2022

Performance Report

DEPARTMENT OF GOVERNMENT FACTORY

Annual Performance Report for the year 2022
Department of Government Factory
Expenditure Head No- 310

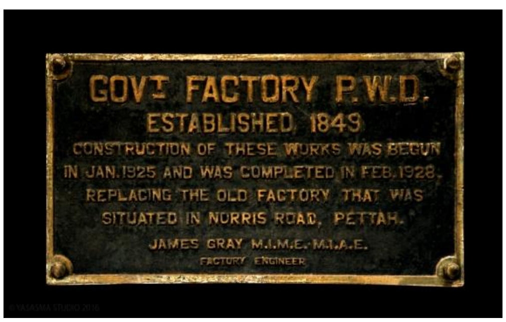
Contents Page No.

Chapter 01 Institutional Profile/ Implementation overview

1.1 Introduction

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

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



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

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

Bolgoda steel bridge –Side view

20 January 1938

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

Bolgoda Bridge- Front View

20 January 1938

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

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

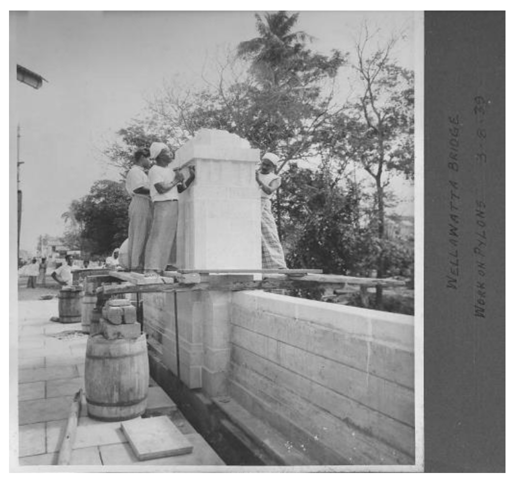
In addition of who disingned fabricated and installed package type water burification units for national water supply and dranage bord.

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

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

In line with the Sri Lanka Standards Policy, the Department secured ISO 9001:2008 international quality management systems in the year 2013. Through the measures taken to secure this certificate, the efficiency of the Department of Government Factory could be enhanced and in the year 2022 the Department was able to obtain ISO 9001:2015 international quality management system. This also led to a growth in consumer services delivered by the institution.

Thoppuwa Bridge
24 October 1938



Wellawatta Bridge
03 August 1939

1.2 Vision and Mission of Department

Vision

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

Mission

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

1.3. Main subject areas of the Department

Department of Government Factory

(a) Manufacturing sector

Production of metal and timber items for public and private sectors

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

(b) Construction sector (Heavy fabricating)

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

(c) Repairing and maintenance sector

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

(d) Mechanical engineering services

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

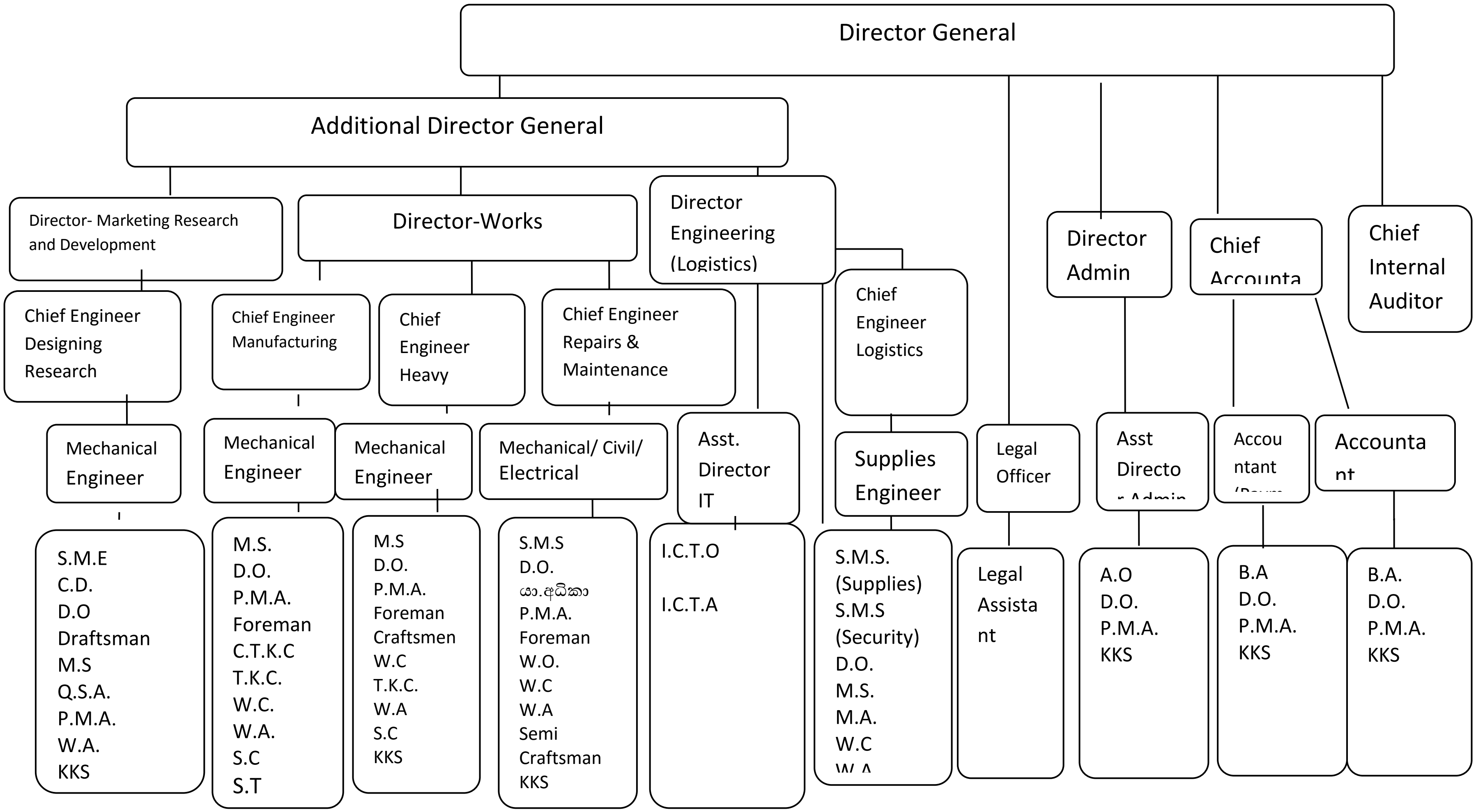
1.4 Main manufacturing activities carried out and services offered at present

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

1.5 Contended clientele of our department

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

1.6 Organizational Structure of the Department



SMS -	**Senior MechanicalSuperintendent**	**C.D. -**	**Chief Draftsman**	**S.M.S.Su.–Senior**	**Mechanical Superintendent Supplies**
D.O. –	**Development Officer**	**S.M.S.Se -Senior Mechanical Superintendent Security)**		**M.S–**	**Mechanical Superintendent**
T.K.C-	**Timekeeper Clerk**	**A.O. -**	**Administrative Officer**	**W.A -**	**Work Administrator**
Q.S.A.-	**Quantity Surveying Asst**	**W.C–**	**Workshop Clerk**	**B.A. -**	**Budgetary Assistant**
M.S.O. -	**Management Services Officer**	**S.C. -**	**Semi Craftsman**	**W.O. -**	**Welfare Officer**
K.K.S. –	**KaryalaKaryaSahayaka**	**W.A.-**	**Workshop Assistant**	**I.C.T.O –Information Communication Technical Officer**	

1.7 Progress of development programmes implemented in the year 2022 (As at 31.12.2022) – Work done advances

	Project details	Target 2022		Progress 2022	
		Estimate (Rs Mn)	Physical (%)	Cost (Rs Mn)	Physical (%)
1	Fabrication and Installation of water management stop log gates (radial gates) for umaoya down stream- Alikota Ara	12	100%	10	75%
2	Fabricating and installing 06 water control gates in Oliyanulla area under the flood control project	67	100%	26.6	80%
3	Fabricating & installing package type water treatment tanks, Water Supply and Drainage Board, Haputagala, Galle.	69	100%	34.6	96%
4	Repairing electromechanical machinery and work carried out by the machinery Repair and Maintenance Unit	25	100%	17.2	46%
5	Other functions carried out by heavy fabricating unit.	70	100%	68.5	98%
6	Functions carried out by Mechanical sawing and furniture unit.	20	100%	10.6	50%
7	Functions performed by the light fabricating unit.	60	100%	118.6	95%
8	Work carried out by Foundry Work Unit	35	100%	16.9	48%
9	Functions carried out by Light Engineering Work Unit.	30	100%	16	62%
10	Functions performed by Vehicle Repair Unit.	15	100%	24.2	85%
	Total	**403**		**343**	

1. **Oliyamulla project**

The Land Reclamation and Development Board has placed an order for the construction of stainless steel water control gates for the Oliyamulla project. Nearly 75% of work of this project which was commenced in the year 2021 has been completed and In 2022 were able to complete the fabrication of steel water gate and 90% of stainless steel gates.

2. **Water treatment plant, Hapugala, Galle**

In 2021 80% of the work of the order received from the Water Supply and Drainage Board for the construction of a water treatment plant has been completed and 2022 completed the the project successfully in the year 2022.

3. **Emergency flood gate project for water gates of Alikota Ara**

The task of fabricating emergency flood gates for the Alikota Ara water gates and Oliyamulla water gates was handed over to the Government Factory in the year 2021. Rs. 38 million has been estimated for Oliyamulla and Rs. 8 million was estimated for Alikota Ara. In 2022 completed 85% of activities of the project in 2022.

4. **Annual maintenance and servicing of irrigation projects**

Plans have been made to carry out annual servicing and maintenance of Alikota Ara, Thondaman Aru, Pulugunavi, Kankanakulam and Monara irrigation projects and amount estimated is Rs. 20 million.

- The non-receipt of adequate orders from various departments due to the Covid-19 pandemic situation that prevailed in the year 2021 was the main contributory factor for not achieving the targets in the year 2021.

Special services

- Preparing saluting dais and rain guards for VIPs at the National Independence Day Ceremony.
- Completed fabrication and supply of 1850 double bunch steel beds with mettress.
- Producing 48 Engine driven multipurpose chopping machines for preparing organic fertilizer concurrent to the Vistas of Prosperity and Splendour programme
- **Machining moulds for brirate sufer cliuts utilizing cnc machins.**
- **Fabricated units of coupeebeeling for agriculture department.**
- **Designed and fabricated a calandering machine for pathahewaheta provincial secretari office.**

Water control gates at Thondamanaru barrage

Fabricating gates for Oliyamulla

Water control gates at Rajangana reservoir

Gate hoisting system at Deduru Oya reservoir

Gate hoisting system of Alikota Ara project

Renovations at Kanganikulam

Water treatment unit, Hapugala

State Emblem

Water control gates at Alikota Ara

Foundry products

Water control gates at Alikota Ara

Alikota Ara

Fabricating flood gates for Pulugunavi projec

ICU beds

Paragraph 02 – Progress and the future outlook

Special achievements

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

Challenges

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

Future targets

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

03- Financial Performance of the year

3.1 Statement of Financial performance statement

ACA(F)

Statement of Financial Performance
For the Period Ended 31st December 2022
Department of Government Factory

		Note	Actual 2022	Actual 2021	
	Revenue Receipts				
	Income Tax	1			ACA-1
	Taxes on Domestic Goods & Services	2			
	Taxes on International Trade	3			
	Non Tax Revenue & Others	4			
	Total Revenue Receipts (A)		-		
	Non Revenue Receipts				
	Treasury Imprests		214,046,000	570,453,873	ACA-3
	Deposits		41,672,150	71,415,394	ACA-4
	Advance Accounts		740,447,137	691,647,795	ACA-5
	Other Main Ledger Receipts		-	45,339,498	
	Total Non Revenue Receipts (B)		996,165,288	1,378,856,559	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		996,165,288	1,378,856,559	
	Remittance to the Treasury (D)		16,895,043	323,443,439	
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		979,270,244	1,055,413,120	
	Less: Expenditure				
	Recurrent Expenditure				
100,000,000	Wages, Salaries & Other Employment Benefits	5	98,401,331	97,612,673	ACA-2(ii)
25,550,000	Other Goods & Services	6	23,190,801	42,433,575	
930,000	Subsidies, Grants and Transfers	7	715,616	867,285	
	Interest Payments	8	-	-	
23,150,000	Other Recurrent Expenditure	9	21,402,480	61,162	
149,630,000	**Total Recurrent Expenditure (F)**		143,710,227	140,974,696	
	Capital Expenditure				
42,000,000	Rehabilitation & Improvement of Capital Assets	10	23,436,523	37,140,824	ACA-2(ii)
8,000,000	Acquisition of Capital Assets	11	7,335,911	49,498,349	
0	Capital Transfers	12	-	61,006,633	
0	Acquisition of Financial Assets	13	-	-	
300,000	Capacity Building	14	300,000	1,736,153	
500,000	Other Capital Expenditure	15	500,000	1,000,000	
50,800,000	**Total Capital Expenditure (G)**		31,572,434	150,381,959	
	Main Ledger Expenditure (H)				
	Deposit Payments		72,541,851	67,108,609	ACA-4
	Advance Payments		753,443,765	617,392,310	ACA-5
	Other Main Ledger Payments		-	-	
	Toatal Main Ledger Expenditure (H)		825,985,616	684,500,919	
	Total Expenditure I = (F+G+H)		1,001,268,277	975,857,574	
	Balance as at 31st December J = (E-I)		(21,998,033)	79,555,546	
	Imprest Adjustment Account as at 31st December		(21,998,033)	79,555,546	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3

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3.2 Statement of Financial Position

ACA(P)

Statement of Financial Position
As At 31st December 2022
Department of Government Factory

	Note	Actual 2022 Rs.	2021 Rs.
Non Financial Assets			
Property, Plant & Equipment	ACA-6	1,007,229,627	999,893,716
Financial Assets			
Advance Accounts	ACA-5/5(a)	(154,948,819)	(167,945,447)
Cash & Cash Equivalents	ACA-3	0	20,894,810
Total Assets		852,280,808	852,843,079
Net Assets / Equity			
Net Worth to Treasury		(178,767,099)	(222,633,428)
Property, Plant & Equipment Reserve		1,007,229,627	999,893,716
Rent and Work Advance Reserve	ACA-5/5(b)	0	-
Current Liabilities			
Deposits Accounts	ACA-4	23,818,280	54,687,981
Imprest Balance	ACA-3	0	20,894,810
Total Liabilities		852,280,808	852,843,079

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 7 to40 and Annexures to accounts presented in pages from 41 to 48 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

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

....
Chief Accounting Officer
Name : W.S. Sathyananda
Designation : Secretary
Date : 24/02/2023

W.S. Sathyananda
SLAS (SPECIAL GRADE)
MBA(Ballarat), PGD(La-Trobe), B.Sc (Sri Jayawardenepura)
Secretary
Ministry of Urban Development and Housing
17th Floor, "Suhurupaya" Battaramulla

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Accounting Officer
Name : A. Wijesingha
Designation : Director General
Date : 2023/02/23

Eng. A. Wijesinghe
Director General (Acting)
Department of Government Factory
Kolonnawa.

....
~~Chief Financial Officer~~/ Chief Accountant/
Director (Finance)/ ~~Commissioner (Finance)~~
Name : W.H.C. Himali
Date : 2023/02/23

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

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3.3 Statement of cash flow

ACA (C)

Statement of Cash Flows
For the Period Ended 31st December 2022
Department of Government Factory

	ACTUAL	
	2022 Rs.	**2021** Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	68,849,133	
Imprest Received	214,046,000	570,453,873
Recoveries from Advance	740,871,944	692,275,618
Deposit Received	41,672,150	71,415,394
Other Main Ledger Receipts	-	45,339,498
Total Cash generated from Operations (A)	1,065,439,227	1,379,484,382
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	142,264,557	139,789,569
Subsidies & Transfer Payments	715,616	968,617
Expenditure incurred on behalf of Other Heads	48,356,527	80,359,873
Imprest Settlement to Treasury	16,895,043	323,443,439
Advance Payments	753,093,199	617,432,316
Deposit Payments	72,541,851	67,108,609
Other Main Ledger Payments	-	-
Total Cash disbursed for Operations (B)	1,033,866,793	1,229,102,423
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	31,572,434	150,381,959
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	31,572,434	150,381,959
Total Cash disbursed for Investing Activities (E)	31,572,434	150,381,959
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(31,572,434)	(150,381,959)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	

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Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)		-
Net Movement in Cash (K) = (G) + (J)	-	27,700
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	

3.4 Notes to financial statements

Annexure-(i)

Statement of Losses and Waivers
(Losses under F.R. 106 and F.R. 113)

Expenditure Head No :310 **Department of Government Factory**
Programme No. & Title :2, Development Activities

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

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

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

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

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

Age Analysis per (ii)

Less than five years	No.of Cases	
	Amount(Rs)	
5-10 years	No.of Cases	
	Amount(Rs)	
Over 10 years	No.of Cases	
	Amount(Rs)	

Classification of the cases by Nature of Losses	No.of Case	(Rs.)
Total		

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

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

Date : 2023/02/23

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

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Annexure-(ii)

Statement of write off from books

Expenditure Head No :310 **Department of Government Factory**

Programme No. & Title :2. Development Activities

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

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

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

	Nature of Loss	Opening balance which was not written off	Value of loss	Recoveries	Value written off from the book	Balance carried forward which was not written off	Reference No. of Approval for write off from the book
		Rs.	Rs.	Rs.	Rs.	Rs.	
1	PD - 9102 Vehicle Accident	Not yet valued					
2	PD - 9101 Vehicle Accident	Not yet valued					
	Total						

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

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

Date : 2023 | 02 | 23

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

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Annexure -(iii)

Statement of Liabilities and Commitments
Department of Government Factory

Expenditure Head No :310
Programme No. & Title :2, Development Activities

Name of the Person/Institution	Commitment No	Month	Date	Head	Programme	Project	Sub Project	Object Code	Finance Code	Item	Commitment (1)	Commitment Balance (2)=(1)-(3)	Liability Date	Liability Amount (Rs.) (3)	Revised Liability (Rs.) (4)	Paid liabiliy (5)	Liability Balance (Rs.) (6)=(4)-(5)
1. Ministries/Government Department																	
																	-
Total																	-
2. State Corporations/Statutary Boards																	
Lanka Electricity Company (Pvt) Ltd	13C - 01	Dec	22.12.31	310	2	1	0	1403	11				2022.12.31	468,976	468,976		468,976
Lanka Electricity Company (Pvt) Ltd	13C - 02	Nov	22.11.29	310	2	1	0	1403	11				2022.12.31	3,879	3,879		3,879
National Water Supply & Drainage Board	13C - 03	Nov-Dec	22.11.29	310	2	1	0	1403	11				2022.12.31	3,254	3,254		3,254
National Water Supply & Drainage Board	13C - 04	Dec - Jan	23.01.02	310	20	1	0	1403	11				2022.12.31	181,823	181,823		181,823
Total																	657,931
Others (Private Parties)																	
Rakna Arakshaka Lanka Ltd	13C - 05	Nov	22.12.28	310	2	1	0	1409	11				2022.12.31	768,030	768,030		768,030
The Associated News Papers Of Ceylon Ltd	13C - 07	Dec	22.12.15	310	2	1	0	1409	11				2022.12.31	219,834	219,834		219,834
Total																	987,864
Grand Total																	1,645,795

Liabilities are transactions of which payments have not been made to the relevant parties, although goods, services or assets and services pertaining to construction contracts have been received during the respective accounting year.

Commitments are contracts or written agreements which have been entered in to with the external parties in order to obtain goods and services during the respective accounting year, although the relevant assets or services have not been received.

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

Date :

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

Annexure- (iv)

Statement of Liabilities - (i)

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

Department of Government Factory

Expenditue Head No: 310

Programme No. & Title : 2, Development Activities

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

....

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

Date : 2023/02/23

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

Annexure-(v)

Statement of Liabilities - (ii)

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

Department of Government Factory

Expenditue Head No: 310

Programme No. & Title : 2, Development Activities

Name of the Person/Institution (To be identified at the time of Transfering the Provision to Deposit Accounts.) *	Description of Liability	L/C No.	Particular of Vote details from which Provisions				Deposit Account No.	Amount Transferred (Rs.)
			Project	Sub Project	Object Code	Financing Code		
1. Ministries/Government Department								
Total								
2. State Corporations/Statutary Boards								
Total								
3. Others (Private Parties)					Nil			
Total								0.00
Grand Total								

....

~~Chief Financial Officer~~/Chief Accountant/Director(Finance)/Comm~~issioner(Finance)~~

Date : 2023/02/23

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

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Annexure-(vi)

Statement of Claims under Reimbursable Foreign Aid

Ministry / Department / District Secretariat :Department of Government Factory

Programme No. & Title :02, Development Activities

Rs.

(1) Provision in Estimates - 2022 under Reimbursable Foreign Aid including Supplimentary provisions

(2) Total Expenditure disbursed during the year 2022, against (I) above

(3) Total of Reimbursement Cliams outstanding as at 1st January 2022

(4) Total of Reimbursement Claims made during the year 2022, in respect of years 2021 & prior years (if any)

(5) Total of Reimbursement Claims made during the year 2022, in respect of year 2021

(6) Total of Claims disallowed by the Donor, during 2022 (if any), in respect of Claims 2021 or prior years (if any)

(7) Total of Claims disallowed by the Donor, during 2022 (if any), in respect of Claims 2021

(8) Total of Reimbursements received during the year 2022, in respect of years 2021 or prior years

(9) Total of Reimbursements received during the year 2022, in respect of years 2021

(10) Total of reimbursement Claims outstanding as at 31st December 2022

[(3+4+5) - (6+7)] - (8+9)

(11) Total of Reimbursement Claims made after 31/12/2022 in respect of 2021 up to the finalisation of the Appropriation Account.

(12) Total of Reimbursement received after 31/12/2022 up to the finalisation of the Appropriation Account

(13) Total of Reimbursement Claims outstanding as at the date of presenting the Appropriation Account

(10 + 11 - 12)

Nil

....

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

Date : 2023/02/23

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

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Annexure-(vii)

Statement of Missing Vouchers

:Department of Government Factory
Expenditure Head No : 310
Programme No. & Title : 2, Development Activities

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

……………………………………………
~~Chief Financial Officer~~ /Chief Accountant/Director (Finance)/Com~~missioner (Finance)~~
Date : 2023|2|22

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

Annexure-(viii)

The Status Report as at 31/12/2021 on New Bank Accounts opened in terms of Para (01) of Treasury Operation Circular No. 5/2007 of 5/9/2007

Expenditure Head No. : 310

Department of Government Factory

Name of Bank	Account No.	Balance as per Bank Statement as at 31/12/2022 (Rs.)	Balance as per Cash Book as at 31/12/2022 (Rs.)	Total value of cheques not yet presented to bank as at 31/12/2022 (if exceeds 6 months)	Month of last bank reconciliation prepared
Bank of Ceylon	7042729	24.275.297	-	167.145	2022 December
Bank of Ceylon	7042705	16.894.744	-		2022 December

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

....

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

Date :

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

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3.5 Performance of the Revenue Collection

Rs'000

Revenue code	Details of revenue code	Revenue estimate		Revenue collected	
		Original estimate	Final estimate	Amount (Rs)	Final income as a % of the Department
2002.01.01 R	Rent of a government building	7 000	6 800	5 666	83%
2002.02.99	Other		1 000	1 217	121%

3.6 Performance of utilization of allocations

Rs ,000

Types of provisions	Provisions allocated		Actual expenditure	Provisions utilized as a % of final utilized provisions
	Original provision	Final Provision		
Recurrent	149 630	149630	143710	96%
Capital	50 800	50 800	31 572	63%

3.7 Progress of reporting non-financial assets

Rs. ,000

Asset code	Details of code	Balance as at 31.12.2022 according to the board of survey	Balance as at 31.12.2022 according to the statement of financial position
9151	Buildings and structures	As there is no provision to carry out survey work on the above items under fixed assets survey, balances cannot be given as per goods survey report.	408,971
9152	Machinery		285 879
	Vehicles		72 379
9153	Lands		240,000
9160	WIP		-

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

Summary Report of the Auditor General on the Financial Statements of the Department of Government Factory for the year ended 31 December 2022 in terms of Section 11(1) of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of Head -309, the Department of Government Factory for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations on these financial statements submitted to the Department of Government Factory in terms of Section 11(1) of the National Audit Act No. 19 of 2018 are included in this report. The report of the Auditor General that should be submitted in terms of Section 10 of the National Audit Act, No 19 of 2018 which should be read in conjunction with sub section 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in the Parliament in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Department of Government Factory as at 31 December 2020, and its financial performance for the year then ended in accordance with generally accepted accounting principles.

1.2 Basis for Qualified Opinion

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

1.3 Responsibilities of Chief Accounting Officer and the Accounting Officer on Financial Statements

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

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

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

1.4 Auditor's Responsibility on Audit of Financial Statements

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

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

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

- It is not intended to express an opinion on the effectiveness of internal control of the Department to plan appropriate audit procedures in a timely manner.

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

- The transactions and events underlying the structure and content of the financial statements are appropriately and fairly when submitting financial statements as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on other legal requirements

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

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

(b) The following recommendations made by me in respect of the financial statements of the previous year had been implemented.

Reference to paragraphs of the annual detailed management audit	Audit observation	Recommendation
(a) 1.2.1 (c)	**Stores Advance Account -2021** According to audit calculations, the cost of stock issued in the year under review was Rs. 160,397,852, but according to the financial statements the stock issue value was Rs. 159,042,692 therefore It was observed that the cost of issue of stock in the year under review was understated by Rs. 1,355,160 .	Stock should be accurately calculated and accounted for.

1.6 Comments on Financial Statements

1.6.1. Non-revenue receipts

(a) Advance Account

(i) The receipt of advances in cash under the advances to public officers in ACA-5 format in financial statement was Rs. 39,800 and in SA 52 treasury format the value of receipt of advances in cash was Rs. 18,672,188. Therefore it was observed that there was variation of Rs. 18,632,388 in the two cash in advance receipt formats. Further, the credit through cross entries being Rs. 20,688,652 in ACA -5 format of the financial statement, and the credit through cross entries in SA -52 treasury format being Rs. 2,056,264, a variation of Rs. 18,632,388 was observed. Accordingly, a difference of Rs. 18,632,388 was observed in the receipts through cash and cross entries between ACA-5 and SA-52 formats.

(ii) In ACA-5 format of the financial statement, the payment of advances in cash under the advances to public officers was Rs. 5,450 and in the Treasury format, that value was Rs. 2,944,250. Further, the payment of advances through cross entries under the advances to public officers was Rs. 5,770,437 and according to Treasury format SA-52 it was Rs. 2,831,637 and as such a difference of Rs. 2,831,637 was observed. Accordingly, a variance of Rs. 2,938,800 each was observed in the payment of advances by cash and cross entries between the two formats.

(b) Stores Advance Account

(i) Though the value of the goods issued from stores advance account to work done advance account was stated as Rs. 204,588,585 in the work done advance account, due to the issue value being indicated as Rs. 204,647,488 in the stores advance account, a difference of Rs. 58,904 was observed.

(ii) The stores items should be issued having added 10 percent to the cost and accordingly the value of the stock issued during the year under review should be Rs. 182,558,190. However, since the stock issuing cost being Rs. 174,236,395 as per the financial statements, it was observed that the stock issuing value was understated by Rs. 8,321,795 during the year under review.

(c) Advance Account of Public Officers

(i) In terms of section 3.2 of National Budget Circular No.118 dated 11 October 2004, though the loan balances receivable from officers who have been transferred should be recovered at once from the relevant offices to which they were transferred, it was onbserved during the audit that the distress loan balance of Rs. 138,000 of an officer who went on a transfer to the Colombo Municipal Council on 11.04.2016 receivable for over a period of 5 years was being recovered in installments from January 2022 and that too had not been recovered since August 2022 even in installments.

(ii) Though the loan balance of any officer who retires before paying off the loan should be recovered from the gratuity or monthly pension of the officer, it was observed that Rs. 1,312,931 remained to be recovered from for a period ranging from 03 months to 05 years from 13 retired officers.

(iii) According to the advance to public officers account submitted to the audit, it was observed that a loan of Rs. 145,650 receivable as at 31 December 2022 from an officer who had been interdicted had not been recovered even by the end of the year under review despite the lapse of 05 years.

(iv) According to the details of the advance to public officers account submitted to the audit, it was observed that loan balances amounting to Rs. 573,080 from 11 officers who had vacated their posts had remained unrecovered for over 05 years and it was also observed at the audit that loan balances of 03 officers amounting to Rs. 186,410 too had not been recovered for a period ranging from 01 to 05 years.

(d) Word Done Advance Account

(i) Out of the balance of Rs. 16,891,719 in the debtors excess receipt account carried forward from the year 2018, a balance of Rs. 10,030,152 had been set off from the debtors of the year 2009. The balance thus set off was not a balance relevant to the debtor who received in excess. Accordingly, from the balance of excess receipts from debtors after the year 2018, the balances occurred in the year 2009 had been falsely set off without any basis.

(ii) Though the aggregate of debtors of the years 2008 and 2009 was Rs. 36,941,553, according to the committee report that granted approval for writing off, the aggregate of the debtors of the years 2008 and 2009 was Rs. 4,045, 992. Despite that being so, in the financial statement, the entire abovementioned balance of the years 2008 and 2009 had been written off.

1.6.2 Deposit Accounts

The outstanding tender deposit balance for more than two years was Rs.848,563 and action had not been taken to credit such balances to government revenue in terms of Financial Regulation 57(3).

1.6.3 Non-Financial Assets

Code numbers have not been assigned so as to enable the physical identification of office equipment, items of furniture, computer accessories, electronic equipment and industrial and manufacturing equipment to the value of Rs. 284,896,200 indicated in ACA-6 format and SA-82 format in the financial statement.

1.6.6. Financial Assets

As the debtor balance of the Work Done Account was Rs. 536,724,700 and outstanding debtor balance for 1-10 years was Rs.241,984,958 as at 31.12.2022 the settlement of debtor balances was in a very poor condition.

1.6.5 Lack of evidence for audit

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

	Item	Value Rs.	Lack of evidence
(a)	Expenditure incurred from the depreciation fund	1,682,924	Detailed schedules
(b)	Debtors written off in the year 2017	53,161,909	Relevant approvals
(c)	Machinery purchased in 2012 and 2013	16,467,739	Detailed schedules
(d)	Furniture purchased in 2012 and 2013	765,283	Detailed schedules

1.6.6 Failure to maintain documents and books

Though the department ha maintained the following documents, it was observed during the audit samples that they had not been maintained systematically and up to date.

Type of document	Relevant regulation	Observations
Records of losses	Provisions of FR 110	Information not being included regarding the accident involving vehicle No: PD-9101 on 29.11.2021.
Liabilities register	Provisions of FR 445	Liabilities register has not being maintained up to date.
Personal emoluments register	Provisions of FR 453	Has not being maintained up to date.

2. Financial Review

2.1 Entering into liabilities and obligations

In the statement of liabilities and obligations included in the financial statement, it was observed that liabilities to the value of Rs. 1,191,508 had not been included.

2.2 Bank Accounts

Action had not been taken in terms of FR 396 (d) cheques to the value of Rs. 167,145 uncashed for more than six months as at 31 December 2022 in respect of the bank account No: 7042729 maintained by the Department.

2.3 Certification by the Accounting Officer

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

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

2.4 Non-compliance with laws, rules and regulations

The following are the instances of non-compliance with the provisions of the Laws, rules and regulations observed during sample audits are analyzed below.

Reference to Laws, Rules and Regulations	Non-compliance
(a) Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka FR 571	A list of lapsed deposits had not been prepared at the close of each half year.
(b) Sections 2.1, 2.2, 2.3,2.4,2.5 of Public Finance Circular No. 08/2019 dated 17 December 2019	Action had not been taken to register with the Electronic Government Procurement System before 31st January 2020.
(c) Assets Management Circular No: 05/2020 dated 02 October 2020.	Details of the repaired vehicles had not been submitted to the Comptroller General's office before 15 January 2021 to be forwarded to the Cabinet of Ministers.
(d) Assets Management Circular	

	No. 01/2017 dated 28 June 2017	
	(i) Section 5	Vehicles of Rs. 72,379,000 and machinery of Rs. 278,543,676 belonging to the institution had not been reported to the Comptroller General of the Treasury.
	(ii) Section 7	Communication equipment and industrial and manufacturing equipment amounting to Rs. 7,335,911 purchased during the year under review had not been reported to the Office of the Comptroller General.
(e)	Section 13.2 of Public Finance Circular No. 01/2020 dated 28 August 2020	Action had not been taken for the disposal of vehicle bearing registration number 41-9170 which could not be used from the year 2020.

2.5 Unauthorized working losses

In terms of FR 513, the unauthorized working loss of the Work Done Advance Account 9310030 of the year 2022 was Rs. 44,120,843.

Though it has been requested by letter No: 2C/Revision of Limits/365/02/(2022-2025) dated 16 December 2022 of the Director General of the Department of Government Factory (Acting) addressed to the Director General of the National Budget Department that that the net loss was Rs. 32 million as per the Loss/Profit account prepared as of 30 November 2022 and a provision of Rs. 150 million be allocated to Expenditure Item 310-2-1-0-1701 for the assumed loss as at 31 December 2022.

3. Operational Review

3.1 Performance

3.1.1 Delays in carrying out projects

(a) The Department of Posts having agreed to the cost estimate of Rs. 104,412,899 submitted by the Sri Lanka Engineering Corporation, had paid Rs. 22,199,572 on 06th March 2020 for the construction of a temporary building for the Transport Division of the Department of Posts. However the progress of the project was only 10 percent.

(b) The targeted provision relevant to the year under review for the fabrication and installation of water control gates of Ellewewa of the Department of irrigation was Rs. 14,178,200 and the physical progress was only 5 percent.

(c) The physical progress of the project with an estimated value of Rs. 12,708,000 for the installation of water control gates at the Kuda Oua reservoir of the Department of Irrigation was Rs. 12,708.000 was only 20 percent.

(d) The project with an estimated value of Rs. 4,147,400 for the fabrication of a structure for the Deegawapi Stupa of the Department of Archeology had only achieved a physical progress of 5 percent.

3.1.2 Abandoning projects without completion

(a) The project for the supply of 191 electricity lamp posts valued at Rs. 32,391,346 to the Central Cultural Fund had been stopped and since only 17 lamp posts to the value of Rs. 2,707,512 had been completed as at 31 December 2022, the physical progress was only 9 percent. It was observed that parts of cast iron lamp posts, glass cases and aluminium fabrications constructed for the project were lying idle in Workshop 01 and Workshop 06.

(b) The project to the value of Rs. 400,000 for the construction of adjustable beds to the Colombo North Teaching Hospital had not been carried out at all.

(c) The project worth Rs. 159,024,118 for the preparation of Baddegala water supply system of the Water Supply and Drainage Board had not been carried out.

(d) The project worth Rs. 53,463,000 for the renovation of the iron bridge of the Lunugamwehera National Park of the wildlife Department had been stopped.

3.2 Assets Management

(a) 37 quarters belonging to the Department remained unused and underutilized and the barrel yard located on 01 rood and 08.87 perch land remained idling.

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

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

(d) According to the sample inspection on stock verification reports under the stores advance accounts, 285 items worth Rs. 2,689,162 in Section C store, 166 items worth Rs. 24,591,684 in Section I Store and 281 items in Section A store had been maintained without release for a significant period of time incurring annual maintenance costs for this purpose, blocking space in warehouses , spending unnecessary labour and time for stock verification, and making stocks obsolete as a result of which it was observed that their value had also been decreased.

4. Human Resources Management

4.1 Approved staff, actual staff and expenditure for personal emoluments

Details of approved and actual cadre as at 31 December 2022 and the existing vacancies are given below. During the year under review, Rs.97 million had been spent on personal emoluments. Accordingly, per capita expenditure was Rs. 257,030.

Employee category	Approved cadre	Actual cadre	No. of vacancies
Senior level	31	18	15
Tertiary level	10	02	08
Secondary level	282	149	134
Primary level	446	180	266
Other	-	02	-
Total	**769**	**349**	**423**

There are vacancies in 423 posts and the Department had not taken action either to recruit workers based on the amount of work or revise the number of posts as per requirements.

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

Chapter 04- Performance Indicators

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

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

Chapter 05 – Performance in achieving Sustainable Development Goals

5.1 Identified Sustainable Development Goals

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

5.2 Achievements and challenges in attaining SDGs

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

06 Paragraph –Human Resources Profile

6.1 Cadre Management

Level	Approved carder	Present work force	Vacancies / excers
Senior	31	18	15
Tertiary	10	02	08
Secondary	282	149	133
Primary	446	180	266
Total	**769**	**349**	**422**

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

- The approved cadre for primary grades is 446and the number of vacancies is 266.
- Due to the shortage of officers in executive and secondary grades, several subjects have been assigned to serving officers. This has adversely affected the efficiency of functions.
- The shortage of workers is severely felt when the works of several projects are carried out simultaneously.
- Since salaries and wages of primary grade officers from the Work Done Advance Account, the financial strength thereof is taken into account in recruiting officers.

6.3 Contribution of training programmes for the performance of the institution-2021

No	Name of the programme	No of employees trained	Duration of the programme	Overall investment (Rs)	Type of training (Local, foreign)	Knowledge acquired after training
1.	Occupational Safety and health	188	08 days	0.00	Local	Satisfactory
2.	Productivity And Work shop management	252	07 days	0.00	Local	Satisfactory
3.	Safety	28	01 day	0.00	Local	Satisfactory
4.	Ms. Excel	22	02 days	0.00	Local	Satisfactory
5.	Electricity	67	02 days	0.00	Local	Satisfactory
6.	Industrial peace and economic prosperity	69	03 days	0.00	Local	Satisfactory
7.	Lean concept	80	03 days	0.00	Local	Satisfactory
8.	Leave	5	01 day	0.00	Local	Satisfactory
9.	NITA-NVQ	18	01 day	0.00	Local	Satisfactory
10.	CNC	118	03 days	0.00	Local	Satisfactory
11.	Labor Charter	08	01 day	0.00	Local	Satisfactory
12.	Energy Savings	49	01 day	0.00	Local	Satisfactory
13.	Use of Measuring Instruments	41	02 days	0.00	Local	Satisfactory
14.	Maintaining leave records properly	45	01 day	0.00	Local	Satisfactory
15.	Basic functions and legal regulation	11	01 day	0.00	Local	Satisfactory

The funds reserved for the year 2022 was limited. Hence the capacity development of factory employees were carried with the help of in house resource parsons. successfully in order to fulfill 12 hrs per year per head of employees.

The allocated sum for 2022 under vote 310-2-1-02401 was Rs. 300 000/= the amount spent for capacity balding via out side organization was as follows please.

No	Name of the programme	Number of employees trained	Duration of the programme	Overall investment(Rs)	**Type of training (Local, foreign)**	**Knowledge acquired after training**
1	Sri lanka Atomic Energy Authority	01	02 days	58320.00	Local	Satisfactory
2	Institute of Engineering	02	02 days	64000.00	Local	Satisfactory
3	Sri lanka foundation	08	16 hrs	64000.00	Local	Satisfactory
4	Sri lanka National Apprenticeship and vocational training authority	08	16 hrs	63125.00	Local	Satisfactory
5	Sri lanka Atomic Energy Authority	01	02 days	50120.00	Local	Satisfactory

Chapter 07 - Compliance Report

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

3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers.	Complied		
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package.	Complied		
4.	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared.	Complied		
4.2	The annual procurement plan has been prepared.	Complied		
4.3	The annual Internal Audit plan has been prepared.	Complied		
4.4	The annual estimate has been prepared and submitted to the National Budget Department (NBD) on due date.	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time.	Complied		
5	**Audit queries**			
5.1	All the audit queries has been replied within the time specified by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019.	Complied		
6.2	Answers have been submitted to all internal audit reports within a period of one month.	Complied	Other reasons due to Covid-19 pandemic	Making relevant parties aware as to other delays except those which are beyond the control of the institution
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018.	Complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulations 134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019.	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017.	Complied		

8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular.	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016.	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Complied		
8.5	The disposal of condemned articles had been carried out in terms of FR 772.	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Complied		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident.	Complied		
9.5	The fuel consumption of vehicles has been retested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016.	Complied		
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term.	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Not Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month.	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent	Complied		

	without exceeding the limit.			
	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1).	Complied		
12	**Advances to Public Officers Account**	Complied		
12.1	The limits had been complied with.	Complied		
12.2	A time analysis had been carried out on the loans in arrears.	Complied		
12.3	The loan balances in arrears for over one year had been settled	Not Complied		Action is taken from the year 2020 to check the balances every month and settle same.
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained.	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task.	Complied		
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per F.R. 371.	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations.	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account.	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176.	Complied		
16	**Human Resource Management**			
16.1	The staff has been maintained within the approved cadre.	Not Complied		
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017.	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation.	Complied		

17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Biannual and Annual reports have been submitted as per section 08 of the RTI Act.	Complied		
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management.	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular.	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	Not complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular.	Not compiled		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity-building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular.	Complied		
20	**Responses to Audit Paragraphs**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

7.1 Internal Audit Report

Vision:

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

Mission

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

Annual performance Report of the Internal Audit Unit of the Department of Government Factory -2021

Main Functions of the Internal Audit Branch.

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

Annual Performance for the year 2021

According to the annual Audit Plan for the year 2021, 12 no's of Internal Audit Reports had been scheduled. However due to Covid 19 pandemic situation, the internal Audit plan had been revised.

01. The summary of the performed Internal Audit Reports, during the year- 2021.

Serial No and Issued Date	**Detail of Internal Audit Report.**
01/2021 09/02/2021	Internal Audit Report of Performance and work related to Light Engineering works – Workshop No.07, of the Department of Government Factory.
02/2021 09/03/2021	Internal Audit Report for receiving the raw material for production and Issuing GRN (Good Received Note) of the Department of Government Factory.
03/2021 09/04/2021	Internal Audit Report regarding the central documentary Room of the Department of Government Factory.
04/2021 16/07/2021	Internal Audit Report on sales unit, planning unit and Sales Show room of the Department of Government Factory.
05/2021 29/07/2021	Internal Audit Report related to stock Maintenance in Stores, Non Moveable stock, Stock of Factory made, Standard Items and Store Ledger Maintenance in ledger Unit of Department of Government Factory.
06/2021 29/07/2021	Internal Audit Report on Capital Assets Management of the Department of Government Factory.
07/2021 18/08/2021	Internal Audit Report regarding the workshop No 14 (Vehicle Repair unit) of the Department of government Factory
08/2021 09/09/2021	Internal Audit Report related to Verification of Paid Documents maintained by the Accounts unit of the Department of Government Factory.
09/2021 07/10/22021	Internal Audit Report Regarding the workshop No 15 (Vehicle Dispatch unit) of the Department of Government Factory
10/2021 01/11/2021	Internal Audit Report Regarding the Relevant Vouchers Received to the Payment unit of the Department of Government Factory
11/2021 27/12/2021	Internal Audit Report Regarding Bank Reconciliation Statements of the Departmental of Government Factory
12/2021 30/12/2021	Internal Audit Report regarding stock maintenance procedures in the Stores Unit (Section G-Oil) of the Department of Government Factory.

02. Conducting the Audit and Management Committee meetings - Year 2021

It was able to hold only 03, out of 04 AMC's scheduled in the year 2021. This was make under the General Instruction of the Director General of Depart of Management Audit (DMA/AMC/M/2021/2) letter dated 06/08/2021.

Quarter	**Date of AMC's Held**
1st	23/03/2021
2nd	27/03/2021
3rd	10/12/2021

03. Submission of Quarterly Assessment report- Year 2021

Quarter	**Date**
1st	27/04/2021
2nd	12/07/2021
3rd	14/10/2021
4th	11/01/2022

04. Submission of details for Audit and Management committee meeting of Ministry year 2021.

Date
2021.01.21
2021.07.12
2021.12.01

05. OTHER MATTERS

Internal Audit Reports had been issued by Internal Audit branch as shown above. It has received satisfactory replies from the relevant parties. The Internal Audit Unit analyzed all the feedbacks and Corrective measures were taken and necessary guidance had been issued as relevant.

In addition to the above matters, the Internal Audit examined and monitored:

- The carder Vacancies,
- Recruitments,
- Advance to Public Officers Account,
- Commercial Advance Account (Work Done Advance Account),
- Receivable Balances,
- Government Quarters facilities,
- Progress of recruitment and Capital Expenditure,
- Annual Board of survey,
- Progress of replies Etc,

The Audit Observation issued by Internal Audit and the National Audit Office were discussed in the Audit Management Committee Meetings and necessary guidance are issued, for the success of the Department

DEPARTMENT OF GOVERNMENT FACTORY