



National Council for Road Safety

Annual Report - 2023

**Ministry of Transport
No. 01, D.R. Wijewardena Mawatha,
Colombo-10.**

Vision

A safe road system for all

Mission

Creating a road accident free
society for sustainable
development.

Office of the National Council for Road Safety

The National Council for Road Safety is established in the premises of the Ministry of Transport at the address, No. 01, D.R.Wijewardana Mawatha, Colombo 10.

Official address -

National Council for Road Safety
No 01,
D.R. Wijewardana Mawatha,
Colombo -10.

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Consents

Annual report - 2023
(from 01.01.2023 to 31.12. 2023)

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National Council for Road Safety

Introduction

The National Council for Road Safety has been established as an institution under the Ministry of Transport and Highways, in accordance with Sections 213A and 213B of the Motor Traffic (Amendment) Act No. 05 of 1998. Accordingly, the National Council for Road Safety is composed of 17 members, including a Chairman appointed by the Minister in charge of transport, and representatives from 16 state institutions and one non-governmental organization. All institutions represented in the National Council for Road Safety are state agencies responsible for matters related to transport and road safety in Sri Lanka. The revenue required for the functioning of the National Council for Road Safety is provided by insurance institutions regulated by the Insurance Regulatory Commission of Sri Lanka. The fund of the National Council for Road Safety is stated in the Extraordinary Gazette Notification No. 1368/18 dated November 24, 2004. As stated therein, “Every insurance institution that issues an insurance policy or guarantee in respect of third-party risk shall contribute one percent (1%) of the premium income to the Fund of the National Council for Road Safety.” Accordingly, all insurance companies registered under the Insurance Regulatory Commission of Sri Lanka have been contributing to the Fund of the National Council for Road Safety, with effect from December 1, 2004, an amount equivalent to 1% of the premiums charged for all third-party motor insurance policies issued by their institutions. Furthermore, by the Extraordinary Gazette Notification No. 2245/31 issued by the Hon. Minister of Transport on September 17, 2021, this insurance contribution was increased to 2%, effective from October 1, 2021.

The responsibilities to be fulfilled through this Fund are outlined in the Extraordinary Gazette Notification No. 1387/04 issued on April 4, 2005. One of the primary responsibilities specified therein is the payment of compensation, with the approval of the Council, to individuals who have died or sustained injuries as a result of road accidents caused by unidentified hit-and-run vehicles, upon confirmation that the vehicle involved cannot be identified.

The funds deposited in this Fund can be utilized for activities aimed at ensuring road safety, including confirming road safety, minimizing accidents, preventing harm to pedestrians and passengers, raising public awareness, and advising the subject Minister on the introduction of new laws or the amendment of existing legislation as necessary for enhancing road safety, thus eliminating all forms of harmful practices.

Furthermore, all administrative and other expenses related to road safety shall also be borne through this fund

Members of the National Council for Road Safety

- | | |
|---------------------------------|--|
| 1. Mr. Malith Jayathilaka | – Chairman, National Council for Road Safety |
| 2. Mrs. R.A.K. Renuka | – Secretary, National Council for Road Safety |
| 3. Mrs. T.C. Pushpakumari | – Accountant, National Council for Road Safety |
| 4. Mrs. S.G. Subasinghe | – Director of Education (Co-curricular and Guidance Advisory Council) Ministry of Education |
| 5. Mrs. D. Wathsala Marambage | – Senior Assistant Secretary (Administration and Training), Ministry of Provincial Councils and Local Government |
| 6. Mr. T.M.S.K. Tennakoon | – Assistant Commissioner (Technical), Department of Motor Traffic |
| 7. Mr. J.I.D. Jayasundara | – Director General (Technical), Ministry of Transport and Highways |
| 8. Mr. H.A.K.A. Indika Hapugoda | – Deputy Inspector General of Police (Traffic and Road Safety), Sri Lanka Police Department |
| 9. Mr. J.M.S.J. Bandara | – Senior Professor, University of Moratuwa |
| 10. Mrs. S.D. Athukorala | – Director (Quality Assurance and External Relations), National Transport Commission |
| 11. Mr. Dhammika Atigala | – Chairman, Automobile Association of Ceylon |
| 12. Mr. Gihan Ramanayake | – Chairman, Sri Lanka Association for the Prevention of Accidents |
| 13. Mrs. C.P.I. de Silva | – Senior Executive Officer, Insurance Regulatory Commission of Sri Lanka |
| 14. Mr. G.G.M. Kulathilaka | – Chief Executive Officer, Sri Lanka Transport Board |
| 15. Mrs. K.S.M. Samarasekara | – Chief Medical Officer, National Transport Medical Institute |
| 16. Mrs. Anuradha Gallangoda | – Deputy Director (Establishment Division), Ministry of Finance, Economic Stabilization and National Policies |
| 17. Mr. W.A.S. Sumanasooriya | – Deputy Director General (Human Resource Development), Urban Development Authority |
| 18. Mr. D.M.K.S. Dissanayake | – Director (Engineering), Ministry of Highways |
| 19. Mr. P.A. Chandrapala | – Director Engineering (Vehicle Design and Road Safety), Colombo Municipal Council |
| 20. Mr. K. Chandrakumara | – Deputy Director General (Infrastructure, Road Safety and Traffic Management), Road Development Authority |

Staff of the National Council for Road Safety

01. Chairman	-	01
02. Secretary	-	01
03. Accountant	-	01
04. Development Officer	-	10
05. Management Service Officer	-	01
06. Technical Assistant	-	01
07. Driver	-	01

Objectives of the National Council for Road Safety

- Prepare the background required to create a high quality driving service through the creation of disciplined and law abiding drivers.
- Provision of financial assistance for the families affected by hit and run accidents and the minimization of such accidents.
- Identification and implementation of measures for the protection of the road, vehicles used thereon, and passenger as well as the pedestrians.
- Collecting data, conducting surveys and researches on road safety, and developing international co-ordination.
- Implementation of national road safety policies and minimizing the arising weaknesses jointly with the public sector, NGOs and private sector institutes.
- Providing financial support and advice for adopting economically, technically and socially feasible activities and environmentally friendly safety measures related to ensuring road safety and reducing road accidents.
- Contributing to the formulation of the National Transport Policy and its implementation.
- Providing necessary contribution to activities such as amendment of the laws related to road safety.

Duties and Powers of the National Council for Road Safety

Through the Government Gazette Extraordinary No. 1387/4 issued on April 4, 2005, the National Council for Road Safety has been assigned its duties and functions and vested with the power to discharge such duties and functions. The duties to be performed by the National Council for Road Safety Council as ordered by the said Gazette notification are as follows.

- a. Maintain a computerized database on the following:
 - I. Vehicle population, its features and composition
 - II. Traffic accidents / deaths
 - III. Domestic and international statistics on road safety
- b. Maintain a library on the subject of road safety.
- c. Collect data and conduct research on road safety-related subjects
- d. Assist research on road safety-related subjects
- e. Liaise with similar international organizations and share experience and expertise.
- f. Disperse knowledge and information to relevant government and non-government agencies responsible for road safety and related projects.
- g. Formulate and implementation of road safety projects.
- h. Coordinate road safety related activities within government and non-governmental organizations.
- i. Payment of compensation for victims of accidents caused by unidentified vehicles.
- j. Solicit financial and other support for road safety functions.
- k. Advise the government on road safety related policies and programs

Activities of the National Council for Road Safety during the year 2023

01. Recognition of Individuals Who Contributed to Road Safety

On the evening of April 8, 2023, a large tree fell near the railway gate adjacent to the Glenor Estate in Haputhale, obstructing the railway line on which a train was operating from Colombo to Badulla. A potentially catastrophic loss of life and property was averted due to the swift and heroic actions of Mr. H.M. Wijayarathne, a security officer at Tangamale Estate, who rushed to the railway line and signaled the oncoming train to stop, risking his own life in the process. In recognition of this courageous act, a special ceremony was organized at the Haputhale Railway Station to honour Mr. Wijayarathne.

In appreciation of the heroic act performed by Mr. Wijayarathne, and in recognition of his exemplary service, the National Council for Road Safety, under the directive of the Hon. Dr. Bandula Gunawardena, Minister of Transport, Highways and Mass Media, awarded a cash donation of Rs. 100,000 to him.



02. Implementation of a pilot project to identify drivers operating vehicles under the influence of drugs.

In order to bring drivers operating vehicles under the influence of drugs to justice, a pilot project was implemented in collaboration with the Sri Lanka Police in the Western and Southern Provinces, utilizing drug testing kits procured using Rs. 10 million provided by the National Council for Road Safety to the National Dangerous Drugs Control Board.



03. Provision of 20 bicycles to the School Road Safety Study Unit operated jointly by the National Council for Road Safety and the Colombo Municipal Council.

On 17th May 2023, 20 bicycles were provided from the National Council for Road Safety Fund, along with the conduct of a training program on road rules for school students.



04. The conduct of the Mahara-Kadawatha Vesak Zone and the Homagama Poson Zone.

In parallel with the Vesak and Poson zones conducted under state patronage, the National Council for Road Safety implemented a public awareness programme on road safety through a Virudu songs performance and video presentations.



- 05.** A programme on road safety and accident prevention was conducted in parallel with the two-day mobile service programme implemented by the Department of Motor Traffic on 12th and 13th August 2023 at Sir John Kothalawala Central College, Kurunegala.

As part of this programme aimed at raising public awareness, street drama performances were conducted by the drama troupe of the Department of Motor Traffic headquarters to convey safety messages. In addition, awareness was raised through the distribution of leaflets, screening of video clips, and engaging in discussions with the public on the prevention of road accidents.



06. On 27th September 2023, an awareness programme was conducted at the Sri Lanka Foundation Institute for media personnel engaged in electronic and broadcast media, focusing on the National Council for Road Safety's future course of action and the role of media institutions in ensuring road safety, based on the following key themes.

- Rapidly Increasing Road Accidents
- The Role of the Road Development Authority in Establishing a Safer Road System
- Recent Amendments to Traffic Laws and Future Legislative Measures
- Post-Accident Management
- Road Accident Prevention and Data Analysis
- Upcoming Programmes to be Implemented by the National Council for Road Safety



07. An awareness programme was conducted at Urapola Central College, Gampaha, from 09th to 13th August 2023.

In parallel with the Educational and Trade Exhibition held at Urapola Central College, the National Council for Road Safety implemented an awareness programme on road safety.



- 08.** A special discussion was held with representatives of the World Bank focusing on the following key areas: the formulation of the institutional structure of the National Council for Road Safety, the introduction of new speed limits, the establishment of a data system for the Council, and the implementation of public awareness programmes on road safety.



- 09.** An awareness programme on road safety was implemented in relation to the initiative of issuing driving licenses to persons with hearing impairments.

On 25th September 2023, in connection with the programme conducted in the Kurunegala District to issue light vehicle driving licenses to fully hearing-impaired individuals, arrangements were made to print and provide stickers displaying a sign indicating hearing impairment, for attachment to their vehicles.



- 10.** In parallel with World Children's Day, a road safety awareness programme was conducted at the Road Safety Unit established at Viharamahadevi Park.

The programme held on 01 October 2023 was attended by 100 students from Grades 1 and 2 studying at Nikahatikanda Junior School, Yatawara Junior School, Bopagama Junior School, and Rathambale Junior School, along with several teachers and parents.



- 11.** A workshop was conducted to draft the circular and compile the guideline manual for establishing Road Safety Clubs within the national and provincial school systems, in collaboration with the National Council for Road Safety and the Subject Coordinating Division of the Ministry of Education, aiming to implement a programme that awards students with certificates and medals for road safety achievements (offering the possibility of receiving the President's Medal ultimately)

12. A workshop was held on October 10 and 11, 2023, at the Battaramulla Construction Machinery Training Institute, involving expert officials, to incorporate theoretical knowledge related to road hazards into the science and mathematics curricula for grades 6 to 11, as well as into the teachers' handbooks and textbooks, under the activity "Taking measures to raise road safety awareness among school students in collaboration with the Ministry of Education" outlined in Activity 17 of the action plan of the National Council for Road Safety.



13. On October 21, 2023, the Department of Motor Traffic conducted an awareness programme at Baticoloa Hindu College.

Various activities were carried out during the programme to raise public awareness on road safety and accident prevention, including the distribution of brochures, screening of video presentations, and the display of reflective stickers to promote bicycle safety.



14. As part of the “Singithi Maga Sara” programme, aimed at providing young children in preschools with basic awareness and understanding of roads and road hazards, a capacity assessment was conducted using the Road Safety Ladder Board game with students of Sirisiduhath Preschool in Idigahamula, Gampaha District, and Grate Royal Preschool in Weliweriya.



15. On November 30, 2023, in line with the World Day of Remembrance for Road Traffic Victims, a financial assistance programme was conducted under the initiative of the National Council for Road Safety, providing financial aid of Rs. 150,000 each to 25 individuals who had sustained permanent disabilities as a result of road accidents.



16. A public awareness programme on road safety was implemented in conjunction with the educational exhibition held at Pasyala Central College on December 27, 28, and 29, 2023.

Awareness was raised among the school students and the general public who participated in the exhibition through the screening of road safety videos, the display of posters, and the distribution of brochures.



17. The pilot project for imposing motor traffic (speed limit) regulations.

In connection with the pilot project for the imposition of motor vehicle speed limits, steps were taken to mark speed limits in the identified sensitive zones on the following selected roads in the Western Province.

1. Divulapitiya - Induragara Road
2. Wattala - Mahara Road
3. Kirindiwela - Wathurugama Road
4. Urapola - Ruwanwella Road
5. Uswetakeiyawa - Eppamulla Road



18. Providing financial relief to victims of hit-and-run accidents

Financial assistance was provided to victims approved by the Standing Committee and the National Council on four occasions in 2023.

Date	Venue	No. of Victims	Compensation paid (Rs.)
2023.03.29	National Council for Road Safety Office, located at the State Ministry of Transport, Maradana.	20	3,500,000.00
2023.07.13	National Council for Road Safety Office, located at the State Ministry of Transport, Maradana.	09	1,850,000.00
2023.09.01	National Council for Road Safety Office, located at the State Ministry of Transport, Maradana	08	1,400,000.00
2023.11.21	National Council for Road Safety Office, located at the State Ministry of Transport, Maradana	03	550,000.00
එකතුව		40	7,300,000.00

19. Number of road accidents in the island in 2023

Year	Fatal	Serious	Minor	Damages	Total	Deaths
2023	2,171	5,561	9,169	5,903	22,804	2,280

Number of Fatalities in the Year 2023

Category	2023
Motorcyclists	742
Pillion riders	179
Pedestrians	696
Passengers	277
Drivers	176
Foot cyclists	206
Others	45
Total	2321

Vehicles Responsible for Fatal Accidents During the Year 2023	
Vehicles Responsible	2023
	Fatal Accidents
Motorcycles	899
Lorries	247
Three-wheelers	258
Jeeps	21
Cars	173
Private buses	186
SLTB buses	82
Tractors	28
Foot cycles	39
Containers	11
Vans	106
Double Cabs	97
Bowsers	05
Trains	03
Backhoes	02
Hit and runs	56
Others	12
Total	2225

Registered insurance companies contributing to the Road Safety Fund

01. Amana Takaful Insurance Company -	No 660 1/1, Galle Road, Colombo - 03
02. Allianz Insurance Company -	No 675, Danister de Silva Avenue, Colombo - 09.
03. Ceylinco Insurance Company -	“Ceylinco House”, 3rd Floor, No 69, Jandhipahi Mawatha, Colombo - 01.
04. Continental Insurance Company -	No 79, C.W.W. Kannangara Mawatha, Colombo - 07
5. S. Cooperative Insurance Company -	No. 74/05, Grandpass Road, Colombo - 14.
06. H.N.B. Insurance Company -	Business Centre, No 30, Sri Uttarananda Mawatha, Colombo - 03.
07. L.O.L.C. Insurance Company -	No 481, TB Jaya Mawatha, Colombo - 10.
08. National Insurance Trust Fund -	No 95, UPTO House, Sri Chitthampalam A Gardiner Mawatha, Colombo-02
09. MBSL Insurance Company -	No. 519, TB Jaya Mawatha, Colombo - 07
10. Orient Insurance Company -	No. 133, New Bullers Road, Colombo 04.
11. People's Insurance Company -	No 07, Havelock Road, Colombo - 05.
12. Sanasa Insurance Company Ltd. -	No. 172, Alvtigala Mawatha, Colombo - 08.
13. Sri Lanka Insurance Company -	“Rakshana Mandiraya”, No 21, Vauxhall Street, Colombo 02
14. Fairfirst Insurance Company –	No 33, St Michael's Road Colombo 03

FINANCIAL STATEMENTS - 2023

**NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2023**

		2023	2022
	NOTES	RS.	(Restated) RS.
INCOME			
CONTRIBUTION FROM INSURANCE COMPANIES	3	74,206,951.08	72,177,175.66
OTHER INCOME	4	95,754,490.18	59,623,928.59
TOTAL INCOME		<u>169,961,441.26</u>	<u>131,801,104.25</u>
LESS- EXPENSES			
ADMINISTRATION EXPENSES	5.1	9,183,210.68	11,736,669.91
ROAD SAFETY MANAGEMENT PROGRAMS	5.2	28,079,309.68	55,131,649.20
EXCESS OF INCOME OVER EXPENDITURE		<u>132,698,920.90</u>	<u>64,932,785.14</u>

**NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31ST DECEMBER 2023**

	NOTES	2023 RS.	2022 (Restated) RS.
ASSETS			
<u>NON CURRENT ASSETS</u>			
PROPERTY, PLANT & EQUIPMENT	6	4,385,243.44	3,073,807.79
TOTAL NON CURRENT ASSETS		4,385,243.44	3,073,807.79
TREASURY BILLS	7	391,124,079.56	321,543,535.44
FIXED DEPOSITS	8	248,116,174.31	186,550,001.20
<u>CURRENT ASSETS</u>			
RECEIVABLE FROM INSURANCE COMPANIES	3	6,947,130.98	6,038,024.51
TREASURY BILL INTEREST RECEIVABLE	7	5,301,939.75	7,679,994.18
FD INTEREST RECEIVABLE	8	10,283,869.50	7,885,735.26
PREPAYMENTS		-	26,783.09
CASH AT BANK	9	40,627,139.22	47,858,688.01
TOTAL CURRENT ASSETS		706,785,576.76	69,489,225.05
<u>LESS - CURRENT LIABILITIES</u>			
AUDIT FEES PAYABLE		260,820.00	200,000.00
PAYBLE FOR SUPPLIERS		-	6,586,736.23
STAMP DUTY		200.00	625.00
OTHER PAYABLES		83,349.06	126,921.45
		344,369.06	6,914,282.68
TOTAL ASSETS		706,441,207.70	573,742,286.80
NATIONAL COUNCIL FOR ROAD SAFETY FUND A/C			
FUND ACCOUNT BALANCE B/F		573,742,286.80	508,809,501.66
EXCESS OF INCOME OVER EXPENDITURE		132,698,920.90	64,932,785.14
TOTAL FUNDING		706,441,207.70	573,742,286.80

THE SIGNIFICANT ACCOUNTING POLICIES AND THE NOTES FROM THE PAGE 5 TO 14 ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CERTIFICATION

WE CERTIFY THAT THE ABOVE FINANCIAL STATEMENTS GIVE A TRUE AND FAIR VIEW OF AFFAIRS AS AT DECEMBER 31, 2023 AND ITS SURPLUS /(DEFICIT) FOR THE YEAR ENDED DECEMBER 31, 2023. THE COUNCIL IS RESPONSIBLE FOR THE PREPARATION AND PRESENTATION OF THESE FINANCIAL STATEMENTS. THESE FINANCIAL STATEMENTS WERE APPROVED BY THE COUNCIL AND SIGNED ON BEHALF OF THEM.



ACCOUNTANT (Covering)
NATIONAL COUNCIL FOR ROAD SAFETY



SECRETARY
NATIONAL COUNCIL FOR ROAD SAFETY

**NATIONAL COUNCIL FOR ROAD SAFETY
INDIRECT METHOD CASH FLOW STATEMENT
FOR YEAR ENDED 31 DECEMBER 2023**

	2023	2022 (Restated)
	RS.	RS.
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXATION	132,698,920.90	69,109,561.46
<u>ADJUSTMENTS FOR</u>		
PRIOR YEAR ADJUSTMENTS (NET)	1,155,044.23	(1,175.00)
DEPRECIATION	1,247,764.35	810,629.91
GRANT OF FIXED ASSET	-	3,803,686.15
INTEREST INCOME	(95,754,490.18)	(58,390,437.91)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>39,347,239.31</u>	<u>15,332,264.61</u>
WORKING CAPITAL CHANGES		
DECREASE/ (INCREASE) IN TRADE AND OTHER RECEIVABLES	(902,403.19)	(9,061,759.66)
INCREASE /(DECREASE) IN TRADE AND OTHER PAYABLES	(6,569,913.62)	116,127.54
CASH GENERATED FROM OPERATIONS	<u>(7,472,316.81)</u>	<u>(8,945,632.12)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>31,874,922.50</u>	<u>6,386,632.49</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(3,714,244.23)	(1,224,331.94)
INTEREST RECEIVED	95,754,490.17	58,390,437.91
FD REINVESTMENT	(61,566,173.11)	(7,643,217.33)
TREASURY BILL REINVESTMENT	(69,580,544.12)	(39,162,413.04)
NET CASH USED IN INVESTING ACTIVITIES	<u>(39,106,471.29)</u>	<u>10,360,475.60</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSURE OF SHARE CAPITAL	-	-
PROCEEDS FROM LONG TERM BORROWINGS	-	-
PAYMENT OF FINANCE LEASE LIABILITIES	-	-
DIVIDENDS PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(7,231,548.79)</u>	<u>16,747,108.09</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>47,858,688.01</u>	<u>31,111,579.92</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>40,627,139.22</u>	<u>47,858,688.01</u>

**NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2023**

	FUND A/C RS.	TOTAL RS.
BALANCE AS AT 01/01/2017	260,040,799.57	260,040,799.57
EXCESS OF INCOME OVER EXPENDITURE	40,561,344.97	40,561,344.97
BALANCE AS AT 31/12/2017	<u>300,602,144.54</u>	<u>300,602,144.54</u>
EXCESS OF INCOME OVER EXPENDITURE (RESTATED)	59,487,763.56	59,487,763.56
BALANCE AS AT 31/12/2018	<u>360,125,892.14</u>	<u>360,125,892.14</u>
EXCESS OF INCOME OVER EXPENDITURE (RESTATED)	61,315,294.39	61,315,294.39
BALANCE AS AT 31/12/2019 (RESTATED)	<u>421,441,186.53</u>	<u>421,441,186.53</u>
EXCESS OF INCOME OVER EXPENDITURE (RESTATED)	61,862,692.11	61,862,692.11
BALANCE AS AT 31/12/2020	<u>483,303,878.64</u>	<u>483,303,878.64</u>
EXCESS OF INCOME OVER EXPENDITURE	25,505,623.02	25,505,623.02
BALANCE AS AT 31/12/2021	<u>508,809,501.66</u>	<u>508,809,501.66</u>
EXCESS OF INCOME OVER EXPENDITURE	64,932,785.14	64,932,785.14
BALANCE AS AT 31/12/2022 (RESTATED)	573,742,286.80	573,742,286.80
EXCESS OF INCOME OVER EXPENDITURE	132,698,920.90	132,698,920.90
BALANCE AS AT 31/12/2023	<u>706,441,207.70</u>	<u>706,441,207.70</u>

**NATIONAL COUNCIL FOR ROAD SAFETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023.**

1 CORPORATE INFORMATION

1.1 GENERAL

THE COUNCIL IS A STATUTORY BODY UNDER MINISTRY OF WHICH WAS ESTABLISHED BY THE MOTOR TRAFFIC (AMENDMENT) ACT NO 5 OF 1998, ADDITIONAL NEW SECTIONS 213 (A) WAS INTRODUCED BY REGULATION TO MAKE COUNCIL FUNCTIONS. THE REGISTERED OFFICE OF THE COUNCIL IS LOCATED IN THE MINISTRY OF BUILDING AT NO 01, D R WIJEWARDENA MAWATHA, COLOMBO 10.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 GENERAL ACCOUNTING POLICIES

2.1.1 BASIS OF PREPARATION

THESE FINANCIAL STATEMENTS ARE PRESENTED IN SRI LANKA RUPEES AND THEY HAVE BEEN PREPARED UNDER THE HISTORICAL COST BASIS IN ACCORDANCE WITH SRI LANKA PUBLIC SECTOR ACCOUNTING STANDARDS WHICH ARE LAID DOWN BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA.

2.1.2 STATEMENT OF COMPLIANCE

THESE STATEMENTS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE, CHANGES IN EQUITY AND CASH FLOWS, TOGETHER WITH ACCOUNTING POLICIES AND NOTES OF THE COUNCIL AS AT 31 ST DECEMBER 2023 AND FOR THE YEAR THEN ENDED, ARE COMPLIED WITH SRI LANKA PUBLIC SECTOR ACCOUNTING STANDARDS.

2.2 ASSETS & BASES OF THEIR VALUATION

2.2.1 PROPERTY, PLANT AND EQUIPMENT

(a) PROPERTY PLANT & EQUIPMENT ARE RECORDED AT COST LESS ACCUMULATED DEPRECIATION. IN 2018 A REVALUATION OF ASSETS WERE PERFORMED AND ASSETS

WHICH WERE ON THAT DATE ARE CARRYING AT REVALUED AMOUNT LESS ACCUMULATED DEPRECIATION.

(b) DEPRECIATION

PROVISION FOR DEPRECIATION IS CALCULATED BY USING STRAIGHT LINE BASIS. THIS POLICY HAS BEEN APPLIED, OVER THE EFFECTIVE LIFE PERIOD OF THE ASSET, FROM THE DATE OF ASSET IS AVAILABLE FOR USE PROPORTIONATELY.

THE PRINCIPAL ANNUAL RATES USED AS FOLLOWS

1. COMPUTER	25%
2. PHOTOCOPY/ PRINTERS MACHINE	12.5%
3. AIR CONDITIONER	12.5%
4. MACHINERY & OTHER ASSETS	12.5%
5. FURNITURE AND FITTINGS	10%
6. DRIVING LEARNING MACHINE	10%
7. CAMERA EQUIPMENTS & REFRIGERATOR	25%
8. OTHER MEDIA EQUIPMENTS	12.5%

THE DEPRICIATION RATES OF PROPERTY, PLANT & EQUIPMENTS

2.3 INVESTMENTS

CONTRIBUTIONS TO THE ROAD SAFETY FUND ARE RECEIVED FROM INSURANCE COMPANIES ON MONTHLY BASIS AND ADDITIONAL FUNDS ARE INVESTED IN TREASURY BILLS & FIXED DEPOSITS AT BANK OF CEYLON AND PEOPLE'S BANK.

(a) CURRENT INVESTMENTS

CURRENT INVESTMENTS ARE STATED AT COST AND INTEREST INCOME FROM TREASURY BILLS ARE REINVEST AT MATURITY.

2.4 LIABILITIES & PROVISIONS

LIABILITIES WHICH ARE STATED UNDER CURRENT LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION ARE THOSE EXPECTED TO FALL DUE WITH IN ONE YEAR FROM THE DATE OF FINANCIAL POSITION.

2.4.1 OTHER PAYABLES

CREDITORS AND OTHER PAYABLES ARE STATED AT THEIR BOOK VALUES.

2.4.2 PROVISIONS

PROVISIONS ARE RECOGNIZED WHEN THE COUNCIL HAS A PRESENT OBLIGATION AS A RESULT OF A PAST EVENT, WHERE IT IS PROBABLE THAT AN OUT FLOW OF RESOURCES EMBODYING ECONOMIC BENEFITS WILL BE REQUIRED TO SETTLE THE OBLIGATION AND A RELIABLE ESTIMATE CAN BE MADE OF THE AMOUNT OF THE OBLIGATION.

2.5 REVENUE ROAD SAFETY FUND

FOURTEEN REGISTERED VEHICLE INSURANCE COMPANIES CONTRIBUTED 1% OF ALL THIRD PARTY INSURANCE POLICIES' PREMIUMS AND FROM OCTOBER 01ST 2021 IT IS INCREASED UP TO 2%. INSURANCE COMPANIES SHOULD PAY THEIR MONTHLY CONTRIBUTION BEFORE THE 15TH OF FOLLOWING MONTH.

2.6 STAFF

THE NATIONAL ROAD SAFETY SECRETARIAT IS THE IMPLEMENTING ARM OF THE NATIONAL COUNCIL FOR ROAD SAFETY. THE OTHER SUPPORTING STAFF HAS BEEN TRANSFERRED TO THE ROAD SAFETY SECRETARIAT FROM THE MINISTRY OF TRANSPORT. THE SALARY OF MINISTRY STAFF IS PAID BY THE MINISTRY OF TRANSPORT.

2.7 ERRORS

THE COUNCIL CORRECT MATERIAL PRIOR PERIOD ERRORS RETROSPECTIVELY IN THE FIRST SET OF FINANCIAL STATEMENTS AUTHORIZED FOR ISSUE AFTER THEIR DISCOVERY BY:

(A) RESTATING THE COMPARATIVE AMOUNTS FOR PRIOR PERIODS PRESENTED IN WHICH THE ERROR OCCURRED; OR

(B) IF THE ERROR OCCURRED BEFORE THE EARLIEST PRIOR PERIOD PRESENTED, RESTATING THE OPENING BALANCES OF ASSETS, LIABILITIES AND NET ASSETS/EQUITY FOR THE EARLIEST PRIOR PERIOD PRESENTED.

DURING THIS YEAR SOME ERRORS WERE FOUND IN PREVIOUS FIANCIAL STATEMENT AND THEY WERE CORRETED BY RESTATING 2022 FINANCIAL STATEMENTS. THE NATURE OF THE ERROR ITS IMPACT ON PREVIOUSLY PRESENTED AMOUNTS IN 2022 AND RESTATED BALANCES ARE SUMMARIZED BELOW.

EFFECT OF CHANGES AS A RESULT OF ERROR CORRECTION OF 2022 YEAR.

IMPACT ON THE STATEMENT OF FINANCIAL PERFORMANCE

ITEM RE STATED	JE	BALANCE BEFORE RESTATEMENT	ADJUSTMENT	RESTATED BALANCE
INCOME				
FD INTEREST INCOME FOR THE YEAR OF 2022	19,20 &23	13,320,836.98	1,224,543.72	14,545,380.70
TB INTEREST INCOME	22	45,069,600.93	8946.96	45,078,547.89
EXPENSES				
	JE	BALANCE BEFORE RESTATEMENT	ADJUSTMENT	RESTATED BALANCE
EXPENSES FOR PROGRAMME	18	49,709,582.20	5,422,067.00	55,131,649.20
ADMINISTRATION EXPENSES	20	11,748,469.31	(11,799.40)	11,736,669.91

IMPACT ON THE STATEMENT OF FINANCIAL POSITION

ITEM	JE	BALANCE BEFORE RESTATEMENT	ADJUSTMENT	RESTATED BALANCE
FD INTEREST RECEIVABLE	2.7.1	8,043,475.95	(157,740.69)	7,679,994.18
PPE	2.7.2	1,918,738.56	1,155,069.23	3,073,807.79
FIXED DEPOSIT	19,20 & 23	185,167,086.79	1,382,914.41	186,550,001.20

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

03. CONTRIBUTION RECEIVED FROM INSURANCE COMPANIES FOR 2023

	Note No.	2023		2022	
		RS		RS	
INSURANCE RECEIPTS DURING THE YEAR	3.1	73,297,844.61		73,176,590.47	
ADD					
YEAR END BALANCE OF RECEIVABLE INSURANCE		6,947,130.98		6,038,024.51	
CONTRIBUTION		80,244,975.59		79,214,614.98	
LESS					
OPENING BALANCE OF RECEIVABLE INSURANCE		6,038,024.51		7,037,439.32	
CONTRIBUTION		<u>74,206,951.08</u>		<u>72,177,175.66</u>	

3.1 INSURANCE RECEIPTS DURING THE YEAR (Cash basis)

Name of the Insurance Company	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
HNB General Insurance Ltd	185,151.00	178,972.00	171,220.00	179,383.00	114,332.00	143,188.00	167,511.00	166,089.00	169,596.00	164,581.00	187,385.00	175,168.00	2,002,576.00
Amara Takaful Ltd	214,409.46	233,326.06	231,899.00	175,418.39	177,864.05	184,136.57	259,835.82	264,175.26	298,320.26	241,965.25	241,313.95	269,005.34	2,791,669.41
Ceylinco General Insurance Ltd	782,406.00	864,040.00	783,705.00	813,254.00	581,372.00	668,634.00	616,930.00	755,908.00	809,247.00	691,091.00	847,888.00	753,320.62	8,967,795.62
MBSL Insurance Co Ltd	89,184.10	84,812.80	68,617.20	79,813.90	70,303.10	85,741.00	97,150.20	83,159.60	102,153.50	94,957.10	110,383.60	121,090.50	1,087,366.60
Co-Operative Insurance Co Ltd	940,852.00	902,715.00	824,428.00	793,798.00	467,471.00	173,461.00	664,055.00	891,337.00	1,135,444.00	905,906.00	1,101,544.00	1,115,430.18	9,916,441.18
Orient Insurance Ltd	81,380.56	251,037.76	183,510.52	136,443.48	110,787.68	146,257.12	151,553.08	176,700.00	179,132.36	205,742.92	155,818.52	157,381.60	1,935,745.60
Sinasa General Insurance	212,326.34		480,114.62	240,312.84	222,565.76	268,662.54	191,685.26	248,200.00	280,077.91	251,640.52	280,246.92	252,448.30	2,928,281.01
Allianz Lanka Co Ltd	472,480.00	463,275.00	442,105.00	481,275.00	338,410.00	423,640.00	404,120.00	465,955.00	492,600.00	446,500.00	545,850.00	492,586.00	5,468,796.00
Sri Lanka Insurance Co Ltd	1,733,145.00	1,741,756.00	1,596,218.00	1,548,527.00	1,175,562.00	1,472,814.00	1,372,808.00	1,518,879.00	1,602,474.00	1,405,935.00	1,748,401.00	1,580,945.00	18,497,464.00
Peoples' Insurance PLC	335,975.78	403,499.87	337,942.54	366,585.99	203,711.26	199,565.88	232,105.79	281,159.10	303,506.02	304,210.00	352,327.00	307,452.00	3,628,041.23
Continental Insurance Lanka Ltd	167,903.00	170,995.00	171,005.00	180,282.00	123,486.00	153,771.00	158,002.00	178,695.00	195,334.00	179,441.00	194,012.00	181,822.00	2,054,752.00
LOLC General Insurance Co Ltd	189,432.00	866,445.00	531,622.00	416,576.00	351,696.00	491,367.00	576,445.00	540,595.00	561,297.00	540,767.00	543,837.00	554,065.00	6,164,144.00
National Insurance Trust Fund	58,413.27	53,366.72	55,114.09	238,767.91	49,002.66	49,756.41	41,449.58	52,171.83	43,922.56	35,876.00	57,384.30	48,747.63	783,972.96
Fairfirst Insurance Ltd	574,966.00	557,077.00	691,453.00	728,070.00	439,477.00	520,959.00	587,526.00	676,167.00	579,504.00	523,717.00	551,881.00	640,002.00	7,070,799.00
TOTAL	6,038,024.51	6,771,322.21	6,568,953.97	6,378,507.51	4,426,040.51	4,981,953.52	5,521,176.73	6,299,190.79	6,752,608.61	5,992,329.79	6,918,272.29	6,649,464.17	73,297,844.61

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

04. OTHER INCOME

	Note	2023	2022
		RS.	RS.
TREASURY BILL INTEREST	7	67,202,489.69	45,078,547.89
FIXED DEPOSIT INTEREST	8	<u>28,552,000.49</u>	<u>14,545,380.70</u>
		<u>95,754,490.18</u>	<u>59,623,928.59</u>

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

05. EXPENSES

5.1 ADMINISTRATION EXPENSES

	2023	2022
		(Restated)
	RS.	RS.
SALARIES & WAGES	786,265.16	900,000.00
FUEL ALLOWANCE	536,411.25	626,690.00
TRANSPORT ALLOWANCE	487,096.77	300,000.00
TELEPHONE ALLOWANCE	21,363.45	64,786.61
OTHER ALLOWANCES	498,740.96	344,682.69
FUEL & LUBRICANTS	600,000.00	604,076.00
COUNCIL & COMMITTEE MEMBERS FEES	396,000.00	402,000.00
PLANT,MACHINERY & EQUIPMENT MAINTANANCE	358,685.64	469,534.65
VEHICLE MAINTANANCE	31,612.73	242,611.00
STATIONERY & OFFICE REQUISITES	697,505.55	905,667.99
ELECTRICITY, TELEPHONE & WATER	246,335.49	251,274.46
NEWSPAPERS	108,180.00	61,540.00
PRINTING & TRANSLATION	442,412.50	109,767.50
OVERTIME CHARGES	568,499.16	506,187.31
REFRESHMENT OF MEETING	106,796.00	92,794.65
AUDIT FEES		
AUDIT FEES FOR THE CURRENT YEAR	260,820.00	221,400.00
UNDER/(OVER) PROVISION OF PREVIOUS YEAR	60,820.00	
TRAVELLING EXPENCES	112,714.00	142,436.00
DEPRECIATION	1,247,764.35	810,629.91
POSTAGE	24,085.00	44,855.00
BANK CHARGES	-	750.00
ALLOWANCES FOR TRAINEES	-	-
CLEANING CHARGES	776,999.99	732,400.00
SUNDRY EXPENSES	105,232.67	98,899.99
STAFF TRAINING	210,000.00	
RENOVATION NCRS PREMISES	498,870.00	
DONATION		3,803,686.15
	9,183,210.68	11,736,669.91

5.2 EXPENSES ON ROAD SAFETY MANAGEMENT PROGRAMS

	2023	2022
NOTE	RS.	RS.
ROAD SAFETY MANAGEMENT PROGRAMS 5.2.1	20,779,309.68	38,031,649.20
COMPENSATION (HIT & RUN)	7,300,000.00	17,100,000.00
	28,079,309.68	55,131,649.20

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

06. PROPERTY, PLANT & EQUIPMENT

	COMPUTERS	PHOTO COPY/PRINTER S MACHINE	FURNITURE & FITTINGS	AIR CONDITIONER	MEDIA EQUIPMENTS	OTHER ASSETS	REFRIGERATOR	TOTAL,
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
COST / REVALUATION								
BALANCE AS AT 01.01.2023	1,155,069.23	887,300.00	702,472.50	556,559.44	1,577,412.50	79,981.50	133,000.00	5,091,795.17
DURING THE YEAR								-
ADDITION	2,559,200.00							2,559,200.00
DISPOSALS	-							-
BALANCE AS AT 31.12.2023	3,714,269.23	887,300.00	702,472.50	556,559.44	1,577,412.50	79,981.50	133,000.00	7,650,995.17
ACCUMULATED DEPRECIATION								
BALANCE AS AT 01.01.2023(Restated)		104,257.26	427,845.17	98,749.58	1,232,571.65	45,157.56	109,406.16	2,017,987.38
CHARGE FOR THE YEAR	809,371.69	110,912.50	70,247.25	69,569.93	154,071.46	9,997.69	23,593.84	1,247,764.35
DISPOSALS	-	-	-	-	-	-	-	-
BALANCE AS AT 31.12.2023	809,371.69	215,169.76	498,092.42	168,319.51	1,386,643.10	55,155.25	133,000.00	3,265,751.73
NET BOOK VALUE								
AS AT 31/12/2022	1,155,069.23	783,042.74	274,627.33	457,809.86	344,840.85	34,823.94	23,593.84	3,073,807.79
AS AT 31/12/2023	2,904,897.54	672,130.24	204,380.08	388,239.93	190,769.40	24,826.25	-	4,385,243.44

6.1 FULLY DEPRECIATED PROPERTY, PLANT & EQUIPMENT IN USE

are in the use of ordinary course of operation activities. The value as per rcost/revaluation of

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

07. Treasury Bills

Bill NO	Invested Ammount as at 13/12/2023	Received Interest Income	Receivable Interest Income as at 31st Dec 2023	Interest Income for the Year of 2023
1	17,844,841.28	2,876,131.41	183,840.90	3,059,972.30
2	60,925,687.24	9,911,599.30	481,212.01	10,392,811.30
3	10,684,894.39	1,722,131.36	110,077.78	1,832,209.15
4	15,722,950.31	2,534,136.94	161,980.78	2,696,117.72
5	27,366,846.70	4,497,867.55	198,862.59	4,696,730.14
6	1,122,706.76	184,522.14	8,158.21	192,680.35
7	43,426,847.35	6,430,268.90	1,116,690.45	7,546,959.34
8	18,206,717.99	2,353,289.70	776,543.74	3,129,833.45
9	13,895,125.77	2,239,538.35	143,150.19	2,382,688.54
10	138,402,933.56	22,747,182.78	1,005,712.96	23,752,895.74
11	43,335,231.85	6,372,769.58	1,114,334.62	7,487,104.21
12	119,321.93	19,611.18	867.06	20,478.24
13	69,974.43	11,500.73	508.47	12,009.21
Total	391,124,079.56	61,900,549.94	5,301,939.75	67,202,489.69

08. Fixed deposits

FD No	A/C NO	AMOUNT	Interest Income for 2023 year	Interest income receivable as at 31st December 2023
1	5052659	10,000,000.00	1,267,534.25	78,082.19
2	6462242	3,000,000.00	370,109.58	11,243.84
3	6061516	1,000,000.00	122,276.70	5,387.67
4	83251129	46,009,303.35	5,468,587.59	998,376.74
5	83250939	60,584,274.72	5,884,558.75	1,179,484.54
6	204-60-01-00023436-6	53,384,081.00	6,715,025.26	6,326,159.86
7	204-60-01-00026713-3	34,138,515.24	5,561,059.03	1,299,929.19
8	90785450	40,000,000.00	3,162,849.32	385,205.48
TOTAL		248,116,174.31	28,552,000.49	10,283,869.50

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2023

09. Cash At Bank		2023	2022
		RS.	RS.
	Bank Balance	41,590,700.67	47,858,688.01
Less	Unpresented Payment	1,245,664.29	-
Add	Unrelized Receipt	282,102.84	
	Cash At Bank	<u>40,627,139.22</u>	<u>47,858,688.01</u>

NATIONAL COUNCIL FOR ROAD SAFETY
TRIAL BALANCE AS AT 31ST DECEMBER 2023.

ACCOUNT NAME	DEBIT	CREDIT
ASSETS		
COMPUTER	3,714,269.23	
PHOTOCOPY ,PRINTERS ,FAX MACHINE	887,300.00	
FURNITURE & FITTINGS	702,472.50	
AIR CONDITIONER	556,559.44	
MEDIA EQUIPMENTS	1,577,412.50	
OTHER ASSETS	79,981.50	
REFRIGERATOR	133,000.00	
ACCUMILATED DEPRECIATION		
COMPUTERS		809,371.69
PHOTOCOPY ,PRINTERS ,FAX MACHINE		215,169.76
FURNITURE & FITTINGS		498,092.42
AIR CONDITIONER		168,319.51
MEDIA EQUIPMENTS		1,386,643.11
OTHERS		55,155.25
REFRIGERATOR		133,000.00
FIXED DEPOSITS	248,116,174.31	
TREASURY BILLS	391,124,079.56	
RECEIVABLE FROM INSURANCE COMPANIES	6,947,130.98	
FUND A/C		573,742,286.80
CONTRIBUTION FROM INSURANCE COMPANY		74,206,951.08
F D INTEREST A/C		28,552,000.48
FD INTEREST RECIEVABLE	10,283,869.50	
TREASURY BILL INTEREST A/C		67,202,489.69
TB INTEREST RECEIVABLE A/C	5,301,939.75	
AUDIT FEES PAYABLE		260,820.00
AUDIT FEES	321,640.00	
SALARIES & WAGES	786,265.16	
FUEL ALLOWANCE	536,411.25	
TRANSPORT ALLOWANCE	487,096.77	
TELEPHONE ALLOWANCE	21,363.45	
OTHER ALLOWANCES	498,740.96	
FUEL & LUBRICANTS	600,000.00	
COUNCIL & COMMITTEE MEMBER FEES	396,000.00	
PLANT, MACHINERY & EQUIPMENT MAINTENANCE	358,685.64	
STATIONERY & OFFICE REQUISITES	697,505.55	
TELEPHONE CHARGES	246,335.49	
NEWSPAPERS	108,180.00	
PRINTING & TRANSLATION	442,412.50	
OVERTIME CHARGES	568,499.16	
TRAVELLING EXPENSES	112,714.00	
REFRESHMENT OF MEETING	106,796.00	
SUNDRY EXPENSES	105,232.67	
CLEANING CHARGES	776,999.99	
RENOVATION OF NCRS PREMISES	498,870.00	
BANK BALANCE	40,627,139.22	
STAFF TRAINING	210,000.00	
POSTAGE	24,085.00	
VEHICLE MAINTENANCE	31,612.73	
COMPENSATION (HIT & RUN)	7,300,000.00	
LAST ACCRUED EXPENSES		83,349.06
DEPRECIATION	1,247,764.35	
EXPENSES FOR PROGRAMS	20,779,309.68	
STAMP DUTY	-	
STAMP DUTY PAYBLE		200.00
	747,313,848.85	747,313,848.85

REPORT OF THE AUDITOR GENERAL
2023

**The Chairman,
National Council for Road Safety,**

Report of the Auditor General on the Financial Statements of National Council for Road Safety and Other Legal and Regulatory Requirements for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2019.

1. Financial statements

1.1 Qualified Opinion

The audit of the financial statements of the National Council for Road Safety for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in equity, and cash flow statement for the year then ended and notes to financial statements including material accounting policy information, 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 and Finance Act, No. 38 of 1971. My report will be presented in Parliament in due course in terms of Article 154(6) of the Constitution.

In my opinion, except for the effects of the matters described in paragraph Basis for Qualified Opinion of this report, the financial statements give a true and fair view of the financial position of the National Council for Road Safety as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

The Audit had not been provided with the relevant detailed schedules and the register of fixed assets required to verify the value of 07 categories of fixed assets valued at Rs. 4,385,243 shown in the schedule under the No. 06- Property, Plant and Equipment that had been presented with the final accounts. As such, the value

of those fixed assets and the accuracy of relevant values of depreciations, could not be verified in audit.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuS). 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 Other Information Included in the Annual Report of the Council for the Year 2023.

The "other information" includes the ones that had not been included in the financial statements and my audit report thereon in spite of being included in the annual report of the year 2023 scheduled to be furnished to me after the date of this audit report. The management is responsible for the "other information".

My opinion on the financial statements do not cover the other information, nor do I express any certification or opinion whatsoever in that connection.

It is my responsibility to read the above-recognized other information when found with respect to my audit relating to the financial statements, and to consider when doing so as to whether the other information is materially inconsistent with the financial statements or my knowledge acquired in audit or by other means.

In the event I conclude whilst reading the annual report of the Council for the year 2023 that there exist material errors therein, such errors should be communicated to the governing bodies for correction. In case of errors not yet corrected, such errors would be included in the report to be tabled in Parliament by me in due course in terms of Article 154 (6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determines is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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

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

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management..
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Council to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The governing bodies are informed on material audit findings, main inefficiencies in internal control and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 Special provisions are included in the National Audit Act, No. 19 of 2018 for following requirements.

2.1.1 Except for the effect of matters described in Paragraph 1.2 of my report, Basis for Opinion, I obtained all the information and explanations required for the audit in terms of Section 12 (a) of the National Audit Act, No. 19 of 2018 , and the Council had properly maintained the financial statements as appeared in my examination.

2.1.2 Financial statements of the Council are consistent with the preceding year in terms of Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The recommendations made by me in the preceding year have been included in the financial statements presented in terms of Section 6(i) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Given the limitations relating to procedures followed, and evidence obtained and material information, I did not notice anything significant enough to make the following statements.

2.2.1 Any member of the governing body of the Council has any direct or indirect interest in any contract entered into by such entity in terms of Section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 The Council has not complied with any applicable written law or other general or special directions issued by the governing body of the Council in terms of Section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observations.

Reference to Laws, Rules/ Directions

Non-compliance

a) Regulation 110 of the Financial A register of losses had not been Regulations of the Democratic maintained.
Socialist Republic of Sri Lanka.

b) Circular No. NP/5P/5dg/17 of the A sustainable development plan had not Ministry of National Policies and been prepared for the Council.
Economic Affairs dated 14 August
2017.

2.2.3 Whether the Council has performed according to its powers, functions and duties in terms of Section 12 (g) of the National Audit Act, No. 19 of 2018 except for the following observations.

a) According to Section 10.6 of the Parliamentary Series No. 351 of the Special Parliamentary Committee dated 12 December 2014, this institution should be transformed into a National Commission in order to properly manage the road safety of the country thereby transforming into a comprehensive secretariat by providing with necessary powers, authority, financial provision, and a highly qualified and trained staff to assist the Commission. However, as this institution has not yet been established as a Commission in accordance with the said provisions, no legal authority required to discharge functions of the Council has been vested formally.

b) The management had not devised a system of internal control that could be used to verify as to whether the value of Rs. 74,206,951 remitted by 14 insurance companies to the Council as 02 per cent contribution from the third party insurance income in terms of Gazette Extraordinary No. 2245/31 dated 17 September 2021, was the total receivable income.

c) Approval of the Treasury and the Department of Public Enterprises should have been obtained on the approved cadre, but duties were performed by a staff of 14

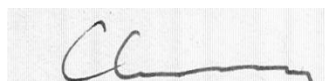
officers assigned from the Ministry of Transport since this institution had not been established as a Commission thus far.

2.2.4 Whether the resources of the Council have been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws in terms of Section 12(h) of the National Audit Act, No. 19 of 2018 except for the following observations.

- a) The institution had planned to execute 31 activities worth Rs. 120 million in the annual procurement plan prepared with the annual action plan in accordance with Section 01/2014 (4) (d) of Public Finance Circular No. 01/2014 dated 17 February 2014 issued by the Ministry of Finance and Planning,. However, no performance had been reported with respect to 20 procurement activities worth Rs.52 million, and in another 11 procurement activities, the expected objectives had not been met as planned, since it was observed that there was an average of only 10 per cent of its financial performance in the year 2023. It was also observed that the procurement plan prepared for the year 2023 was unrealistic and has not been implemented effectively to achieve the desired objectives.
- b) The total of the estimated income and capital expenses of the institution for the year under review amounted to Rs. 114 million and Rs. 119 million respectively whereas the actual income and expenditure amounted to Rs. 170 million and Rs. 28 million respectively. As such, a variation of Rs. 56 million equivalent to 40 per cent was observed between the estimated income and actual income whilst a negative variation of 76 per cent or Rs. 91.20 million was observed between the estimated capital expenditure and actual expenditure. Accordingly, the budget had not been made use of as an effective instrument of management control by the Council.
- c) Thirty five activities had been recognized and scheduled relating to 22 projects valued at Rs. 109.7 million to be implemented under 05 Pillars mentioned in the Action Plan prepared by the institution. Nevertheless, 55 per cent thereof

or 21 activities worth Rs. 55.175 million had not been fully executed. The following observations were made.

- i. An agreement had been entered into with a university lecturer to conduct the research “minimizing accidents involving motorbikes” as the first activity of the third project implemented under Pillar 01 of the Action Plan of the year 2022 after being proposed to be implemented since the year 2018. The research should have been conducted under 04 phases and handed over after being concluded in the year 2022, but it had not been done so, and a report had been given to the Council having completed only 02 phases in the year 2023. At present, a situation has arisen wherein the rest of 02 phases of the project could not be implemented, thus the sum of Rs. 700,000 incurred so far on the project has become fruitless. Furthermore, action had not been taken by the institution on the uncertainty of proceeding with the project and breach of the agreement.
- ii. an expenditure of Rs. 143,055 had been incurred in the year 2022 on the 5th project under Pillar 01 in the Action Plan to appoint a representative of the National Council for Road Safety at Divisional Secretariat and District Secretariat levels, assign duties to them, conduct training programs provincially, and attach them to the road safety committees functioning divisionally. It was scheduled to implement this amidst institutional and financial problems, but this proposal had been removed from the revised Action Plan of the year 2023. Hence, the objectives anticipated from planning and implementing the E-library, were not achieved.



W.P.C. Wickramaratne,
Auditor General.

Comments on the Auditor General's report, in terms of Section 12 of the Audit Act, No. 19 of 2018, with regard to the financial statements and other legal and regulatory requirements of the National Council for Road Safety for the year ended 31 December 2023.

1.2 Basis for the Qualified Opinion

A significant portion of the currently existing fixed assets of the National Council for Road Safety comprises assets that were previously used by the Ministry of Transport and Highways and subsequently provided to the National Council for Road Safety, and certain assets were purchased by the Ministry of Transport and Highways on behalf of the National Council for Road Safety approximately ten years ago. A fixed asset register indicating the values of these assets is not maintained by the National Council for Road Safety, and the values presented in the final accounts of the previous year have been carried forward to the 2023 final accounts by adjusting them with the increased values arising from new purchases.

Further, it was previously stated in the answers to the draft report of the 2023 audit report that action would be taken to revalue all assets belonging to the National Council for Road Safety in order to identify their updated values, and to prepare a fixed asset register based on that information.

Accordingly, a revaluation committee required for the revaluation of fixed assets has already been appointed, and the activities related to the revaluation of fixed assets are currently in progress.

2.2.2.

(a) REgister of losses and damages had not been maintained

In accordance with Financial Regulation 110, a Losses and Damages Register has been prepared by the National Council for Road Safety. However, to date, no losses and damages have been reported for recording in the register.

(b) A sustainable development plan had not been prepared.

The National Council for Road Safety has not prepared a sustainable development plan, and the National Council for Road Safety has formulated and implemented a three-year action plan for the years 2022–2024, which is based on the five-pillar approach proposed by the United Nations Road Safety Collaboration for the Decade of Action for Road Safety as follows:

- Pillar 01: Road Safety Management
- Pillar 02: Safer Roads and Mobility
- Pillar 03: Safer Vehicles
- Pillar 04: Safer Road Users
- Pillar 05: Post-Accident Response

Further, although there is no specific sustainable development goal exclusively representing road safety, a committee composed of local experts has formulated this action plan based on the sustainable development goals related to road safety established for sustainable socio-economic development, as indicated in the table below.

Sustainable Development Goals	Goal relevant to the transport sector
Goal 3: Good Health and Well-being	Target 3.6: Halve the number of global deaths and injuries caused by road traffic accidents
Goal 11: Sustainable Cities and Communities	Target 11.2: By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities, and older persons.

I hereby confirm that a sustainable development plan has not been prepared for the year 2024. It is intended to prepare a corporate plan in the year 2025, during which it will be possible to formulate a sustainable development plan as well, and action will be taken accordingly.

2.2.3.

(a)

Following the submission of the final draft bill prepared in relation to the conversion of the National Council for Road Safety into a Commission, the Presidential Secretariat informed in 2023 that the said process should be temporarily halted.

In 2024, the Legal Division of the Ministry of Transport and Highways resubmitted the said draft bill to the Legal Draftsman's Department. The Legal Draftsman has inquired into the observations related to the said draft bill, and the Legal Division of the Ministry of Transport, Highways, Ports, and Civil Aviation has informed the National Council for Road Safety that accordingly, the relevant observations have been submitted to the Legal Draftsman.

(b) Although discussions were held with the Insurance Regulatory Commission of Sri Lanka and insurance institutions to establish a formal procedure to verify the accuracy of the insurance contributions received by the National Council for Road Safety from insurance companies, it was informed that the Insurance Regulatory Commission of Sri Lanka also does not possess adequate information to properly confirm those amounts.

Accordingly, based on the consensus reached between the National Council for Road Safety, the Insurance Regulatory Commission, and the insurance institutions, I hereby confirm that the National Council for Road Safety will obtain, on a monthly basis, the said information through the standard format provided to the insurance institutions, duly certified either by the Chief Internal Auditor or the Chief Financial Officer of the respective institution.

However, I kindly inform you that, as a preliminary step towards establishing an appropriate procedure in this regard, discussions are being initiated with the Insurance Regulatory Commission of Sri Lanka.

(a) Following the submission of the final draft bill prepared for the conversion of the National Council for Road Safety into a Commission, the Presidential Secretariat informed that the said process should be temporarily halted. The draft bill was thereafter resubmitted to the Legal Draftsman in the year 2024. Further, by letter No. DMS/1855 dated 2024.01.08 from the Department of Management Services, five Development Officer positions were approved for the National Council for Road Safety, and by letter No. DMS/1855 dated 2024.04.19, the positions of Director, Assistant Director (Technical), and Accountant were also approved.

2.2.4. (a), (b) The position of Chairman of the National Council for Road Safety remained vacant from 23 January 2023 to 09 March 2023, and following the expiration of the term of office of the members of the Council on 28 January 2023, new members were appointed on 16 March 2023. The activities of the National Council for Road Safety resumed following the Council meeting held on 16 March 2023. Due to this situation, it was not possible to achieve significant progress in the implementation of the 2023 Action Plan and Procurement Plan during the first quarter of 2023.

At the National Council meeting held on 16 June 2023, action was taken to revise the 2023 Action Plan, Procurement Plan, and Budget of the National Council for Road Safety. Although implementation commenced following the approval granted by the Secretary of the Ministry of Transport and Highways on 09 August 2023 for the revised plans, the expected level of completion could not be achieved. Therefore, revisions were incorporated into the 2023 revised Action Plan, Procurement Plan, and Budget Document, and accordingly, the 2024 Action Plan, Procurement Plan, and Budget Document were prepared.

Furthermore, I kindly inform you that certain projects included in the 2024 Action Plan were identified as practically difficult to implement within the year, and such projects were removed and the 2024 Action Plan was revised and implemented accordingly.

I also kindly inform you that in the year 2025, steps will be taken to achieve the expected performance more efficiently through the relevant plans, minimizing the issues encountered in the previous year.

(c) i. By the end of the year 2023, two phases of the research project on motorcycle accidents had been completed, and the relevant reports were received by the National Council for Road Safety. However, the implementation of the remaining two phases could not be carried out due to the relevant university professor being overseas. Nevertheless, by 2024, the said professor submitted one of the two remaining reports to the National Council for Road Safety. Action was then taken to consult the national council regarding the necessary follow-up actions to be taken in this regard. During those discussions, it was proposed by the Council to take steps to obtain the final report as well. Accordingly, following a notification to the said professor requesting the final report, the remaining report was also received by the National Council for Road Safety. I kindly inform you that next actions will be taken after consulting the national Council regarding the same.

ii. In order to carry out activities related to road safety and the reduction of road accidents, a project was initiated in the year 2022 with the objective of appointing an officer representing the National Council for Road Safety at the Divisional Secretariat level. Accordingly, nominations were received in 2022 from 256 Divisional Secretariats across the island.

From among the nominations received, a training program was conducted on 22 November 2022 at the Gampaha District Secretariat for the officers representing all Divisional Secretariats in the Western Province. It was revealed during the program that the participating officers had not been granted the authority to carry out the functions of the National Council for Road Safety relating to the assurance of road safety and the prevention of road accidents, as their duties were defined by the duty lists issued by their respective line ministries. Accordingly, the National Council for Road Safety requested that necessary arrangements be made to obtain the approval of the Secretary of the Ministry of Disaster Management to facilitate support for this initiative.

Accordingly, discussions were held with the Ministry of Disaster Management in this regard, and it was proposed that a memorandum of understanding be signed and that a suitable allowance be paid to the officer nominated by the Divisional Secretariat. As a result, steps were taken to prepare a memorandum of understanding with the support of the SLIDA Institute, in order to carry out this project jointly with the Ministry of Disaster Management. However, I kindly inform you that due to practical difficulties in implementing this project, the National Council decided to discontinue the initiative during the preparation of the revised Action Plan for the year 2023.

(d) At the National Council meeting held on 16 June 2023, action was taken to revise the 2023 Action Plan, Procurement Plan, and Budget of the National Council for Road Safety. Although implementation commenced following the approval granted by the Secretary of the Ministry of Transport and Highways on 09 August 2023 for the revised plans, the expected level of completion could not be achieved. Accordingly, further revisions were incorporated into the 2023 Revised Action Plan, Procurement Plan, and Budget Document, and the 2024 Action Plan, Procurement Plan, and Budget Document were prepared.

Furthermore, among the projects included in the 2024 Action Plan, those identified as practically difficult to implement within the year were removed, and the 2024 Action Plan was revised on 20 June 2024 and implemented accordingly by the National Council for Road Safety.

I kindly inform you that in the year 2025, steps will be taken to achieve the expected performance more efficiently through these plans, while minimizing the issues encountered in the previous year.

(e) I kindly inform you that, in the preparation of the Action Plan and Procurement Plan in future, efforts will be made to specify the projects specifically, and in the event proposals are submitted for any essential project(s) that could not be identified prior to the beginning of the year, the relevant plans will be revised and implemented accordingly, as necessary.

I kindly inform you that regarding the project titled “Implementation of Programs to Ensure the Safety of Cyclists” under Pillar 04 of the Action Plans prepared for the years 2022 and 2023, procurement activities were completed in March 2023, and stickers to be put on bicycles had been purchased incurring an expenditure of Rs. 2,650,000. Meanwhile, with the expectation of prompt distribution of these stickers, steps were taken to remove this project from the Action Plan. However, it was observed that the project activities had not been carried out as so expected even by the time of preparation of the 2024 Action Plan.

Therefore, with the objective of correcting this deficiency, steps were taken to include this project in the 2024 Action Plan for implementation during the year 2024.

(f) During the 10th meeting of the Committee on Public Accounts held on 10 February 2021, in Committee Room No. 06 of the Parliament of Sri Lanka during its first session, discussions took place regarding the existing deficiencies in the technical equipment required by the Sri Lanka Police. The Committee inquired about the possibility of purchasing such equipment from the fund held by the National Council for Road Safety, and the National Council for Road Safety confirmed that funds could be allocated for this purpose. Accordingly, on 17 May 2021, under the instructions of the Secretary to the Ministry of Transport, a Memorandum of Understanding was signed between the National Council for Road Safety and the Ministry of Public Security to provide the Sri Lanka Police with the following equipment:

- 100 Laser TruCAM speed detection devices (two for each division and for 12 high-accident-prone police jurisdictions),
- 50 Illuminance meters for testing tinted glass,
- 50 Tapley meters for testing braking efficiency,
- 5 Noise meters for sound level testing,

at a total cost of Rs. 150 million.

In the 2023 Action Plan, a sum of Rs. 150 million had been allocated for this project. However, by the time of preparing the Revised Action Plan for 2023, the project had not been completed, and accordingly, the National Council took steps to remove it from the Revised Action Plan. During the preparation of the 2024 Action Plan, a new project was included to provide the Sri Lanka Police with the necessary technical equipment to identify speeding drivers, and a sum of Rs. 50 million was allocated for this purpose.

Accordingly, an inquiry was made by the Ministry of Public Security regarding the previously existing agreement, and the Ministry informed the National Council for Road Safety that it agrees to obtain Rs. 50 million in 2024 and a sum of Rs. 100 million over the next two years for the relevant project. As such, a new agreement was prepared to provide the Rs. 50 million in 2024, for which the approval of the Ministry of Transport, Highways, Ports and Civil Aviation has been obtained. The agreement has been referred to the Secretary of the Ministry of Public Security for observations.

(g) Although the project to update the electronic library established by the National Council for Road Safety in 2021 and to raise public awareness regarding the same was included in the 2023 Action Plan, it was not included in the Revised Action Plan for 2023. This shortcoming was identified during the preparation of the 2024 Action Plan, and steps were taken to include it in the 2024 Action Plan. Furthermore, I kindly inform you that steps will be taken in the future to continuously update the electronic library in a manner that fulfills its intended objectives and to adequately raise public awareness in this regard.



H.D.R. Kumari Jayaratne

Chairman

National Council for Road Safety