rs.54,164,000 had been submitted for this purpose and credited to the relevant expenditure head.
However, a large quantity of raw materials such as GI pipes, H iron, Amano sheets, flag poles used for this purpose which had been purchased in previous years were still being used having repainted them. Any stock ledger regarding these stocks is not maintained in stores and the quantity of this stock could not be ascertained.

3.2 Assets Management

(a) 24 quarters belonging to the Department located at Kolonnawa remained unused and underutilized as a result of not repairing water leakages in bathrooms of these quarters.

(b) A large number of valuable vehicles and machinery which have been left to decay and exposed to the elements for many years were observed outside the departmental premises and the Department had taken no action whatsoever in that regard. The evidence required to recognize whether these assets had been inventoried and included in fixed assets registers according to F.R. 445 and as to what their values were, were not presented to the audit and this had not been reported in board of surveys and as a result the audit could not accept that board of surveys were being carried out in terms of F.R. 756.

(c) During the physical inspection, it was observed by the audit that machines and various accessories produced by the department for sale had been left to corrode and retained in the stores.

It was further observed that the Marketing Division of the Department had not given any publicity to these products and the building constructed as a showroom remained closed even when being inspected by the audit. Similarly, it was observed that this showroom could not be easily seen by anyone traveling along the road and that it was not an attractive place and that no action had been taken to make any use of valuable land assets belonging to the Department.

(d) Partitioning the of the 4^{th} floor of the new building of the Department of Government Factory, designing the electrical system as appropriate and installing air conditioners.

As per approval received on 04^{th} June 2019 to Cabinet Memorandum No. MH CCA/MC/2019/33 dated 12 May 2019, it was notified that construction activities be carried out through institutions under the Ministry as per approved rates of the Standing Technical Committee without a procurement process. Accordingly, the Departmental Procurement Committee which considered the recommendations of the Technical Evaluation Committee had entered into a memorandum of understating with the National Equipment and

Machinery Organization on 20 November 2019 to have this contract carried out for a sum of Rs. 5,571,586 (with VAT). A total of Rs. 3,659,123 had been paid to NEMO by 16.02.2020. The following observations are made in this regard.

(i) Since the period of validity of 06 months for this project as per the Cabinet decision had lapsed on 06.12.2019, the Procurement Committee on 13.02.2020 did not approve to have electrical repair carried out by NEMO and decided it was advisable either to call for quotations again or to have it carried out the staff of the Department of Government Factory. Accordingly, though the task of partitioning had been carried out at a cost of Rs. 3,659,124, it was observed at the physical inspection that the office premises remained idle even by January 2024.

(ii) Eight air-conditioners had been purchased for the portioned section and a service agreement had been entered into with Abans Limited on 27 January 2020. The date of purchase had not been mentioned in warranty certificates given for the 8 air-conditioners and the original copies of warranty certificates were not amongst files presented to the audit.

(e) As a result of not taking action to protect the land belonging to the Department by erecting boundary walls or permanent fence, the remaining extent of 01 acre, 03 roods and 11 perches of the land on which employee quarters are located had been encroached upon by illegal squatters.

(f) The Department does not have the deeds for the lands totaling 24 acres 01 rood and 1.87 perches belonging to the Department including the land on which the Department of Government Factory is located and action had not been taken to confirm ownership through the Divisional Secretary based on the Survey Plan.

(g) It was observed that the remaining area of 01 acre, 03 roods and 11 perches of the land on which 03 staff quarters are located in Mendis Estate remains idle.

4. Human Resources Management

Details of approved and actual cadre as at 31 December 2023 and the existing vacancies are given below. During the year under review, Rs.88,317,269 had been spent on personal emolument expenditure category. Accordingly, per capita expenditure was Rs. 276,857.

Employee category	Approved cadre	Actual cadre	Vacancies/ (Excess)
Senior	31	17	14
Tertiary	10	02	08
Secondary	282	131	151
Primary	446	169	277
Total	**769**	**319**	**440**

The Department had not taken action either to fill vacancies of 450 posts or to revise the number of posts as per requirements.

H.A.D. Chandani Abeysinghe
Senior Assistant Auditor General
For Auditor General

Chapter 04- Performance Indicators

4.1 Performance Indicators of the Department (Based on the Action Plan)

Special indicators	Actual output as a % of the expected output		
	100% - 90%	75% - 89%	50% - 74%
Work done advance			√
Capital expenditure		√	

Chapter 05 – Performance in achieving Sustainable Development Goals

5.1 Identified Sustainable Development Goals

Goal/objective	Targets	Achievement indicators	Progress of the achievement to date		
			0% - 49%	50% - 74%	75% - 100%
Pure water and sanitation	100%				√
Use of renewable energy	100%		√		
Use of LED bulbs	100%				√

5.2 Achievements and challenges in attaining SDGs

- Installing water meters/ electricity meters for buildings/workshops for electricity and water audit.
- Minimizing the purchase and use of mercury and CFL bulbs and encouraging the use of solar panels
- Waste management
- Using sun light as much possible as natural lighting during the day time
- Preparing for green building concept
- Action is being taken to fix solar powered bulbs around the wall.

Chapter 06 –Human Resources Profile

6.1 Cadre Management

Level	Approved carder	Present work force	Vacancies / excers
Senior	31	17	15
Tertiary	10	02	08
Secondary	282	131	152
Primary	446	169	277
Total	**769**	**319**	**452**

6.2 Impact of shortage/surplus of human resources for the performance of the institution

- Existence of 277 vacancies, against 446 approved carder in PL grades.
- Due to the shortage of officers in executive and secondary grades, several subjects have been assigned to serving officers. This has adversely affected the efficiency of functions.
- The shortage of workers is severely felt when the works of several projects are carried out simultaneously.
- Since salaries and wages of primary grade officers from the Work Done Advance Account, the financial strength thereof is taken into account in recruiting officers.

6.3 Contribution of training programs for the performance of the institution-2023

No	Name of the program	No of employees trained	Duration of the program	Overall investment (Rs)	Type of training (Local, foreign)	Knowledge acquired after training
1.	Measurement	49	01 day	0.00	Local	Satisfactory
2.	Factories Ordinance	37	01 day	0.00	Local	Satisfactory
3.	Stores Verification	43	01 day	0.00	Local	Satisfactory
4.	Procedure of Public Service Commission rules and regulation	25	01 day	0.00	Local	Satisfactory
5.	E – GP system	17	01 day	0.00	Local	Satisfactory
6.	Organizational effectiveness	31	01 day	0.00	Local	Satisfactory
7.	Mental health promotion	197	01 day	0.00	Local	Satisfactory
8.	Maintain leave record & Personal files	201	04 days	0.00	Local	Satisfactory
9.	3D Printing	20	01 day	0.00	Local	Satisfactory
10.	Vehicle Maintenance	80	01 day	0.00	Local	Satisfactory
11.	Drawing	10	01 day	0.00	Local	Satisfactory
12.	5 S Concept	157	04 day	0.00	Local	Satisfactory
13.	Word & Excel	11	01 day	0.00	Local	Satisfactory
14.	Training program to NVQ certification process	67	01 day	0.00	Local	Satisfactory

Funds available for providing capacity / carrier development of employees in 2023 was 1.8m. ………. Able to achieve 94% via vote no 310-2-1-02401 during the ………. year

No	Name of the program	Number of employees trained	Duration of the program	Overall investment(Rs)	**Type of training (Local, foreign)**	**Knowledge acquired after training**
1	Procurement process	1	70 hrs	25,000.00	Local	Satisfactory
2	Resolution of Act of and of Audit Quarries	3	06 hrs	18,000.00	Local	Satisfactory
3	Primavera P6 Project Management	15	40 hrs	262,500.00	Local	Satisfactory
4	CNC Part Programming using Solid CAM	2	80 hrs	104,000.00	Local	Satisfactory
5	PG Dip in Manufacturing	1		302,500.00	Local	Satisfactory
6	Lead Auditor Course	1		86,400.00	Local	Satisfactory
7	How to reimburse payment made for application of NVQ certification	1		6,500.00	Local	Satisfactory
8	Solid Work	1	80 hrs	45,000.00	Local	Satisfactory
9	Payroll System	1	18 hrs	18,000.00	Local	Satisfactory
10	Foundry Training	7	8 hrs	10,500.00	Local	Satisfactory

11	(TVEC) NVQ 03 MMAW course	1			Local	Satisfactory
12	Tamil Language	35	150 hrs	112,500.00	Local	Satisfactory
13	Construction Equipment maintenance program	1	40 hrs	7,500.00	Local	Satisfactory
14	Data visualization and Analytics power	1	06 hrs	10,000.00	Local	Satisfactory
15	Welding training at Sri lanka atomic energy board	2	40 hrs	214,551.99	Local	Satisfactory
16	Advance Excel	1	10 hrs	7,000.00	Local	Satisfactory
17	Thermograph testing Workshop	3	14 hrs	43,319.04	Local	Satisfactory
18	Diploma In Quality Management one year Part time(Sri Lanka Standards Institution (SLSI)	1	240hrs	147,436.00	Local	Satisfactory
19	General Fitter NVQ-04 Assessment fees	6		48,000.00	Local	Satisfactory
20	6 Sigma	1		180,000.00	Local	Satisfactory
21	Foundry technician NVQ -04 Assessment fee	7		66,500.00	Local	Satisfactory

Chapter 07 - Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
1	**The following Financial statements/accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Complied		
1.4	Stores Advance Accounts	Complied		
1.5	Special Advance Accounts	-		
1.6	Others	-		
2	**Maintenance of books and registers (FR 445)**			
2.1	Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018.	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and updated.	Complied		
2.3	Register of Audit queries has been maintained and updated.	Complied		
2.4	Register of Internal Audit reports has been maintained and updated.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date.	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and updated.	Complied		
2.8	Stocks Register has been maintained and updated.	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated.	Complied		
2.11	Register of Counterfoil Books (GA — N20) has been maintained and updated.	Complied		
3	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute.	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers.	Complied		
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package.	Complied		

4.	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared.	Complied		
4.2	The annual procurement plan has been prepared.	Complied		
4.3	The annual Internal Audit plan has been prepared.	Complied		
4.4	The annual estimate has been prepared and submitted to the National Budget Department (NBD) on due date.	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time.	Complied		
5	**Audit queries**			
5.1	All the audit queries has been replied within the time specified by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019.	Complied		
6.2	Answers have been submitted to all internal audit reports within a period of one month.	Complied	Other reasons due to Covid-19 pandemic	Making relevant parties aware as to other delays except those which are beyond the control of the institution
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018.	Complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulations 134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019.	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017.	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular.	Complied		

8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016.	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Complied		
8.5	The disposal of condemned articles had been carried out in terms of FR 772.	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Complied		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident.	Complied		
9.5	The fuel consumption of vehicles has been retested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016.	Complied		
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term.	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Not Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month.	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit.	Complied		
	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1).	Complied		
12	**Advances to Public Officers Account**	Complied		
12.1	The limits had been complied with.	Complied		
12.2	A time analysis had been carried out on the loans in arrears.	Complied		

12.3	The loan balances in arrears for over one year had been settled	Not Complied		Action is taken from the year 2020 to check the balances every month and settle same.
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained.	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task.	Complied		
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per F.R. 371.	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations.	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account.	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176.	Complied		
16	**Human Resource Management**			
16.1	The staff has been maintained within the approved cadre.	Not Complied		
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017.	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation.	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Biannual and Annual reports have been submitted as per section 08 of the RTI Act.	Complied		

18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management.	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular.	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	Not complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular.	Not compiled		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity-building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular.	Complied		
20	**Responses to Audit Paragraphs**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

7.1 Internal Audit Report

Vision:

Using audit as a supportive tool for a department engaged in mechanical engineering products to move forward with financial discipline.

Mission

Examining whether the economic resources f the Department including financial and human resources are utilized in a more efficient and effective manner in compliance with existing government rules, regulations and instructions for the achievement of objectives of the Department and reporting to the head of the Department and other related audit parties.

Annual performance Report of the Internal Audit Unit of the Department of Government Factory -2023

Main Functions of the Internal Audit Branch

- Strengthening the Internal Administration through the internal Audit activities in each Branch of the Department.
- Minimizing the problems though conducting the Audit & Management Committee meetings.
- Conducting the Special Inquiries.
- Activities of Internal Audit are coordinated with Department of Audit and Management.
- Coordinating and Communicating with Chief Internal Audit unit of the Ministry and National Audit office

Annual Performance for the year 2023

1. As per internal audit plan 2023, out of 12, 11 audit reports have been issued during the year.
2. The number of special investigation conducted in the year 2023 is 04.
3. **Conducting Departmental Audit and Management Committee Meetings - Year 2023**
   All the 4 audit management committee meetings planned for the year 2023 could be held in the respective year.

Quarter	Date
1st	21.02.2023
2nd	22.06.2023
3rd	22.08.2023
4th	21.11.2023

4. **Submission of Quarterly Assesment Reports - During the year 2023.**

Quarter	Date
2022/04	18.01.2023
2023/01	15.05.2023
2023/02	27.07.2023
2023/03	25.10.2023

5. **Submission of details for the audit & management committee meeting conducting by Ministry - 2023**

Date
15.03.2023
07.06.2023
15.09.2023
15.11.2023

The Internal Audit Unit has issued the audit reports mentioned above, and continues to follow up on it, and by analyzing the answers received from the relevant parties, necessary corrections and directions have been made.

The departmental physical and financial progress have been ensured during the year 2023, through the internal audit reports in regard with personal files maintenance, reconciliation of work done debit balance, staff leave procedures, checking of paid documents, unutilized materials in workshops, environment of the department and vehicle usage and management.

The necessary actions have been taken regarding the matters discussed in the audit and management committee meeting such as filling the vacancies and recruitments, Advance to public officers account debit balances, work done advance account debit balances, old personal files, pension related works, government quarters, review of recurrent and capital expenditures progress. Fixed assets, tools and raw materials related. Board of survey vehicle management, finance and administration related files and documents maintenance, bank reconciliation, credit balances under work done account, unsettle subimprest. Progress of answering the internal audit quarries and general audit quarries.