



National Council for Road Safety

Annual Report - 2020

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

Vision

Safe Roads for Everyone

Mission

Creating a Society Free From Road
Accidents for Sustainable
Development

Office of the National Council for Road Safety

Office of the National Council for Road Safety has been established in the office premises belongs to the Ministry of Transport located at the D.R. Wijewardena Mawatha, Colombo 10.

Office Address -

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

Office Telephone	-	0112696890
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CONTENT

Annual Report - 2020
(From 01.01.2020 to 31.12. 2020)

Description Number	Page
Introduction	04
Composition of Council Members of National Council for Road Safety	05
Staff of the National Council for Road Safety	06
Objective of the National Council for Road Safety	07
Functions and Powers of the National Council for Road Safety	08
Activities of the National Council for Road Safety	09 – 10
Traffic Accident Data	11
Registered insurance companies that contribute to the Road Safety Fund	12
Final Accounts	13 - 32
Audit Query of Auditor General	33 - 42
Answers for Auditor General's Report	43 - 46

National Council for Road Safety

Introduction

National Council for Road Safety has been established as an institute functions under the Ministry of Transport under the section 213a and 213b of the Motor Traffic Act no. 5 of 1998. Accordingly, the National Council for Road Safety comprises of 17 representatives inclusive of a chairperson appointed by minister in charge of the subject of Transport and representatives from 16 government institutes and a representative from a non-government institute. All these institutes which represent the National Council for Road Safety are government institutes responsible on the subject of Transport and Highway security in this country. The revenue required for the operation of the National Council for Road Safety is provided by insurance companies, and authorization regarding the fund of the National Council for Road Safety has been provided by the Government Gazette Extraordinary No. 1368/18 dated 24th November 2004. According to that, “all institutes that insure an insurance policy or guarantee, as the case may be, in connection with a third party risk shall make payment of one percent (1%) of the premium as contribution.” Accordingly, all insurance companies registered under the Insurance Board of Sri Lanka shall credit the amount of 1% of the insurance premium charged on all third party vehicles insured by their institutions to the National Council for Road Safety Fund with effect from 01 December 2004.

The functions to be performed by this fund are mentioned in the Gazette Extraordinary Notification No. 1387/04 issued on 04th April 2005. One of the main roles of responsibility need to be accomplished by this fund is compensation to deceased or disabled by victimizing the accidents which have been identified as hit-and-run accidents after confirming that such vehicles could not be identified as approved by the Council.

Fund deposited in this account will be able to utilize for the purposes of ensuring road safety by eliminating all oppressive actions as a whole inclusive of ensuring road safety, minimization of traffic accidents, prevention of accidents to lives of pedestrians and passengers, create awareness among general public and guidance for minister in charge of the subject for incorporation of necessary new laws or amendment of existing laws.

Similarly, all administrative and other expenses related to road safety shall be borne by this fund.

Members of the National Council for Road Safety

01	Mr. R.L. Anthony De Mendis	-	Chairman, National Council for Road Safety
02	Mr. A.M.R.J.K. Jayasinghe	-	Secretary , National Council for Road Safety
03	Miss H.P. Shiromi Rathnayake	-	Accountant, National Council for Road Safety
04	Mr. R.M.M. Rathnayake	-	Additional Secretary (School Affairs) Ministry of Education
05	Mr. C.W.C.K.Dharmasena	-	Director,Department of External Resources, Ministry of Finance
06	Mr. M.M. Naimudeen	-	Additional Secretary (Project supervision), Ministry of Local Government and Provincial Council
07	Mr. D.M.K.S. Dissanayake	-	Director (Engineering) Ministry of Highways
08	Mr. H.R. Pasindu	-	Senior Lecturer, University of Moratuwa
09	Mr. G.W.G. Abeygunawardena	-	Director (Urban Development and Special Projects), Urban Development Authority
10	Mr. R.A. Sudath	-	Deputy Director (Planning), Road Development authority
11	Mrs. R.A.K. Renuka	-	Senior Assistant Secretary (Railway Administration), Ministry of Transport
12	Mr. Shashi Welgama	-	Chairman, National Transport Commission
13	Mr. J.A.S. Jayaweera	-	Assistant Commissioner (Technical), Department of Motor Traffic
14	Mr. Sagara H. Waduge	-	Chief Executive Officer, Sri Lanka Transport Board
15	Mrs. K.S.M. Samarasekara	-	Chief Medical Officer, National Transport Medical Institute
16.	Mr. Dhammika Atigala	-	Chairman, Sri Lanka Automobile Association
17.	Mr.W. Sumith Nissanka	-	Deputy General of Police, (Traffic and Road Safety) Sri Lanka Police Department.
18.	Mrs. G.C.R. Ganepola	-	Deputy Director (Traffic), Colombo Municipal Council
19.	Mrs. C.P.I. de Silva	-	Senior Executive Officer, Sri Lanka Insurance Regulatory Commission.
20.	Mr. Gihan Ramanayake	-	Chairman Ceylon Society for Prevention of Accidents.

Staff of the National Council for Road Safety.

1. Mr. R.L. Anthony De Mendis - Chairman , National Council for Road Safety
2. Mr. A.M.R.J.K. Jayasinghe - Secretary , National Council for Road Safety
3. Miss H.P. Shiromi Rathnayake - Accountant, National Council for Road Safety.
4. Mrs. W.P.J. Sewwandika - Development Officer
5. Mrs. J.D.R. Jayasinghe - Development Officer
6. Mrs. P.A.Chithrani Jayathissa - Management Assistant
7. Mr. B.P.A. Ruwan - Clerk
8. Mr. E.G. S. Ekanayake - Graduate Trainee
9. Mr. G.A. Buddika Prabhath - Technical Officer
- 10 Mr. K.L.D.N. Jayawardena - Office Employee Service
- 11 Mrs. K.D.H.Dilhani - Office Employee Service
- 12 Mrs. A.P.T. Harshani Sandamali - Railway Assistant
14. Mr. K. Mahesh Sanjeewa - Technical Officer

Objectives

- Prepare the background required for building a high quality Driver Service through creation of disciplined and lawful drivers.
- Provide financial assistance to families affected by the hit-and –run accidents and take action to minimize such accidents.
- Identifying and implementation of actions that can be taken for the safety of road and the vehicles that use it including passengers as well as pedestrians.
- Collection of data on road safety, conducting surveys and researches and improving international relation.
- Implementation of national road safety policies and minimization of weaknesses arisen in collaboration with state sector, non-government organizations and private institutes.
- Necessary action to rehabilitate persons who are disabled due to road accidents.
- Providing financial aids and instructions to follow activities that can be implemented economically, technically and socially and eco friendly safety guidelines relevant to ensuring road safety as well as minimization of traffic accidents
- Providing contribution for formulation of the national Transport Policy and its' operation.
- Providing contribution required for activities such as formulation and revision of rules relevant to road safety etc.

Functions and Authorities of the National Council for Road Safety

Authority on the role of the National Council for Road Safety and the manner of functioning is delegated by the Gazette Extra Ordinary no. 1387/4 issued on 04th April 2005. The functions of the National council for Road safety as ordered by the said gazette notification are as follow.

- (a) Maintaining a computer database on the following facts.
 - I. Number of Traffic accidents and their features and composition
 - II. Road Accidents
 - III. Local and international statistics on road safety.
- (b) Maintaining a library on the subject of road safety.
- (c) Collection of information on related subjects, Conducting researches and conduction field researches.
- (d) Providing assistance to researches on related subjects to suit the needs.
- (e) Liaise with similar international organizations and exchange knowledge and experience.
- (f) Providing knowledge and information to relevant government and non-government agencies responsible for road safety and subject related projects.
- (g) Development and implementation of road safety projects.
- (h) Coordinating road safety and related activities within governmental and non-governmental organizations.
- (i) Compensation for victims of hit-and-run accidents.
- (j) Obtaining financial and other assistance for road safety activities.
- (k) Advise the Government on road safety related policies and projects.

Activities of National Council for Road Safety within Year 2020.

01. Awareness Programmes

An awareness programme was held with the theme of “Are children on a safe journey?” to educate public in collaboration with Sri Lanka Automobile Association, Sri Lanka Police and National Council for Road Safety based on Hambantota district on 13.03.2020 at Ambalantota town under the patronage of former Hon. minister of Transport targeting the significance of a safe seat when carrying small children in motor cars.



Public Awareness programme with the theme of “Are children on a safe journey?” in collaboration with Sri Lanka Automobile Association, Sri Lanka Police and National Council for Road Safety – Hambantota District

02. Providing Financial Assistance to the Victims of Hit and Run accidents

Financial assistance has been provided to the victims with the approval of the Standing Committee and the National Council, on two occasions in the year 2020 under the patronage of the Minister of Transport.

Date	Location	Number of Victims	Paid Compensation Rs. Lakhs
January 2020	Credited to the bank account of victims	02	275,000.00
16.09.2020	Battaramulla ministry premises	32	40



Providing Financial Assistance to the Victims – Ministry of Transport

Number of Road Accidents in the Island in the Year 2020

Year	Fatal	Serious	Minor	Losses	Total	Deceased
2020	2023	6619	8909	5847	23398	2114

Accidents in Year 2020	
Pedestrians	618
Motor Cyclists	781
Pillion Passengers	128
Divers	173
Passengers	244
Cyclists	166
Other	04
Total	2114

Registered Insurance Companies which provide contribution for Road Safety Fund

- | | | |
|--|---|---|
| 01. Amana Takaful Ltd | - | No.660/01, Goll Road, Colombo – 03 |
| 02. Allianz Insurance Ltd | - | No. 675, Danister De Silva Mawatha, Colombo - 09. |
| 03. Ceylinco Insurance Ltd. | - | 3 rd Floor,“CeylincoNiwasa”,
No. 69 Janadhipathi Mawatha
Colombo - 01. |
| 04. Continental Insurance Company | - | No. 79,C.W.W. Kannangara Mawatha,
Colombo -07 |
| 05. Co-operative Insurance Company Limited | - | “Insurance Niwasa”, No. 74/05,
Granspass Ltd., Colombo 14 |
| 06. H.N.B. Insurance Ltd | - | No. 30,Sri UttaranandaMawatha,
Colombo 03 |
| 07. L.O.L.C. Insurance Company | - | No 481, T.B. Jaya Mawatha,
Colombo - 10. |
| 08. National Insurance Trust Fund | - | UPTO Building, No.95,
Chiththampalam
Gadner Mawatha, Colombo 02. |
| 09. M.B.S.L. Insurance Company | - | No. 122,Kivi Road,Colombo - 02. |
| 10. Orient Insurance Company | - | No.133, New Bullers Road,
Colombo 04 |
| 11. Peoples Insurance Company | - | No. 07,Havlock Road, Comobo - 05. |
| 12. Sanasa Insurance Company Ltd | - | No 172, Elvitigala Mawatha,
Colombo - 08. |
| 13. Sri Lanka Insurance Company | - | No.21,Vauxhall Street, Colombo -02 |
| 14. Fairfirst Insurance Company | - | Access Towers 11,(14 th Floor)
No.278/4 Union Place, Colombo 02. |

FINANCIAL STATEMENTS - 2020

**NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE ENDED 31ST DECEMBER 2020**

INCOME	NOTES	2020 RS.	2019 RS. RESTATED
CONTRIBUTION FROM INSURANCE COMPANIES	3	43,768,526.82	44,902,838.33
OTHER INCOME	4	27,368,261.35	31,448,747.75
TOTAL INCOME		71,136,788.17	76,351,586.08
LESS- EXPENSES	5	9,546,575.66	14,922,040.65
EXCESS OF INCOME OVER EXPENDITURE		61,590,212.51	61,429,545.43

NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31ST DECEMBER 2020

	NOTES	2020 RS.	2019 RS. RESTATED
ASSETS			
<u>NON CURRENT ASSETS</u>			
PROPERTY, PLANT & EQUIPMENT	6	6,433,366.50	7,727,538.08
TOTAL NON CURRENT ASSETS		6,433,366.50	7,727,538.08
FIXED DEPOSITS	7	142,801,605.20	91,606,733.27
TREASURY BILLS	8	269,074,920.47	252,297,968.40
<u>CURRENT ASSETS</u>			
RECEIVABLE FROM INSURANCE COMPANIES	3	3,786,891.75	3,661,305.68
FD INTEREST RECEIVABLE	7	4,771,789.38	1,798,698.02
TREASURY BILL INTEREST RECEIVABLE	8	1,362,012.58	1,938,329.90
PREPAYMENTS		25,640.03	21,365.00
CASH AT BANK	9	55,271,347.81	62,878,499.21
TOTAL CURRENT ASSETS		65,217,681.55	70,298,197.81
<u>LESS - CURRENT LIABILITIES</u>			
AUDIT FEES PAYABLE		338,000.00	375,000.00
OTHER PAYABLES		43,923.65	-
		381,923.65	375,000.00
TOTAL ASSETS		483,145,650.07	421,555,437.57
NATIONAL COUNCIL FOR ROAD SAFETY FUND A/C			
FUND ACCOUNT BALANCE B/F	10	421,555,437.56	360,125,892.14
EXCESS OF INCOME OVER EXPENDITURE		61,590,212.51	61,429,545.43
TOTAL FUNDING		483,145,650.07	421,555,437.57

THE SIGNIFICANT ACCOUNTING POLICIES AND THE NOTES FROM THE PAGE 1 TO 15 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, 2020 AND ITS SURPLUS/(DEFICIT) FOR THE YEAR ENDED DECEMBER 31, 2020. 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.


H. P. S. Rathnayake
 ACCOUNTANT
 National Ministry of Vehicle Regulation, Road Transport Services and Traffic Management and Motor Car Industry,
 5th Floor, Setthisripathya (Phase II)


Dr. H. R. Pasindu
 Senior Lecturer
 Dept. of Civil Engineering
 University of Moratuwa
 Moratuwa




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 5 වන මහල, සේතිරිපාය (ආසේ 02)

ACCOUNTANT
 NATIONAL COUNCIL FOR ROAD SAFETY

CHAIRMAN
 NATIONAL COUNCIL FOR ROAD SAFETY

NATIONAL COUNCIL FOR ROAD SAFETY
INDIRECT METHOD CASH FLOW STATEMENT
FOR YEAR ENDED 31 DECEMBER 2020.

	2020	2019
	RS.	RS.
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXATION	61,590,212.51	59,380,261.68
<i>ADJUSTMENTS FOR</i>		
PRIOR YEAR ADJUSTMENTS (NET)		
DEPRECIATION	1,294,171.59	1,066,275.47
GRANT OF FIXED ASSET	-	-
INTEREST INCOME	(27,368,261.35)	9,257,323.00
OPEARATING PROFIT BEGORE WORKING CAPITAL CHANGES	<u>35,516,122.74</u>	<u>31,189,214.15</u>
WORKING CAPITAL CHANGES		
DECREASE/ (INCREASE) IN TRADE AND OTHER RECEIVABLES	(2,526,635.14)	83,278.91
INCREASE /(DECREASE) IN TRADE PAYABLES	6,923.65	(51,252.00)
CASH GENERATED FROM OPERATIONS	<u>32,996,411.26</u>	<u>31,221,241.06</u>
NET CASH FROM OPERATING ACTIVITIES	<u>32,996,411.26</u>	<u>31,221,241.06</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	-	(1,147,500.00)
INTEREST RECEIVED	27,368,261.35	29,257,323.00
FD REINVESTMENT	(51,194,871.93)	(7,606,733.27)
TREASURY BILL REINVESTMENT	(16,776,952.07)	(20,664,382.20)
NET CASH USED IN INVESTING ACTIVITIES	<u>(40,603,562.65)</u>	<u>(161,292.48)</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	(7,607,151.40)	31,059,948.58
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>62,878,499.21</u>	<u>31,818,550.63</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>55,271,347.81</u>	<u>62,878,499.21</u>

**NATIONAL COUNCIL FOR ROAD SAFETY
STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2020**

	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
	<hr/>	<hr/>
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	52,006,537.33
	<hr/>	<hr/>
BALANCE AS AT 31/12/2018	<u>360,125,892.14</u>	<u>352,608,681.87</u>
EXCESS OF INCOME OVER EXPENDITURE	61,429,545.43	57,042,514.40
	<hr/>	<hr/>
BALANCE AS AT 31/12/2019	<u>421,555,437.57</u>	<u>409,651,196.27</u>
EXCESS OF INCOME OVER EXPENDITURE	61,590,212.51	57,042,514.40
	<hr/>	<hr/>
BALANCE AS AT 31/12/2020	<u>483,145,650.08</u>	<u>409,651,196.27</u>

NATIONAL COUNCIL FOR ROAD SAFETY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020.

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 (FINANCIAL STATEMENTS) OF THE COUNCIL AS AT 31 ST DECEMBER 2020 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 EQUIPMENT

- (a) PROPERTY PLANT & EQUIPMENT ARE RECORDED AT COST LESS ACCUMULATED DEPRECIATION.
- (b) IN 2018 A REVALUATION OF ASSETS WERE PERFORMED AND ASSETS WHICH WERE ON THAT
- (c) 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	FURNITURE AND FITTINGS	-	10%
3	MACHINERY & OTHER EQUIPMENT	-	12.5%
4	DRIVING LEARNING MACHINE	-	10%

DURING THE YEAR UNDER REVIEW, NO ADDITIONS AND NO DISPOSALS OF FIXED ASSETS.

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. PROVISION HAS NOT BEEN MADE FOR FALL IN VALUE, 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 INSURANCE COMPANIES CONTRIBUTE 1% OF ALL THIRD PARTY INSURANCE PREMIUMS FROM THEIR INSURANCE POLICIES. THEY 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. A COORDINATOR HAS BEEN APPOINTED WITH COUNCIL APPROVAL ON A CONTRACT BASIS. HIS ALLOWANCE IS PAID FROM THE NCRS FUNDS. THE OTHER SUPPORTING STAFF OF AN ACCOUNTANT, ENGLISH STENOGRAPHERS. HAS BEEN TRANSFERRED TO THE ROAD SAFETY SECRETARIAT FROM THE MINISTRY OF TRANSPORT. THE STAFF OF MINISTRY IS PAID THEIR SALARIES 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 PERIOD(S) 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 2019 FINANCIAL STATEMENTS.

NATIONAL COUNCIL FOR ROAD SAFETY

Notes to the Financial Statements

03. CONTRIBUTION RECEIVED FROM INSURANCE COMPANIES FOR 2020

NAME OF INSURANCE CO.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
HNB GENERAL INSURANCE LTD	92,170.00	96,590.00	88,155.00	-		212,485.00	119,360.00	129,985.00	106,295.00	85,710.00	79,720.00	81,570.00	1,092,040.00
AMANA TAKAFUL LTD	132,075.48	120,279.57			268,445.10	112,730.23	122,614.58	123,775.81	127,475.16	120,416.03	97,277.50		1,225,089.46
CEYLINCO GENERAL INSURANCE CO LTD	351,522.00	394,362.12	363,117.00	-	455,510.00	422,834.00	508,152.15	460,738.64	421,776.79	423,190.43	-	704,914.00	4,506,117.13
MBSL INSURANCE CO LTD	5,100.48	6,522.94	-	-	-	21,540.46	80,727.30	-	43,814.48	-	-	41,897.21	199,602.87
CO-OPERATIVE INSURANCE CO LTD	451,795.00	371,132.00	332,002.00	-	-	613,163.00	451,423.00	427,320.00	371,228.00	371,324.00	-	304,960.00	3,694,347.00
ORIENT INSURANCE LTD	52,028.02	163,850.00	-	-	-	334,165.00	107,915.00	122,935.00	121,450.00	112,010.00	-		1,014,353.02
SEMASAHITHA SANASA RAKSHANA CO LTD	93,593.97	119,015.22	109,055.64	-	-	219,254.15	143,875.50	129,365.38	107,596.70	113,288.89	-	180,489.24	1,215,534.69
ALLIANZ INSURANCE CO LANKA LTD	273,370.00	286,610.00	241,925.00	-	-	577,945.00	314,545.00	307,390.00	272,135.00	271,615.00	-		2,545,535.00
SRI LANKA INSURANCE CO LTD	850,976.00	881,240.00		-	1,727,129.00	1,003,876.00	1,131,710.00	1,028,452.00	861,849.00	855,932.00	-	1,425,867.00	9,767,031.00
PEOPLE'S INSURANCE PLC	168,646.83	181,137.32	164,063.25	-	279,287.64	145,586.16	162,874.28	179,407.48	181,921.06	200,997.35	187,617.16	161,125.50	2,012,664.03
CONTINENTAL INSURANCE LANKA LTD	101,044.00	100,333.00	112,596.00	-	183,471.00	96,045.00	108,389.00	120,749.00	101,301.00	110,868.00	-	172,437.00	1,207,233.00
LOLC GENERAL INSURANCE CO LTD	111,750.00	442,425.00	296,055.00	-	-	676,355.00	346,565.00	370,755.00	345,135.00	336,250.00	-	586,810.00	3,512,100.00
NATIONAL INSURANCE TRUST FUND	39,618.90	36,274.95	66,537.50	-	-	21,870.35	38,937.75	121,933.15	20,005.30		-	22,285.65	367,463.55
FAIRFIRST TNSURANCE LTD	937,615.00	1,101,480.00	981,725.00	-	-	2,252,860.00	1,089,355.00	1,117,565.00	938,215.00	1,005,340.00	-	1,859,675.00	11,283,830.00
TOTAL	3,661,305.68	4,301,252.12	2,755,231.39	-	2,913,842.74	6,710,709.35	4,726,443.56	4,640,371.46	4,020,197.49	4,006,941.70	364,614.66	5,542,030.60	43,642,940.75

INSURANCE CONTRIBUTION FOR THE YEAR 2020.

	<u>2020</u>	<u>2019</u>
	RS	RS Restated
INSURANCE RECEIPTS DURING THE YEAR	43,642,940.75	44,639,421.88
ADD		
YEAR END BALANCE OF RECEIVABLE INSURANCE CONTRIBUTION	3,786,891.75	3,661,305.68
	<u>47,429,832.50</u>	<u>48,300,727.56</u>
LESS		
OPENING BALANCE OF RECEIVABLE INSURANCE CONTRIBUTION	3,661,305.68	3,397,889.23
	<u><u>43,768,526.82</u></u>	<u><u>44,902,838.33</u></u>

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2020

05. EXPENCES

	2020	2019
	RS.	RS.
		RESTATED
ALLOWANCES	1,924,735.88	1,326,988.42
FUEL FOR VEHICLE	87,500.00	915,672.90
COUNCIL MEMBERS FEES	<i>201,500.00</i>	327,500.00
Council Instructors Fee	-	42,000.00
COMPONSATION(HIT & RUN)	4,275,000.00	7,400,000.00
REPAIR & OFFICE MAINTANANCE	317,436.45	1,073,708.02
VEHICLE MAINTANANCE	13,717.01	179,874.04
STATIONERY EXPENCES	159,280.00	267,801.24
TELEPHONE CHARGES	192,797.37	165,286.57
NEWS PAPERS	83,790.00	125,320.00
PRINTING & TRANSLATION	62,237.50	106,750.00
O T CHARGES	141,586.84	289,826.20
ADVERTISING & PUBLICITY	-	515,270.00
REFRESHMENT OF MEETING	78,607.67	364,173.12
AUDIT FEES	(37,000.00)	375,000.00
TRAVELLING EXPENCES	31,535.00	125,111.00
SUNDRY EXPENSES	62,587.10	33,510.00
DEPRECIATION	1,294,171.59	1,066,275.47
ACCOMADATION	-	37,300.00
POSTAGE	3,720.00	450.00
INCOME TAX	-	17,400.00
STAFF TRAINING	-	166,821.53
RECEIVABLE FROM INSURANCE COMPANY	-	2.14
CLEANING CHARGES	653,373.26	-
	<u>9,546,575.66</u>	<u>14,922,040.65</u>

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2020

06. PROPERTY, PLANT & EQUIPMENT

	COMPUTERS	PHOTO COPY/PRINTERS MACHINE	FURNITURE & FITTINGS	AIR CONDITIONER	MEDIA EQUIPMENTS	OTHER ASSETS	DRIVING LEARNING MACHINE	REFRIGERATOR	TOTAL.
COST / REVALUATION	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
BALANCE AS AT 01.01.2020	713,500.00	140,700.00	641,500.00	139,800.00	1,554,862.50	62,207.50	5,875,351.00	133,000.00	9,260,921.00
DURING THE YEAR									
ADDITION	-	-	-	-	-	-	-	-	-
DISPOSALS	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31.12.2020	713,500.00	140,700.00	641,500.00	139,800.00	1,554,862.50	62,207.50	5,875,351.00	133,000.00	9,260,921.00
ACCUMULATED DEPRICIATION									
BALANCE AS AT 01.01.2020	328,786.25	32,976.56	230,940.00	32,765.63	258,236.71	20,292.81	619,728.80	9,656.16	1,533,382.92
CHARGE FOR THE YEAR	178,375.00	17,587.50	128,300.00	17,475.00	321,170.31	10,478.67	587,535.10	33,250.00	1,294,171.59
BALANCE AS AT 31.12.2020	507,161.25	50,564.06	359,240.00	50,240.63	579,407.02	30,771.48	1,207,263.90	42,906.16	2,827,554.51
NET BOOK VALUE									
AS AT 31/12/2019	384,713.75	107,723.44	410,560.00	107,034.37	1,296,625.79	41,914.69	5,255,622.20	123,343.84	7,727,538.08
AS AT 31/12/2020	206,338.75	90,135.94	282,260.00	89,559.37	975,455.48	31,436.02	4,668,087.10	90,093.84	6,433,366.50

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2020

07. Fixed deposits

FD No	A/C NO	AMOUNT	Interest Income for 2020 year	Interest income receivable as at 31st December 2020
1	5052659	10,000,000.00	687,798.49	40,342.47
2	6462242	3,000,000.00	204,733.43	6,636.99
3	6061516	1,000,000.00	67,779.25	2,993.15
4	83251129	35,953,720.61	2,591,912.95	465,428.30
5	83250939	48,847,884.59	4,017,861.50	658,847.49
6	321362	44,000,000.00	3,597,540.98	3,597,540.98
		142,801,605.20	11,167,626.60	4,771,789.38

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2020

08. Treasury Bills

Bill No	Invested Amount as at 31st December 2020	Interest Income for 2020 year	Interest receivable as at 31st December 2020
1	12,192,008.99	715,898.45	29,140.22
2	41,340,836.00	2,262,109.45	350,340.06
3	7,300,168.72	428,655.95	17,448.19
4	10,742,283.74	630,772.24	25,675.22
5	19,089,192.73	1,225,994.12	46,674.75
6	783,124.25	50,295.83	1,914.81
7	29,178,797.11	1,644,438.13	211,219.62
8	13,130,844.17	830,728.66	209,512.16
9	9,493,471.56	557,443.75	22,690.43
10	96,540,263.18	6,200,251.38	236,049.43
11	29,151,887.02	1,645,566.30	211,024.82
12	83,232.06	5,345.61	203.51
13	48,810.94	3,134.89	119.35
Total	269,074,920.47	16,200,634.75	1,362,012.58

09. Cash At Bank

	Amount (Rs.)
Bank Balance	55,221,484.39
Unidentified receipts	49,863.42
Cash At Bank	<u>55,271,347.81</u>

NATIONAL COUNCIL FOR ROAD SAFETY
Notes to the Financial Statements
for the Year Ended 31st December 2020

10. Restatement of 2019 financial statements

	Amount
	(Rs.)
FUND ACCOUNT BALANCE as at 2019.01.01	360,089,908
<u>Error correction in 2018 financial statements</u>	
Correction of under stated treasury bill investment	35,984.04
EXCESS OF INCOME OVER EXPENDITURE - 2019 (As per 2019 financial statements	59,465,917
<u>Error correction in 2019 financial statements</u>	
Correction of over stated fixed deposit interest income	-85,655
Correction of over stated repair and maintenance expenses	21,365
Correction of under stated treasury bill interest income	2,027,925
Correction of over stated receivable balance of insurance contribution	-6
RESTATED EXCESS OF INCOME OVER EXPENDITURE - 2019 (As per 2019 financial statements	61,429,545
RESTATED FUND ACCOUNT BALANCE AS AT 2020.01.01	421,555,438

NATIONAL COUNCIL FOR ROAD SAFETY

TRIAL BALANCE AS AT 31 ST DECEMBER 2020. (After Passing J/Es)

ACCOUNT DESCRIPTION	DEBIT	CREDIT
ASSETES		
COMPUTERS	713,500.00	
PHOTOCOPY ,PRINTERS ,FAX MACHINE	140,700.00	
FURNITURE & FITTINGS	641,500.00	
AIR CONDITIONER	139,800.00	
Media Equipments	1,554,862.50	
OTHER ASSETS	62,207.50	
CAMARA	-	
DRIVING LEARNING MACHINE	5,875,351.00	
FREDGE	133,000.00	
ACCUMILATED DEPRECIATION		
COMPUTERS		507,161.50
PHOTOCOPY ,PRINTERS ,FAX MACHINE		50,564.06
FURNITURE & FITTINGS		359,240.00
AIR CONDITIONER		50,240.63
Media Equipments		579,407.02
OTHERS		30,771.48
DRIVING LEARNING MACHINE		1,207,263.90
FREDGE		42,906.16
FIXED DEPOSITS	142,801,604.55	
TREASURY BILLS	269,074,920.47	
RECEIVABLE FROM INSURANCE COMPANY	3,786,891.75	
FUND A/C		421,555,437.56
CONTRIBUTION FROM INSURANCE COMPANY		43,768,526.82
F D INTEREST A/C		11,167,626.60
F D INTEREST RECEVABLE A/C	4,771,789.38	
Treasury bill INTEREST A/C		16,200,634.75
Treasury bill INTEREST RECEVABLE A/C	1,362,012.58	
Prepayments	25,640.03	
Accrued Expenses		43,923.65
AUDIT FEES PAYABLE		338,000.00
FUEL FOR VEHICLE	87,500.00	
COUNCIL CONSULTATION FEES	1,924,735.88	
COUNCIL MEMBERS ALLOWANCES	201,500.00	
COMPONSATION	4,275,000.00	
REPAIR & MAINTANCE	317,436.45	
VEHICLE MAINTANACES	13,717.01	
DEPRECIATION	1,294,171.59	
STATIONERY EXPENCES	159,280.00	
TELEPHONE CHARGES	192,797.37	
NEWS PAPERS	83,790.00	
PRINTING & TRANSLATION	62,237.50	
O T CHARGES	141,586.84	
ADVERTISING & PUBLICITY	-	
REFRESHMENT OF MEETING	78,607.67	
TRAVELLING EXPENCES	31,535.00	
SUNDRY EXPENSES	62,588.00	
BANK BALANCE	55,221,484.39	
Unidentified receipts	49,863.42	
ACCOMADATION	-	
POSTAGE	3,720.00	
STAFF TRAINING	-	
PROJECTS (ENTERPRISE SRI LANKA)	-	
INCOME TAX	-	
AUDIT FEES	(37,000.00)	
WHO PRESENT & OTHERS		-
Cleaning charges	653,373.26	
Deduction in payables	-	
	495,901,704.14	495,901,704.14

NATIONAL COUNCIL FOR ROAD SAFETY
JOURNAL ENTRIES - 2020

		DR	CR
JE NO 01	CONTRIBUTION FROM INSURANCE COMPANIES (DR)	3,661,305.68	3,661,305.68
	RECEIVABLES FROM INSURANCE COMPANIES		
	(Being recording the received opening receivable insurance income during 2020 year)		
JE NO 02	RECEIVABLES FROM INSURANCE COMPANIES (DR)	3,786,891.75	3,786,891.75
	CONTRIBUTION FROM INSURANCE COMPANIES		
	(Being recording the receivable insurance contribution as at 31/12/2020.)		
JE NO 03	FD INTEREST RECEVABLE A/C	4,771,789.38	4,771,789.38
	FD INTEREST A/C		
	(Being recording the receivable balance of FD interest income as at 31/12/2020)		
JE NO 04	FIXED DEPOSIT A/C (DR)	5,485,498.00	5,485,498.00
	FIXED DEPOSIT INTEREST A/C		
	(Being recording the amount of reinvested interest income earned from FIXED DEPOSITS -NO:4 & 5)		
JE NO 05	FD interest income A/C (DR)	89,324.74	
	FIXED DEPOSIT A/C (DR)	1,709,373.28	1,798,698.02
	FD interest receivable A/C		
	(Being recording the receiving, opening receivable balance of FD interest income during 2020)		
JE NO 06	Depreciation	1,294,171.59	
	ACCUMILATED DEPRECIATION		178,375.00
	COMPUTERS		17,587.50
	PHOTOCOPY ,PRINTERS ,FAX MACHINE		128,300.00
	FURNITURE & FITTINGS		17,475.00
	AIR CONDITIONER		321,170.31
	Media Equipments		10,478.67
	OTHERS		587,535.10
	DRIVING LEARNING MACHINE		33,250.00
	FREDGE		
	(Being recording depreciation charge for the year of 2020)		
JE NO 07	Audit fee payables A/C (Dr)	207,000.00	207,000.00
	AUDIT FEES A/C (DR)		
	(Being reversed the over provision of Audit fee for 2019 Year. Provision for 2019 was Rs.375,000/=and Actual bill is Rs. 168,000/=)		
JE NO 08	AUDIT FEES A/C (DR)	170,000.00	170,000.00
	AUDIT FEES PAYABLE A/C		
	(BEING PROVISION MADE FOR AUDIT FEES FOR 2020 YEAR)		
JE NO 09	Treasury Bill A/C (Dr)	1,938,329.90	1,938,329.90
	INTEREST RECEIVABLE ON TREASURY BILLS		
	(Being recording reinvesting the opening receivable treasury bill interest income during 2020 year		
JE NO 10	TREASURY BILL A/C (DR)	14,838,622	
	INTEREST RECEIVABLE ON TREASURY BILLS	1,362,013	16,200,634.75
	TREASURY BILL INTEREST A/C		
	(Being recording treasury bill interest income earned during 2020 year		
JE NO 11	Unrecorded FD interest income A/C Dr	49,863.42	49,863.42
	FD interest income A/C (DR)		
	(Being recording the FD interest income received for 2020 year and which were not recorded in cash book of 2020)		
JE NO 12	REPAIR & OFFICE MAINTANANCE	21,365.00	21,365.00
	Prepayments		
	(Being prepayments made in 2019 recorded as expense in 2020)		
JE NO 13	REPAIR & OFFICE MAINTANANCE	2,589.04	
	TELEPHONE CHARGES	21,727.65	
	PRINTING & TRANSLATION	2,800.00	
	O T CHARGES	16,806.96	43,923.65
	Accrued expenses		
	(Being recorded accrued expenses of 2020 year)		
JE NO 14	Prepayments	25,640.03	25,640.03
	REPAIR & OFFICE MAINTANANCE		
	(Being recorded prepayments made in 2020 year and this has been paid for maintenance agreements of computer equipments . The amount relevant for 2021 period is recorded as prepayments in financial statements of 2020)		

NATIONAL COUNCIL FOR ROAD SAFETY**JOURNAL ENTRIES FOR RESTATING 2019 FINANCIAL STATEMENTS**

JE NO 15	FD interest income A/C (DR)	85,655.36	
	FD INTEREST RECEVABLE A/C		85,655.36
	(Being correction of overrecognized FD interest income and FD interest receivable amount in 2019 financial statement)		
JE NO 16	Prepayments	21,365.00	
	REPAIR & OFFICE MAINTANANCE		21,365.00
	(The payments made for 2020 year maintenance agreements of office equipments errournously recorded as expense in 2019. It is corrected by recoding expense in 2020 year)		

JE NO 17	Treasury Bill A/C (Dr)	2,027,925.00	
	TREASURY BILL INTEREST A/C		2,027,925.00
	(The J/E No. 23 which is passed in 2019 accounts is incorrect and due to that error the received interest income and Treasury bill balance is under stated by 2,027,925. It is corrected by passing this Journal entry)		
JE NO 18	Treasury Bill A/C (Dr)	35,984.04	
	FUND ACCOUNT - EXCESS OVER EXPENDITURE 2019 YEAR		35,984.04
	(The correct amount of J/E No. 22 which was passed in 2019 accounts is 3,915,381. Treasury bill is under stated by Rs. 36,000 due to the error amount, and it is corrected by passing this Journal entry)		

JE NO 19	CONTRIBUTION FROM INSURANCE COMPANIES (DR)	6.00	
	RECEIVABLES FROM INSURANCE COMPANIES		6.00
	(The receivable insurance income as at 31.12.2019 is overstated by Rs.6 and it is corrected by passing this Journal entry)		

NATIONAL COUNCIL FOR ROAD SAFETY

TRIAL BALANCE AS AT 31ST DECEMBER 2020. (BEFORE PASSING J/Es)

	DEBIT	CREDIT
ASSETS		
COMPUTERS	713,500.00	
PHOTOCOPY ,PRINTERS ,FAX MACHINE	140,700.00	
FURNITURE & FITTINGS	641,500.00	
AIR CONDITIONER	139,800.00	
DVD PLAYER ect..	1,554,862.50	
OTHER ASSETS	62,207.50	
CAMARA	-	
DRIVING LEARNING MACHINE	5,875,351.00	
FREDGE	133,000.00	
ACCUMILATED DEPRECIATION		
COMPUTERS		328,786.50
PHOTOCOPY ,PRINTERS ,FAX MACHINE		32,976.56
FURNITURE & FITTINGS		230,940.00
AIR CONDITIONER		32,765.63
DVD PLAYER ect..		258,236.71
OTHERS		20,292.81
CAMARA		
DRIVING LEARNING MACHINE		619,728.80
FREDGE		9,656.16
FIXED DEPOSITS	135,606,733.27	
TREASURY BILLS	250,234,059.36	
RECEIVABLE FROM INSURANCE COMPANY	3,661,311.68	
FUND A/C		419,555,824.89
CONTRIBUTION FROM INSURANCE COMPANY		43,642,940.75
F D INTEREST A/C		949,800.54
F D INTEREST RECEVABLE A/C	1,884,353.38	
Treasury bill INTEREST A/C		-
Treasury bill INTEREST RECEVABLE A/C	1,938,329.90	
AUDIT FEES PAYABLE		375,000.00
FUEL FOR VEHICLE	87,500.00	
COUNCIL CONSULTATION FEES	1,924,735.88	
COUNCIL MEMBERS ALLOWANCES	201,500.00	
COMPONSATION	4,275,000.00	
REPAIR & MAINTANCE	319,122.44	
VEHICLE MAINTANACES	13,717.01	
DEPRECIATION		
STATIONERY EXPENCES	159,280.00	
TELEPHONE CHARGES	171,069.72	
NEWS PAPERS	83,790.00	
PRINTING & TRANSLATION	59,437.50	
O T CHARGES	124,779.88	
ADVERTISING & PUBLICITY	-	
REFRESHMENT OF MEETING	78,607.67	
TRAVELLING EXPENCES	31,535.00	
SUNDRY EXPENSES	62,588.69	
BANK BALANCE	55,221,484.39	
ACCOMADATION	-	
POSTAGE	3,720.00	
STAFF TRAINING	-	
PROJECTS (ENTERPRISE SRI LANKA)	-	
INCOME TAX	-	
AUDIT FEES	-	
WHO PRESENT & OTHERS		-
Cleaning charges	653,372.58	
Deduction in payables	-	
	466,056,949.35	466,056,949.35

**REPORT OF THE AUDITOR GENERAL
2020**

The Chairman,
National Council for Road Safety

Report of the Auditor General on the financial statements and other legal & regulatory requirements of the National Council for Road Safety for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the National Council for Road Safety for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity, and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 the Finance Act, No. 38 of 1971. My comments and observations which I consider should be tabled in Parliament appear in this report. My report will be tabled 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 the section of Basis for Qualified Opinion of this report, the financial statements of the Council give a true and fair view of the financial position of the Council as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Sri Lanka Accounting Standards.

1.2 Basis for the qualified Opinion

- a) The fixed deposit value stated in the financial statements under the non-current assets as at the last day of the year under review, had been understated by a sum of Rs. 1,124,276.
- b) The schedules submitted by the insurance companies, which confirm the accuracy of the 1% third party insurance contribution of Rs. 43,768,526 remitted to the Council by the insurance institutions in accordance with the Gazette Extraordinary No. 1368/18 dated 2004, were not made available for the audit.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those audit 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 opinion.

1.3 Other information

Other information means the information contained in the annual report of the Council, which is expected to be submitted to me after the date of this audit report but not contained in the financial statements and in my audit report on the same. The management is held responsible for such other information.

My opinion on the financial statements does not cover the other information and I express no guarantee or an opinion on the same.

My responsibility related to my auditing of financial statements is to have a reading of the same when the above-identified other information are available to me, and in such reading, consider whether the other information quantitatively tally with the financial statements and my knowledge acquired in the audit or through by some other means.

In reading the 2020 annual report, if I conclude that it has quantitative misstatements, such facts should be communicated to the governing parties for correction of them. If misstatements continue to remain not corrected, I will include them in the report to be tabled in Parliament in accordance with 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 the report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

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

- Whether the transactions and events underlying the structure and content of the financial statement are appropriately and reasonably included, and overall presentation of the financial statements, including the disclosures, were evaluated.

I communicated with the governing parties regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 The National Audit Act, No. 19 of 2018 includes special provisions for the following requirements. .

2.1.1 I obtained all required details and clarifications in accordance with the requirements contained in Section 12(a) of the National Audit Act, No. 19 of 2018 and as my examination shows the Council has maintained proper financial records.

2.1.2 The financial statements of the Council are in line with that of the previous year in accordance with the requirements stated in Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018,

2.1.3 In accordance with the requirements contained in Section 6(1) (d) (iv) of the National Audit Act, No. 19 of 2018, the recommendations made by me in the previous year are incorporated in the financial statements submitted.

2.2 According to the methods employed and the evidence obtained and in the limitation to the quantitative facts, anything substantial to make the following statements did not come under my attention.

2.2.1 Whether, in accordance with the requirements stated in Section 12 (d) of the National Audit Act No. 19 of 2018, some member of the governing body the Council, directly or otherwise and deviating from the normal business manner, has involved in an agreement related to the Council.

2.2.2 Whether, in accordance with the requirement stated in Section 12 (f) of the National Audit Act No. 19 of 2018, the Council has complied with applicable written law, or other general or special directions issued by the governing body of the council.

	Reference to Laws, Rules and Regulations	Description
(a)	F.R. 110	No record of losses had been maintained.
	F.R.891 (1)	The officers in charge of the assets had not maintained a Security Register containing the details of the officers required to give security.
(b)	Treasury Circular No. 824 dated 19 December, 1978 dated and F.R. 502 (2) Appendix 11	Although the a record of fixed assets should be maintained to record the fixed assets of the institution, it had not been complied with.
(c)	Section 11 of the Finance Act No.38 of 1971 and Section 5.2.4 Of the Public Enterprises Circular No.PED/12 dated 02 June 2003.	Although the Council should approve the budget three months before the commencement of financial year, approval for the budget in the year under review had been obtained on 28 of February, 2020.
(d)	The Public Enterprises Circular No.PED/12 dated 02 June 2003. I. Section 4.2.2 II. Section 8.8	Although the governing body should hold its meeting monthly, only 02 meetings had been held in the year under review, and even at the meetings thus held, all members had not been present. Although the Council should approve the delegation of financial power at the very beginning of the, it had been approved on 28 February 202.

2.2.3 Except in the following observations, the Council had not complied with the powers, duties and functions of the council in compliance with the requirement stated in Section 12 (c) of the National Audit Act No. 19 of 2018.

a) Although 15 years have elapsed since the establishment of the National Council for Road Safety under the Motor Traffic Act (Chapter 203) amended by the Motor Traffic (Amendment) Act No. 05 of 1998, aiming at establishment of the National Road Safety Commission, such Commission has not been established and consequently, the Council has not received legal powers necessary for performing the functions of this Council and this has hindered the recruitment of a proper staff.

b) Even by the year under review, action had not been taken to fulfill the functions assigned through the Gazette Extraordinary No. 1387/4 dated 04th April 2005, namely, maintain a computerized database on the Vehicle population, its features and composition, road accidents and domestic and international statistics on road safety, maintain a library with internet facilities on the subject of road safety, assist research on road safety-related subjects, liaise with similar international organizations and share experience and expertise, formulate and implement road safety projects, coordinate road safety related activities within government and non-governmental organizations, advice the government on road safety related policies and projects.

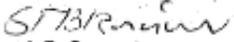
2.2.4. Except in the following observations, the resources of the Council had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the requirement stated in Section 12 (g) of the National Audit Act No. 19 of 2018.

03. Other Audit Observations

- a) According to the instruction manual of the scheme of paying compensation to victims of unidentified road accidents, such compensation should be provided for the compensation applicants without delay. However, the Council had not taken action even by the date of audit to pay compensation in respect of 06 compensation applications that had been received within the period from 2018 to December, 2019, eventhough periods within the range of 01 year to 02 years and 06 months had elapsed since their submission.
- b) Due to the delay in taking action regarding applications received related to 02 deaths caused by unidentified vehicles in 2018 and 2019, compensation amounting to Rs. 400,000 had been paid with a delay of 01 year and 07 months, and 02 years and 06 months. Although a sum of Rs. 775,000 had been paid in the year under review in compensation in respect of 08 applications received in 2015, 2017 and 2019 years related to injured persons, the payment of compensation had been made with periods of delay between 01 year and 02 months, and 05 years.
- c) Although a sum of Rs. 43,768,526 had been received in contribution from insurance companies in the year under review, only a sum of Rs. 4,275,000 had been paid as compensation, which was a 10 per centum of the contribution receipts. In review of the road accidents occurring in Sri Lanka, this situation is observed to be due to the unawareness on the part of the public.
- d) Although a sufficient, trained staff and necessary infrastructure facilities should be in place for strengthening the National Council for Road Safety, this institution operates as an entity under the Ministry of Transport and this Council has a staff consisting of 11 officers attached from the Ministry of Transport, Department of Railways, Sri Lanka and Sri Lanka Transport Board, an officer employed on contract basis and a casual labourer.
- e) Driver training had not been carried out by using the driver training equipment received in 2018 as a donation from Japan and the equipment worth 5,875, 351 purchased, and such equipment remained idle due to the fact that such training had been stopped from 21st June, 2019 to March, 2021.
- f) As per the clause (4) (d) of the Pubic Finance Circular No. 01/2014(4) dated 17th February, 2017, a procurement plan should be prepared with the annual action plan and implemented. However, although the Council had prepared plans for Rs. 49.28 million for goods, services and implementation of miscellaneous projects in respect of the year under review, no activity of the procurement plan had been carried out even by 31st December, 2020 due to non-performance of any activity related to the objectives of the Council in the year under review.

g) In the action plan for the year 2020, road safety management capacity building projects, 20 programmes and 49 activities for carrying out them had been indicated and 14 of such activities had been started to be performed but the objectives of such programmes had not been achieved.

h) The Council should earn an income of Rs 70 million according to the annual budget estimate and Rs 77 million had been allocated of which Rs 13.79 million and Rs. 63.2 million for recurrent and capital expenditure respectively. Though the Council had earned an income of Rs.71 million, Rs.9.5 million including Rs. 1.3 million on depreciation on the affairs of the Council had been expended in recurrent expenditure of the Council. Accordingly, using funds for achieving the objectives of the Council has been at a minimum level.


W.P.C. Wickramaratne
Auditor General

Auditor General's Report in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements of the National Council for Road Safety for the year ended 31 December 2020

Reference to Laws, Rules and Regulations

(a) F.R. i

Register of damages has been prepared.

The officers of the National Council have not followed furnishing of security up to now, and I would like to mention that in consultation with the Ministry, the necessary arrangements will be made in future for furnishing of security and action will be taken to maintain the related documents.

(b) Circular No. 842 and F.R. 502

Fixed Asset Register has been prepared.

(c) Section 11 of the Finance Act No. 38 of 1971 and Section 5.2.4 of the Public Finance Circular dated June 02, 2003.

I assumed office as the current Chairman of the National Council for Road Safety on 06.02.2020 and at the first council meeting held after being appointed to the post of Chairman, approval was obtained for the budget estimate for the year under review.

(d) Of the Public Enterprise Circular No./12

(I) Section 4.2.2

Due to the Corona epidemic situation that prevailed, it was not possible to hold the governing board meetings related to the year under review and it was not possible to get all the members to participate in the meetings held. However, since the participation in the meetings has been queried in the audit inquiry, necessary action will be taken to inform that all the members should compulsorily participate in future meetings.

(II) Section 8.8

I assumed office as the current Chairman of the National Council for Road Safety on 06.02.2020 and at the first council meeting held after being appointed to the post of Chairman, approval was obtained for delegation of authority for the year under review.

2.2.3 12 (g) of the National Audit Act No. 19 of 2018

(a) Cabinet Memoranda regarding the establishment of the National Council for Road Safety as the National Commission on Transport Safety were submitted on several occasions but were not approved and on 04.05.2021 subject to several recommendations, approval was granted. In line with such recommendations given, the previous Bill was amended on 15.06.2021 under the chair of the Secretary to the Ministry, and the revised Bill has been forwarded to the Legal Draftsman by the Ministry's legal division.

(b) Matters queried about the duties assigned by the Gazette Extraordinary No. 1387/4 dated April 04, 2005

1. Maintain a computerized database on Vehicle population, its features and composition, Traffic accidents and domestic and international statistics on road safety

Arrangements are being made to obtain information about the number of traffic, their characteristics and composition from the Department of Motor Transport and to enable connect to that information through the electronic library prepared by the National Road Safety Council.

The proposal prepared for island-wide implementation of the Sri Lanka Accident Data Management System, which is being maintained jointly by the Sri Lanka Police, the World Health Organization and the University of Moratuwa, in the Western and Central Provinces, has been submitted to the Department of National Planning through the Secretary to the Ministry and approval was given on 16.08.2021 for implementation of the same. Accordingly, the necessary actions are being taken to establish the Sri Lanka accident data management system.

2. Maintain a library on the subject of road safety

The work related to establishment of the library recommended to be established on the subject of road safety as an e-library is currently in its final stages.

3. Assist research on road safety-related subjects

It is expected to conduct 03 researches based on the reduction of road traffic accidents. The procurement work of the first research to be conducted for reduction of motorcycle accidents, is being carried out. The National Council has given approval for the second research, which is on reducing the frequent occurrence of road accidents and deaths of pedestrians.

4. Liaise with similar international organizations and share experience and expertise.

A committee consisting of a representative of the Sri Lanka representative office of the World Health Organization and representatives of the National Council has been appointed to review the 2011-2020 road safety decade designated by the United Nations and to identify the tasks to be accomplished to reduce road accidents by 50% by the year 2030, and the work to be pursued relating to this is due to be commenced.

5. Formulate and implementation of road safety projects.

Projects on road safety contained in the Annual Action Plan are currently being implemented.

6. Coordinate road safety related activities within government and non-governmental organizations, and advice the government on road safety related policies and programs

The action plan for the reduction of road traffic accidents for the years 2021-2026 prepared together with the relevant parties to provide advice on road safety and related tasks is currently being printed.

Also, as per the order of the Committee on Public Accounts, committee members are currently being appointed by the Ministry in relation to the appointment of a coordination committee to solve the problems related to road safety and transportation. The recommendations given by the committee are to be submitted to the government.

2.2.4 Section 12 (h) of the National Audit Act No. 19 of 2018.

Due to the past Corona epidemic situation, the procurement activities of the year could not be carried out in the expected manner and currently the necessary actions are being carried out to efficiently and effectively procure and use the resources of the council.

04. Other audit observations

- (a) Provision of financial relief has been completed for all the compensation applications received by the National Council for Road Safety in the year 2018. Out of the applications received in the year 2019, one application was rejected in the National Council meeting held on 09.08.2021 and one application was approved. Another application is to be referred to the Standing Committee meeting.
- (b) Under the programme being implemented by the National Council for Road Safety for providing relief for the victims of the accidents caused by unidentified vehicles, all requests received for obtaining financial relief are subjected to a process of investigation carried out by Traffic Police Headquarters and then referred to the three-member Standing Committee established by the National Road Safety and on receipt of its observations, the requests are submitted to the meeting of the National Council for Road safety and on receipt of its approval, financial relief is given.

The said process takes some considerable time, and in cases where some applicants do not furnish the necessary information regarding their requests submitted to the National Council for Road Safety, the information have to be obtained through repeated notifications. However, in some cases, even a few reminders have to be sent to fetch the information related to such incomplete requests.

In the process of providing financial relief, I would like to inform you that measures are being taken to minimize any delays that occur from the time of submission of requests to the time of providing financial relief, and that necessary measures will be taken to carry out the process of providing financial relief without delay. This matter was discussed at length in the National Council meeting held on 06.08.2021, where it was decided to give compensation if the vehicle that caused the accident has not been identified even after 6 months of the accident.

It has been decided to inform the relevant traffic police to convey to the courts that the National Council for Road Safety has given compensation to the victim party, in the event of conducting a trial regarding the accident after the payment of compensation.

- (c) In order to educate the society regarding the hit-and-run accidents, awareness leaflets and x-boards have been prepared and distributed to police stations covering all police stations and work has been started to install awareness leaflets and x-boards at those places, covering all district secretariats and divisional secretariats. Also, through popular television media, Easy TV campaign has started to raise awareness about the compensation system. Accordingly, there is a clear growth in receiving compensation applications to the institution.
- (d) At present, functions of the Council are carried out by three development officers, four trainee graduates, a management service officer, an office assistant, and a driver attached from the Ministry of Transport, a clerk attached from the Sri Lanka Transport Board, and two technician assistants, office assistant and a railway assistant attached from the Department of Railways, and the report related to the recommendations made by the Department of Management Services regarding the approval of a cadre is being prepared.
- (e) At the meeting of the National Council held on 31.03.2021, the members of the Council decided that it is appropriate to give the relevant equipment to an institution that can use it more effectively with the approval of the Secretary to the Ministry. The situation was explained to the Secretary to the Ministry and accordingly the Additional Secretary (Administration) and Additional Secretary (Technical) inspected the site where the relevant equipment is kept. Accordingly, instructions were given to obtain the premises back from the State Ministry and continue to operate it, but the requests made to get it back from the State Ministry were rejected. Accordingly, the State Ministry has given instructions to arrange for the installation of the relevant equipment in another place.
- (f) The procurement plan for the year 2020 was approved by the National Council for Road Safety on 08.02.2020 and forwarded to the Secretary to Ministry for approval on 11.03.2020. It was approved on 11.06.2020 and the bid opening committee and the technical evaluation committee were approved on 02.06.2021. A letter was sent to the National Procurement Commission on 03.09.2020 regarding the setting up of the Procurement Committee for the National Council for Road Safety, and It was approved on 10.09.2020. The letter regarding the appointment of the procurement committee was forwarded to the Secretary to the Ministry on 10.05.2020, and it was approved on 13.10.2020. Also, due to the Corona situation, curfew was imposed in the island on several occasions. Because of these circumstances, the procurement activities were not organized in the expected manner and at present the related activities are being carried out properly.
- (g) Due to the corona epidemic situation, the related programs were not possible to be carried out as expected, but currently those programs have been commenced and are in implementation. Answers have been given to the audit regarding the current status of each of those programs,
- (h) Due to the corona epidemic situation, the budgeted capital and recurrent expenditure could not be made as expected and the utilization of funds remained at a minimal level. I wish to inform that necessary actions will be taken to utilize the funds according to the budget estimate in the future.



R.L. Anton De Mens,
Chairman.

National Council for Road Safety.