State Ministry of Vehicle Regulation, Bus Transport Services and Train Compartments and Motor Car Industry

PERFORMANCE REPORT- 2021

No.01, D.R.Wijewardena Mawatha, Colombo – 10

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1. State Ministry of Vehicle Regulation, Bus Transport Services and Train Compartments and Motor Car Industry

1.1. Introduction

The Ministry that established with the objective of implementing the special priorities set out in the Government's policy framework “Vistas of Prosperity and Splendour”, consists of four major institutions that are essential to the transport needs of the people, which directly contribute to the development of the country. Among them, the Sri Lanka Transport Board, the Department of Motor Traffic and the National Transport Medical Institute provide the closest and most essential services to the public, while Lakdiva Engineering Company (Pvt) Ltd makes a silent contribution to the transport sector by providing bus and vehicle repairs and services. In coordination with these four institutions, we continue to identify, plan, implement and review progress of projects and evaluate projects for economic and social development by providing an efficient and comfortable transport service to the public with the contribution of stakeholders involved in transportation. The Ministry will hold progress review meetings monthly and half-monthly and provide instructions and guidance on the continuation of projects and programmes implemented by the institutions.

Publicizing smart technologies through the programmes of introducing modern technology to institutions will help in providing efficient service to the clients as well as minimizing bribery, corruption and waste and eliminating the negative attitudes of the people towards the institutions and building a positive attitude. Moreover, arrangements have been made to obtain services through On-line Appointments, provide services to the public by conducting mobile services and to provide an efficient service to the public through management methods for modern document preservation. Furthermore, action will be taken to address public concerns by conducting programmes on road safety as well as through the Transport Management Committees which are planned to be implemented at provincial level.

All these activities are coordinated and supervised by this State Ministry and the Ministry consists of six Divisions; Administration, Development, Accounting, Planning, Technical and Internal Audit under the supervision of a Chief Accounting Officer. The Ministry, with the contribution of its respective institutions, has implemented a number of successful programmes during the year 2021 and also plans to implement a number of programmes in the future to successfully address the existing challenges and encourage the people to use public transport.

1.2. Vision, Mission

VISION

Sri Lanka with a people centered sustainable transportation system

MISSION

Managing sustainable transportation through policy formulation, planning, implementation, process review and regulation for a modern, eco-friendly, safe transport service under public and private investment

1.3. Duties and Functions

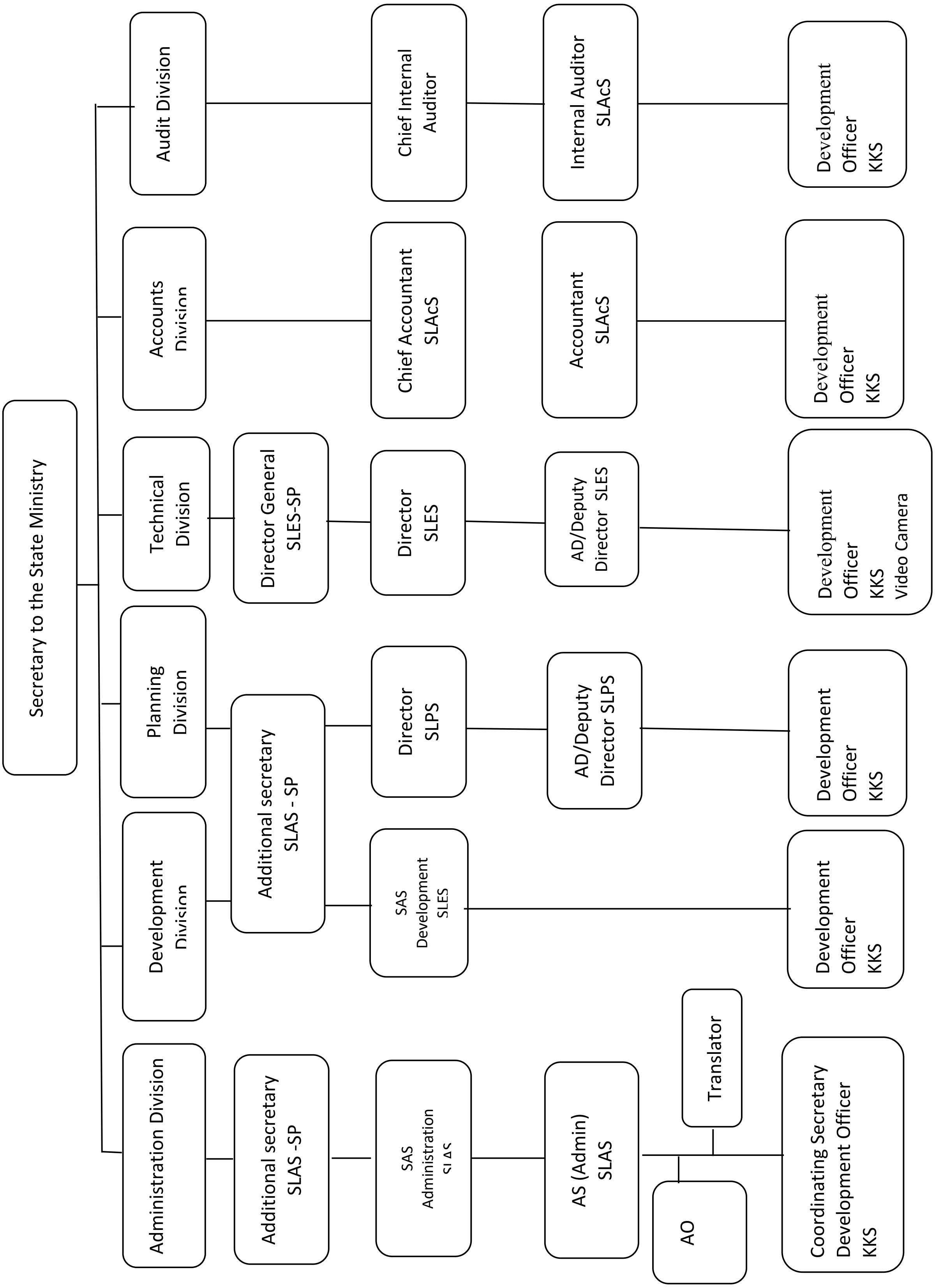
Assisting in the formulation of policies in relation to the subject of Vehicle Regulation, bus Transport Services and Train Compartments and Motor Car Industry for "development of transport network for efficient and environmental friendly public transport" under the direction and guidance of the Hon. Minister of Transport and Hon. State Minister of Transport in conformity with the prescribed Laws, Acts and Ordinances and implementing, projects under the National Budget, State Investment and National Development Programme, and implementing, monitoring and evaluating subjects and functions of the below-mentioned Departments, State Corporations and Statutory Organizations.

1.3.1. Special Priorities

This ministry has focused more on the special priority areas as assigned under the Gazette Eextraordinary No. 2187/27 of 09th August 2020 under the order of His Excellency the President Gotabhaya Rajapaksha as stated below.

1) Modernizing the Sri Lanka Transport Board as a profit earning venture and develop the common amenities at main bus stands
2) Introduction of environmentally friendly new buses to travel within Colombo and main city borders by restructuring the current bus pool and formulating and implementing a programme to make private transport system to adapt itself to the "Green Transport" concept
3) Building a transport service encouraging investors to undertake local manufacture of train compartments, buses, motor vehicles, their repairs and improvements
4) Strengthening school bus services under standards that ensure safety of children
5) Directing Sri Lanka Transport Board towards transport of passengers and goods thereby streamlining provision of public transport in rural areas
6) Regulating the transport services at a high standard ensuring safety of passengers and transport crew
7) Providing an efficient service eliminating various irregularities in the issuance of driving license and registration of motor vehicle

1.4. Organizational Chart



1.5. Departments under the Ministry

1. Department of Motor Traffic

1.6. Institutions under the Ministry

1. Sri Lanka Transport Board
2. National Transport Medical Institute
3. Lakdiva Engineering Company (Pvt) Ltd

1.7. Details of the Foreign Funded Projects –

Name of the Project	Donor Agency	Estimated Cost of the Project	Project Duration
Purchase of 500 buses to the SLTB under the Indian Credit Line	EXIM Bank of India	• Foreign Borrowings (12) - USD 15.03 Mn. • Domestic Funds (17) - Rs. 1050 Mn.	2018 - 2022

2. Progress of the Ministry and Future Outlook

2.1. Significant Achievements, challenges and future goals

The main objectives of this Ministry are to provide an efficient and comfortable service to the people and to contribute to the economic process within its scope as a leading State Ministry which makes a significant contribution to the development of the country. A number of projects and programmes have been identified under the Midterm Strategic Plan to achieve these objectives, some of which are now being implemented successfully. The other four institutions functioning under the supervision of this Ministry are also taking action to implement programmes that are more flexible and closer to the clients and will continue to provide services with greater transparency through smart technology. Accordingly, this State Ministry, in coordination with its respective institutions, implemented a number of programmes during the year 2021. This performance report provides a brief overview of the significant achievements, challenges faced and future plans.

2.1.1. Significant Achievements

2.1.1.1. Preparation of special project reports and obtaining approval

Under the instructions and guidance of this Ministry, special project proposals were prepared and submitted for the necessary approvals along with the project concept papers. They are as follows.

- **Implementation of an Electric and Hybrid Bus Project within the Commercial City of Colombo to implement the Green Transport Concept**

Aiming to achieve the Sustainable Development Goals of United Nations Organization in line with the Green Transport Concept according to the National Policy Framework "Vistas of Prosperity and Splendour" of the present Government and to adapt to Nationally Determined Contributions to face climate change in line with international environmental conventions, this project expects to launch a proposed Park & Ride City Bus Service in the Commercial City of Greater Colombo. Under this project, it is planned to purchase 30 electrically operated, air-conditioned low-floor buses of 26-30 seats with modern facilities, 70 hybrid low-floor buses of 26-30 seats with modern facilities and 40 hybrid low-floor buses of 42-45 seats with modern facilities for the operation on 7 main access roads to the entrance of commercial city covering the Greater Colombo metropolitan area.

It is expected to utilize Rs. 1700 million out of the provision of Rs. 2000 million made for the Ministry of Transport under Expenditure Head 114-2-3-12-2506 from the National Budget 2022, for the first phase of the proposed project. Moreover, it is proposed to obtain the funds required for the second and third phases of the project, under the National Budget Proposals 2023 and 2024. Action has been taken to commence the procurement process of this project which is being implemented under the SLTB.

- **Driving Villages Project**

The number of road accidents in Sri Lanka is very high compared to other countries in the South Asian region and one of the main reasons has been identified as negligence of drivers. Focusing on this matter, the Ministry has formulated this project proposal to introduce the concept of one-stop driving village to conduct practical and theoretical formal driving learning using internationally accepted methods. The Driving Village project is expected to cover 25 districts in Sri Lanka, one in each district and is proposed to be implemented in Gampaha, Kalutara, Kurunegala and Anuradhapura districts under a Public-Private Partnership. Several local and foreign investors have so far expressed their interest in this project which has been approved by the Department of National Planning.

- **Project for the construction of a Digital Archive for the Department of Motor Traffic**

The Department of Motor Traffic currently has about 12 million files and these files have not been sorted and stored properly, making it very difficult to retrieve when needed. The officials of this institution have also faced many difficulties due to the inability to find the files in providing the information required for the police and other legal matters. As this irregular practice also contributes to various irregularities, the Department of Motor Traffic intends to build and maintain a digital archive for obtaining information at earliest possible and to construct a Container Record Room for preserving and managing files. This project proposal was submitted to obtain Rs. 800 million from the budget 2022 for this purpose and it has been approved by the Department of National Planning as well.

However, the following sub projects have been planned to be implemented using the provision of Rs. 2000 million allocated to the Ministry of Transport under the Expenditure Head 114-2-3-12-2506 under the Budget 2022.

01. Rs. 90 million is to be spent on setting up file storage facilities using containers.
02. Improvement of modern facilities including Q-Management system using smart technology - Rs. 100 million

- **Establishment of Centers for Testing Road Worthiness of Vehicles**

The programme hopes to further formalize the Vehicle Emissions Test programme currently in operation under the supervision of the Department of Motor Traffic and to conduct a road worthiness test for every vehicle and issue a certificate. The implementation of this programme will not only reduce the environmental damage caused by vehicles but will also enable other benefits such as reducing road accidents, encouraging vehicle owners to maintain vehicles properly and improving the fuel efficiency of vehicles. The guidelines for this programme, which is to be carried out under a public-private partnership, have been prepared by an committee of experts and submitted to the Department of National Planning along with the project proposal and as per the relevant recommendations, the preparation of a study report for the project has already commenced.

- **Project for the Reconstruction of Ampara Tire Factory**

Even though SLTB buses require about 10,500 pre-cured tires per month, the Ampara tire factory currently manufactures 1100 pre-cured tires per month. The rest of the required tires are procured from the private sector at a cost of around Rs. 69 million per month. Under this project, the Ampara factory is expected to replace the obsolete machinery currently in use with modern machinery and is expected to increase manufacture volume by 75%. Accordingly, the SLTB will be able to save around Rs. 164 million per year once the tire factory is opened at current prices.

The project, which is scheduled to be implemented in the year 2022 with an allocation of Rs. 200 million, had been approved by the Department of National Planning to be implemented in two phases. However, since an allocation of Rs. 50 million has been made in the budget 2022 for the renovation of the Ampara Tire Factory, procurement work thereof is currently underway.

- **Obtaining 500 engine kits for the repair of SLTB buses**

About 45% (3130) of the existing buses owned by the SLTB are economically inactive buses older than 12 years. The number of buses between 5-12 years old is 2705 (39%). In order to maintain the existing fleet of the SLTB at this level, an average of about 500 buses per year have to be added to the fleet. However, under the circumstances, the provisions of the SLTB are not sufficient to purchase these buses and obtaining treasury allocations for the purchase of new buses is also a problem. As an alternative to the said issue, this project report was submitted to repair 500 old buses and put them into operation. By this project proposal, it is also expected to purchase state-of-the-art machinery required for provincial workshops to repair buses and the total cost of the project is estimated at Rs. 1700 million.

Although the project has been approved by the Department of National Planning to be implemented in two phases during the years 2022 and 2023, no treasury allocation has been made for it.

- **Project for the improvement of Sanitation Facilities of SLTB**

The process of upgrading 16 toilets for males and 15 toilets for females in selected Depots of the SLTB is in progress at a cost of Rs. 128.07 million under the Project for Improvement of Sanitation Facilities under the World Bank Covid 19 Emergency Response Facility. The programme is being implemented under the supervision of the Technical Division of the Ministry and is expected to be completed in the third quarter of 2022. At present, all estimates have been prepared and submitted to the Ministry of Transport and the procurement process is nearing completion.

2.1.1.2. Other development programmes

- **Project of Manufacturing Electric Buses**

Several local and foreign investors have submitted their proposals to the Ministry to introduce electric buses to the local transport service under the green concept. These proposals are being evaluated and effective proposals are expected to be implemented. Further, a project report was submitted by one private investor to generate electricity from solar panels on the basis of sharing benefits at selected depots and railway stations and the SLTB and the Railway Department have agreed to the proposal. Accordingly, its future work is scheduled to be carried out in the year 2022.

- **Formulation of National Policy for Vehicle Regulation**

The Ministry intends to formulate a regulatory system for the use and management of vehicles by minimizing harm to the public and the environment and in compliance with sustainable development through various uses since the registration to disposal of vehicles imported from abroad or manufactured or assembled locally for use on land in Sri Lanka. It is being formulated for use ancillary to the National Transport Policy formulated in 2009 and action has been taken to conduct several workshops with various parties under 54 identified key areas and to prepare a draft. This National Vehicle Regulatory Policy, which is being formulated with the participation of relevant institutions related to transport under a comprehensive study of the current situation, needs, challenges and issues in the transport sector, is scheduled to be finalized in September 2022 and submitted to the Cabinet of Ministers for approval.

- **Efficient public service through smart technology**

Under the direct intervention of this Ministry, it is expected to implement a number of programmes to make the public service more efficient using the latest technology in institutions such as the Department of Motor Traffic, the Sri Lanka Transport Board and the National Transport Medical Institute. Under this programme, it is expected to introduce online-appointments and interpersonal relationships, queue management, e-motoring, and the installation of a digital archive for the storage of vehicle data. The National Transport Medical Institute has already implemented the on-line appointment system island-wide.

- **Develop a regulatory system for driving schools**

There are a large number of driving schools in Sri Lanka that provide driving training under driving school instructors. Even though these have to be registered with the Department of Motor Traffic, they have not yet been properly regulated. Since this situation can also lead to an increase in the number of road accidents in the country, the Ministry is taking action to provide high quality training for learners by formulating and regulating guidelines for driving schools. Committees have been appointed at district level for this purpose and the first inspection was carried out in the Trincomalee District under the chairmanship of the Secretary to the Ministry. The inspection is scheduled to be carried out island wide during the year 2022.

- **Establishment of District Transport Management Committees**

It is expected to establish District Transport Management Committees covering all the districts of the island under the instructions and guidance of the Hon. State Minister with a view to identifying problems at the regional level in the transport sector and resolving them at the regional level itself. The first committee of this programme has been established in the Kandy district and its second committee has been established in the Matara district.

- **Preparation of Scheme of Recruitments of institutions**

The Ministry was able to formulate the Scheme of Recruitments of the Sri Lanka Transport Board, National Transport Medical Institute and the Lakdiva Engineering Company (Pvt) Ltd operating under this Ministry and that have been pending for a long time and send them to the Department of Management Services. Accordingly, ensuring employee safety through the establishment of a permanent staff will enhance the efficiency of these institutions.

- **Provide formal theoretical and practical training to bus drivers**

The high number of road accidents in Sri Lanka compared to other countries in the region has led to serious social and economic problems. In particular, the death or disability of a person who makes a direct contribution to a family's economy can cause that family to become helpless. Similarly, the fact that the majority of people involved in road accidents are young people also adversely affects the labor force of the country. The main cause of these accidents has been identified as carelessness and impoliteness of the drivers. As a remedial action, the Ministry in collaboration with the Army, the National Transport Commission and the Department of Motor Traffic has launched a two-week residential theoretical and practical training programme on how to drive properly and politely. The program, which was delayed due to the Covid pandemic, is scheduled to be conducted during the year 2022.

- **Establishment of a voluntary organization called "Mahamaga Mithuro"**

The Ministry has decided to set up a voluntary organization called "Mahamaga Mithuro" to assist in the prevention of road accidents and to transport victims to hospitals as soon as possible after road accidents. Relevant experts are expected to provide formal training on road safety and first aid to the youth who are participating in this. The programme will be implemented in 44 teams in 44 divisions covering the entire island and arrangements have been made to set up the first voluntary organization in the Matara District. The primary objective of this programme is to reduce the number of road accidents occurred during the year 2020 by 50% in 2030.

- **Streamlining the institutional administrative and management activities**

Supervising officers have been appointed to streamline the administrative and management activities of the institutions belonging to this Ministry. Accordingly, the public services rendered by the institution in terms of its role and scope are constantly evaluated. Also, action is being taken to amend the Acts and Ordinances as a timely requirement and committees have already been appointed to amend the Motor Traffic Act and the SLTB Act and further action will be taken accordingly.

- **Making institutions into pleasant and public friendly places**

This Ministry will continue to provide the necessary support and guidance to make Government institutions into pleasant and efficient places for their clients. Accordingly, the National Transport Medical Institute and the Department of Motor Traffic have taken necessary action to maintain the Head Offices and Branch Offices in a proper manner. Under this programme, facilities will be provided for the clients to relax, conducting awareness programmes for clients using television sets in the institution as well as public awareness programmes on the institutional services through print and electronic media.

2.1.1.3. Formulation of Laws / Acts and Ordinances and Policies

Among the functions of establishing this Ministry is to formulate policies related to the subjects and functions of the Departments and Statutory Institutions under the Ministry and to amend and enact Acts and Ordinances as per the relevant timely requirements of the relevant laws and regulations. Accordingly, the following tasks were performed during the year 2021.

1. Publication of the orders relating to the modification of three wheelers by the Gazette Notification No. 2240/37 dated 14.08.2021
2. Submitting the relevant draft to the Legal Draftsman to formulate new regulations for safety helmets of motor vehicles.
3. Formulation of a government policy for vehicle regulation
    - This programme was launched on 29.11.2021 under the patronage of the Secretary to the Ministry of Transport and it holds monthly meetings with the participation of 56 representatives from 25 stakeholder institutions. The preliminary draft is expected to be completed by September 2022.
4. Provincial Governors have been directed to obtain agreement to policy to formulate new regulations regarding the operation of buses without a conductor. The preliminary draft has been received by the committee appointed for this purpose and has been referred to the parties for observation.
5. Issuing driving licenses for persons with total hearing impairment
    - Several preliminary discussions were held in this regard and information is being obtained on how action is being taken in other countries.
6. Refer the draft relevant to the determination of vehicle speed limits to the parties for observation
7. Taking action under the Chairmanship of the Additional Secretary (Development) to amend the SLTB Act
8. The final Bill to amend the interpretation applicable to the registration of electric motor tricycles (three wheelers) has been submitted to the Minister of Transport for approval.
9. Taking necessary steps to make the Vehicular Emission Test Trust Fund a division of the Department of Motor Traffic.
10. Reimplementation of the fitting of meters for three wheelers which were ordered to be enforced from 01.01.2018 by the Gazette Extraordinary No. 2037/23 dated 22.09.2017

11. Taking action to obtain a free grant for the land of Lakdiva at Ekala.
12. Submitting the Cabinet Memorandum to obtain the Quiet Possession of the lands occupied by the SLTB

2.1.1.4. Contribution to programmes under the Conventions on International Cooperation

- **Vienna Convention**

Sri Lanka is a signatory to the Geneva Convention, signed in 1949. Nominations have been called from relevant institutions to appoint a committee of experts to discuss the inclusion of Sri Lanka in the Vienna Traffic Convention, signed in 1968 and action will be taken accordingly.

- **Nationally Determined Contributions (NDCs)**

The Ministry also contributes to the programme for implementation of strategies to mitigate global warming due to environmental degradation in order to inherit a better environment for future generations. Accordingly, under the coordination of the Ministry of Environment, the Ministry also implements programmes and projects on Nationally Determined Contributions (NDCs) making aware its institutions as well.

2.1.2. Challenges and problems faced by the Ministry

- Attracting passengers who are accustomed to using private vehicles to public transport
- Prolonged time to amend institutional Acts and Ordinances, laws and regulations in the implementation of public-private partnerships
- High cost of introducing electric buses under the green concept, battery disposal, training of staff and provision of necessary infrastructure
- Having to face various problems while performing duties as the required staff is not sufficient and the existing staff are newly appointed officers.
- To streamline the existing services and make the SLTB a profit making institution
- Minimize irregularities such as fraud and corruption in institutions and make them into people friendly, pleasant and institutions of integrity.
- Management of existing buses and staff covering urban and rural areas
- Difficulty in obtaining necessary allocations for smart technology projects and projects for the development of transport infrastructure
- Difficulty in coordinating as there are many parties involved in transportation
- Reduce the number of road accidents occurred during the year 2020 by 50% in 2030.

2.1.3. Future Goals of the Ministry

- Introduction of eco-friendly low floor luxury modern bus service for urban transport under the Green Transport Concept during the year 2022.
- To make public services more efficient by adopting the smart technologies in the Department of Motor Traffic and National Transport Medical Institute. Under this programme, implementation of projects such as Digital Archive, Q - Management, IVR, E-Motoring, D-Merit system.
- Making the SLTB into a profitable institution by implementing the SLTB Revitalization Programme and making it an efficient institution
- Providing buses required for operation of Park & Ride system in congested urban areas.
- Development of transport infrastructure under public-private partnership and fulfillment of public needs
- Improving employees’ safety and increasing service productivity through the approval of Schemes of Recruitment of the SLTB, National Transport Medical Institute and Lakdiva Engineering Company Pvt Ltd.

S.M.D.L.K. De Alwis
Secretary
State Ministry of Vehicle Regulation, Bus Transport Services and
Train Compartments and Motor Car Industry.

3. Overall Financial Performance for the Year 2021

Overall Financial Performance for the Year ended 31st December 2021

3.1. Financial Performance Statement

ACA – F

Financial Performance Statement for the time period ended on 2021.12.31

Rs.000

Budget 2021		Note	Actual 2021		Actual 2020	
-	**Revenue Receipts**		-		-	
-	Income Tax	1	-		-	
-	Taxes on Domestic Goods & Services	2	-		-	ACA-1
-	Taxes on International Trade	3	-		-	
-	Non Tax Revenue & Others	4	-		-	
-	**Total Revenue Receipts (A)**		-		-	
-	**Non Revenue Receipts**		-		-	
-	Treasury Imprests		12,696,647,613		4,471,531,542	ACA-3
-	Deposits		243,608		2,400	ACA-4
-	Advance Accounts		981,667		83,221	ACA-5
-	Other Main Ledger Receipts		-		98,579	
-	**Total Non Revenue Receipts (B)**		**12,697,872,888**		4,471,715,742	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**12,697,872,888**		4,471,715,742	
	Remittance to the Treasury (D)		-		-	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**12,697,872,888**		4,471,715,742	
	Less: Expenditure					
-	**Recurrent Expenditure**					
73,800,000	Wages, Salaries & Other Employment Benefits	5	40,176,179		7,499,703	
92,250,000	Other Goods & Services	6	52,430,800		5,309,810	ACA-2(ii)
11,825,610,000	Subsidies, Grants and Transfers	7	11,406,961,608		12,117,808,226	
-	Interest Payments	8	-		-	
-	Other Recurrent Expenditure	9	-		-	
11,991,660,000	**Total Recurrent Expenditure (F)**		**11,499,568,587**	-	**12,130,617,739**	

	Capital Expenditure				
5,100,000	Rehabilitation & Improvement of Capital Assets	**10**	8,234,633	174,686	ACA-2(ii)
851,100,000	Acquisition of Capital Assets	**11**	15,418,544	-	
1,510,000,000	Capital Transfers	**12**	1,321,192,922	1,427,707,503	
-	Acquisition of Financial Assets	**13**	-	-	
500,000	Capacity Building	**14**	454,213	-	
-	Other Capital Expenditure	**15**	-	-	
2,366,700,000	**Total Capital Expenditure (G)**		**1,345,300,312**	**1,427,882,189**	
	Deposit Payments		54,448	-	**ACA-4**
10,000,000	Advance Payments		3,716,044	652,806	**ACA-5**
	Other Main Ledger Payments		-	-	
10,000,000	**Total Main Ledger Expenditure (H)**		**3,770,492**	**652,806**	
	Total Expenditure I = (F+G+H)		12,848,639,391	13,559,152,734	
	Balance as at 31st December J = (E-I)		**(150,766,502)**	**(9,087,436,993)**	
	Balance as per the Imprest Reconciliation Statement		(150,766,503)	(9,087,436,993)	**ACA-7**
	Imprest Balance as at 31st December		-	-	**ACA-3**
			(150,766,503)	**(9,087,436,993)**	

3.2. Statement on Financial Status

ACA - P

Statement on Financial Status as at 31st December, 2021

	Note	Actual	
		2021 Rs.	**2020 Rs.**
Non-Financial Assets			
properties, Plant and Equipment	ACA - 6	17,963,868	-
Financial Assets			
Advance Accounts	ACA - 5/5(a)	3,303,962	569,585
Cash & cash Equivalents	ACA - 3	-	6,732,000
Total assets		**21,267,830**	**7,301,585**
Net Assets / Equity			
Net Worth to Treasury		3,112,402	567,185
Property, Plant & Equipment Reserve		17,963,868	-
Rent & Work Advance Reserve	ACA - 5(b)		
Current Liabilities			
Deposits Accounts	ACA - 4	191,561	2400
Unsettled Imprest balance	ACA - 3	-	6,732,000
Total liabilities		**21,267,830**	**7,301,585**

Detail Accounting Statements in ACA format Nos.1 to 7 presented in pages from 06 to 32 and Notes to accounts presented in pages from 33 to 40 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 the disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial 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 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
Name : N.B.M.Ranathunga
Designation : Secretary
Date :2022.05.06

N.B.M. Ranatunge
Secretary
Ministry of Transport
7th floor, Sethsiripaya (Stage II)
Battaramulla

....
Accounting Officer
Name : S.M.D.L.K.De Alwis
Designation : Secretary
Date :2022.05.06

S. M. D. L. K. De Alwis
Secretary
State Ministry of Vehicle Regulation, Bus Transport Services &
Train Compartments & Motor Car Industry
Stage II, 03rd Floor, Sethsiripaya, Battaramulla.

....
Chief Financial Officer/ Chief Accountant
Name :P.R.B. Sumangalee
Designation : Chief Accountant
Date :2022.05.06

P.R.B. Sumangalee
Chief Accountant
State Ministry Of Vehicle Regulation, Bus Transport Services and Train
Compartments and Motor Car Industry
No 01,D.R. Wijewardhana Mawatha
Colombo 10.

3.3. Statement on cash flow

ACA - C

Statement on cash flow for year ended as at 31st of December, 2021

	Actual	
	2021 Rs.	**2020 Rs.**
Cash Flows from Operating Activities		-
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	98,579
Revenue Collected on behalf of Other Revenue Heads	1,103,806	-
Imprest Received	12,696,647,613	4,471,531,542
Recoveries from Advance	2,065,667	83,221
Deposit Received	243,608	2,400
Total Cash generated from Operations (A)	**12,700,060,694**	**4,471,715,742**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	92,606,979	12,809,513
Subsidies & Transfer Payments	11,258,243,610	4,451,999,542
Expenditure incurred on behalf of Other Heads	139,300	-
Imprest Settlement to Treasury	-	6,732,000
Advance Payments	3,716,044	-
Deposit Payments	54,448	-
Total Cash disbursed for Operations (B)	**11,354,760,381**	**4,471,541,055**
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	**1,345,300,312**	**174,687**
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	1,345,300,312	174,687
Total Cash disbursed for Investing Activities (E)	**1,345,300,312**	**174,687**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(1,345,300,312)**	**(174,687)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)		
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
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	**-**	**-**

3.4. Notes to the Financial Statements

3.5. Performance of the Revenue Collection–N/A

Rs. 000

Revenue code	Revenue code description	Revenue Estimate		Revenue Collected	
		Original estimate	Final estimate	Amount Rs.	As a % of final revenue estimate
-	-	-	-	-	-

3.6. Performance of the Utilization of Allocation

Type of Allocation	Allocation(Rs)		Actual Expenditure	Allocation Utilization as a % of final Allocation
	Original	Final		
Recurrent	11,991,660	11,976,330	11,499,569	96%
Capital	2,416,700	2,432,030	1,345,300	55%

3.7. In terms of F.R. 208 grant of allocations for expenditure to this Department / District Secretarial / Provincial Council as an agent of the other Ministries / Departments

Rs.,000

Serial No.	Allocation received from which Ministry / department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final allocation
			Original	Final		
01.	Department of Pensions	Recovery of arrears from retirement gratuity	139,300	139,300	139,300	100%

3.8. Performance of the Reporting of Non – Financial Assets

Rs. ,000

Assets Code	Code Description	Balance as per board of survey report as at 31.12.2021	Balance as per financial position report asat 31.12.2021	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-			
9152	Machinery and Equipment	17,964	17,964	The estimate has not yet been received	
9153	Land	-			
9154	Intangible Assets	-			
9155	Biological Assets	-			
9160	Work in Progress	-			
9180	Lease Assets	-			

3.9. Auditor General's Report**

** The final audit report issued by the Auditor General to be scanned and placed here while submitting to the parliament.

Annexure - I

4. Performance Indicators

4.1. Performance indicators of the Institute (Based on the Action Plan)

	Specific Indicators	Actual output as a percentage (%) of the expected output		
		100% - 90%	75% - 89%	50% - 74%
1	Number of passengers travelled in the buses operated under the Park & Ride Pilot Project.		✓	
2	Percentage of the number of posts as per the Schemes of Recruitment of the SLTB, National Transport Medical Institute and Lakdiva Engineering Company (Pvt) Ltd.			✓
3	Percentage of the progress made in sharing information through website of the Ministry			✓
4	Percentage of employees who have received the Capacity Building Training		✓	
5	Percentage of answers to public grievances		✓	
6	Physical progress of the programme for establishing the new road worthiness test -%			✓
7	Progress of the programme for registration and grading of garages -%			✓
8	Physical progress of implementation of the project for revitalization of bus depots of SLTB-%			✓
9	Physical progress of the project for establishing Driving Villages -%			✓
10	Progress in the implementation of proposals to modernize the Department of Motor Traffic - %			✓
11	Number of new project proposals submitted for the modernization of buses for public transport services		✓	
12	Progress of the project relating to the rehabilitation and servicing of vehicles in public sector by the Lakdiva Engineering Company (Pvt) Ltd - %			✓

5. Performance of the Achieving Sustainable Development Goals (SDG)

5.1. Indicate the Identified respective Sustainable Developments Goals

Goal/Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0% - 49%	50% - 74%	75% - 100%
1.Ensure healthy life and promote welfare of all age groups	1. Operating 600 buses for the improvement of transport facilities of the rural community and operating rehabilitated buses	1.Number of buses provided for rural areas		√	
	2. Designing school libraries for the requirement of rural schools by using condemned buses	2. Number of library buses provided for schools		√	
3.Ensure healthy lives and promote well-being for all at all ages	Formulation of a Vehicle Regulation Statute to reduce the number of deaths and injuries occurred due to road accidents by 2030 and establishment of road worthiness testing centres	Number of proper trained drivers under the training programs	√		
		Physical progress of the programme for establishing the new road worthiness test	√		
7.Ensure access to affordable, reliable, sustainable and modern energy for all	Implementation of the project of introducing electric buses and hybrid buses	Number of electric/ hybrid buses deployed for passenger transport	√		
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Formulation of Schemes of Recruitment for the SLTB, National Transport Medical Institute and Lakdiva Engineering Company (Pvt) Ltd	Percentage of the number of posts as per the Schemes of Recruitment		√	

9.Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Development of innovative transport infrastructure accessible to all for economic development and human well-being	1. Number of passengers travelled in the buses operated under the Park & Ride System 2. Number of vehicles stopped due to Park & Ride System 3. Number of depots developed under the programme for revitalization of bus depots of SLTB	 √	√ √	
11. Make cities and human settlements inclusive, safe, resilient and sustainable	By 2030, provide access to safe, affordable, accessible and sustainable transport system 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	Number of modern buses operated for passenger transport Number of passengers travelled in eco-friendly low floor buses	 √	√	
13. Take urgent action to combat climate change and its impacts	1.Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters an all countries 2. Integrate climate change measures in to national policies, strategies and planning	Number of projects and programmes implemented under NDCs		√	

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Implementation of projects for E-Motoring, Digital Archive and IVR & Q-Management to introduce programmes for minimizing the irregularities that occurred in the institutions come under the Ministry including the Department of Motor Traffic and National Transport Medical Institute	Progress of the projects introduced for minimizing the irregularities		√	

5.2. Achievements and challenges of the Sustainable Development Goals

The Government's policy framework "Vistas of Prosperity and Splendour" also emphasizes the importance of implementing programmes to uplift the rural economy, aiming to reduce inequality and provide rural people with co-transportation needs and involve them in the development process of the country. Accordingly, the SLTB implements 'Gemi Seriya' and 'Nisi Seriya' programs for rural areas and the 'Sisu Seriya' service, a safe transport service for the transport needs of students, island wide. Under this programme, about 700 Sisu Seriya service buses are currently in operation Island wide. Further, measures have been taken to provide bus services covering roads in rural areas.

Attracting passengers to public transport is the biggest challenge faced by this Ministry. It is expected to procure the required buses in the year 2022 for the Park & Ride program, a project that has been implemented by identifying the needs of the people and the special feature of these buses is that they are easily and quickly accessible to the elderly, the disabled and those with special needs. The main focus is on the use of electric buses for this purpose and it is expected that these buses will be solar powered. It will not be a hindrance to the national grid and will also be a solution to the pollution caused by fuel combustion of vehicles in the capital and suburbs. Moreover, the Ministry is also in the process of regularizing the existing vehicle emission test programme and introducing a new program to issue a certificate of road worthiness of vehicles.

This Ministry will take action to deploy electric buses and modern buses in the country as a local industry. Accordingly, many local and foreign institutions have already submitted their proposals to this Ministry. The proposals are being evaluated and further action will be taken on the necessary approvals. Also, a program is being implemented under the Lakdiva Engineering Company Pvt Ltd. to repair the vehicles that have been removed from various Ministries and Departments and deploy them for operation while these programmes are expected to create a number of local employment opportunities.

It is expected to implement a two week training programme for drivers and the Driving Village project in the year 2022 with the aim of producing disciplined drivers by providing formal and practical training. Also, the number of road accidents will be minimized to some extent during the next few years as a result of strategies such as the establishment of District Transport Committees and the establishment of a voluntary force on road safety called "Mahamaga Mithuro".

Steps have been taken to streamline the activities of the Department of Motor Traffic and the National Transport Medical Institute functioning under this Ministry and to implement a number of projects under the programme to introduce a public service with integrity free from fraud, corruption and irregularities. This will enable us to provide an efficient public service while maintaining a high level of service productivity.

This State Ministry has to face many problems and challenges in achieving the Sustainable Development Goals. The main problem is the lack of capital required to implement the projects. In addition, land issues, union activism, shortage of technical staff, and issues of the employees in the institutions affect the said situation and the reason for delays in many projects was the Corona pandemic spread during the preceding year.

6. Human Resource Profile

6.1. Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Senior	15	12	03
Territory	02	01	01
Secondary	36	43	-7**
Primary	22	04	18

**

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Development	26	43	-17
Technical	01	-	01
Management	09	-	09

6.2. How the shortage or excess in human resources has affected to the performance of the institute

The secondary level of the staff of the institute is given by the new officers under graduate appointments. Management Assistant Service Officers have not been attached. Lack of experienced staff makes it difficult to maintain a high level of performance. Although there are 22 approved cadre in primary level, currently there are 18 vacancies for 08 drivers and 10 office assistants. It will also affect the performance.

6.3. Human Resource Development

Name of the Program	No. of staff trained	Duration of the program	Total Investment (Rs)		Nature of the Program (Foreign /Local)	Output / Knowledge Gained*
			Local	Foreign		
Training of Staff and capacity building	56	15 days (02 hours)	33727.00		Local	
Management of office systems	90	01day	45,900.00		Local	
Computer training programme	45	04 days	355,106.00		Local	
JICA Knowledge Co- creation programme (online)	02	14 days	–		Foreign	
preparation of salaries of public officers	05	01 day	25,000.00		Local	
Online workshop on providing transport infrastructure facilities	01	13 days	–		Foreign	
Total Investment			**459,733.00**			

* **Briefly state how the training program contributed to the performance of the institution**

These training programs are very important for capacity building of the officers, increasing productivity and efficiency of the office work and it enhances the performance of the institution.

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	Advances to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Complied	Not Applicable to this Ministry	
1.4	Stores Advance Accounts	Not Complied		
1.5	Special Advance Accounts	Not Complied		
1.6	Others	-		
2	**Maintenance of books and registers (FR445)**			
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 updated	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	Not Complied		It is being done
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 has been adhered to by the Accounts 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 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 specified time 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	All the internal audit reports has been replied within one month	Not Complied	Delays in replying by the institutions under the Ministry	Instructing the institutions under the Ministry to reply each audit report within a month

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 has been submitted to the Auditor General in terms of Financial Regulation 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 condemn 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	No condemned vehicles	
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of FR 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested 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 log books has been transferred after the lease term	Complied	Not leased vehicles	
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	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balanced that had been 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		
11.2	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**			
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	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per FR 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 TOD	Complied		
14.2	The ad-hoc sub imprests issued as per FR 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub impress had not been issued exceeding the limit approved as per FR 371	Complied		
14.4	The balance of the impress 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 being 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 had been paid within the approved cadre	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	Not complied		In progress

17.3	Bi-Annual and Annual reports have been submitted as per section 08 and 10 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	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
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 Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

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