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மத்திய கலாசார நிதியம்
CENTRAL CULTURAL FUND



වාර්ෂික වාර්තාව
ஆண்ட நிக்ைக
ANNUAL REPORT

2016



ශ්‍රී ලංකාවේ ශ්‍රී විභූතිය රැකගැනීමට අත දෙන්න
இலங்கையின் மேன்மையைப் பாதுகாப்பதற்கு உதவுங்கள்
Help save the Glory that is Sri Lanka

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Give A Hand To Protect Sri Lanka Glory

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கல்வி அமைச்சு
MINISTRY OF EDUCATION

01. Corporate Profile/ Execution Summary

1.1 Introduction

The Central Cultural Fund has been established for the provision of funds, for the development of cultural and religious monuments in Sri Lanka and to meet expenses incurred in the developing, restoring, and preserving cultural monuments and the development of religious and cultural activities of in Sri Lanka and abroad, and to provide financial assistance to artists, craftsman, writers, painters, musicians and others who who are engaged in promoting cultural activities; to provide for making of awards to persons who have served in the nation in the cultural and religious fields by the Central Cultural Fund Act No. 57 of 1987.

The Central Cultural Fund, which was then under the purview of the Ministry of Culture and the Arts, was assigned to the Ministry of Education as per Gazette Extraordinary No. 1933/13 dated 21.09.2015. The Secretary to the Ministry in charge of the subject functions as the chief Administrative Officer of the Central Cultural Fund, and in 2016, the administrative tasks were carried out under the Ministry of Education.

The Central Cultural Fund consists of 03 main departments namely Development Division, Administration Division and Finance Division as per the administrative organizational structure and number of three Directors are functioning as the Heads of said divisions. The Director General acts as the Head of the institution, and the Director General administrates the Internal Audit Division. A Legal Section is also functioning and it is falling under the Administration Division.

The Central Cultural Fund, which is not operated under the Consolidated Fund, generates income by way of issuing the tickets for locals and foreigners at historical heritage sites, and incurs the expenses for employees' emoluments and other expenses. Accordingly, the fund has received an income of Rs. 3,758,060,292.00 (tickets and other income) and incurred an expense of Rs. 2,215,396,896.70 in the year 2016.

No. of 21 projects were being implemented under the Central Cultural Fund and new projects were launched in Ratnapura, Jaffna, Trincomalee and Badulla in 2016..

Accordingly, no. of 310 sites were proposed as a total of 99 sites for archeological excavation and researches and 211 sites for conservations for the year 2016. Among them, the works were commenced in no. of 272 sites and the work carried out in 33 sites were completed as 11 excavation sites and 22 conservation sites.

No. of 140,816.48 work units have been completed out of the expected work units of 165,168.60 in this year. Accordingly, the Physical Progress is 67.8%. An expenditure of Rs. 537,440,191.77 has been incurred in order to fulfill these tasks, and the financial progress of the total expenditure is 48.6%.

1.2 Vision, Mission and Objectives of the Institution

➤ **Vision**

To make Sri Lanka's cultural heritages a Global Miracle

➤ **Mission**

Be the most distinguished Institution in Sri Lanka in the management of eastern cultural heritages through research, conservation, protection, development and promotion of Sri Lanka's cultural heritages and sustainable cultural and economic development

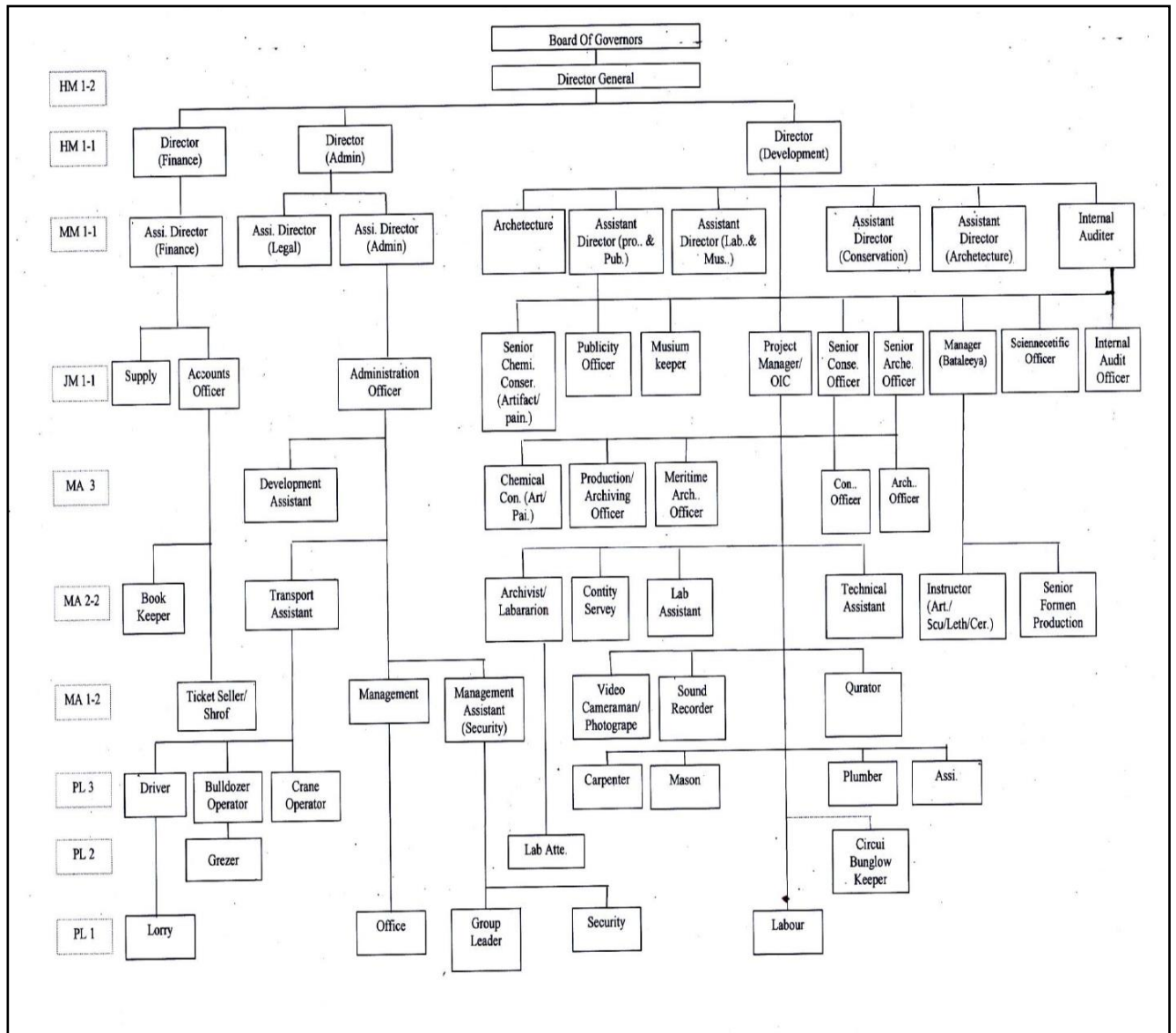
➤ **Objectives**

1. Carrying out archaeological exploration, research, excavation and conservation
2. Research, preservation, conservation and promotion of tangible and intangible cultural heritage
3. Making the human resource of the institution a satisfied group of people with the knowledge, attitudes and skills
4. Collection, analyzing, dissemination of data owned by the institution and developing, prompting and maintaining the exhibition centers
5. Promotion of the cultural heritage of Sri Lanka by obtaining attraction of the tourists from both Western and Eastern countries while preserving the cultural values.
6. To meet institution's revenue targets with a growth rate of 30% in the next four years and providing services more efficiently and with a higher consumer satisfaction.
7. Socialization of identified cultural values and value systems
8. To promote multi-religious and multi-ethnic coexistence and national peace
9. To foster cooperation with the international organizations and institutions in compliance with the national policies
10. Service modernization and service diversification to meet the requirement of the modern society

1.3 Activities and Aims

- To meet all expenses incurred in developing cultural monuments in the cultural triangle and such other cultural monuments in any area, other than the cultural triangle, which in the opinion of the Board need to be developed in the public interest
- To meet all expenses of Jetavana Dagobe Project and other similar projects
- For the promotion of religious activities within Sri Lanka or abroad
- for the advancement of religion or maintenance of religious places, rites and practices
- For the making of awards to persons who have served the nation in the cultural and religious fields
- To provide financial assistance to artists, writers, painters, musicians, sculptors and others engaged in promoting cultural activities
- To provide financial assistance for any other religious or cultural purpose which is, in the opinion of the Board, of benefit or interest to the public

1.4 Organizational Structure



1.5 Main Divisions/ Projects under the Central Cultural Fund

➤ Main Divisions under the Central Cultural Fund

- Development Division
- Administration Division
 - i. Legal Division
 - ii. Transport Division
- Finance Division
 - i. Supply Division
 - ii. Stores Section
- Internal Audit Division (Administered by the Director General)

➤ Main Projects under the Central Cultural Fund

- Abhayagiriya Project
 - Jetavana Project
 - Mahaviharaya Project
 - Sigiriya Project
 - Polonnaruwa Alahana Pirivena Project
 - Kandy Project
 - Dambulla Project
 - Yapahuwa Project
 - Dambadeniya Project
 - Panduwasnuwara Project
 - Kurunegala Project
 - Tissamaharama Project
 - Matara Project
 - Ramba Viharaya Project
 - Galle Project
 - Gampaha Project
 - Kegalle Project
 - Colombo Project
 - Ratnapura Project
 - Monaragala Project
 - Jaffna Project
 - Athapattu Office (Publication Unit)
 - National Replica School
 - Trincomalee Project
 - Badulla Project
- } The North-west Cultural Square Project
- } The Ruhunu Cultural Zone

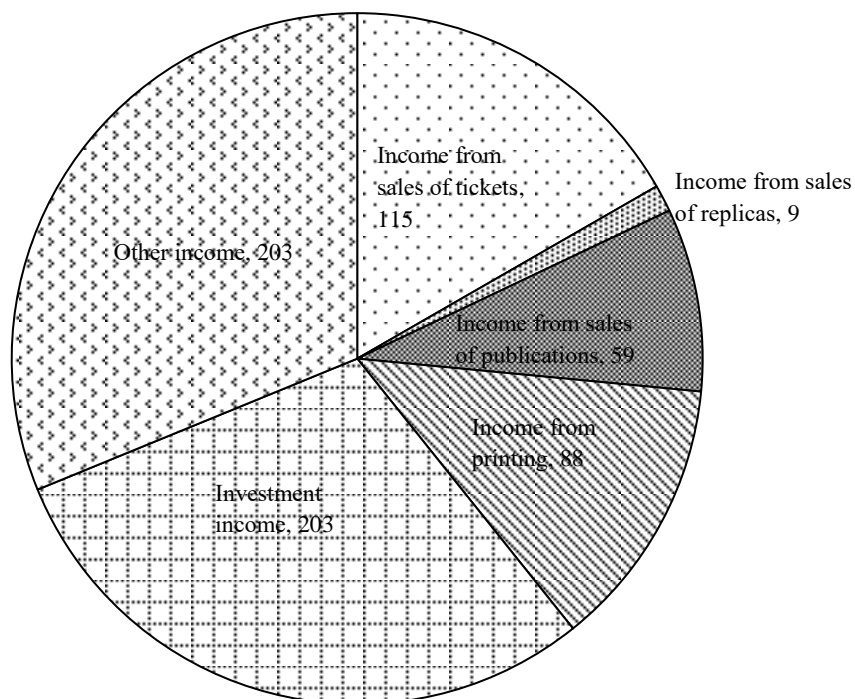
1.6 Funds managed under the Central Cultural Funds

Provisions allocated for the year 2016 and progress 31.12.2016

Serial No.	Description	Estimated Income Rs.	Actual Income Rs.
01	Income from sales of tickets	3,000,000,000.00	3,445,925,208.00
02	Income from sales of replicas	30,000,000.00	2,608,009.00
03	Income from sales of publications	15,000,000.00	8,846,068.00
04	Income from printing	15,000,000.00	13,155,989.00
05	Investment income	115,000,000.00	233,863,909.00
06	Other Income	25,000,000.00	53,661,110.00

Serial No.	Description	Progress (%)
01	Reccurent Expenditure	72.65
02	Capital Expenditure	23.17
03	Income	117.44

Income (%)



Progress and the Future Outlook

2.1 Financial Progress

Provisions allocated for the years 2015 - 2016 and progress

Serial No.	Description	Year 2015		Year 2016	
		Estimated Income Rs.	Actual Income Rs.	Estimated Income Rs.	Actual Income Rs.
01	Personal Emoluments	1,237,000,000.00	1,451,793,061.99	1,500,000,000.00	1,426,124,047.56
02	Travelling Expenses	27,000,000.00	15,001,925.72	50,000,000.00	19,973,852.19
03	Suppling Expenses	235,000,000.00	158,770,101.00	300,000,000.00	166,301,492.69
04	Maintenance Expenditure	343,000,000.00	75,951,004.09	100,000,000.00	62,628,968.10
05	Expenses on Contractual services	133,500,000.00	62,516,440.99	148,000,000.00	75,191,242.94
06	Other Expenditure	354,500,000.00	173,037,431.00	572,000,000.00	189,568,606.34
07	Expenditure for acquisition of fixed assests	490,000,000.00	47,161,767.00	480,000,000.00	111,231,002.00

Apart from the Excavation, exploration and conservation activities of the Central Cultural Fund, other daily office activities were carried out as usual during the year 2016. The required allocations were made as per the annual estimates.

An amount of Rs. 1,500,000,000.00 was allocated in respect of salaries, allowances and other welfare related activities for the staff of the Central Cultural Fund. Of which, an amount of Rs. 1,426,124,047.56 has been incurred. The expenditure was 117.36% and 95.07% in 2015 and 2016 respectively as a percentage. There is a decrease in the expenditure compared to the year 2015. Also, an amount of Rs. 19,973,852.19 and Rs. 15,001,925.72 has been incurred for travelling expenses in 2016 and 2015 and respectively.

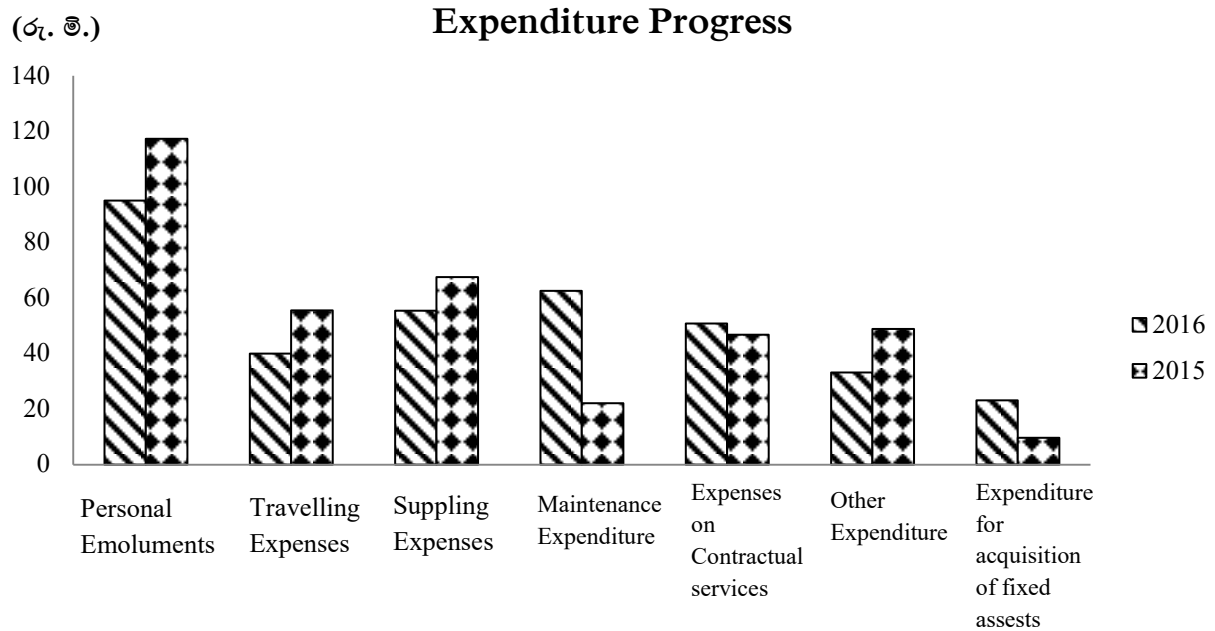
An amount of Rs. 300,000,000.00 has been allocated for suppling activities. An amount of Rs. 166,301,492.69 has been incurred for the said purpose out of the above allocated amount. It was Rs. 158,770,101.00 in 2015. An amount of Rs. 62,628,968.10 has been incurred in respect of maintenance works. The maintenance expense was 22.14% and 62.62% in 2015 and 2016 respectively as a percentage.

An amount of Rs. 75,191,242.94 (50.80%) has been incurred for the expenses upon agreed services in 2016. It was Rs. 62,516,440.99 (22.14%) in 2015.

A provision of Rs. 4,125,000.00 for the the artists, writers and authors in respect of other expenses, an amount of Rs. 104,490,691.16 for archaeological heriatage contribution and a donation of Rs. 1,550,122.59 have been granted in 2016.

An amount of Rs. 111,231,002.00 (23.17%) has been incurred for the acquisition of fixed assets in 2016 and it was Rs. 47,161,767.00 (9.62%) in 2015.

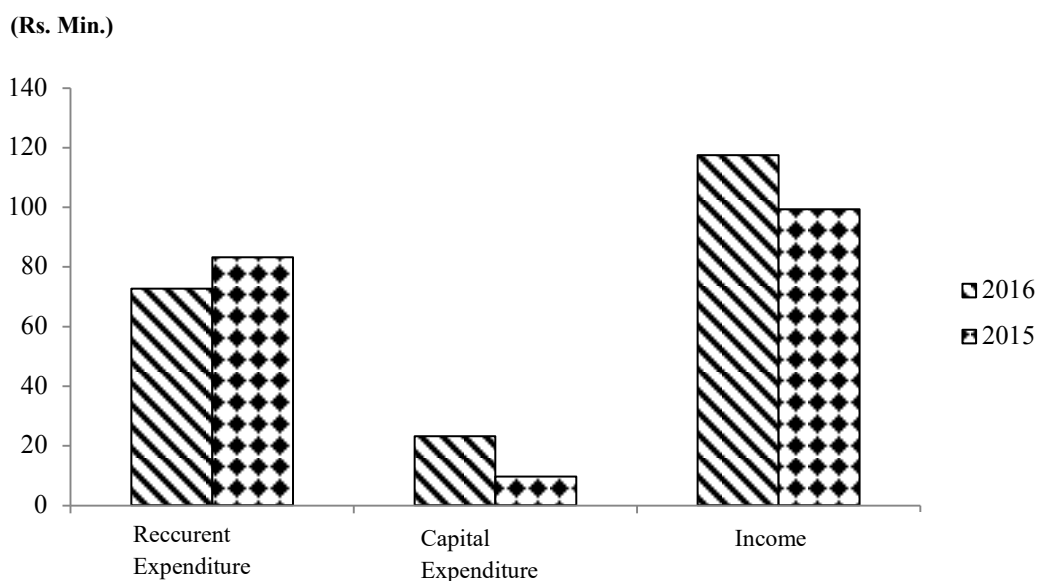
Due to the fact that Ratnapura project, Jaffna project, Trincomalee project and Badulla project were initiated in 2016, there is an increase in some expenses compared to the year 2015.



Serial No.	Description	Progress (%) (Rs. min.)	
		2015	2016
01	Reccurent Expenditure	83.16	72.65
02	Capital Expenditure	9.62	23.17
03	Income	99.26	117.44

The recurrent expenditure was 83.16% in 2015 and it is 72.65% in 2016. The capital expenditure was 9.62% in 2015 and it has been increased up to 23.17% in 2016. The implementation of 04 new projects by the Central Cultural Fund has resulted in the said increase.

The progress of income was 99.26% in 2015 and it is 117.44% in 2016. The increasement in the tourist arrivals and the increase in the income generated from other sources compared to the previous year have been resulted in the said progress.



Serial No.	Description	Year 2015		Year 2016	
		Estimated Income Rs.	Actual Income Rs.	Estimated Income Rs.	Actual Income Rs.
01	Income from sales of tickets	2,750,000,000.00	2,751,061,677.00	3,000,000,000.00	3,445,925,208.00
02	Income from sales of replicas	40,000,000.00	2,923,806.00	30,000,000.00	2,608,009.00
03	Income from sales of publications	15,000,000.00	1,931,050.00	15,000,000.00	8,846,068.00
04	Income from printing	15,000,000.00	11,299,313.00	15,000,000.00	13,155,989.00
05	Investment income	55,000,000.00	95,006,954.00	115,000,000.00	233,863,909.00
06	Other Income	25,000,000.00	16,459,409.00	25,000,000.00	53,661,110.00

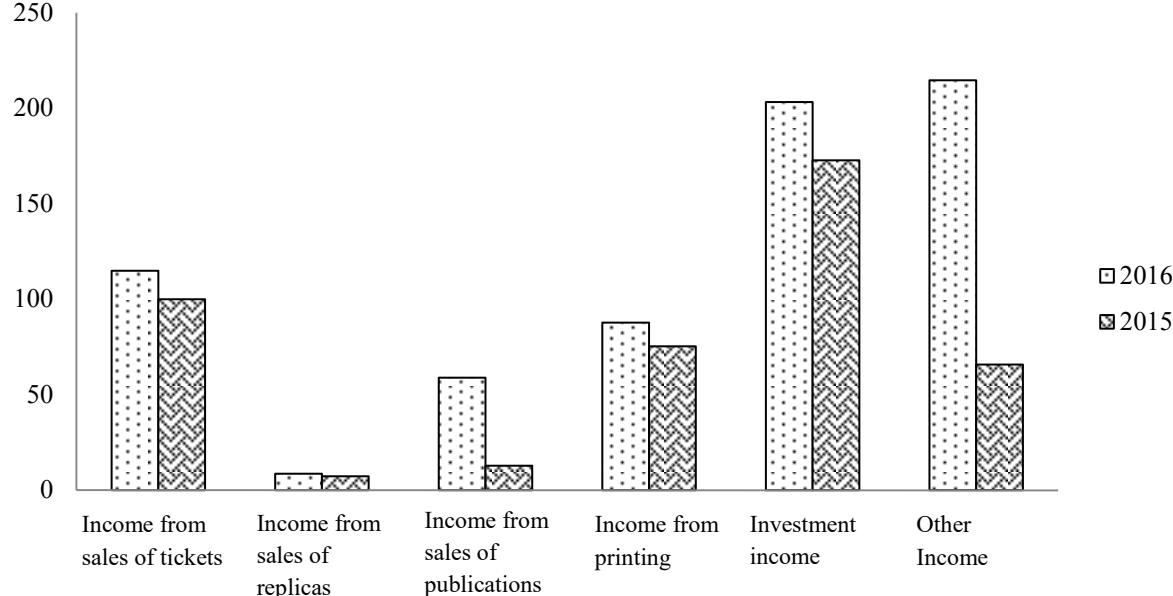
An amount of Rs. 3,115,925,208.00 has been received through the sale of tickets to the local and foreign tourists in 2016. It was Rs. 2,751,061,677.00 in 2015. The promotions done in the tourism sector along with the increase in the number of tourists has inevitably led to the increase in the income generated from sales of tickets when comparing to the previous year. As a percentage, it was 100.03% in 2015 and it is 114.86% in 2016.

An income of Rs. 24,610,066.00 (41.01%) in 2015 and Rs. 16,154,169.00 (23.07%) in 2016 has been earned as sales of replicas, publications and printings. Compared to the year 2015, there is a growth in the income generated from sales of publications and printings in 2016. The income which amounted to Rs. 13,230,363.00 (44.10%) in 2015, is Rs. 22,002,057.00 (73.34%). in 2016.

Also, there is an increase of Rs. 138,856,955.00 in the investment income than 2015 while the figures showed a growth of Rs. 37,201,701.00 in other income compared to the year 2015.

(Rs. Min.)

Revenue Progress



02. Progress

2.2 Physical Progress

Accordingly, the tasks related with archaeological research, excavation, conservation and development of infrastructure facilities to the tourists were carried out within 21 major projects. Although no. of 310 tasks were proposed in a manner that covers the aforementioned projects in respect of the previous year, only 272 tasks could be commenced due to the various practical issues and it led to complete the works related with 33 tasks.

No. of 140,816.48 work units have been completed out of the proposed 165,168.60 works unit for the year under review by the end of December and the physical progress achieved is 67.8%. An amount of Rs. 537,440,191.77 (48.6%) has been incurred as expenditure. No. of 275,281 man-days were utilized from January to December in 2016. A rate of 85% efficiency of 85% has been maintained.

Transport facilities were provided by the Transport Section, which is under the Administration Division, with the purpose of carrying out all the above-mentioned tasks of the Central Cultural Fund in an efficient and effective manner.

➤ **Abhayagiriya Project**

Excavation and Research

The excavation of the pond at the Northern side of Abhayagiri Stupa, excavation of the boundary wall of Vijayarama Sacred Quadrangle and the Bodhigara, research excavation at Vijayarama, and research excavation at the Kaparamula have been carried out. Also, pottery analysis have been done while the various training programmes have been conducted.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
32,036,351.35	20,000,528.75	66%	58%



Before the excavation of the boundary wall of Vijayarama Sacred Quadrangle



After the excavation of the boundary wall of Vijayarama Sacred Quadrangle

Conservation and Maintenance

Also, the conservation work at Vijayarama Stupa, conservation work of the Image House No. 36, conservation work of the Building No. 03 at the Twin Pond or Kuttam Pokuna, construction of the tourist footpath, landscaping activities at Uttaramula, renovation of the office situated at store, revovation of the Audio Visual Gallery, renovation of the Head Office of Abhayagiriya have been ncarried while performing scientific maintenance and other routine maintenance works.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
114,958,789.40	80,794,900.20	76%	80%



Before the conservation work of the Image House No. 36



After the conservation work of the Image House No. 36

Museum

The school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures have been conducted on monthly basis.

The Abhayagiri Project Laboratory has carried out the conservation of antiquities, the conservation of the Buddha statue of the Shrine room at Ruwanweliseya, restoration of the quardstone at Abhayagiriya Aramic complex, and conservation of the moonstone and the lion statue at the Residential Complex No. 21 of the Monastic Complex.

➤ **Jetawana Project**

Excavation and Research

This building, which is a monastic building located in the Jetavana monastery complex, has been excavated and the scientific features have been identified and conservation work has been done. Here, some stones have been found on the surface of this building and some other stone slabs have been found at the place which is assumed to be the entrance. Through this excavation, 03 steps of the stairway considered to be existed near the entrance along with an uncarved moonstone as well as coins, clay tablets, beads, iron nails, pottery and rock remains have been found. This is called Exacvation JMMC 2016.

Also, a preliminary exploration has been conducted in the Uchchavalika Rajamaha Vihara site, of which remains proves that this place had received the sponsorship from the ancient kings of the Anuradhapura era. Having identified the soil stratification, the stupa, Weli Maluwa (platform of sand), retaining wall and stairway; of which area had suffered severely from the soil erosion, have been excavated.

In the archaeological site of Vessagiri, which was known as Samana Viharaya in the past and in extent of 20 acres, no. of 03 rocks have been identified and indictaed as A, B and C as per the field map, and also excavation work has been commenced accordingly. There, a grid square was created focusing on the site from the east of rock B, and excavation work has been carried out within that site.

This cave excavation site has been named V.G. Cava No 02 2015, the purposes are to identify the uses, stages and technology of the cave in the prehistoric era. The excavations has led to uncover the remains of pottery, stones, metal, and charcoal.

In addition to this, the studies of beads uncovered from the research excavation conducted in the year 1998 in connection with the Ayaka or Western Wahalkada of the Jetavana Stupa have been conducted. And the pottery uncovered from the excavations conducted in the years 1982-2015, of which the remains have already been analyzed and conserved, have been analyzed under different themes.

Promotional activities such as conducting a series of monthly lectures through a panel of experts in the field, conducting a conference on the Jetavana Archaeological Research, and conducting mobile exhibitions as required, have also been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
16,835,180.00	12,026,540.00	74%	86%



**After Excavation JMMC
2016**

**Remains of stones and pottery
found in the Vessagiri cave
excavation**

Conservation and Maintenance

As per the decisions taken by the Board of Experts in the field of Archaeology, measures have been taken to conserve the Bodhigara of which conservation works have been initiated at several occasions and stopped due to technical issues that arose. After carrying out these conservation works, tasks such as cleaning the site so as to be able to clearly identify the stages and making the place of the building visible, repairment to the Gal Garadi Weta or railing made of stones, preparing a suitable rain gutter (Wehi Sivilima) for the drainage of rainwater, and building a stairway using bricks have been carried out.

Activities such as conservation of the Malwatu Oya Lane building, conservation of the area around the square chamber and pinnacle of the Jetavana Stupa, of which construction works were completed in May 2009 and which was declared a public asset, by repairing the damages caused by lightning, and the conservation of the exhibits in the museums have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
55,290,191.40	28,107,257.23	55%	61%



During the conservation of the Bodhigara building



After the conservation of the Bodhigara building

Museum

The school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures/seminars have been conducted on monthly basis. A workshop for drawing paintings has been also conducted to the visitors.

➤ Mahavihara Project

Excavation and Research

Excavation works of the pond have been completed at the Worksite No. 17.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
2,914,510.00	888,000.00	30%	22%

Conservation and Maintenance

Conservation of the Eastern outer wall of the Jaya Sri Maha Bodhiya, conservation of the Building No. 60 and 61 at Thuparamaya, conservation of the Eastern Boundary Wall of the Mahaviharaya, conservation of the Image House of the Thuparamaya, reconstruction of the culvert belonging to the footpath from the Ruwanweliseya and Jaya Sri Maha Bodhiya, conservation of the boundary wall extending from

Ethulnuwara to to Ruwanweliseya, and preparation of the Ruwanweliseya courtyard, scientific maintenance works and daily routine maintenance works of the Alms hall Ruwanweliseya have been done.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
54,119,725.20	31,361,208.27	66%	74%



Tuparama Building No. 60
Before conservation



Tuparama Building No. 60
After conservation



Tuparama Building No. 61
Before conservation



Tuparama Building No. 61
Before conservation

➤ Sigiriya Project

Excavation and Research

Excavation of the inner water canal of the northern entrance doorway, which has been maintained since 2012, was carried out soil were removed from an area in extend of 62m length, 36m width and 02m high. Analyse of clay pots and remains of pottery have been done. Excavation for removal of soil of the water canal around the Seethala Maligawa and excavation and research works for restoration of water fountains have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
29,588,730.00	20,710,731.00	77%	73%



**During the excavation of the
Nothern water cannal**



**During the excavation of the
water cannal arround the
Seethala Maligawa located at
right side**

Conservation and Maintenance Conservation and Maintenance

Conservation activities to prevent the deterioration of the lime plaster, which is the only surviving mortar found in the water garden and believed that which belongs to the 5th century, to maintain its lifespan to the maximum, conservation of bunds in order to prevent damage from being washed away due to the steep nature of the western end of the Sinhapada courtyard, conservation of the mirrorwall, consvation of the surface of the Sigiri rock, conservation of the Sinhapada courtyard, conservation of stairsway, conservation of all the bunds at Asana cave, and conservation of the uncovered objects in line with the excavation of the Nothert water cannal have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
250,894,996.79	93,060,047.25	77%	73%



During the excavation of the Northern water channel



During the excavation of the channel around the Seethala Maligawa at the right side

Museum

The school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures/ seminars have been conducted on monthly basis. Cultural shows have been also conducted and the academic journals (Apsara) have been published.

➤ **Polonnaruwa Project**

Excavation and Research

Excavation of the Demal Maha Seya with the primary objective of revealing the evidence related to the original construction, required for the conservation of said premises, excavation near the entrance to make the water drain through the eastern entrance of the Shiva Temple No. 02 building, which is at risk of sinking due to the accumulation of excessive water during heavy rains, excavation of the East-West old street to build an access road enabling the access through the eastern entrance door of the Shiva Temple building, Excavation of the Shiva Temple No. 02 for the purpose of finding out the factors related to the basic road system and water management systems for the promotion of the Shiva Temple premises to the tourists in a due manner, have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
35,262,271.00	22,826,531.35	71%	79%

Conservation and Maintenance

Including conservation of the remaining parts of the eastern and northern wall and the southern wall of Ethulunuwara, conservation works relating to the balance work of laying bricks in front of the Buddha statues of the Lankathilaka Image House removing the decayed brick layers and adding a mortar similar to the old mortar, and conservation of the complex properly having identifying the no. of 13 Boradam or beads on both sides of the entrance separating the dome and antechamber, conservation of the old plaster of the Parakramabahu Palace, Baddhaseema Prasadaya and Rankoth Vehera, and conservation of the building, the Northern Boundary Wall and drainage system of the Shiva Temple No. 02, have been carried out.

The scientific maintenance work such as maintenance of monuments in the Pothgul Vihara complex, maintenance of monuments at Ethulnuwara, maintenance of Dalanda Maluwa (terrace) and the Pabalu Vehera monument, maintenance of monument of the Menik Vehera, and maintenance of monuments at the Lankatilaka Viharaya have also been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
183,491,522.45	51,355,373.21	33%	56%



Before the conservation of monuments at Pothgul Vihara Complex



After the conservation of monuments at Pothgula Vihara Complex

Museum

The school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures/ seminars have been conducted on monthly basis.

➤ Kandy Project

Excavation and Research

Analysis of a collection of 460 stone tools found in the excavation of Bambaragalain 2014 in the middle of the Victoria Reservoir, which was an open human settlement was made and, 02 collection of Puskola potha (palm-leaf manuscripts) in Udunuwara Gallengolla Pothgul Viharya and Yatinuwara Suriyagoda Narendrasinghamara Viharaya were studied and the contents included therein were recorded.

Excavation and conservation works, educational and advertising activities, tourism promotion activities (Bambaragala), tasks related with pottery analysis, and promotion activities of the Medavasala Museum were carried out. In addition, preparation of research reports were done.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
7,422,345.00	4,225,286.45	60%	74%

Conservation and Maintenance

The protection of the Menikhinna Pothgul Vihara Library building with the Purawahala wall was initiated as a basic conservation work and the damaged wooden roof, the soldaraya, the decayed walls were conserved and the conservation work of the building's ground floor and the Pila or veranda was completed as a timely requirement.

The damaged roof of the building of Asgiriya Meda Temple was renovated as it existed earlier and the soldaraya and other timber pillars were also conserved with carvings they had. A portico and old fashioned window frames have been newly added in the manner that does not affect the architectural features.

The conservation work of the damaged roof of the Image House of Titta Pajjala Gale Viharaya, conservation work needed for preservation of the wall painting, conservation of the roof of the St. Paul's Church, which dates back to the year 1843 in the sacred Kandy city, and conservation of the house where the casket has been kept, belonging to the Asgiri Adahana Maluwa Gedige Temple and with the access road, were carried out while the roof, windows and doors of the Awasageya or hermitage belonging to the Asgiri Mullegama temple were made of wood and conserved to highlight the common architectural features of the temple complex. Also, the roof of the Vihara Pohoyageya or Chapter House belonging to the temple in the Gadaladeniya temple complex and the roof of the Welivita Sangharajapura Museum, Hataraliyedda

were conserved and the ruined walls of the Avasageya of the Watupola Purana Viharaya were restored and the roof was also conserved.

The statues of the Suriyagoda Rajamaha Temple which belong to the Kandian era and architectural features were conserved and conservation works related to the Varichchi wall which depicts paintings and of which damages have occurred due to loose areas of plaster, peeling paint layers and exposure to termite infestation were carried out.

Conservation works related to the wall paintings of the Galgamuwa Rajamaha Temple and Kadigamuwa Nagawanarama Rajamaha Temple where damages have occurred due to loose areas of plaster, peeling paint layers and exposure to termite infestation were carried out, carried out.

Conservation was done for the peeling of the plaster, the removal of color layers, the removal of dust and the damage caused by the activities of termites in the frescoes of the.

In order to prevent damage due to water seepage due to heavy rains to the frescoes inside the Degaldoruwa Rajamaha Vihara, the conservation works were completed by cleaning the drain systems, installing mortar and preventing bats from entering the internal small chambers in the cave and adopting effective air conservation methods in the cave.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
74,635,812.00	28,741,514.39	45%	77%

➤ **Dambulla Project**

Excavation and Research

All barani and pottery recovered from the excavation done at the Ibbankatuwa Megalithic Cemetery were analysed.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
6,236,300.00	2,381,284.50	38%	95%

Conservation and Maintenance

The Museum of Wall Painting in Dambulla is consist of a Store of paintings where a collection of various paintings has been kept. These paintings were examined and conserved.

Conservation of the cave paintings, where kataram can be found, of Geradiyagala Rajamaha Temple belonging to the early Anuradhapura period and conservation of the wall paintings of Silvathgala Rajamaha Temple and Thalghahagoda Temple were carried out. Measures have been taken to prevent damages which caused to the wall paintings of the Koswatta Rajamaha Temple, which happen due to cracks on the layers of paint, discoloration, peeling paint layers, wall piant flaking, etc.

Architectural Conservation in the Weragama Bodhimalakaramaya, repair to the roof of the alms hall or Danashalawa of the Walagamba Pirivena, architectural Conservation of the Ukuwela Weligala Purana Rajamaha Temple, and renevation to the Dambulla Project Office, Publication Store and Vehicle Garage were carried out. Also, Danashala Roof Repair,. Also, a center for wall painting conservation and trainings was constructed and a Certificate Course for Conservation of Wall Painting was conducted.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
85,540,509.00	19,677,279.39	25%	76%



Before conservation of the wall paintings of Garadiyagala Rajamaha Temple



After conservation of the wall paintings of Garadiyagala Rajamaha Temple

Museums

The school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures/seminars have been conducted on monthly basis.

➤ Yapahuwa Project

Excavation and Research

Excavation of the unidentified old constructive evidence located at the north side of the building which is called Yapahuwa Dalanda Palace with an ornamental stairway, was commenced with the aim of studying utilization of the said building, architectural techniques and technology. This excavation recovered a foundation of a building, a remain of a stone which is believed to be a stone pillar, remains of a foundation with two blocks in course (galvari) and several other indeterminate stone elements.

With the purposes of studying the technology that used for the construction of the retaining wall, studying the construction stages, and comparison with other walls, conservation work of the outer retaining wall (Prakara bund) initiated from the south entrance to the west entrance. The vertical and horizontal methods have been used to identify the construction stages of the wall. The wall made of stone and bricks, has been severely damaged.

With the aim of proving the fact that the mud moat which is situated over the outer moat has been used as a security barrier in a fortress as Senath Paranavithana says, in a way that is acceptable in architect and archaeology, research excavation has been carried out in the mud moat. Through this excavation, the soil layers were identified separately, and according to the evidence recovered from the excavation of the moat No. F, the features of a moat could be clearly identified.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
22,068,447.50	5,471,478.18	27%	19%



Before the excavation of the unidentified building near Dalada Maligawa



After the excavation of the unidentified building near Dalada Maligawa



Before the excavation of the retaining wall



After the excavation of the retaining wall



Before the excavation of the mud moat



After the excavation of the mud moat

Conservation and Maintenance

In the conservation of the Nagolla Chantaghara, the joints have been filled with a mixture of sand, stone dust and termite clay to make the wall stronger. The Pilkada with two parts, which is in the inner part of the building was conserved using only crushed stones and bricks. For the purpose of filling mortar joints and make the walls stronger, the mortar has been made of cement, limestone cement, fine sand and termite clay mixing to the ratio of 1:2:8:1.

The extent from the starting point of the horseshoe-shaped outer moat, which is 1020 meters long and 18 meters wide, to the eastern entrance has been conserved. As there was a possibility to the collapsion of the side bund of the moat, which was made of stones, when the stones are packed upward, the bund wall has been constructed in a manner that the next layer of stones is placed one inch backward oc the previuos layer after the previous part reaches the hight of 1 Wariya (measuring scale). The mortar joints are filled with the sand, cement, stone dust and termite clay mixed to the ratio of 1:1:1:1. after the bund is constructed.

The conservation work of the Western wall of the Siwures retaining bund has been commenced as the first stage of the conservation of the Gurugoda Stupa which was commenced on 01.08.2016. As the second phase, the conservation of the northern wall of the Siwures retaining bund has been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
23,975,107.02	20,296,456.50	109%	88%



During the conservation of the outter moat



During the conservation of the Gurugoda Stupa

➤ **Dambadeniya Project**

Excavation and Research

An archeological excavation in the site situated near the new Museums building of the Wijayasundararama Temple in Dambadeniya and landscaping tasks, an achaeological exploration at the Vessagiri Kanda Aranya Senasanaya, and a preliminary investigation in the Maligala tunnel of Dambadeniya have been carried out.

Reseach works related with the inscription stones located in the Narammala and Weerambagedara Divisional Secretariats have been commenced and they are being studied. There, the inscriptions of the Dambadeniya Vijayasundarama Rajamaha Viharaya, the rock inscription belonging to the Matiyagane Mayuravathi Viharaya, as well as the rock inscriptions of Viharegama Rajamaha Viharaya at Ruwangiri Kanda, Sri Babilavanarama Viharaya, Matiyagane Mayuravathi, Viharagama and Rukmale Giriguharamaya have also been studied.

Antiquities found in the excavations in front of the new Museums in Vijayasundarama and in the exploration of Rwangiri Kanda, have been studied and reported.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
3,770,077.00	2,327,775.24	66%	71%



**Before the excavation of the
front of the new Museum**



**After the excavation of the
front of the new Museum**

Conservation and Maintenance

According to the excavation of the Western retaining wall of the Dambadeniya Vijayasundarama Temple, the conservation work required to construct the retaining wall was carried out. The old ruins can be seen on the south side of the temple courtyard, which is believed to be the remains of the Uposathagaraya, after the excavation done, and maintenance works have been carried out in a manner that safeguards the monuments found and increase the tourist attraction.

Conservation of the wall paintings of the Narammala Bulapitaya Sri Sugatharama Temple, of which painting layer began to peel off, was carried out. Conservation tasks to the Makara Thorana (Dragon Arch) with two guardians have been carried out and arrangements have been made to correct the filling done improper manner to the Samadhi statue depicted on the ceiling. The paintings on the inner walls have been confirmed and restored.

The parts of the carved wooden pillars of the Dambadeniya Sirigala Purana Temple, of which damages and cracks can be seen due to insect infestation, have been restored filling the carved parts with a suitable mixture. The old wood preservative and lichen have been removed and a wood preservative has been applied on the surface again. Copper alloy coins, fragments, iron clay and lead artifacts were conserved.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
5,775,424.50	2,139,208.24	38%	44%



After the conservation of the
Images of the Narammala
Bulapitaya Sri Sugatharama
Temple



After the conservation of the
Images of the Narammala
Bulapitaya Sri Sugatharama
Temple

➤ **Panduwasnuwara Project**

Excavation and Research

The site near the Tissava Purana Rajamaha Temple has been explored and studied following 02 main methods of non-intrusive survey methods dividing the site into 04 main parts.

- Monuments around the Tissava Rock (Sacred footprint, Sky Pagoda, rock shelter, caves with Kataram)
- Tissava Temple Precinct (The Bo tree, Pohoyage Watta, Dagodella)
- Uyanwatta Temple Precinct (The Bo tree, Cave Temple)
- Monuments on the outskirts of Tissava (Valane Paththini Devalaya, Patta Polegala - Stupa No. 01 and 02, Nagulmunna Rambagala Monument, Antiquities found - Pottery, Part of the Uraketa well)

Since it is not possible to visit to all the places with pre-Brahminical inscriptions throughout the Kurunegala district, epigraphic studies have been conducted and reports have been prepared primarily on the basis of the books published on the inscriptions. Further, antiquities have been recorded and a quality report for artifact classification has also been prepared.

This excavation has been carried out with the aim of identifying the relationship between the school and the brick wall behind the North-west office of the Department of Archaeology, which is located to the west of Panduwasnuwara moat and Bandaranaike College. This was carried out as a research excavation under the supervision of the Department of Archeology using the Trench Excavation method, but no archaeological evidence could be discovered, so the excavation was stopped.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
911,590.00	278,160.00	32%	30%



Caves discovered through the exploration



Some of the pottery recovered in the Tissawa cave exploration

Conservation and Maintenance

The timber used for the roof and walls of the preaching hall of the Dandagamuwa Sri Sudarshanarama Vihara have been severely damaged by excessive infestation of termites, and the roofing laths have been damaged by the leakage of rainy water flowing through the holes in the decayed tiles during the rainy season. they were conserved in due manner.

The 03 basal rings of the Nathagane Stupa had been fully completed, and the western part of the dome was conserved as it was consisted of 07 bricks course in a manner that preserved the ancient mortar. The ancient plaster that remained on the dome of the stupa was conserved and landscaping and maintenance works around the stupa were carried out.

The paintings drawn using the Tempera method can be seen in the temple recently known as Navinna Tampita Vihara, but it was called Vahanthare Rajamaha Vihara in the past. These paintings have been destroyed due to the insect infestation and

environmental conditions. Also, tubular cavities were created through the plaster on the surface of the painting and empty spaces were formed in the plaster, and the poor condition of the painting plaster could be identified due to the cracks on the corners of the wall. Accordingly, the paintings were conserved and daily maintenance was carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
28,992,639.00	17,020,130.76	64%	63%



Before the conservation of Nathagane



After the conservation of Nathagane Stupa

➤ **Kurunegala Project (Rideegama)**

Excavation and Research

Exploration activities at Kurunegala old retaining wall and Kirindigalla Haththampotha have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
793,539.30	389,562.74	54%	43%

Conservation and Maintenance

Conservation of the preaching hall of the Jayakaduwa Rajamaha Temple (completion of repairs to the damaged roof), conservation of the roof of the old preaching hall of the Ridee Viharaya, renovation to the stupa of the Morapaya Rajamaha Temple, construction and completion of the retaining wall of the Ibbagala Rajamaha Temple, construction of the Pilgrim's rest house of the Ridee Viharaya, conservation of the paintings of the Varaka Weladu Viharaya, conservation of the preaching hall of the Maspotha Rajamaha Viharaya (estimates have been prepared again for the year 2017)

and conservation of antiquities brought from the Panduvasnuwara project have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
43,276,143.22	14,415,815.13	35%	58%

➤ **Tissamaharama Project**

Excavation and Research

A scientific excavation has been carried out in the area where the Asanagara are situated in the Yatalaya Rajamaha Temple precinct. Accordingly, No. of 04 trenches have been excavated towards the four directions to cover the excavation area and the excavation has been started by dividing extent of the site into blocks of one meter each. There, the bund made of stones, stone pillars, and archeological evidence have been recovered and the excavation is being carried out further. Through the excavation, a stone used for washing feet, beads, coins, clay shells, parts of pottery, pinnacle nmade of clay, tiles, shells, bones etc. have been recovered.

Excavation was carried out in the open area near the Sandagiriya Image House following trenching method, where coins, coin moulds, beads, pottery and remains, a piece of pottery with inscriptions, glass fragments, shells, bone fragments, tiles and bricks were found.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
10,755,123.12	6,226,291.93	61%	74%



**During the excavation of
Asanagara in the Yatala
Rajamaha Temple**



Some antiquities found in the excavation of Asanagara in the Yatala Rajamaha Vihara



After identifying the layers in the Sandagiriya excavation site



Some artifacts recovered in the Sandagiriya excavation site

Conservation and Maintenance

The monument of the Naigala Rajamaha Temple was damaged by the long-term degradation and it was properly conserved. An outdoor gallery was established so that the public could see them. Conservation of foundations and stone pillars at the Sandagiri Pohoyageya; an Aramic complex, which have been degrading due to natural causes such as collapsion, was carried out removing the weeds and plants and the restoration of the said monuments was done. Repairs to the Kataragama Rama Krishna Madam which was in a dilapidated state, renovation of the Avasgeya of the Tissamaharama Temple and maintenance of the Kataragama Museum etc. have been carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
25,392,946.50	8,513,581.18	36%	66%

➤ Matara Project

Excavation and Research

The old buildings situated inside the Matara Fort were explored, classification of buildings was done and they were recorded. The old buildings that can be clearly identified beside the old Galle road, were explored and recorded. Information were collected with regards to the caves located with 09 Divisional Secretariats in Matara district.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
2,367,800.00	633,580.00	30%	42%

Conservation and Maintenance

The 130-year-old Migadaya Sanghavasa building, which had been destroyed and consisted of architectural features belonging to the British era, was conserved by way of restoring bargeboard and roofing tiles, making weatherboard, covering the balcony with the interlocks made of clay and filling the joints with mortar, and conserving the doors and wooden handrail.

The conservation works at the Yonakapura Mosque, which was founded as a school in 1755 A.D. were carried out by restoring the roof damaged by insect menace and rain water. When laying the Terracotta tiles in the ground floor where floor cracks caused by various environmental issues could be seen, remains of bones, coins, parts of porcelain pots, etc. have been recovered.

The conservation of the supporting wall located below the Umangala Owagiri Temple, which had been damaged by natural and human activities, repairs to the stairway and drains that aligned with the footpath, conservation of timber used for the image house's roof, and conservation of carillion pillars and stupa were carried out.

Restoration and conservation of the Seema Malakaya and stupa of the Gandara Purana Temple where damages had occurred due to natural causes and human activities, conservation of the preaching hall of the Weligama Goviyapana Dharma Sumanaramaya, and conservation of the old image house of the Mirissa Veheragala Samudragiri Temple were carried out. Also, construction of a protective stone bund at the Urapola Thenajothi Vidyathana Pirivena, a rest house for pilgrims at Getabaruwa Rajamaha Temple, and the facade or Wahalkada of the Galagama Shailaarama Viharaya were completed. Conservation of wall painting at the Mirissa Samudragiri Viharaya and Gandara Image House and the preaching hall of the Goviyapana Vijaya Sumanarama Viharaya were carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
26,763,611.00	6,657,599.09	26%	46%



**Before the conservation of
Yonakapura Mosque**



**After the conservation of
Yonakapura Mosque**



Before the conservation of the wall paintings of the Mirissa Samudragiri Temple



After the conservation of the wall paintings of the Mirissa Samudragiri Temple

➤ **Ramba Vihara Project**

Excavation and Research

Excavation of the outer wall No. 03, which consists of rocks could uncover a layer of a unique tiles a pile of lamps at the southern end of the retaining wall but beyond the. It can be assumed that they were a package used for tiles and a dump area where the used lamps were disposed. At the northern end of the western wall, the evidence of a unique building have been uncovered. Accordingh to the architectural structure of the building, it can be assumed that it may be a toilet complex. Excavation was carried out at the research level in the part of the bund stretching to the northern direction, where remains of the buildings can be seen, and the excavation uncovered evidence of a copper artifact, which can be assumed to be a pot of slaked lime or Hunukillotaya as well as 03 coind of King Parakramabahu. In addition to those, the Excavation uncovered remains of several clay pots, an adze, a part of artifact assumed to be a bowl, parts of a semiconvex plates made of clay as well as oil lamps, pieces of porcelain, iron nails, pieces of wrist-bands, lamp posts, remains of an anklet, and species of quarts called Diyathalippu.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
6,059,907.50	4,048,391.00	73%	90%



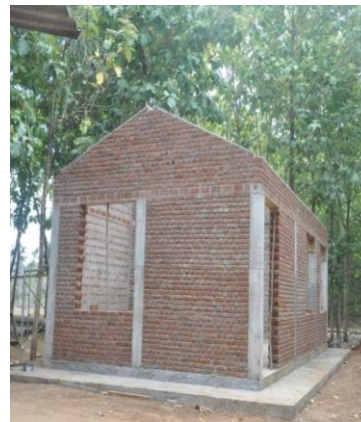
During the excavation of the bund No. 03



A collection of roof tiles uncovered from the excavation



During the conservation of Building No. 02



During the construction of the new Store Building

Conservation and Maintenance

The Building No. 02 and Building No. 23/11 have been conserved under the tasks of architectural conservation. Also, construction of the new store building, renovation to the Headoffice building and construction of the building for the sale of tickets have been completed.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
17,772,779.55	9,651,705.46	59%	59%

➤ Galle Project Galle Project

Excavation and Research

Tasks such as exploration of the wooden ship called Arippu which existed far from 9 Km at the depth of 8.5 m, of which width is 18 m, taking measurements to create a rough design of a steam-powered ship of which field stretches from 05 m with a width of 19.2 m and which belongs to the late 19th century or early 20th century, exploration of the ship called HMS Athelstan (1942) heavily damaged by Japanese attacks during the World War II and which lies in the deep sea with a depth of 40 m opposite the Olivil Lighthouse, diving for recording the design and position of the ship and photographing the HMS Hillyhwle (1942) wrecked by the Japanese attack on April 09, 1942, Obtaining GPS data of the British surgeon ship which has been wrecked and broken into 02 parts, which lies in the depth of 25 m and in front of the area called Wakare and creating a basic design of the ship, exploring the new steamship at Passikudah, taking photos and video recording of the Sri John Jackson ship built by the Nethermerland Company in Newcastle, which has been wrecked near Batticaloa having obtained the GPS location, measuring a part of the steamship at Batticaloa, exploring the Stone Bridge at Kayankerni, revealing the information and GPS evidence of the S.S. Indus ship (Mullative) wrecked with the Baruth sculptures/carvings and a number of other items and uncovering of a small metal pot with a symbol of the sun and the logo of the P&O company through the said excavation, etc. were carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
22,043,680.58	6,052,955.36	30%	47%



During the exploration of the wooden ship - Arippu

Conservation and Maintenance

Conservation of Maritime Archeology Museums, conservation of the damaged roof of the Sri Shailabimbarama Mahaviharaya, Dodanduwa by replacing damaged tiles, reconstruction of a two-story building with a relic shrine demolishing the old building of the Habarakada Sri Vijayananda Purana Rajamaha Viharaya, which was built as a two-storied building but seemed to be a single story building due to decaying, repairs to the roof of the Katalwa Purvarama Vihara in a manner that did not harm the paintings on the ceiling and walls as they were at a risk of damage due to leakage of water through the rotten roof, conservation of the roof and ground floor of the Sri Subhadrarama Viharaya of which ancient architectural features could be seen and where severe damages had been occurred, by installing the wooden frame belonging to the main roof and the part called Bandaraya, laying roof tiles, plastering wall with cement, entrusting repairs to the old electricity system, concreting and finishing the floor and repairing the doors, were carried out in successful manner.

Story The roof of the temple of Katalwa Purvarama Vihara was in danger of being destroyed due to the decay of rainwater and the infiltration of rainwater into the temple, so the roof was replaced with new wood to prevent damage to the paintings. And the ground had been greatly damaged, and the main roof and the wooden frame of the baranda part was installed and tiled and the walls were plastered and conservation.

And the old dilapidated electrical system was dismantled and re-arranged, the floors were concreted and plastered and the doors were preserved.

Conservation of artefacts (copper alloy, iron, wooden, pewter, brick, stone), conservation of old British badges, conservation of Museum paintings and other artefacts, and conservation of artefacts of the Richmond College were carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
34,164,936.50	13,164,598.47	57%	76%



During the conservation of the Maritime Archeology Museum



Before the conservation of the Kathaluwa Purvarama Viharageya



Before the conservation of the Kathaluwa Purvarama Viharageya

➤ Gampaha Project

Conservation and Maintenance

In the Duwa Sindrani Church at Negombo, the plaster was removed from the walls that had been degraded due to salt, liquid plastering was carried out, granite was applied and a plaster column was prepared for the finish, and the front main door was painted and re-fixed by applying waterproofing to the woodwork.

The wall paintings and statues of the Heyyantuduwa Rajamaha Temple, which belongs to the Kandian tradition, were conserved.



Before the conservation of the plaster of the Duwa Sindrathi Church at Negombo, degraded due to salt



After the conservation of the plaster of the Duwa Sindrathi Church at Negombo, degraded due to salt

➤ **Kegalle Project**

Excavation and Research

Information regarding the archaeological sites and monuments in Kegalle district was explored, and reports were prepared identifying sites with an archaeological value, monuments, old road systems and places to be excavated separately.

➤ **Colombo Project**

Conservation and Maintenance

A few selected places in the Kalutara district with an archaeological and historical value were explored and observation reports related with further activities were prepared.

➤ **Ratnapura Project**

Excavation and Research

Studies were carried out regarding the libraries situated within and outside the limits of the Ratnapura district and reports were prepared on the places with an archaeological and historical value. Archaeological research were conducted on the upper slope from Molamure to Kalthota.

➤ **Monaragala Project**

Excavation and Research

The exploration of the placed called Kurullangala, where a rock with the painting of birds situated in an open area and exploration works at the Buduruvagala and Maligavila archeological sites were carried out and reports on tourist attractions, sacred place and aesthetic places and inscriptions in Badulla district were prepared.

Conservation and Maintenance

The conservation works of Rakkhitakanda Purana Vihara have been completed. Also, the conservation works of Mudalindarama Tampita Vihara have been commenced and the remaining works are being carried out.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
10,868,505.00	203,415.00	02%	30%

➤ **Jaffna Project**

Excavation and Research

Excavation works at the 300-year-old Jaffna Fort was carried out and the said excavation uncovered the remains of slag iron, clay pots, charcoal, tiles, pieces of marble and hinges.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
3,937,600.00	3,134,380.00	79%	41%

Conservation and Maintenance

The hospital constructed by the Europeans in the Delft Island, was renovated in a manner that did not harm the old structure of the building and conserved.

Estimated cost (Rs.) (Material and Labour)	Expenditure incurred (Rs.) (Material and Labour)	Expenditure Incurred (%)	Physical Progress (%)
3,708,799.95	295,000.00	08%	30%

➤ **Publication Unit**

The Publication Unit prints all reports on excavation and conservation, pamphlets, guide books, academic books, posters, picture postcards, sculpture books etc. which are published by the Central Cultural Fund, and local and foreign tickets along with the publications received from the external establishments.

This unit consist of the Photography Section and Documentation section, these sections photograph and video the events related with different kinds of activities carried out by the Central Cultural Fund.

This unit also consists of the Geological Research Section and Microbiological Research Section, and these sections provide support related to Excavation and Conservation activities by carrying out various research and exploration activities.

Conservation and Indexing Unit – Puskolapoth

The Conservation and Indexing Unit - Puskolapoth (palmleaf manuscripts) carries out its activities related with conservation of Puskolapoth in the temples located through out in Sri Lanka.

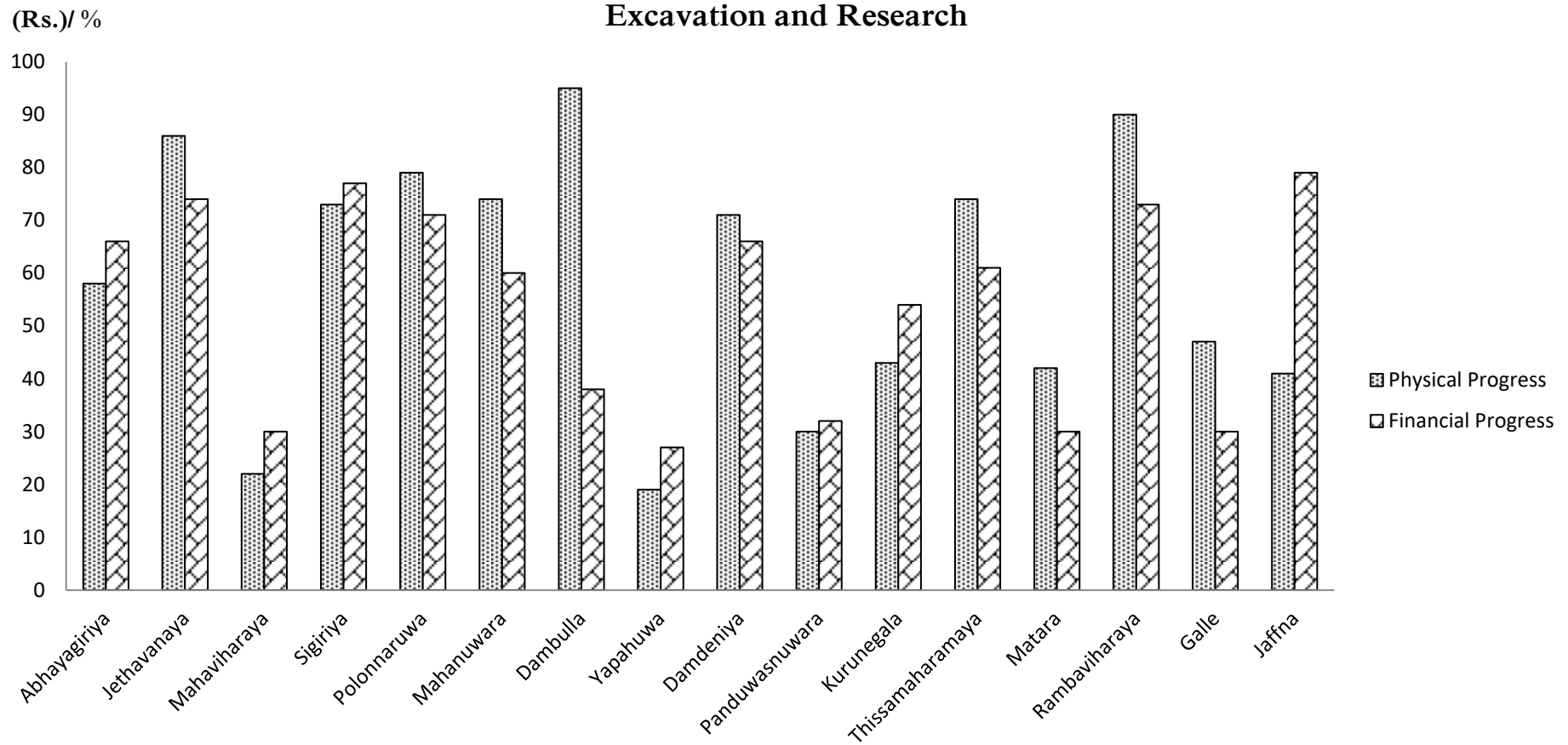
➤ **National Replica School (Bataleeya)**

The National Replica School established in the year 1997 consists of Academic, Production and Marketing Divisions, and by publishing newspaper advertisements, students are enrolled in the courses conducted by the Replica School subject to a two-year academic period and provide them with theoretical and practical knowledge.

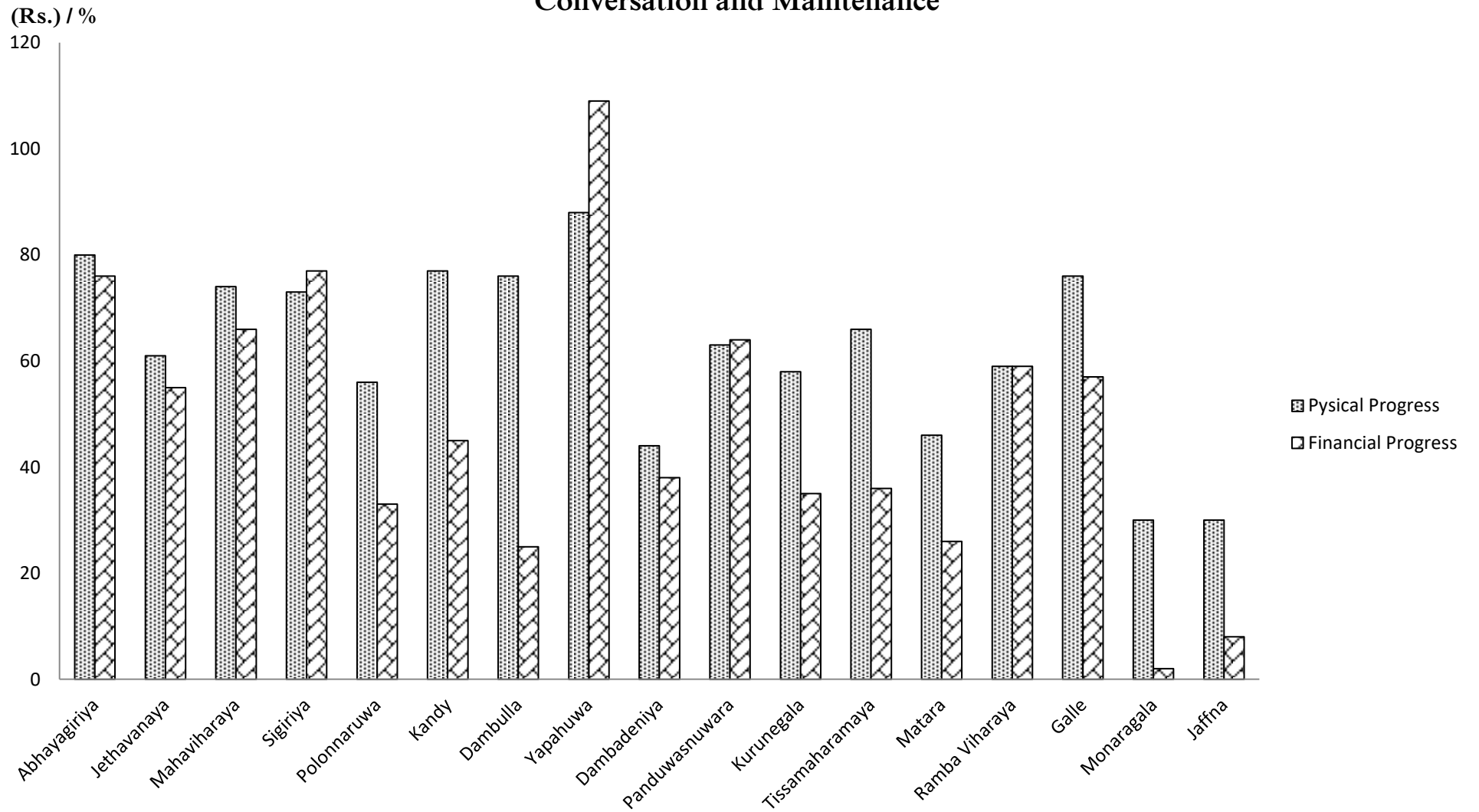
Replicas are produced using materials such as cement, fibre, wood, stone and brass and those replicas are sold at the publications and replica shops maintained by the Central Cultural Fund.

Upon the requests received from the Central Cultural Fund and external establishments, pandols/ displays, decorations, commemorative items, stage decorations are created and exhibition stalls, where replicas can be displaced, are conducted.

Physical and Financial Progress of the Projects



Conversation and Maintenance



2.3 Challenges and future outlook

Challenges

By way of developing, restoring and preserving of cultural and religious monuments in Sri Lanka, it is expected to bequeath such heritage to future generations. When carrying out functions relating to preserving the archaeological sites and monuments within the respective areas under the projects executed by the Central Cultural Fund throughout Sri Lanka, many challenges and issues are faced and encountered. Those challenges and issues are as follows.

- There is a growing tendency for happening destruction and degretion in the archaeological sites and where the monuments are located due to many human activities with the development of settlements in the vicinity of such places in the present.
- Weaknesses in the security systems
- Various religious practices followed by people living in such areas and the cultural issues
- Myths in the community and not being aware
- Lack of expertise knowledge
- Vacancies in the approved cadre
- Practical issues arising when seeking approval for urgent development projects
- Natural disasters and harm caused by animal

Future Outlook

The main task is to plan for the future activities strengthening the efforts made to achieve the objectives of the Central Cultural Fund while overcoming the challenges faced in a successful manner. Accordingly,

- Continuous conservation of archaeological monuments located in the vicinity of sacred cities; Anuradhapura, Polonnaruwa and Sigiriya World Heritage and carrying out maintenance activities.
- Continuous conservation and maintenance works which are being done so far through the island wide projects of the Central Cultural Fund.
- Updating information in the relevant sources following the archeological excavation and research works.
- Development and provision of infrastructure for local and foreign tourists
- Development and conservation of Buddhist, Hindu, Islamic and Catholic religious places located throughout Sri Lanka
- Establishment of programmes to evaluate the artworks of artists who have contributed to filed with quality artworks
- Establishment of programmes to promote religious and cultural activities within Sri Lanka and abroad.
- Production of replicas for sale and carryying out tasks related to printing and selling publications.

2.4 Shaort-term and long-term actions to be implemented for increase the performance of the Fund in future

1. To educate the community about the importance of preserving archaeological sites and monuments

The tasks such as organizing various activities and workshops on the preserving of archaeological sites and monuments with the participation of the public, school students and university students, conducting awareness programmes related to the discipline of Archaeology, conducting various workshops and lectures in schools with a view to enhancing the knowledge on Archaeology for school students, conducting exhibitions and increasing the no. of promotional activities for local and foreign tourists, conducting various lectures, workshops and programmes to provide accurate knowledge and information to guides in order to prevent the dissemination of wrong information about archaeological sites, printing and distributing pamphlets in various languages containing accurate information about archaeological sites, publishing archaeological information in a more attractive manner using the internet and conducting exhibitions were carried out.

2. Execution of field exploration and research projects to identify new archaeological sites
3. Conducting workshops and programme throughout the year with a view to obtaining more effective service by the staff of the Central Cultural Fund
4. Guiding towards to enhance employee welfare
5. Taking measures to improve sanitary and infrastructure facilities for local and foreign tourists visiting archaeological sites
6. Development of infrastructure in project offices
7. Enforcement of existing laws as situpulated, which have been imposed for the prevention of the various harmful destructions and theft of antiquities and treasures related to archaeological sites, and cmaking new laws
8. Expansion of excavation and conservation works carried out at archaeological sites


03. Total Financial Performance in the year


03.1 Statement of Financial Position

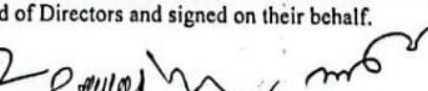
CENTRAL CULTURAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016


<u>ASSETS</u>	Notes	2016	2015 (Restated)
		Rs.	Rs.
CURRENT ASSETS			
Cash & Cash Equivalents	1	139,070,261	49,124,197
Receivable	2	147,392,501	71,080,629
Inventories	3	77,602,071	80,624,726
Investments		2,903,502,450	1,315,672,997
		3,267,567,283	1,516,502,549
CAPITAL WORK IN PROGRESS		20,541,024	8,994,388
NON CURRENT ASSETS			
Receivables	4	171,638,043	199,055,377
Foreign Funded Projects		676,432	676,432
Property, plant & Equipments	5	954,780,870	965,590,731
Gratuity Investments		691,102,852	654,908,485
		1,818,198,197	1,820,231,024
TOTAL ASSETS		5,106,306,504	3,345,727,961
LIABILITIES			
CURRENT LIABILITES			
Payables and Accruals	6	140,041,140	76,987,772
NON CURRENT LIABILITES			
Provision for Gratuity	7	678,031,282	658,739,422
Special Funded Projects	8	16,821,196	8,806,885
Foreign Funded Projects	9	4,849,969	4,367,338
TOTAL LIABILITIES		839,743,587	748,901,417
NET ASSETS		4,266,562,917	2,596,826,544
CAPITAL CONTRIBUTED BY			
Capital Reserves		429,160,000	430,462,000
Assets Revaluation Reserves		251,414	4,751,268
Foreign Resource Fund		248,050,137	269,346,213
Accumulated Surplus/ Deficit		3,589,101,366	1,892,267,063
		4,266,562,917	2,596,826,544

The Accounting policies on page 3 to 8 and Notes on pages 13 to 26 form an integral part of these Financial Statements. The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


U.R. Arandara
Director Finance
Central Cultural Fund


Prof. P. Gunawardana
Director General
Central Cultural Fund


Sunil Hettiarachchi
Secretary
Ministry of Education


P.M.S. Dissanayaka
Director General
Dept. of Archeology

Signed on : 28.....Feb 2017

Sunil Hettiarachchi
Secretary
Ministry of Education
"Isurupaya"
Battaramulla.

Prepared By
M.G. Ariyaratna
(Asst. Accountant)

CENTRAL CULTURAL FUND
Cash Flow Statement for the year Ended 31st December 2016

Cash Flow from Operating Activities	2016	Rs.	2015	Rs.
Surplus/(deficit) for the year		1,696,834,303		867,115,251
<u>Adjustments for non cash movements</u>				
Depreciation	110,494,226		73,681,337	
Amotisation	(27,097,930)			
Profit on disposal of fixed assets			(6,755)	
Prior year adjustments & tranf .to Reserve A/c.s			(74,633,779)	
Provision for Gratuity	51,209,952	134,606,247	228,479,519	227,520,322
Operating result before changes in Items of working capital		1,831,440,551		1,094,635,573
<u>Changes in work in capital</u>				
Increase in Shortterm Receivables	(76,311,868)		(11,735,538)	
Inventories	3,022,651		23,709,014	
Payment of gratuity	(31,918,092)		(8,769,575)	
Payables and Accruals	63,053,369	(42,153,941)	(23,896,578)	(20,692,677)
Net Cash Generated from Operation Activities		1,789,286,610		1,073,942,896
<u>Cash Flows from Investment Activities</u>				
Increase in Long term Receivables	27,417,335		13,201,420	
Acquisition of fixed assets	(99,684,366)		(122,559,100)	
Capital WIP	(11,546,636)			
Sale proceed of fixed assets			6,755	
(Increase)/Decrease In investments	(1,500,000,000)			
Interest Capitalised	(124,023,820)		(971,761,998)	
Net cash used in Investing activities		(1,707,837,488)		(1,081,112,923)
<u>Cash Flows from Financing Activities</u>				
Special funded projects	8,014,311		3,742	
Foreign funded projects	482,631		(1,049,300)	
Cash used in financing activities		8,496,942		(1,045,558)
Net cash Increase in cash and cash equivalents		89,946,065		(8,215,585)
Cash and cash equivalents at the beginning of year		49,124,196		57,339,782
Cash and cash equivalents at the end of year		139,070,261		49,124,197

**Statement of Changes in Equity
for the year ended 31st December 2016**

	<u>Accumulated Fund</u>	<u>Capital Reserves</u>	<u>Revaluation Reserves</u>	<u>Foreign reserve Fund</u>	<u>Accumulated Surplus</u>	<u>Total</u>
Balance as at 01/01/2015	19,944,705	16,064,386	444,422,000	286,249,551	1,077,745,952	1,844,426,594
Add: Surplus for the year	-	-	-	-	867,115,251	867,115,251
Revaluation Surplus	-	-	-	-	-	-
Capitalization foreign fund	-	-	-	-	-	-
Prior year adjustments	-	-	-	-	(74,633,782)	(74,633,782)
Balance as at 01/01/2016	19,944,705	16,064,386	444,422,000	286,249,551	1,870,227,421	2,636,908,063
Add: Surplus for the year	-	-	-	-	1,696,834,303	1,696,834,303
Prior year adjustments	(19,944,705)	413,095,614	(444,170,586)	(38,199,415)	22,039,642	(67,179,450)
Balance as at 31/12/2016	0	429,160,000	251,414	248,050,136	3,589,101,366	- 4,266,562,916

CENTRAL CULTURAL FUND
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	2016 Rs.	2015(Restated) Rs.
Income			
Tickets Sales	10	3,445,925,208	2,751,061,677
Contribution from Replicas Sales	11	2,608,009	2,923,806
Contribution from Publication Sales	12	8,846,068	1,931,050
Contribution of Printing	13	13,155,989	11,299,313
Income from Investments		233,863,909	95,006,954
Deffered Income		27,097,930	
Other Income	14	26,563,180	16,459,409
Total Income		3,758,060,292	2,878,682,209
Expenditure			
Wages, Salaries,& Employee Benefits	15	1,367,626,547	1,238,315,468
Gratuity		51,209,952	228,479,520
Depreciation		110,494,226	73,681,337
Sales Promotion and Public Relations		10,943,554	14,793,399
Supplies and Consumable Used	16	166,301,493	158,770,101
Impairment of Property, Plant & Equipments	17	62,628,968	75,951,005
Contractual Services	18	74,347,011	47,861,827
Finance Cost		344,232	176,828
Audit Fees		500,000	500,000
Bonus	19	27,261,401	
Other Expenses	20	189,568,606	173,037,474
Total Expenditure		2,061,225,989	2,011,566,959
Surplus/(Deficit) for the year		1,696,834,303	867,115,250



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } CAS/B/CCF/1/16/34
எனது இல. }
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

දිනය }
திகதி }
Date }

28 February 2018

The Director General,
Central Cultural Fund

Report of the Auditor General on the Financial Statements of the Central Cultural Fund for the year ended 31 December 2016 in terms of Section 9(4) of the Central Cultural Fund Act, No. 57 of 1980

The audit of financial statements of the Central Cultural Fund for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 9(2) of the Central Cultural Fund Act, No. 57 of 1980. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of Section 9(4) of the Central Cultural Fund Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI-1000-1810). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

අංක 306/72, පොල්ලු පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Central Cultural Fund as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standards 02

Investment of Rs.1600 million and withdrawal of investment amounting to Rs.100 million made during the year had not been stated as cash outflow and cash inflow respectively in the cash flow statement separately. Further, investment interest of Rs.124 million capitalized during the year had been stated as a cash outflow.

(b) Sri Lanka Public Sector Accounting Standards 07

As the useful life of the non-current assets had not been reviewed annually, fixed assets with a cost of Rs.191.4 million were further being used even though fully depreciated. Accordingly, action had not been taken to revise the estimated error in accordance with Sri Lanka Public Sector Accounting Standards No.3. Further, disclosures about the assets due for disposal had not been made in the financial statements.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) The accounting policy adopted by the Fund for making provisions for doubtful debts had not been disclosed in the financial statements and despite the existence of Rs.1,587,362 outstanding debtor balances for more than a period of 5 years, Rs.1,964,833 had been made as the provision for doubtful debts in each year without reviewing on it.
- (b) Out of the admission tickets printed for issuing to the visitors of archeological places, due to the admission tickets stock with a printing cost of Rs.3,424,990 as at the end of the year under review had not been included in the financial statements, the balance of the admission tickets closing stock and the profit for the year had been understated by that amount.
- (c) Due to Replicas, Building materials, stationeries and publications valued at Rs.13,179,037 relating to 8 projects had not been in the closing stock as at 31 December 2016 as per the board of survey reports, closing stock in the year under

- (e) According to the board of survey report as at 31 December 2016, surplus stock valued at Rs.1,944,837 had been reported relating to the Jethawana Project and no actions had been taken to adjust the financial statements by finding the reasons for it.
- (f) Unrecognized credit balance of Rs.10,000 coming from June 2016 had been stated in the bank reconciliation statements as at 31 December 2016 relating to a current account of the Fund and actions had not been taken to make adjustments to the financial statements by recognizing that balance even by October 2017.

2.2.3 Unexplained Differences

According to reconciliation statement prepared by the head office and according to the reports sent by the projects, reconciled difference of Rs.270,808 was observed for the motor cycle loan balances given to permanent labourers relating to 2 projects as at 31 December 2016.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Any action had not been taken to recover outstanding loan balances from guarantors, properties or by legal actions which due for a period ranging from 1 to 5 years as Distress Loan amounting to Rs.287,083 due from 5 employees, Housing Loan amounting to Rs.766,048 due from 3 employees, Festival Advance amounting to Rs.267,525 due from 55 employees and Special Advance amounting to Rs.28,991 due from 11 employees. Further, Festival Advance amounting to Rs.1,049,260 and Special Advance amounting to Rs.76,499 which older than 5 years had not been recovered and even though that loan balance should have been recovered within a year, no reasons had been clarified regarding the not doing so.
- (b) A balance of Rs.672,577 due from the Ministry of Cultural Affairs remained unrecovered over a period of 4 years in the sundry debtors balance.

- (c) Even though the balances of Rs.8,806,885 and Rs.4,376,549 respectively had been remained prior to year 2012 relating to Special Funds and Special Projects under non –current liabilities, no actions had been taken to settle that balances until 31 December in the year under review.

2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules and Regulations	Non-compliance
-----	-----
(a) Central Cultural Fund Act, No. 57 of 1980. ----- (i) Section 4 (C)	Even though amounting to Rs.79,074,872 shown under other cultural activities in the financial statements had been given for temples, Perahera, Vihara and religious festivals approval of the governing board had not been obtained for this donations as per the above section. Further, in contrast to this section, Replicas and Publications valued at Rs.1,286,258 and Rs.128,864 respectively had been donated to different parties in the year under review without the approval of the governing board.

(ii) Section 4 (f)

Approval of the governing board had not been obtained for amounting to Rs.1600 million investments made in fixed deposit in the year under review even though approval of the governing board should be obtained to invest money belongs to the fund in terms of the above section.

(b) Section 21 (1) of Antiquities Ordinance, No.9 of 1940

In terms of section 21(1) of the above act, even though any repair, renovation, change or additional construction to an archaeological protected replica cannot be done without a prior approval obtained from the Commissioner of Archaeological or without an agreement entered under section 20, amounting to Rs. 16,258,246 had been expensed by the fund for the renovation of the preaching hall and the old devalaya which is in the land belong to Siththam Gallena Raja Maha Viharaya which expressed as a protected monument in the gazette of No.1553 of 06 June 2008.

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulations 102,103,104 and 105.

❖ In terms of financial regulations, investigations had not been held and respondent had not been identified until 30 November

2017 regarding the deficiencies of 19 items relating to 9 types of tools and equipment such as mallets, sledge hammers which belong to Monaragala Project and Brass sheets stock of 3132 Sq. ft. which belong to Replica Centre, Bataleeya.

- ❖ Even though a period exceeding 5 years had been elapsed from occurring a stock shortage of publications valued at Rs.499,368 at the Publication Stores, Dambulla, actions had not been taken to identify the respondent and to recover the loss from the relevant persons and to take disciplinary actions in terms of financial regulations.

(ii) Financial Regulations 381(1)

Twenty five Bank Current Accounts had been opened for the Area Offices without the approval of the Treasury.

(d) Treasury Circular No.842 of 19 December 1978

Coding of assets under each category of assets had not been done as being able to identify the fixed asset separately. Hence, physical existence of assets valued at Rs.1,155,763,937 in the Head office and Area offices were in a unverifiable situation.

- (e) Treasury Circular No.I.A.I 2002/02 of 28 November 2002 A fixed asset register had not been maintained for computers and software valued at Rs.56,002,545 which held in the head office and area offices.
- (f) Public Finance Circular No.02/2015 of 10 July 2015 In terms of the above circular, disposal had not been done for unusable 04 tractors, 02 motor cycles, a three wheeler and a water bowser which had been stayed at the Abhayagiri Project.

3. Financial Review

3.1 Financial Results

Financial results for the year under review amounted to a surplus of Rs.1,696,834,303 and the corresponding surplus of the preceding year amounted to Rs.867,115,250. Accordingly financial result had improved by Rs.829,719,053 or 95.6 per cent as compared with the preceding year. The increase in ticket sales income by Rs.694,863,531, publication income by Rs.6,915,018, investment income by Rs.138,856,955, other income by Rs.10,103,771 and deferred income by Rs.27,097,930 as compared with the preceding year had been the main reason for the above improvement.

When Analyzing the financial results of the year under review and 4 preceding years revealed that, amounting to Rs.227,294,733 of financial surplus in year 2012 had continuously increased. In taking into consideration the employees remuneration and the depreciation for the non-current assets, the contribution amounting to Rs.891,233,340 in the year 2012 had continuously improved and it had been Rs.3,034,217,986 in the year 2016.

4. Operating Review

4.1 Performance

According to the Central Cultural Fund Act, No. 57 of 1980, developing cultural monuments in the Cultural Triangle and cultural monuments in other area, settling all expenses of the Jetavana Dagobe Project and other similar projects, Promoting of religious activities within Sri Lanka or outside, advancement of religion or the maintenance of religious places, making of awards to persons who have served in the fields of cultural and religious, providing financial assistance for artistic activities, providing fund for the religious or cultural activities which are benefitted to the public are the main objectives of the Fund. The following observations are made on the achievement of the above objectives.

- (a) An analysis between the number of tourists arrived in Sri Lanka from the year 2013 to the year 2016 as per the information obtained from the Tourist Board website and the number of Tourist Admission Ticket sold by the Fund as per the books of the fund is given below.

Year	Number of tourists arrived in Sri Lanka	Number of Tourist Admission Ticket sold by the Fund	Number of tickets sold as a percentage of the number of tourists	Tickets Income
				Rs.
2013	1,274,593	504,699	39	1,748,439,894
2014	1,527,153	627,136	41	2,200,143,813
2015	1,798,380	722,676	40	2,751,061,677
2016	2,050,832	903,755*	45	3,445,925,208

(* calculations had been made based on the assumption that one tourist is visiting one archaeological place)

As per the above information, number of tourist tickets sold was 39 per cent, 41 per cent, 40 per cent and 45 per cent with compared to the number of tourists

arrived in Sri Lanka in the year 2013,2014,2015 and 2016. Accordingly it is observed that there is a possibility of increasing income further by implementing a marketing programme to attract tourists for visiting the places with historical cultural ruins and to promote religious activities.

- (b) As per the work plan prepared by the fund, 22 sites and activities with an estimated cost amounting to Rs.92,657,086 relating to excavations and conservations projects which had been planned to execute in the year under review, had not been initiated during the year.
- (c) A sum of Rs.3,976,597 had been expensed for 04 work sites and activities relating to 03 projects which had not been planned to execute in the year under review as per the work plan.
- (d) As per the progress report for the year 2016, money had been allocated based on the overestimates as per the work plan relating to 21 out of the 51 work sites completed during the year. Work units had been planned to 13 work sites and activities in it based on the overestimates.

4.2 Management Activities

The following observations are made.

- (a) It had been fail to transfer the legal ownership of the land of the head office until 31 October 2017.
- (b) As per the section 08 of the agreement No. ED/10/NH/03/02/01/07 dated 16 June 2016 signed by the two parties for handing over supervising activities of Ape Gama Institute to Central Cultural Fund which was under the supervision of Ministry of Education, even though action should be taken to get all the building and goods formally from the Ministry of Education as immediately implemented, Fund had not acted accordingly until 31 October 2017.
- (c) As per the decision of No.09 taken by the Committee on Public Enterprise gathered on 12 November 2014, it had been stated to take necessary action to fill vacancies to the office staff and to get the Treasury approval necessary for it.

Nevertheless officers had been engaged in the service by recruiting on the contract basis for the positions of Director (Finance), Director (Admin), Tickets Seller, Assistant Director (Finance) ,Chief Research officer , Legal officer without recruiting.

- (d) Even though Rs.15 million had been paid to the Archaeological Department for the construction of monastery and Preaching Hall of Mihinthala Raja Maha Viharaya in the voucher No.2863 dated 11 May 2016, Anuradhapura District Secretary had been named as the payee in the paying cash book.
- (e) A cheque amounting to Rs.231,000 received from a customer on 09 December 2015 for the tickets sold by the Fund, had been dishonoured and actions had not been taken to recover it even by 30 October 2017.
- (f) A sum of Rs.5,000,000 had been given to Rural Development Association on 13 August 2014 for the construction of Preaching Hall of Hathigamuwa Gurugoda Vihara. Construction of this preaching hall had not been completed even by 31 October 2017.
- (g) Even though Frim Rose land in Kandy, A property of Fund assessed for Rs. 4.2 million in the year 2012, is being used since year 2013 as a Training Centre of Monks by constructing buildings as Kandy Association of Maharagama Buddhist Employee's' Association, it had been failed to transfer that property to Fund.
- (h) As per the board of survey reports as at 31 December 2016, fund had failed to regain 3105 GI pipes, 4150 coufflinks and 01 goods transporting elevator given temporarily in the period of 2011-2014 to Sandahru Stupa, Pothuvil Muhudu Maha Viharaya, Sri Sambodi Monastery, Mahamevnawa Buddhist Monastery by Abhayagiri Project in the year under review.
- (i) Instead of identifying the causes for the existence of unidentified balance amounting to Rs.66,390 included in the cumulative fund amounting to Rs.19,944,705 as at the beginning of the year under review which is carrying forwarded from the year 1983 and settling it , it had been debited to the cumulative fund.

4.3 Operating Activities

The following observations are made.

- (a) Due to not taking into consideration the indirect cost when calculating the production cost of Replica products, publications and printing sectors, actions had been taken to decide the Selling Price without accurately identifying the production cost of Replica products.
- (b) There had been a variance in a range of 20 per cent to 186 per cent between the estimated cost of 21 activities which included in 10 projects as per the work plan prepared for the year under review and the actual cost as per the progress reports.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) According to the Cabinet paper No.11/0169/555/004 dated 02 February 2011, 25 per cent of income earns from selling admission tickets by the fund should be given to Archaeological Management Trust. Accordingly, even though amounting to Rs.861,481,302 should be given to that trust as 25 per cent out of Rs.3,445,925,208 of income of the fund in the year 2016, only Rs.104,490,691 had been given.
- (b) A sum of Rs.874,992 allowance had been paid as Rs.72,916 per month from 01 August 2016 to 30 July 2017 for an approved post of the fund, Assistant Director (Legal) by recruiting an officer on contract basis and by extending the contract period. The duties assigned to this post had been directing the duties relevant to all legal activities of the fund and being present as a lawyer in front of the court. Nevertheless, amounting to Rs.1,457,425 had been paid in the year under review for the services obtained in 03 occasions from external lawyers.
- (c) In terms of Section 3.3 of the Public Enterprises Circular No.1/2015 dated 25 May 2015, An officer who is entitled to an assigned vehicle, can use that assigned vehicle or a sum of Rs.30,000 monthly and entitled monthly fuel allowance can be obtained. Even though that allowance had been increased to

Rs.50,000 as implemented from the date of 01 November 2016 as per Public Enterprises Circular No.1/2015 (i) dated 27 October 2016, Rs.50,000 transport allowance had been given to the Acting Director (Finance) from 01 January 2016 to 31 August 2016 by the fund. Accordingly transport allowance amounting to Rs.160,000 had been over paid to Acting Director (Finance) by the fund.

- (d) Officers who work on permanent and contract basis as executive and non-executive and 86 employees in the fund had participated for a workshop on preparation of Corporate plan which held in a private hotel in Kandy area from 06 July 2016 to 08 and an expense amounting to Rs.1,430,200 had been incurred. Even though participation allowance of Rs.53,500 had been paid to relevant officers, legal provision relating to that had not been clarified. When holding these workshops and seminars attention had not been paid to the President Circular No. SP/SB/07/15 dated 25 September 2015.

4.5 Procurement and Contract Process

The following observations are made.

- (a) Even though the contract for the construction of Gatabaruwa Viharaya had been offered on 21 May 2015, the Director General and the contractor had signed on 07 July 2015. Even though work should have been completed within 568 days from the date of the agreement, the work completed had been 73 per cent even by 13 June 2017. Even though amounting to Rs.861,871 had been included as Value Added Tax in the advance given, amounting to Rs.861,871 loss had been occurred to the fund from the above contract due to not recovering that money when recovering the advances.
- (b) In terms of Sections 3.1 and 3.2 of the Guideline for Selection and Employment of the Consultants, when selecting consultancy organizations and individual consultants, Competitive procurement process should be followed based on the comparison of Consultant's Technical and Financial suggestions. Nevertheless, in contrary to those sections, amounting to Rs.2,973,692 had been expensed by the fund for getting the consultancy services of Archeological, Architectural and Geological.

4.6 Resources of the Fund given to other Government Institutions

Even though 02 buildings valued at Rs.4 million are being used by Department of Buildings from year 2012, the fund had failed to transfer those buildings for the fund.

4.7 Staff Administration

The following observations are made.

- (a) In terms of section 4 of the Scheme of recruitment, recruitment for the post of Director General should be done from internal or external applicants after calling applications by making public advertisements and followed by a structured interview as decided by the appointing officer. Nevertheless, an officer had been appointed by the secretary of the line Ministry for the post of Director General on 19 March 2015 on contract basis for 02 year period without following those procedures.
- (b) No permanent appointment had been made for the post of Director (Finance) of the fund from year 2012 and an officer had been appointed for that position on contract basis in August 2016 and amounting to Rs.341,210 of salary and allowances had been paid from 15 August 2016 to 31 December 2016. The following observations are made on the above.
 - (i) In terms of sub section 4.2.3.1 of Scheme of Recruitment, when recruiting for the post of Director (Finance) on external basis, a degree on Accountancy/ Financial Management with a postgraduate degree on relevant subject obtained from a university, recognized by the University Grant Commission or Associated membership of Sri Lanka Institute of Chartered Accountants or Institute of Chartered Management Accountants or Institute of Certified Chartered Accountants should have been obtained as educational qualifications. Nevertheless, the officer who recruited on contract basis for that position had passed only Diploma in Accounting and Final I exam of Institute of Chartered Accountants.
 - (ii) In terms of sub section 4.4 of Scheme of Recruitment, even though it is stated that age should be not less than 30 years and not more than 50 years

under general qualification for the post of Director (Finance), the officer who recruited on the contract basis was over 70 years.

- (c) In terms of section 03 of the letter No. DMS/E/1/54/9/241 dated 21 July 2011 addressed to the Secretary of the Ministry of Cultural and Art by the Director General of the Department of Management Services, even though it had been stated that Scheme of Recruitment should be revised before next recruitments, that scheme had not been revised until 31 October 2017.
- (d) An officer who had pensioned from the government service had been appointed for the post of Director of Museum which is not included in the approved cadre of the fund on 05 May 2015 on contract basis for a period of one year and contract period had been extended annually. A sum of Rs.38,500 per month had been paid to that officer amounting to Rs.462,000 in year 2016.
- (e) In terms of sub section 4.6.2 of Scheme of Recruitment, in recruiting for the post of administrative officer on internal basis, marks should be given based on the experience, special activities and performance. Under the criteria of educational qualification for applicants, even though it is stated that G.C.E. (Advance Level) or educational qualification which is higher than that should be needed, a person who passed G.C.E. (Ordinary Level) and having less experience had been given higher marks and promoted for the post of Administrative Officer on 01 January 2016.

5. Accountability and Good Governance

5.1 Action Plan

In terms of Public Finance Circular No. 01/2014 dated 17 February 2014, an action plan should be prepared with a long term mission including activities which target to achieve the objectives of the relevant act. Nevertheless, an action plan for the year under review had not been prepared by the fund and a work plan had been prepared only for the excavation and conservation projects.

5.2 Procurement Plan

The following observations are made.

- (a) Even though approval of the governing board should have been obtained for the Procurement Plan prepared for the year 2016 before commencing the year, the approval had been obtained on 25 November 2016.
- (b) Vehicles costing Rs.16,328,430 and Computers and Equipment costing Rs. 2,970,200 which were not included in the procurement plan had been purchased in the year under review.
- (c) In terms of section 5.2.1 (a) of Sri Lanka guideline for Selection and Employment of the Consultants, information regarding paying of fees for getting consultancy services had not been included in the procurement plan of the fund.
- (d) Goods, works and services procuring for the area offices had not been included in the procurement plan prepared for the fund for the year under review.

5.3 Budgetary Control

The following observations are made.

- (a) In terms of section 5.2.5 of Public Enterprises Circular No. PED/12 dated 02 June 2003, even though governing body should approve the budget of that financial year and sends a copy of that to the Auditor General within 15 days prior to the beginning of the financial year; budget for the year 2016 had been approved by the board on 25 November 2016.
- (b) As Variances were observed in budgeted and actual income and expenditure in a range of 21 per cent to 203 per cent, it was observed that budget had not been used as an effective management control.

5.4 **Tabling Annual Reports in Parliament**

The Annual Reports for the years 2013, 2014 and 2015 had not been tabled in Parliament in terms of Section 6.5.3 of the Public Finance Circular No. PED/12 dated 02 June 2003, even by 30 October 2017.

5.5 **Unresolved Audit Paragraphs**

The following observations are made.

Reference to the paragraph and Year	Observation
(a) Section 4.5 (a) (b) (c) of 2012	Actions had not been taken up to 30 November 2017 regarding the deficiencies such as payment of Rs.22,099,917 for nonstandard concrete blocks used, Payment of Rs.4,660,998 for the works not carried out according to the Bill of Quantity and Unevenness of the road due to ABC layer and the quarry dust mixture had been applied less than 40 per cent and 50 per cent for the development of 1 kilometer of the internal access road of the Polonnaruwa Sacred City .
(b) Section 4.4 (a) (ii) of 2013	When carrying out the contract for laying the blocks to a length of 01 kilometre of the internal road from the exit gate of the Sacred City of Polonnaruwa by Road Development Authority, even though nonstandard concrete blocks had been used, amounting to Rs.16,992,545 had been paid as part payment before doing quality checks thereon.
(c) Section 4.8 (a) of 2015	The contract of constructing the administrative building of Replica Centre, Bataleeya had been awarded for Rs.46.4 million to a private company on 11 September 2014. Even

though the contract should have been completed on 11 May 2015, construction had not been finished even by 31 October 2017.

- (d) Section 4.4(a) (iii) of 2015 For getting an employment insurance coverage, by producing a false name list including the names of 50 employees in excess to a private insurance company, a sum of Rs.475,000 had been paid thereon and action had not been taken to recover that money from the officers who prepared that fraudulent documents even by 31 October 2017.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director General of the Fund from time to time. Special attention is needed in respect of the following areas of control.

<u>Area of Systems and Controls</u>	<u>Observations</u>
(a) Accounting	Manufacturing Accounts had not been prepared and the correct cost of production had not been identified relating to the areas of Replicas, Publications and Printing.
(b) Staff Administration	(i) Action had not been taken to fill the vacancies and officers had been employed on contract basis for certain posts over a long period of time. (ii) Scheme of Recruitment had not been revised.

- | | |
|-----------------------|--|
| (c) Procurement | (i) Approval of the governing board had been delayed for the prepared Procurement plan.

(ii) Procurement plan had not been prepared in concurrence with the Budget. |
| (d) Budgetary control | (i) Being delayed to obtained approval of governing board and having considerable variances. |
| (e) Debtors Control | (i) Action had not been taken to recover the loan balances remained outstanding over a loan period of time.

(ii) An accounting policy for the provision of doubtful debts had not been identified |
| (f) Stock Control | (i) There were differences between board of survey reports and financial statements.

(ii) Admission Tickets Stock had not been clearly mentioned in the Financial statements. |

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General

03.3 Responses to the Audit Report relating to the Financial Statements

Responses to the Report of the Auditor General-2016 (Draft) - December 2017

Comments on the audit query mentioned in your Draft Report No. CAS/B/CCF/1/16/34 relating to the final accounts of the Central Cultural Fund for the year ended as at 31.12.2016.

2.2 Opinion on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

2.2.1 (a) Sri Lanka Public Sector Accounting Standards 01

It is accepted that deficiencies has been made when disclosing comparative information for the previous period in the financial statements as per paragraph 53 of the Sri Lanka Public Sector Accounting Standards, and kindly informed that actions will be taken to rectify the said deficiencies when preparation of financial statements in future.

2.2.1 (b) Sri Lanka Public Sector Accounting Standards 02

The statement of cash flow prepared for the year ended 31.12.2016 shows the net result after deducting the withdrawals from the amount invested in fixed deposits. And the capitalized interest is shown in the cash flow considering the said interest to be a cash flow and cash inflow.

It is kindly informed that actions will be taken to rectify the said deficiencies as stated in the audit queries and avoid occurrence of shortcomings when preparing cash flows.

2.2.1 (c) Sri Lanka Public Sector Accounting Standards 07

2.2.1 (c) i. It is kindly informed that a note related to the buildings located in Hanthana area belonging to the fund is given under Note No. 2.1.10 in the financial statements.

2.2.1 (c) ii. Fixed assets are fully depreciated due to incorrect estimate of useful life and incorrect estimate of scrap value. But most of these fixed assets are cars and they are reused by entrusting repairs to them. It is kindly informed that action will be taken to correct such errors in the future financial years having considered the size of errors in terms of the Public Sector Accounting Standard No. 03.

2.2.1 (c) iii. It is kindly informed that a note regarding the legal ownership of the land where the head office is located is given under note number 2.1.10.

2.2.1 (c) iv. It is kindly inform that action will be taken to settle the issue regarding the ownership of Primrose land in Kandy which is a property of the fund.

2.2.2 Accounting policies

It is kindly informed that the policies followed in the provision for doubtful debts is given under note no. 2.3 of the financial statement.

2.2.3 Accounting deficiencies

2.2.3 (a) There is a remaining balance from the provision for doubtful debts brought forwarded after having reviewed the debtors in 2012. The balances have not been recognized for the provision for doubtful debts in subsequent years when reviewing the debtors. Therefore, it is kindly informed that the provision allocated so has been brought forward in the financial statements and it is not a provision allocated in the year under review.

2.2.3 (b) Remaining stocks of tickets issued by the Fund for visiting archaeological sites should be included in the year-end stocks, but the Fund has not made relevant entries to record the remaining stocks in the financial statements up to now. It is accepted that this is an accounting deficiency and kindly informed that action will be taken to correct this error in the years to come.

2.2.3 (c) Transactions recorded in the primary books (Journal and Cash Books) are entered into/ copied in the ledger books according to the double entry system. Accordingly, the cheque of Rs. 150,000,000.00 dated 31.12.2016, which was drawn in favor of the manager of Bank of Ceylon, Kollupitiya, has been entered into the fixed deposit account for the transaction made for opening a fixed deposit. It is usually not considered in the double entry system that whether the cash amount of the relevant cheque has been paid by the bank or not, so the entries have been made in above manner. As the Bank Reconciliation Statement discloses the balance of unrealized cheques and the balance of the cheque drawn for this fixed deposit has been carried over from the financial year under review, it has been shown in the Bank Reconciliation Statement.

Your audit query states that “The value of the fixed deposit has been overstated by Rs. 150 million and the cash balance has been understated by the said amount in the financial statements.

As the Deposit certificate dated 2017.01.02 of above fixed deposit has been issued to us, the said balance can be recorded in a retention/transit account. However, it is problematic that how to make adjustments to the cash book balance.

2.2.3 (c) According to the inventory survey reports related to the following projects, it is kindly informed that the value of the inventories, which has not been included in the existing inventory by not including in the closing inventory, are as follows.

	Project	Inventory Item	Value stated in the audit query	Value to be accounted (at cost)	Value accounted (at cost)	Value less accounted (at cost)
01	Galle	Replica products	390,345/-	260,230/-	260,230/-	-
02	Kandy	Replica products	651,520/-	413,013/-	413,013/-	-
03	Alahana	Replica products	646,395/-	430,930/-	-	430,930/-
04	Ramba	Building	9,131,190/-	913,190/-	-	913,190/-
		Materials	208,933/-	208,933/-	-	913,190/-
		Stationery	46,400/-	46,400/-	-	46,400/-
05	Monaragala	Publications	7,395/-	7,395/-	-	7,395/-
		Building	168,617/-	168,617/-	-	168,617/-
06	Sigiriya	Materials	668,921/-	445,947/-	-	445,947/-
		Stationery	53,500/-	35,667/-	-	35,667/-
07	Jaffna	Replica products	497,915/-	497,915/-	-	497,915/-
		Publications	615,550/-	407,700/-	-	407,700/-
		Stationery	54,571/-	54,571/-	-	554,571/-
08	Dambulla	Replica products	41,795/-	27,863/-	27,863/-	-
Total			13,179,037/-	3,918,372/-	701,107/-	3,717,265/-

The above item No.1,2 and 14 have been recorded in the inventories accurately at cost value and it is kindly informed that although the value of 4th item has been shown as 9,131,190.00 mistakenly when summarizing the said amount, the actual value is Rs. 913,190.00.

Amn amount of Rs. 13,179,037.00 has not been included in inventory value according to the audit query, but the actual amount not included in inventory value is Rs. 3,717,265.00 according to the above-mentioned table.

2.2.3 (e) The amount of Rs.16,000.00 credited to Rent Income Account and mentioned in the audit query is actually received from Ape Gama Premises. And, it has been accounted accurately. It is kindly informed that it has been stated as a tender deposit in the description mistakenly when recording this rent income in the said account.

2.2.3 (f) Donations of Replica and publication made for various parties during the year have been properly accounted.

When preparing departmental/sector accounts, the productions made by the Replica Unit and the Publication Unit are recognized as income for the said divisions. In instances where the Head Office donated such productions, they have been recognized as an expenditure of the Head Office. As this is a nominal note that does not affect the overall final financial result of the Fund, it is kindly informed that there has been no increase in profit or increase in inventory value.

2.2.3 (g) The amount paid as an advance for the commencement of construction of the Preaching Hall in the Gatabaru Rajamaha Vihara is Rs. 7,835,192.00 and it is not Rs. 4,889,050.00. The said amount of Rs. 4,889,050.24 has been paid in respect of the final bill. It is kindly informed that the said payment has not been debited two times and has been correctly accounted.

The following details are forwarded for your attention.

Total amount of work completed	= 30,522,369.95
Less: Retention 10%/5%	= <u>2,082,987.90</u>
	= 28,439,382.05
Add : VAT 11%/15%	= 3,359,160.90
Total Amount to be paid	= <u>31,798,542.95</u>

The amounts have been debited from the said amount payable to the Other Cultural Activities account as follows when the payments are made.

2016.01.12	5,312,397.66
2016.04.06	6,038,897.50
2016.07.05	2,884,423.43
2016.10.06	4,738,482.11
2016.12.26	<u>4,889,050.24</u>
	<u>23,863,250.95</u>

The amount payable in relation to the amount of work done is Rs. 31,798,542.95, but in the payment of interim bills, an amount of Rs. 23,863,250.95 had been debited only to the Other Cultural Activities Account. Since the amount paid as initial advance of Rs. 7,835,192.00 should be credited to Advance Account and debited to Other Cultural Activities Account, the same entries were made. It is kindly informed that the account for Other Cultural Activities reflects the total cost for construction of the Preaching Hall and it has not been accounted for two times.

2.2.3 (h) The inventory surplus amounting to Rs. 1,944,837.20 recognized as at 31.12.2016 in the inventory survey report related to the Jetavana Project is a lot of building materials unutilized and which accumulated in the warehouse. These are not inventory surplus according to the balances of Inventory books. The board of survey has attached a separate

report titled “Inventory surplus” in respect of materials unutilized and which accumulated over a period of time to its report.

It is observed in the inspection of such building materials not utilized and which accumulated in the warehouse that the materials have accumulated in the warehouse due to the fact that repair works had not been carried out subsequent to the receipt of the ordered materials.

It is kindly informed that some quantities of materials from the said materials have been released for the other projects such as ‘Ape Gama’ and utilized in such projects, and action will be taken to utilize such materials in another project as it requires.

2.2.3 (e) An amount of Rs. 10,000.00 has been credited to bank account number 1630470 of the Fund by either a project implemented under the Fund or other third party. It is kindly informed that arrangements will be made to settle this amount scrutinizing the said transaction.

2.2.3 (a) Two cheques dated 09.12.2015 amounting to Rs. 231,000.00 received from a customer had been returned. It is kindly informed that action will be taken to correct the error made by entering the returned cheques as unrealised cheques, and new entries will be made recognizing them returned cheques.

2.2.4 Unexplained Differences

It is accepted that there is a difference between balances in the reconciliation statements prepared by head office and records in reconciliation statements sent by the projects for motorcycle loans provided by the Fund to the permanent workers. It is kindly informed that arrangements will be made to prepare a correct loan reconciliation statement in the financial years to come.

2.2.5 Contingent Account

The cost of the Property, Plant & Equipment, which have been received as foreign capital grants from the year 1979 to 2006, has been credited to an account title Accumulated Fund. However, the capital grants received from 2006 have been credited to the Foreign Resource Fund. The balance of Rs.19,944,704.58 in the Accumulated Fund for the foreign capital grants, of which entries were made in two accounts, have been corrected and transferred to the Foreign Resource Fund. Since the details of Rs. 66390.00, which is out of the total amount and had been credited to the Accumulated Fund in 1983, could not be found, and other balances presented in the Accumulated Fund were the foreign grants, the amount of Rs. 66,390.00 which was not recognized and of low materiality, was accurately accounted recognizing a capital grant. (Annex 1)

2.3 Transactions without adequate authority

2.3 (a) Most of the expenditure incurred from the amount of Rs. 79,074,872.00 stated under Other Cultural Activities in the financial statements have been included in the action plan of the Fund. Approval from the Board of Governors has been obtained for the above action plan. Further, the said expenditure have been incurred for the construction works (eg. construction of the Preaching Hall of the Gatabaru Rajamaha Vihara, construction of the side wall of the Ridee Vihara Temple etc.) carried out by the Fund following the due procurement process.

Approval of the Board of Governors has been obtained in respect of the money donated for temples, processions, vihara and religious festivals etc. at the 200th board meeting. A copy of the said board paper has been attached herewith for your kind attention. (Annex 2)

2.3 (b) In terms of the Section 4 (f) of the Central Cultural Fund Act No. 57 of 1980, moneys belonging to the Fund may be invested at the discretion of the Board of Governors. It is implied that approval has been obtained for the investments made by way of obtaining approval from the Board of Governors subsequent to the submission of quarterly reports along with revenue and expenditure reports, obtaining approval for the submission of final accounts for auditing purpose, and representing the said investments in the relevant statements. A copy of the said board paper has been attached herewith for your kind attention. (Annex 3)

2.3 (c) In terms of the Section 4 (c) of the Central Cultural Fund Act No. 57 of 1980, approval has been obtained at the 203rd meeting of the Board of Governors in respect of the replicas amounting to Rs. 1,286,258.00 donated to the various parties in the year under review. A copy of the board paper submitted to obtain the approval, has been attached herewith for your kind attention. (Annex 2)

2.3 (c) A copy of the approval letter issued by the Commissioner of Archeology for repairing the Preaching Hall within the precinct of the Siththamgallena Rajamaha Vihara, has been attached herewith. (Annex 5)

The approved board paper, which was submitted in respect of the renovation of the old Devala, is attached herewith (Annex 6). It is kindly informed that the Director General of Archeology is also a member of the Board of Governors.

2.4 Accounts Receivable and Payable

2.4 (a) The balances of festival advances and special advances, which are receivable from a long period of time, have also been reported to the Audit and Management Committee. It is kindly informed that action will be taken to recover the loans from the aforesaid loan balances if it is possible and if not, to write off the loan balances upon the recommendation of

the Audit and Management Committee subsequent to the submission of said balances to the Board of Governors.

2.4 (b) It is informed that action will be taken to recover the amount of Rs. 672,577.00 receivable from the Ministry of Cultural Affairs which has been presented under Various Debtor's balance.

2.4 (c) The amount of Rs. 25,605,575.00 included in the Creditors payable dates back to 2013. The said amount has been recorded as a balance under Creditors and payment has been retained since the defects have been identified in the inspection carried out with regard to the construction of the internal access roads in the Polonnaruwa Pooja Bhoomi. It is kindly informed that a status report for construction has not been submitted so far and payment will be made upon the receipt of the status report,

2.5 Non-compliance with rules, regulations and management decisions

2.5 (a) i It is kindly informed that the action will be taken in compliance with the FR 102 and 103 in respect of the inventory items missing in the Monaragala project and the brass plates in extent of 3132 sq. reported to be missing at Bataleeya Replica School.

2.5 (a) ii The Storekeeper who worked at the Dambulla Publication Store when a theft of publications amounting to Rs. 499,368.00 was committed, had been suicided. It is kindly informed that action will be taken to write off the relevant amount from the reports.

2.5 (a) iii Board approval has been obtained for no. of 25 current accounts opened by the Fund. For the ease of financial administration of the Fund, the current accounts had been opened for each project. The current accounts opened for Abhayagiriya, Jetavana, Polonnaruwa, Sigiriya, Kandy, Dambulla projects and the Head Office have been maintained from the time the Fund was established. In order to fulfill the objectives of the Fund, there was a need to open offices in other areas. Therefore, no. of 25 current accounts had to be opened approximately. The documents have already been submitted to get approval from the Treasury for the current accounts thus opened.

2.5 (b) A fixed asset register has been prepared for all the fixed assets currently belonging to the Fund. The Fixed Asset Register, which had been prepared in irregular manner, was completely prepared in 2015 and only its code numbers were not provided. It is kindly informed that since the code numbers for existing fixed assets in the head office and projects have already been issued, action will be taken to record such numbers in the fixed asset register.

Since the buildings with the highest value in the Fixed Asset Register i.e. 50% of the total value of the fixed assets have been presented under with the building names (such as Athapattu Building, Sigiri Museum, Head Office etc.), the buildings can be easily verified. The motor cars, which are the next highest value i.e. 21% of the total fixed asset value, can be easily verified as the registration number have been mentioned in the Fixed Asset Register.

It is kindly informed that the location of the assets is stated under the department head in the Fixed Assets Register.

2.5 (c) It is kindly informed that action will be taken to amend the Fixed Assets Register prepared for computers and software including the additional information to be disclosed as per the Treasury Circular No. I.A.I. 2002/02 dated 28.11.2002.

03 Financial Review

3.1 It is agreed with the financial results i.e. annual surpluses and depreciations which have been stated in the audit query.

04 Operational Review

04.01 Performance

04.01 (b) (i)

Year	Number of tourists visiting Sri Lanka	Number of tourist tickets sold by the Fund	Number of tickets sold as a percentage of travelers	Income from Ticket	Growth in the number of tourists visiting Sri Lanka %	Growth in the number of tickets sold to tourists by the Fund %	Growth in the income from selling tickets %
2013	1274593	504699	39	1748439894			
2014	1527153	627136	41	2200143813	20	24	26
2015	1798380	722676	40	2751061677	18	15	25
2016	2050832	905755	45	3445925208	14	25	25

As stated in the audit query and according to the table above, the number of tourists who came to Sri Lanka has increased by 20%, 18% and 14% in 2014, 2015 and 2016 respectively compared to the previous year. Also, the number of tourist tickets sold by the Fund has increased by 24%, 15%, 25% and 25% respectively. Therefore, compared to the increase in the number of tourists who came to Sri Lanka, it is evident that there is a higher growth rate of tourists who came to visit the historical places maintained by the Fund.

04.01 (a) ii The reasons such as commencement of new sites instead of the sites scheduled to be commenced, experiencing unavoidable natural circumstances, shortage of labourers, changes made to the plans when carrying out specialized works in the archeological sites, and delays aligned with procurement process affected to not commencing the sites as scheduled during the year.

04.01 (b) iii As it required to carry out excavation and conservation tasks upon the emergency situations, even though they were not planned, it resulted in incurring expenditure for said tasks.

04.01 (b) iv Preparation of estimates for archaeological excavations and conservation works is a very difficult task. As it always deals with superficial situations, it always results in over-estimated situations as well as under-estimated situations.

4.4 Idle and Underutilized Assets

4.4 (a) The amount of Rs. 8,014,311.00 granted by the Ministry of Education when transferring the ownership of the Apegama Institute has been debited to the current account of the Head Office. It is kindly informed that the Fund receives the interest income in respect of the said amount transferred by the Ministry of Education as the excess amount in the account is invested in fixed deposits from time to time.

4.4 (b) Although the construction of the preaching hall of the Bhatigamuwa Gurugoda Vihara was suspended, its work has been commenced now. The Fund has informed the Divisional Secretary to make payment to the relevant contractor based on the quantity of works done in respect of a bill submitted in 2017 of which works was performed under the supervision of the Yapahuwa project. Evaluation work is currently being carried out on whether money can be released to the contractor for another bill already submitted. Copies of the reports relating to these works are enclosed for your kind attention. (Annex 7)

4.4 (c) A one tractor out of 04 tractors, a three-wheeler and a water bowser, which were recommended to be disposed of and belonged to the Abhayagiriya project, have been auctioned so far. It is kindly informed that the remaining 03 tractors and 02 motorcycles, which could not be auctioned due to technical issues, will be auctioned as soon as possible.

4.5 Management Activities

4.5 (a) It is kindly informed that all the buildings and items belonging to the Apegama premises which was falling under the scope of the Ministry of Education have been taken over by the Fund subjected to the conditions stated in the agreement subsequent to a physical inspection conducted by a Board of Survey appointed.

4.5 (b) It is a general practice to appoint competent experts in the field for implementing socio-economic and cultural policies of a government. In terms of the Section 11.4.1 of the Establishment Code, the Cabinet of Ministers can appoint heads of departments. Accordingly, the Director General of the Fund has been appointed. The Cabinet of Ministers has given approval for this appointment, and when granting the approval, it has been further informed that the Board of Governors have been vested with powers to appoint a person to the post of Director General as per Section 4 (e) of the Central Cultural Fund Act. (Annex 8)

It is also informed that the Scheme of Recruitment of the Fund is being amended and actions have been taken to revise the same so as to recruit a suitable person to the position of Director General by conducting an interview subsequent to the public advertisement published for calling for applications.

4.5 (c) According to Section 4(e) of the Central Cultural Fund Act, the Board of Governors has granted the approval to make the said appointment on contract basis.

4.5 (c) ii The Board of Governors has not paid special attention to the age of the officer while making this appointment on contract basis. Further, a service extension has not been granted to this officer since 23.04.2017.

4.5 (c) By the Gazette Extraordinary No. 1933/13 dated 21.09.2015, the Central Cultural Fund has been assigned to the Minister to the Ministry of Education, and the Scheme of Recruitment is being amended with the approval of the Secretary to the said ministry.

4.5 (e) Approval of the Department of Management Services has been received. The Scheme of Recruitment is being amended as there are deficiencies. With the increase in the number of functions assigned to the institution, new posts have been created and officers have been recruited to the posts of Director Finance and Director Administration (on secondary basis), and Ticket Seller, Assistant Director Finance, Chief Inspecting Officer (Acting), Legal Officer on a contract basis with the approval of the Board of Governors.

4.5 (f) With the expansion of the scope of the Central Cultural Fund, an officer has been recruited for the task of supervision of the museums upon the approval of the Board of Governors.

4.5 (g) The officer recruited on internal recruitment basis and appointed to the post of Administrative Officer has 14 years of work experience and it is stated that he has also appeared for the first Masters examination of the University of Peradeniya, and thus, it is proved that he has passed the Advance Level Examination.

4.6 Apparent Irregularities

4.6 (a) I Participation allowances have been paid in respect of the workshop conducted for the preparation of the corporate plan in a private hotel in Kandy. Such payment has been made upon the approval received from the Board of Governors with regard to making payment to the officers attending such workshops. A copy of the board paper where the decision has been stated, is attached herewith for your kind attention. (Annex 9)

4.6 (a) ii As a result of the workshop conducted for the preparation of the cooperate plan, the same was prepared with relevant to the period 2017 – 2021. There was a delay in submission of the said plan as the same was reviewed by the top level management. However, it is kindly

informed that the plan has been submitted to the Board of Governors through the Board Paper No. D/DD/17 dated 30.05.2017.

4.6 (a) iii It is kindly informed that such kind of workshops will be organized in a manner that provides maximum benefits at a minimum cost.

4.6 (a) Since the site which is situated at the Mihintala Rajamaha Temple is conserved under the Department of Archeology and no excavation or conservation work has been assigned to the Fund, the amount paid from payment voucher No. 2863 dated 11.05.2016 has been accounted as an amount paid to the Archaeological Heritage Trust. Due to the fact that this amount has been allocated for the task to be got performed through an external party under the supervision of the Department of Archeology, the said amount was released to the District Secretary, Anuradhapura to make the payment under his supervision. Therefore, the District Secretary, Anuradhapura has been indicated as the payee in the cash book.

4.7 Operational inefficiencies

4.7 (a) In calculating the production cost in the Replica Production Unit and the Publication Unit, the direct and indirect cost have been included in the said cost. It is kindly informed that the indirect cost as a percentage of the overhead cost, which was added to the direct cost, have been considered in calculating the price.

4.7 (b) Preparation of estimates for archaeological excavations and conservation work is a very difficult task. This is because even if we observe a superficial situation and make estimates, we have to face situations different from the expected amount of work in carrying out those tasks. Therefore, overestimation as well as underestimation situations are experienced.

4.8 Transactions in contentious nature

4.8 (a) According to the relevant Cabinet Paper, 25% of the income earned by the Central Cultural Fund shall be paid to the Archaeological Management Trust. There were some instances where the Trust returned money which had been paid less than the required percentage (Annex 10) and it was also reported regarding the deficiencies in managing the funds (Annex 11). In order to ensure whether the money provided by Fund is being utilized in due manner, payments are made upon the receipt of estimates of the proposed work sites belonging to the Department of Archeology. For the year 2017, all the money requested so has been released. It is kindly informed that a procedure has been established to make due payment to the Archaeological Heritage Trust from December 2017, and therefore, payment will be made in due manner.

Also, It is brought you attention that at the time when the cabinet paper was submitted to pay 25% of the income of the Fund, a number of work sites that were preserved or maintained under the Department of Archeology have been assigned to the Central Cultural Fund and the conservation and maintenance works are being carried out by the Fund.

4.8 (b) In the duty list for the post of Assistant Director (Legal), it is not mentioned that the said officer is responsible for conducting all legal affairs and appearing before the court as a lawyer on behalf of the Central Cultural Fund in court proceedings. Therefore, legal services form external lawyers have been obtained on behalf of the legal activities of the organization with the approval of the Board of Governors.

4.8 (c) The Director Finance (Acting) who served from 01.01.2016 to 31.08.2016 has received the allowance as per the Public Administration Circular. However, the Public Enterprises Circular has been issued later. Therefore, it is kindly informed that if there is an overpaid amount form the fuel allowance, action will be taken to recover such amount having scrutinizing the said fuel allowance paid.

4.9 Resources provided by other external parties to the Fund

It is kindly informed that arrangements have been made to obtain material and equipment given to the various charitable organizations and external parties by the projects implemented under the Fund as stated in the report of the Board of Survey dated 31.12.2016. (Copies of the relevant documents are attached herewith. (Annex 12) It is kindly informed that the provision of pipes and couplings through the Abhayagiriya project has contributed to achieve the objectives of the Fund, and that the documents attached ensure that it is not possible to obtain the said materials and equipment since such tasks in which the pipes, couplings and equipment are used, is still being performed.

05. Accountability and good governance

5.1 Action Plan

As per the audit instructions, the relevant divisions have been informed to prepare an action plan for excavation and conservation projects as well as other operational works.

5.2 Tabling Annual Reports

The annual reports for the years 2013 and 2014 have been submitted for tabling before 30.10.2017.

5.3 Budgetary control

Approval of the Board of Governors for the budget for the year 2016, have been obtained in the month of February, 2016. There was a delay of nearly two months in obtaining the

approval in respect of the budget, and actions have been taken to avoid such delay. Accordingly, the approval for the budget - 2017 has been obtained in November, 2016 without any delay and the budget for the year 2018 has been already submitted to the Board of Governors.

It is accepted that there are differences between the balances in the budget document prepared for the year 2016 and the actual expenditure for the said year.

Therefore, It is kindly informed that actions will be taken to minimize the variations in the budget documents to be prepared in the future, and amendments to the budget have been made during the year in respect of changes to be made in the implementation of the budget and such amendments have been submitted to the Board of Governors seeking the approval.

For the changes made in the implementation of the budget document, amendments have been made during the year and such amendments have been submitted for the approval of the Board of Governors.

5.4 Unresolved audit paragraphs

5.4 (a) The committee appointed to obtain a report on the progress of the work done by the Dharmadasa Construction and Enterprises regarding the development of the internal access road for the Polonnaruwa Puja Bhoomi has now submitted the report. It is kindly informed that future development activities will be performed and payments will be made based on the recommendations contained in the said report. Further, it is informed that an amount of Rs. 1,935,455.00 has been retained in respect of this task.

5.4 (b) An agreement worth Rs. 27,500,000.00 was entered into with the Road Development Authority for the task of developing a part of the road in length of 1 km. which starts from the exit gate of the Polonnaruwa Poojab Bhoomi and running inside. Thereafter, the agreed amount has been increased up to Rs. 27,500,000.00 (excluding VAT) with the approval from the line ministry.

Further, it is informed that the amount paid to the Road Development Authority up to this date is Rs. 23,735,533.54 and it is not Rs. 29,235,510.00. An amount of Rs. 25 million out of the total of the bills submitted, has been retained. It is kindly informed that further development activities will be carried out and payment will be made based on the recommendations of the committee that has been appointed regarding the said purpose.

As this task was suddenly assigned to us, the procurement process could not be followed properly. Therefore, the task was assigned to the Road Development Authority which is a government institution.

5.4 (c) A committee has now been appointed to obtain a report related to the deficiencies and the construction of the Administration Building of the Bataleeya Replica School. The

committee has recommended that the contractor is to be paid pro rata for the work performed and a new agreement shall be entered into between the both parties for carrying out the remaining work. It is kindly informed that action will be taken to complete the task as soon as possible concerning these recommendations.

5.4 (d) A formal internal disciplinary inquiry is currently being conducted into the amount paid for obtaining employee medical insurance. Apart from this, another investigation is being conducted by the Commission to Investigate Allegations of Bribery or Corruption. Further, it is kindly informed that the Public Finance Circulars will be followed in obtaining insurance coverage in future.

5.5 Procurement and Contracting Process

5.5 (a) All advances paid in respect of the contract for the construction of the Pilgrims Rest Hall at Gatabaruwa Temple, have been recovered. The details of such recoveries are given in the table below.

Bill No	Work done without VAT (accumulated)	Previous Payments without VAT (accumulated)	Retention 10% 15% (accumulated)	VAT 11% 15%	Mobilization Advance Recovery
No. 01	7092687.13		709268.71	702176.03	1773177.78
No. 02	15155334	6383418.42	1515533.40	798202.01	2015661.72
No. 03	19006400.00	13639800.60	1900640.00	381255.53	962766.50
No. 04	24751648.00	17105760.00	2082987.90	611919.01	1436312.00
No. 05	30522369.95	22668660.10	2082987.90	865608.29	1747280.00
	30522369.95	22668660.10	2082987.90	3359160.90	7935192.00

5.5 (b) It is accepted that a delay in signing the contract for the construction of the Preaching Hall at Gatabaruwa Vihara occurred due to technical issues. While the construction of this contract is in progress, the circumstances which arose affect to suspend the completion of the remaining works of the contract until the proposed additional works are executed and completed. Therefore, it is kindly informed that the term of the contract has been extended up to 31.12.2017.

(c) Upon the daily requirements of the Fund, consultants have been hired for the consultation purposes regarding excavation, conservation and maintenance activities carried out on daily basis. It is expected that it is not required to include information in the procurement plan regarding the payment to be made as per Section 5.2.1 (a) of the Sri Lanka Guidelines for selection and employment of consultants while obtaining services from the consultants hired by the Fund.

It is kindly informed that if consultants are hired for any specific work as per Section 5.2.1(a) of the Sri Lanka Guidelines for selection and employment of consultants, actions will be taken to include the payment details in the procurement plans to be prepared for future years.

(d) Upon daily requirements of the Fund, consultants have been hired to obtain consultation regarding excavation, conservation and maintenance activities performed on daily basis. As a monthly allowance is paid for the consultants thus hired, Mr. Kapila Dahanayake and Mr. S.U. Deraniyagala have been paid Rs. 159,975.00 and Rs. 231,155.00 respectively as allowances.

The other payments stated in other audit queries are the payments made to the consultants hired in respect of additional works such as preparation of plans, bills of quantities etc. other than daily duties.

5.6 Procurement Plan

5.6 (i) It is accepted that the deficiencies have been occurred in the preparation of the procurement plan for the year 2016 and that there have been delays in submitting the same.

5.6 (ii) Although the vehicles purchased during the year 2016 have not been included in the procurement plan, it is kindly informed that provisions have been allocated in the budget prepared for the year 2016.

5.6 (iii) It is kindly informed that the goods, works and services procured for the Regional Offices have been included in the procurement plan prepared on behalf of the Fund for the year under review (2016) since there are variance between the balances when comparing with the actual balances.

6. System and Control

It is kindly informed that special attention will be paid to the system and control weaknesses observed during the audit and of which details were provided, and the final accounts will be submitted on due time minimizing accounting errors.

Sincerely

Prof. Prishantha Gunawardana
Director General
Central Cultural Fund

04. Performance Indicators

Performance Indicators of the Central Cultural Fund (Based on the action plan)

Serial No.	Project	Description	Actual output as a percentage (%) of the expected output			
			0 - 25%	26% - 50%	51% - 75%	76% - 100%
01	Abhayagiriya Project	Excavation			✓	
		Conservation			✓	
02	Mahavihara Project	Excavation	✓			
		Conservation			✓	
03	Jetawanaya Project	Excavation				✓
		Conservation				✓
04	Polonnaruwa Project	Excavation			✓	
		Conservation			✓	
05	Sigiriya Project	Excavation			✓	
		Conservation			✓	
06	Dambulla Project	Excavation				✓
		Conservation			✓	
07	Kandy Project	Excavation			✓	
		Conservation			✓	
08	Ramba Vihara Project	Excavation				✓
		Conservation			✓	
09	Tissamaharama Project	Excavation			✓	
		Conservation			✓	
10	Galle Project	Excavation		✓		
		Conservation			✓	
11	Matara Project	Excavation		✓		
		Conservation		✓		
12	Monaragala Project	Conservation		✓		
13	Yapahuwa Project	Excavation	✓			
		Conservation			✓	
14	Dambadeniya Project	Excavation			✓	
		Conservation		✓		
15	Panduwasnuwara Project	Excavation		✓		
		Conservation			✓	
16	Kurunegala Project	Excavation		✓		
		Conservation			✓	
17	Jaffna Project	Excavation		✓		
		Conservation		✓		
18	Trincomalee Project	Conservation		✓		
19	Ratnapura Project	Excavation				✓

05. Performance in Achieving the Sustainable Development Goals (SDG)

5.1 Identified Sustainable Development Goals

SDG 04 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Museums have been set up under several major projects implemented by the Central Cultural Fund, and school children, university students, archaeologists, researchers and information-seekers who visit the museums are provided with educational information and lectures are conducted for them.

Students, university students, archaeologists, researchers and information-seekers who visit the Publicatoion Unit are facilitated to provision of such educational information.

Students are enrolled in the study courses conducted by the Bataliya National Replica School for a two-year academic period by publishing newspaper advertisements and they are provided with a sound theoretical and practical knowledge.

Upon the requests made by the schools and other establishmnets, educational exhibitions are conducted.

The undergraduates are provided with 6-month internship training programmes on excavation and conservation activities upon the requests made by universities.

SDG 08 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Measures have been taken to increase the job satisfaction of the staff recruited to the Central Cultural Fund by following a due promotion proceddue to promote them in the relevant time periods.
- Measures have been taken to safeguard the job security of the staff in compliance with the various circulars issued by the government.

SDG 09 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Developing all sanitary and infrastructure facilities and carrying out daily maintenance for local and foreign tourists visiting tourist places to satisfy their needs and wants more effectively and increase tourist attraction.
- Facilitatting to maintain office work, excavation and conservation work utilizing modern technology

SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

- Maritime Archeology Unit, Laboratory and Museums have been established to carry out maritime archeology Excavation, exploration and research activities on a scientific basis in Sri Lanka and measures have been taken to conserve maritime resources.

5.2 Achievements and Challenges in Achieving Sustainable Development Goals

Protecting heritage sites has become problematic with the decrease of awareness in the community regarding the conservation of archaeological heritage sites, which is done with the aim of bequeathing past heritage for future generations, and with the emergence of a society that demolishes these heritage sites instead of preserving them. Under these circumstances, excavation, research and conservation are carried out by way of explaining the importance of conserving the archeological heritage to the community and students so as to motivate them to engage in that task. Also, by utilizing the limited human resources available at the institution, the work of conservation of puskolapoth and the identifying new archeological sites, documentation, conservation, maintenance and public exhibition of new archaeological sites were carried out continuously throughout the year.

06. Human Resource Profile

6.1 Cadre

As on 31.12.2016, the cadre of the Central Cultural Fund is as follows.

	Approved Cadre	Actual Cadre	Cadre (Shortage)	Cadre (Excess)
Senior	16	06 (02 - contract basis)	10	-
Tertiary	46	30 (02 - contract basis)	16	-
Secondary	478	428	50	-
Primary	1,130	1,623	-	493

6.2 How human resources are utilized for the performance of the organization

Due to the shortage of senior, tertiary and secondary staff, many problems have been arisen when performing administrative tasks and project work of the institution. However, by utilizing the existing human resources to the maximum extent, the necessary activities were carried out by covering-up duties, and thus, the goals have been achieved and scheduled plans have been implemented.

Necessary arrangements have been made to obtain the approval of the Department of Management Services to obtain the approval for the excess number of employees in the Primary PL- Grade 1.

6.3 Human Resource Development

- As this institute is falling under the scope of excavation, conservation and academic works, it is necessary to provide local and foreign training to update the knowledge of the officials and employees involved in the said fields.
- Due to the fact that the employees have little knowledge about procedural rules, establishment codes and financial regulations, they should be provided with adequate knowledge and trainings properly.
- Attitude development programmes should be implemented regularly as attitudes of the employees are aligned with employee motivation and efficiency.

➤ Conducting training programs

With the collaboration of the museums attached to the Central Cultural Fund, the tasks such as providing educational information, conducting monthly lectures/seminars to school students, university students, archaeologists, researchers, and information seekers visiting the Museums were carried out throughout the year.

Upon the requests made by schools and temples in respect of events and exhibitions, exhibitions have been conducted.

07. Compliance Report

Serial 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 B Account	-		
1.3	Trading and Manufacturing Advance Account (Commercial Advance Account)	-		
1.4	Stores Advance Account	-		
1.5	Special Advance Account	-		
1.6	Other	-		
2	Maintenance of Books and Registers (FR 445)			
2.1	Updating and maintaining Fixed Assets Register as per Public Administration Circulars	Complied		
2.2	Updating and maintaining Personnel Emolument Registers/ Personnel Emolument Cards	Complied		
2.3	Updating and maintaining Audit Query Register	Complied		
2.4	Updating and maintaining Register for Internal Audit Reports	Complied		
2.5	Preparing and submitting all monthly account summaries (CIGAS) to the Treasury on due dates	-		
2.6	Updating and maintaining Register for Cheques and Money Orders	Complied		
2.7	Updating and maintaining Inventory Register	Complied		
2.8	Updating and maintaining Stocks register	Complied		
2.9	Updating and maintaining the Register for Loss and Damage			
2.10	Updating and maintaining the Commitment Register	Complied		
2.11	Update and maintain Counterfoil Book Register Register (GA-N20).	-		

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
3	Delegation of functions for financial Control (FR 135)			
3.1	Financial authority should have been delegated within the institution.	Complied		
3.2	Delegation of financial authority should have been communicated within the institution	Complied		
3.3	Authority should have been delegated so that every transaction is approved through two or more officers	Complied		
3.4	The government payroll software packages should have been utilized under the control of the Accountants in terms of the Public Accounts Circular No. 171/2004 dated 11.05.2014	-		
4	Preparation of annual plans			
4.1	Preparation of Annual Action Plan	Complied (preparation of plans annual and quarter basis		
4.2	Preparation of annual procurement plan	Complied		
4.3	Preparation of annual internal audit plan	Complied		
4.4	Preparation of the annual estimates and submission of such estimates to the National Budget Department (NBD) on due date	-		
4.5	Submission of the Annual Cash Flow Statement to Treasury Operations Department on due date	Complied		
5	Audit Queries			
5.1	All audit queries have been answered by the date fixed by the Auditor General	Not Complied	Due to the delay in collecting the information, answers have not been submitted by the due date in many instances.	Make arrangements to collect information to submit the answers on the due date

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
6	Internal Audit			
6.1	Preparation of the internal audit plan after consultation with the Auditor General at the beginning of the year as per FR 134 (2)	Complied		
6.2	Giving answers to every internal audit report within a period of one month	Complied		
6.3	Submission Copies of all internal audit reports have been submitted to the Management Audit Department	Complied		
6.4	Submission of the copies of all internal audit reports to the Auditor General as per FR134 (4)	Complied		
7	Audit and Management Committees			
7.1	Maintaining a minimum of 04 Audit and Management Committees during the relevant year as per DMA Circular 1-2019	Complied		
8	Asset management			
8.1	Submission of information on purchases of assets and disposal to the Comptroller General's Office according to paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	Appointment of a suitable liaison officer to coordinate the implementation of the provisions of the siad circular, and submission of details of the said nominated officer to the office of the Comptroller General as per paragrapg 13 of the above said circular	Complied		
8.3	Conduct of board of surveys and submission of the relevant reports to the Auditor General on the due date as per Public Finance Circular No. 05/2016	Complied		

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
8.4	Execution of recommendations given in the report and taking actions with respect to shortages and surpluses observed in the survey within the due time period as stipulated in the circular	Complied		
8.5	Disposing of condemned articles in compliance of the FR 772.	Complied		
9	Vehicle management			
9.1	Preparation of daily running charts and monthly summary reports for reserve vehicles and submission of such documents to the Auditor General on the due date.	Not Complied	Not submitted to the Auditor General	Measures will be taken to submit the same in due course
9.2	The condemned vehicles shall be disposed of within a period less than 06 months after condemning	Not Complied		
9.3	Maintaining and updating Vehicle Log books.	Complied		
9.4	Following the due procedure in respect of each of the vehicle accidents in compliance with the FR 103, 104, 109 and 110			
9.5	Re-testing of fuel consumption of vehicles as per the instructions mentioned in paragraph 3.1 of the Public Administration Circular No. 2016/30 dated 29.12.2016.	Not Complied		
9.6	Transferring the absolute ownership of the leased vehicle log book after the lease term	-		
10	Bank Accounts Management			
10.1	Preparation and certification of bank reconciliation statements on due date and submission of the same for audit purposes	Complied		

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
10.2	Settlement of inactive bank accounts of which balances have been brought forward from the year under review or from earlier years.	Complied		
10.3	Settlement of the balances, which have been disclosed through the bank reconciliation statement and for which adjustments have to be made, within a period of one month.	Complied		
11	Utilization of Provisions			
11.1	To incur expenses so that the provisions made do not exceed their limits	Complied		
11.2	The liabilities should not exceed the provisions which remains at the end of the year as per FR 94(1) after utilization of the provision made.	-		
12	Advances to Public Officers' Account			
12.1	Compliance with limits	-		
12.2	A time analysis of loans in arrears should have been conducted	-		
12.3	Settlement of loan balance in arrears over a one year	-		
13	General Deposit Account			
13.1	Taking action in terms of the FR 571 in respect of lapsed deposits	-		
13.2	Updating and maintaining Control Register for general deposits	-		
14	Imprest Account			
14.1	Remittance of cash book balance to Treasury Operations Department at the end of the year under review	-		
14.2	Settlement of the ad-hoc sub imprest, issued under FR 371, within one month of the completion of the work.	-		

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
14.3	Issuing Ad-hoc sub-imprest so as not to exceed the sanctioned limit as per FR 371	-		
14.4	Monthly reconciliation of the Imprest Account's balance with the treasury books	-		
15	Revenue Accounts			
15.1	The efunds from the revenue collected should have been made in terms of the relevant regulations	Complied		
15.2	The revenue collection should have been directly credited to the Revenue Account not crediting to the Deposit Account.	Complied		
15.3	Returns of arrears of revenue should be forwarded to the Auditor General as per FR 176	-		
16	Human Resource Management			
16.1	Maintaining cadre within the approved cadre limits	Not Complied	Employees have been recruited more than the approved cadre	Taking actions to obtain the approval of the Department of Management Services in respect of the excess no. of employees in the cadre
16.2	Duty lists should have been given in writing to all members of the cadre.	Complied		
16.3	All reports should have been submitted to the Management Services Department as per MSD Circular No. 04/2017 dated 20.09.2017.	Not Complied	Observed that submissions have been not made to the Management Services Department in some instances	Measures will be taken to make submissions to the Management Services Department

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
17	Providing information to the public			
17.1	Appointing an information officer and updating and maintaining a register of disclosure of information in accordance with the Right to Information Act and regulations	Complied		
17.2	Information about the institution has been provided through its website, and facilitating public to submit their appraisals/criticisms about the institution through the website or through alternative means	Complied		
17.3	The relevant reports should have been submitted twice a year or once a year as per Sections 08 and 10 of the Right to Information Act	Not Complied	No reports submitted	Measures will be taken to submit Reports
18	Implementation of Citizen's Charter			
18.1	A Citizen's Charter should have been compiled and implemented as per Public Administration Circulars No. 05/2008 and 05/2018 (1)	Not Complied	A citizen's Charter has not been compiled and implemented	will be compiled in due course
18.2	According to paragraph 2.3 of the said circular, the institution should have established a procedure to monitor and assess the formation and implementation of the Citizen's Charter.	Not Complied	Institutions have not established a procedure to monitor and evaluate the preparation and implementation of the Citizen's Charter.	will be compiled in due course
19	Preparation of Human Resource Plan			
19.1	A Human Resource Plan should have been prepared based on the format of the annexure 02 of the Public Administration Circular No. 02/2018 dated 24.01.2018.	Not Complied	A Human Resource Plan has not been prepared	to be prepared in due course
19.2	It is ensured in the Human Resource Plan that every member of the cadre should receive a training opportunity of at least 12 hours per year	Not Complied	It is ensured in the Human Resource Plan that every member of the cadre should receive a training opportunity	Measures to be taken in due course

Serial No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-compliance	Corrective actions proposed to avoid non-compliance in future
19.3	Annual performance agreements should have been signed with all members in the cadre based on the format given in the annexure 01 of the above circular.	Not Complied	Annual performance agreements should not been signed with all members in the cadre	Measures to be taken in due course
19.4	According to paragraph 6.5 of the above circular, a senior officer has been assigned the responsibility of preparing the human resource development plan, developing capacity development programmes, and implementing skill development programmes.	Not Complied	An officer has not been appointed, and the activities related to training and workshops are done by the Administration Division.	An officer will be appointed in future and the relevant programmes are to be implemented continuously
20	Responding to Audit Paragraphs			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General have been rectified.	Complied		