

Central Cultural Fund

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

The Activities and Aims of the CCF

- * To undertake and bear all expenditure for the development of Cultural monuments in the Cultural Triangle and monuments in other areas, which seem to be necessary to be developed for the well –being of the public, as determined by the Board.

- * To bear all expenses of the Jetawana Dagoba project and other similar projects.

- * To take action to promote religious affairs within Sri Lanka or in Foreign Countries.

- * To provide assistance to enhance religion and to maintain religious places and their activities and observances.

- * Presenting awards to veterans who have offered a yeoman service to the country in the fields of culture and religion.

- * To provide aid to artists, writers, painters, musicians, sculptures and others who are engaged in promoting cultural activities.

- * To provide aid to other cultural or religious activities which are determined by the Board as beneficiary or virtuous to the civil society.

Objectives

- Conducting all exploration, research, excavation and conservation activities
- Research, preservation, conservation and promotion of touched and untouched cultural heritages
- Creating a satisfied group of employees armored with Institutional human resource knowledge, attitudes and skills.
- Collection of data of the Institution, analyzing, distribution and improvement of exhibition centers and maintenance.
- Promoting Sri Lanka's cultural heritage through attracting tourists from both east and the west while protecting our own the cultural values
- Increasing the revenue targets of the Institution by 30% during the coming 04 years and executing the services of the Institution more efficiently and with a high consumer satisfaction
- Socialization of identified cultural values and systems
- To support in the multi religious and reconciliation and the national unity of the country
- Building up International and Institutional cooperation in keeping with the national policies
- To modernize and offer multifaceted services from the institution in keeping with the modern society

The thirty second Annual Report of the Central Cultural Fund 2014

Board of Governors

The Board of Governors relevant to the CCF to year 2014

Chairman of the Board of Governors	Prime Minister Hon. D.M.Jayarathna
Hon. T.B. Ekanayaka	Minister of Cultural Affairs and Art
Hon. Geethanjana Gunawardana	Deputy Minister of Finance
Hon. Basil Rajapaksha	Minister of Economic Development
Hon. Bandula Gunawardana	Minister of Education
Dr. Jagath Balasuriya	Minister of National Heritage
Mr. S. Amarasekera	Secretary to the Prime Minister
Mr. Vasantha Ekanayaka	Secretary – Ministry of Cultural Affairs and Art
Dr. Senarath Dissanayaka	Director General of Archaeology
Mr. W.A. Ranweera	Working Director – CCF

Special Inviters

Ms. N. Godakanda	Director General - Department of Management Services
Ms G. D. C. Ekanayake	Director General – Department of National Budget

The Governing Board, Staff policy and Institutional Committee meetings were held in the year 2014 too. Policies and relevant guidelines were determined by the Board and activities were executed according to the guidance and instructions of the Governing Board.

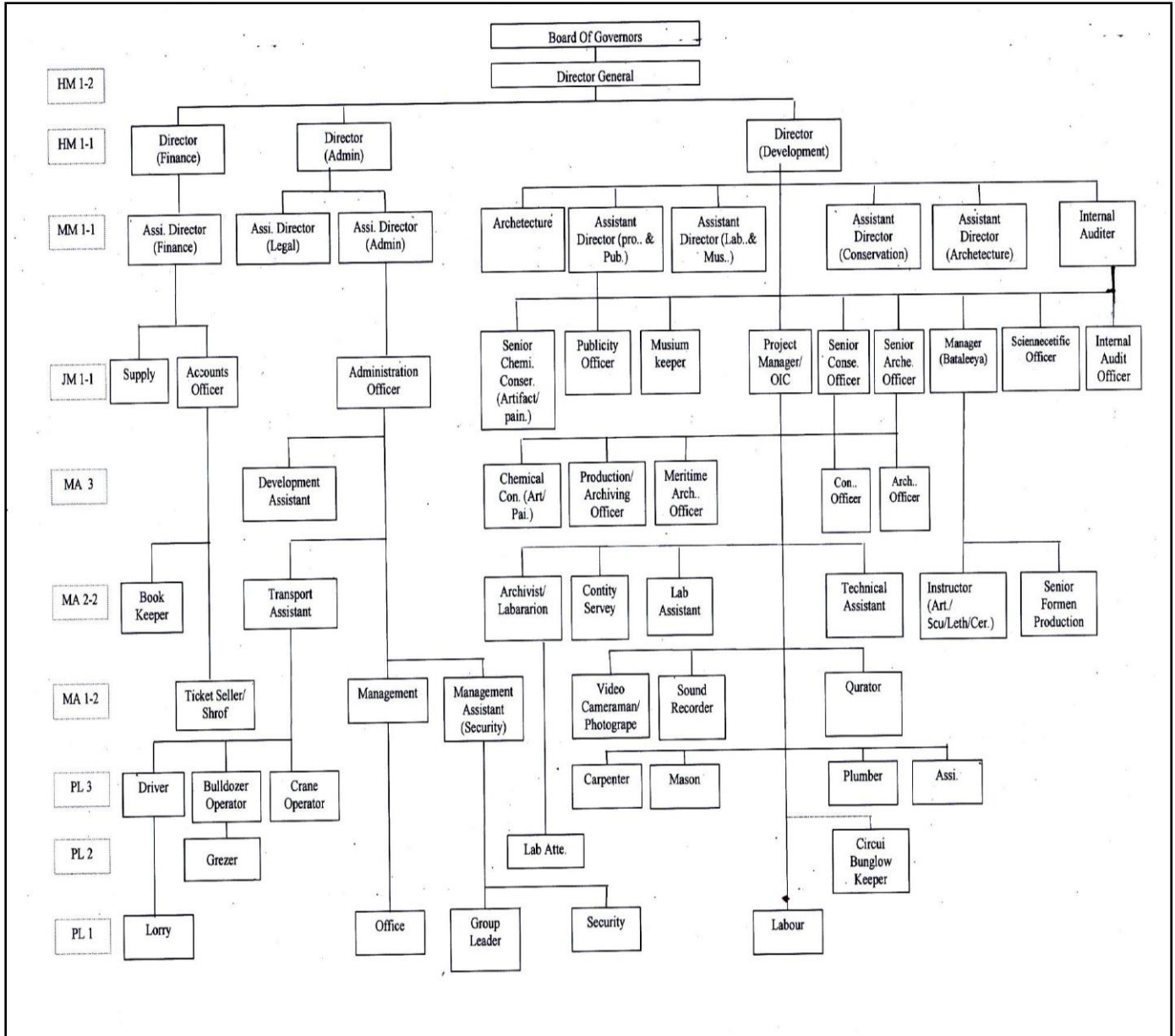
Central Cultural Fund Staff

The Secretary to the Ministry of Cultural Affairs, functions as the Chief Administrative Officer of the Central Cultural Fund, according to the Central Cultural Fund Act. No. 57 - 1980. The Director General acts as the Head of the Institution while all activities of the CCF are carried out by three sections namely Development, Management and Finance. These three divisions are operated under the guidance of three Directors.

To carry out the above mentioned activities, the following workforce was utilized during the year under review.

Officers of Senior Management Level	01
Tertiary Level Officers of Management	21
Secondary Officers	335
Junior Officers	<u>1475</u>
	<u><u>1832</u></u>

Organizational Structure of the CCF



Ministry of Cultural Affairs and the Arts

Honorable Minister T.B. Ekanayake
Minister of Cultural Affairs and the Arts

Central Cultural Fund - 2013 Officers of Senior Management Level

Chief administrative Officer
Mr. Wasantha Ekanayake
Secretary
Ministry of Cultural Affairs and the Arts

Director General
Prof. Gamini Adikari

Working Director
Mr. W.A. Ranaweera

Director (Finance)
Mr. Sarath Pathirana

Director (Development)
Ms. P.M.G. Maldeniya

Director (administration)
Archaeologist Gamini Dodamwala

PHYSICAL PROGRESS 2014

The Central Cultural Fund was established with the objective of conserving Sri Lanka's archaeological monuments and to preserve and protect them for the country's future generation. Appended below are the projects that were commenced and at presently being maintained by the Central Cultural Fund. Among these, Abeyagiriya and Jethawana Stupa conservation are two completed projects which cost a heavy expenditure for the CCF.

- * Abeyagiriya
- * Jethawanaya
- * Sigiriya
- * Polonnarauwa
- * Kandy
- * Tissamaharamaya
- * Galle
- * Ramba Viharaya
- * Dambulla
- * The North-West Cultural Square Project (Yapahuwa, Dambadeniya, Panduwasnuwara, Kurunegala)
- * The Ruhunu Cultural Zone

Accordingly, the following work was proposed for the year 2014.

Excavations and archaeological research work - 105

Conservation sites - 196 bringing the total number of sites to 301.

Out of these the CCF was able to begin work with regard to all sites and 48 were completed. (excavations 22, and conservations 26)

Within the year 154,743,27 work units were completed and the physical progress of this is 65.68% . Rs. 468,754,698,77 was spent for this work as direct expenditure while the financial progress of this is 53.37%.

A brief description of each project is appended below;

Jetawana project

Excavations Division

During the year under review excavation of the building JMMC 2014 which belonged to the monastery, excavations of the conduits of the “Bodhigaraya” and also excavation of Jethawana Mahinda Pirivena and research work of the Malwatu settlement site were carried out.

Categorizing, analyzing and preparation of archeological reports on the artifacts which were found through excavations in 2013 and 2014 were done and also some promotional activities too were carried out during the year.

From Jethawana Mahinda Pirivena excavations, which were executed with the intention of unearthing special toilet and waste water systems, it was able to unearth evidence of an underground clay pipe line system which went across the building.

Research work was carried out at the Malwatte inhabitation premises with the objective of identifying the borders of the Jethawana premises and to make a pre background for future excavations.

Documentation activity of the Wessagiriya archeological area was also another important activity that was carried out during the year. It was able to keep records of all buildings of the “Pabbatharamaya” and 09 out of these buildings were categorized and drawing plans of special artifacts were also done.

Preparation of reports pertaining to 2010 artifacts, compiling of three booklets regarding the use of decorative mouldings at the Jethawana Aramaya Complex, Geographical information system and analyzing of the three dimensioned archeological premises of the Jethawana, preparation of books on the technology and technical skills of the stone carving art of the jethawana Viharaya complex, compiling a guide book of the Jethawana are some important activities that were carried out during the year.

Under categorizing of artifacts and analyzing; studies on beads, clay pots, earth, and metal items were carried out and 04 lectures were organized under promotional activities.

Some photographs showing the progress of the excavations division



While excavation was going on at JMMC 2014



Jethawana Mahinda Pirivena - Before excavation



After excavation was done

Conservation Division

Conservation of the Peacock Palace, conservation of the Sri Maha Bodhi prakara bund, conservation of the old plaster of the Stupa was implemented this year under the Abeyagiriya conservation project. Apart from this, maintenance of the gardens and scientific maintenance work were also done.

Conservation activities of the peacock palace which was unearthed through excavations during the last year was carried out from January to December this year. The surrounding parapet wall of the Sri Maha Bodhiya and conservation of plaster of the Jethawana Stupa were some important activities that were carried out during the year.

Under scientific maintenance filling of mortar joints on the bunds and laying new bricks were done.

Landscaping and maintenance of gardens were carried out whole through the year.

Some pictures related to conservation work



Conservation work in progress at the Monara Maligawa



Conservation work in progress at the Monara Maligawa



Filling of mortar joints



Conservation in progress in a bund at the Aramaya Complex

Abeyagiriya Project

Excavation Unit

The following excavations and conservations were implemented under the Abeyagiriya Project during the year 2014

- * 2014 Kaparamula research excavation
- * Excavation of no.36 image house
- * Excavating of landscapes close to the Kuttam Pokuna.
- * Excavation of the pond which is in the North direction of the Stupa.
- * Excavation of the brick bund situated north to the Ruwanveliseya hospital
- * Excavation of three small monuments in the eastern side of the Ruwanveliseya hospital
- * Excavating the footpath between Thuparamaya and Ruwanveliseya
- * Excavating building no. 59 close to the Thuparamaya
- * Research work at the “Padhalasa” chetiya in the eastern side of the Thuparamaya

The excavation begun at the Kaparamula was done in order to study cultural stages of the premises. Excavations were carried out by two stages and the first stage was implemented this year and it was able to bring to light several information about the ancient era.

The excavations carried out with the objective of finding evidence of an Image house which was in the surface of the land was named as the Image house excavation no.36. It was a rare factor to find evidence of image houses through the excavations. Hence the objective was successful.

Excavation work of the pond which was situated outside the Abeyagiri Stupa outer pprakaraya, was also commenced this year. It was able find evidence of side bunds and erections of the pond.

Excavations considered as special work done during the year 2014 were the excavations done with the objective to unearth the brick wall to the north side of the Ruwanveliseya hospital and also excavations to reveal three small monuments at the eastern side of the hospital.

It was revealed from the data from excavations carried out with the objective to unearth the old footpath from the Thuparamaya to Ruwanveliseya, that this path was a boundary between two ancient pirivenas. All data found from the excavations were documented and it was decided to withhold the excavations.

The excavation work which was implemented with the intention of conserving the sacred monuments of the four sacred Buddhas called “Padhalasa Chetiya” which was situated in the east direction of the Thuparamaya was completed successfully in 2014.

Two out of the four Padhasala stupa have been revealed from excavations at present and an excavation was carried out to find factors of the balance two Stupas. But it was unable to get the expected results because the factors have been ruined by constructions done during the British era.

Apart from this, maintenance of gardens, development of the Library, preparation of excavation reports and promotional programmes were carried out whole through the year.

Some pictures depicting the progress of the excavation division



Kaparamula research work - before and after excavation



Some pictures depicting the excavation work



Small monuments at the east to Ruwanveliseya hospital – Before and after excavation



Building no.59 after excavation



Footpath between Thuparamaya and Ruwanveliseya

Conservation Division

The following conservation, reconstruction and maintenance work were carried out under the Abeyagiriya conservation project during 2014.

- Conservation of nos. 01 and 02 buildings at the Kuttam Pokuna
- Thuparamaya and Ruwanveliseya hospital – Balance work
- Conservation of the entrance door to Abeyagiriya museum and special artifacts
- Conservation of outer wall of the Ruwanveliseya
- Maintenance of Abeyagiriya Stupa Vihara
- Reconstruction of the no. 13 building of the museum and painting the main entrance
- Construction of the Ruwanveliseya water drain
- Repairing the Abeyagiriya office building
- Reconstruction of conservation and planning division buildings

Accordingly conservation work of the monastery buildings nos. 01 and 02 situated on to the west side of the Kuttam Pokuna of the Abeyagiriya vihara premises was commenced. A building complex which showed features of a hospital and situated to the south of the Stupa was conserved in keeping with the balance features remained.

Also the earlier conserved monuments within the Abeyagiriya Vihara premises but were now subject to erosion had to be reconstructed and this work was done during the year. At this stage the causes for erosion were removed and conserved again using new bricks. Simultaneously a drain was also made to carry rain water of the Ruwanveliseya weli maluwa.

Apart from this, maintenance work of premises, preparation of roads to access the monuments, and building maintenance work were carried out whole through the year at the Abeyagiriya project.

Some pictures depicting the progress of the conservation division



Kuttam Pokuna No.01 building before and after conservation



Kuttam Pokuna No.02 building before and after conservation



The Ruwanveliseya hospital before and after conservation

Abeyagiriya Museum

Apart from daily exhibitions of the antiques, special artifact exhibitions and information programmes were held in 2014.

Under special exhibitions, arrangements were made for exposition of the bronze Buddha Statues found from Abeyagiriya at the exhibition held close to Diyawanna Oya in May 2014 on the theme of “Buddhist Images”.

Steps were taken to protect antiques and also to conserve artifacts, through the year. Under this special artifacts such as the guard stone without carvings, the guard stone with the carving of the “Kalpa wrukshaya”, the instrument used to check the time, the Nagaraja stone and the Nagarajini guard stone were conserved.

Repairing work to the Museum building roof and the security gates were done in a proper manner to make the museum building more strong. Attention was also given for beautifying the gardens during the year.

The annual income of the Museum is Rs. 653,004,00.

The annual progress of the Museum



An instance of conserving artifacts and beautifying the Museum

The Polonnaruwa Project

Excavation of the Themala Maha Seya was commenced under the quarterly system in four stages, and the first stage was implemented this year. Accordingly it was able to identify the earth layers and the technology of the creation of the Stupa.

A magazine including contents of educational lectures held during the year 2013 and 2014 and the annual archeological conferences was also produced during the year.

Two student training programmes were implemented during the year in two stages and students of the archeological faculties of the Ruhunu and the Kelaniya Universities participated in these.

Some pictures depicting the progress of the excavation division



The Demala Maha Seya before and after excavations.

Conservation Division

The following conservation and maintenance work were undertaken during the year under review.

- Conservation of the eastern and northern prakaraya of the inner city
- Conservation of the plaster of the Parakramabahu palace
- Conservation of the Lankatilleke Image House
- Conservation of the southern bund of the inner city
- Scientific maintenance work
- Construction of foot paths
- Maintenance of buildings
- General maintenance work
- Painting of the Kiri vehera

Accordingly, the balance work of the northern and eastern bunds which had been in progress since the previous year, were completed during this year. The mortar joints were filled and bricks were placed from both sides of the foundation and made firm.

Old plaster layers which were inside the inner city of the Parakramabahu Palace Complex and had decayed due to several sources of deterioration were cracked. A binding medium was used to fill the mortar joints and make it firm and was conserved.

The causes for deterioration in the north wall of the Lankatilleke Image House was removed and conserved using a suitable binding media. Filling of mortar joints was done in a large scale and bricks that were not strong enough were removed and replaced with new bricks.

The conservation work of the south prakara bund which had been unearthed during the 2013 excavations was conserved based on the data available but it was proposed to do further excavations since there was no enough evidence to conserve the full bund.

Under scientific maintenance work the road between the northern entrance of the outer city up to the Rankoth Vehera and the brick bunds and devala building and Bohdigara were maintained. Furthermore access roads to the Pothgul Viharaya, Kirivehera the Parakramabahu Maligawa were restored simultaneously.

Under common maintenance work, a room for wood work, two small rooms for the use of security guards and drivers and building a vehicle park were some important work that was carried out during the year under review.

Some pictures pertaining to the progress of during the year



A part of the bund in the road from north entrance of outer city to the Rankoth vehera- before conservation



A part of the bund in the road from north entrance of outer city to the Rankoth vehera- after conservation



Kirivehera before painting



Kirivehera after painting was done

Sigiriya Project Excavation Division

The southern and western ends of the inner city conduit of the Sigiriya site had been completely conserved, but the northern end had been left out. Hence the section from inner canal northern entrance up to the bund (wana) was excavated this year too for conservation. Special artifacts including clay pots could be found through this excavation.

Another special excavation carried out this year was the excavations done with the intention to reveal the archeological data adjacent to the western bund of the “Sinhapadhaya”.

Excavations carried out with the intention to unearth the outer water canal of the Sigiriya field plan was also another important work carried out this year. It was able to give light to special factors which belonged to the 05th century B.C.

Analyzing, categorizing, and documentation were also done with regard to the clay pots which were found from excavations this year.

Drawing of plans relevant to excavations done during 2014, conservation and other sections were implemented through the year.

Work related to special exhibitions of the Museum, archives, studios and data of artifacts were constantly monitored and daily maintenance work was also carried out during the year.

Pictures showing progress of excavation division



Outer conduit before excavation an artifact found from excavation.



The site seen prior to excavations close to the western bund of the Sinhapadhaya



The site after the excavations were completed

Conservation Division

The following conservation work was carried out pertaining to year 2014 under the Sigiriya Project.

- Conservation of the west black granite bund of the Sinhapadhaya west bund
- Conservation of circular bunds on either sides of the western entrance doorway
- Conservation of garden bunds of the center court
- Conservation of the area close to the Bodhigaraya
- Conservation of bunds of the micro water garden
- Conservation of the Pond named SW
- Cleaning of drains up to the western entrance of the southern access road and the Naipena Cave.
- Maintenance of brick bunds adjacent to the Malaka gardens
- Maintenance of Landscaping work at Moragahamula

Conservation of stage 1 of the western granite bund of the Singha Padhaya, which was subjected to heavy forestry was implemented this year. Since there was a lack of human labour and building material, this work had to be postponed for the coming year.

The bunds of the garden in the center court was conserved with the intention of protecting the Sinhapadha maluwa (terrace) from washing away from rain water.

The drain system which leads to the western entrance of the south access road which is 800 ft. long was conserved so as to have a systematic flow of water.

Another important conservation implemented this year was the conservation of garden bunds of the center court and the displaced old black granite bunds were reconstructed according to a new systematic method.

Furthermore under scientific maintenance, the brick bunds close to the Malaka gardens and the center court the conference hall and the brick bunds of no.02 natural stone arch on top of the Asana Guhawa were maintained.

At the “Naipena Guhawa” a drain out of bricks was constructed and filling of mortar joints were done in front of the brick layer to prevent the water falling from the drip –ledge of the cave.

Landscaping and scientific maintenance work was continued at Moragahamulla garden area, which had been commenced during the last quarter of the year and laying sods, laying of rubble to the footpaths and construction of cement benches at suitable places of the garden were done during the year.

Since the pond named SW at the micro garden had not been cleaned in a systematic way earlier, it had become polluted with moss etc. and had to be cleaned. Bunds that were broken had to be repaired using old bricks and conserved. The underground drain system too had to be conserved systematically.

Some pictures depicting the progress of the conservation division



The SW pond before and after conservation



Garden bunds before conservation



Garden bunds after conservation

Dambulla Project Conservation Division

Under the architectural conservation activities done by the Dambulla project, Aramageya of center temple of the Valagamba viharaya and Bodhimalakarama viharaya conservations were some important work that were carried out during the year.

The frescos of Wanasingharamaya Raja Maha Viharaya and Ambareliya Tampita Viharaya were conserved under the fresco conservation programme.

Although conservation activities of the Walagamba meda pansala aramageya in the Matale district had commenced during last year, the entire work could be completed only during the current year. Accordingly lot of decayed parts including the roof had to be reconstructed.

Installing the electricity system at the shrine rooms and plastering of the floor and walls of the Bodhimalakaramaya was proposed for this year but only the collection of material was done and the conservation part was postponed for year 2015. Another important conservation activity carried out by the Dambulla Project during the year was the conservation of Frescos at Wanasingharamaya raja maha viharaya situated at the Mahaweli H zone of the Anuradhapura district.

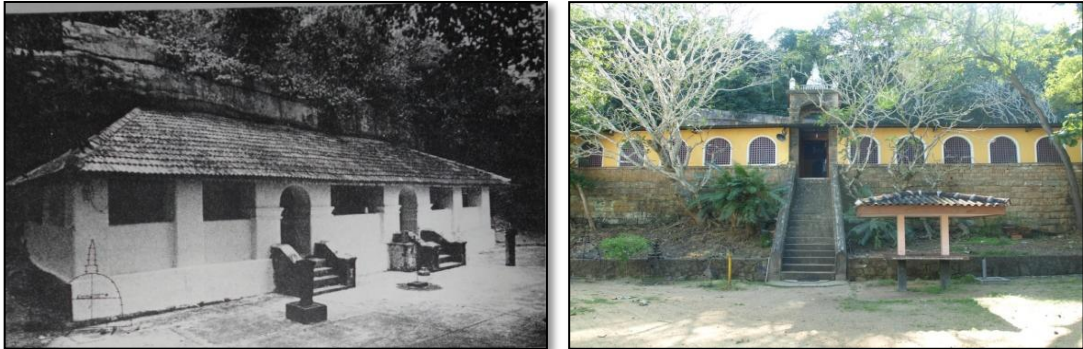
Conservation of Frescoes of the Ambareliya tampita viharaya of the Kekirawa district was also done this year. Some Frescoes were restored and remedies were also used to strengthen the bindings between plaster particles.

Apart from this some external and internal maintenance work at the Frescoes Museum was also carried out and observation and restoration of the electrical circuit system was also done. The outer landscaping of the museum was completed systematically and maintenance of gardens was also carried out during the whole year.

The staff of the Museum implemented several educational - promotional programs. School art competitions, educational seminars and a series of lectures and a practical training workshop with the participation of 50 priests of the Buddha Shravaka University, were among these.

The canvas painting store of the Dambulla Fresco Museum which has the largest collection of important paintings in Sri Lanka was maintained daily and paintings were conserved.

Some pictures showing the progress of the conservation division



Wanasingharama Raja Maha Viharaya Before and after conservation



Paintings of the Wanasingharamaya before and after conservation



A Fresco being conserved at Conservation of a fresco at the Museum store

Kandy Project Excavation Division

Excavation work at the Bambaragala and Gonawatte archeological sites was implemented during the year basically. Accordingly the Bambaragala archeological site which was implemented during last year was subject to formal explorations this year. At this stage it was able to identify some places with pre-historic stone tools.

While archeological explorations were carried out it was able to proceed with studies of archeological evidence and human research studies basing a Brahmi lettered stone inscription. Plans were prepared and data collection was done simultaneously of the Ola leaves and artefacts of several patterns after studies, at the Museum which belonged to Kundasale Narendrasinghe Raja Maha Viharaya which was in close proximity.

Preparation of excavation and conservation reports, analyzing of artefacts, educational and dissemination programmes, library development activities, sale of artifact replicas, sale of publications and restoration of the Meda wasala Biso Balakotuwa were some activities that were performed during the year.

Some pictures depicting the progress of excavation an exploration activities



Babmaragala archeological excavations

Conservation Division

The following conservation work were carried out pertaining to the year 2014

- The balance work of the Rama Viharaya
- The balance work of the Pilawala Galedanda Rajamahaviharaya
- The balance work of the Wathupola purana viharaya
- Pohoya geya of the Degaldoruwa and Gadaladeniya Rajamaha viharaya
- Asgiri Vihara Pirivena
- Pothuhera Madugalle Viharaya
- Asgiriya center temple and the old well
- The avasageya of the ancient Wathupola purana Viharaya
- The vestibule of the Asgiriya GedigeViharaya
- World heritage unit
- Conservation of world heritage city monuments
- Giragama Walluwa
- Salvation Army building
- General maintenance work

The balance work which was commenced in year 2013 was completed this year. The Image House and the Dharmashalawa of the Pilawala Galedanda Raja maha viharaya which were also commenced during last year was conserved completely.

Conservation activities at the sermon hall (Banamaduwa) of the Wathupola ancient Temple, that commenced last year was carried out this year too and carvings and engravings of the “Pekada” were traced and conserved.

Since the small pohoyageya at Degaldoruwa Raja mahaviharaya and the pohoyageya of Gadaladeniya had being damaged severely, conservations were carried out to get back the ancient look.

The Pirivena building belonging to the Asgiriya vihara complex and thatching tiles to the roof of Pothuhera Madudgalle temple were two conservation activities, and this activity was carried out as a joint activity between the CCF and the Sri Lanka Navy.

The old well at the Asgiriya Viharaya complex that was used by the Bhikkus was in a dilapidated condition and had to be restored. Restoration of the roof of the old dwelling place of Bhikkus at

the Asgiriya center temple was commenced simultaneously during the last quarter of this year but there was no sufficient time to complete this. The balance work was postponed to year 2015.

Under the Fresco conservation section, work related to conservation, monitoring, reporting and maintenance work of the frescos at the Walala Raja Maha Viharaya, Thithapajjala Raja Maha Viharaya Dembaralewa Raja Maha Viharya and Niyamgampaya Raja Maha Viharaya were carried out during the year.

Under other maintenance work, monuments in the central province and Kandy city were observed and status reports were prepared and the Bothota Raja Maha Viharaya, Hatharaliyadda cultural Center and the St. Pauls church were some of these. Building site inspections were carried out and building owners and innovators were given required advice representing the Kandy world heritage committee and the sub-committee.

Proposed plans were prepared of the Giragama walluwa, salvation army building, the old dwelling place of Bhikkus at the Wathupola Viharaya that is expected to be to be conserved in year 2015.

Under the improvement of facilities for the project, renovation of the information centre, garden of the office building, and the surrounding areas were maintained and turned in to a more attractive place.

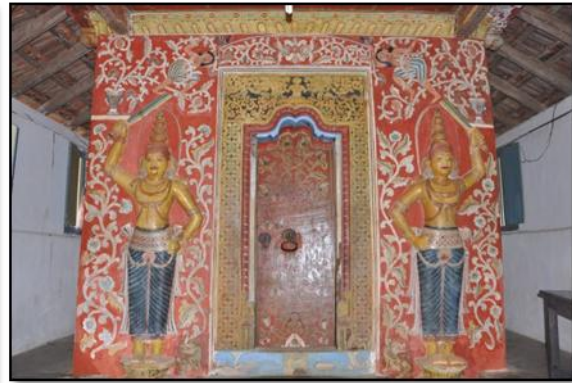
Some activities of the progress of conservation unit.



*Pilawala Galedanda Mha Viharaya
Before and after conservation*



Wathupola ancient Viharaya – Dharmasalava before and after conservation



Thiththapajjala Rja Maha Viharaya – Frescoes before and after conservation



Dembaralewa Rajamahaviharaya Frescoes before and after conservation

Ramba Vihara Project

Excavation Unit

Under excavation activities implemented, excavations of building No; 23/11 of the survey plan was an important activity. The work commenced during last year and the balance work was implemented during year 2014. Accordingly this building was confirmed as a Stupa. Pieces of ceramic, pieces of clay pots, beads and glass bangles were discovered through excavations.

Another special activity was the excavations done at a private land with the intention of revealing archeological data. 19 research pots were excavated at this juncture.

Analyzing of clay pots and special artifacts were carried out during the whole year.

Conservation Division

It was able to complete the conservation work of the 10/1 building commenced in September 2013.

The outer bund (prakaraya) of no.15, building complex was also conserved during the year and all work has been completed. The watch hut was also built and completed during the year.

The restoration work of the Siththamgallena Viharaya sermon hall and the shrine room of the Galagama shylarama were the activities which were commenced under the Ruhunu kavaya and was completed this year.

Under scientific maintenance, essential maintenance work of conserved monuments were done during the year while gardens, bunds and plaster maintenance of laboratory and conserving old plaster and monitoring activities were performed during the year.

Tissamaharama Project

Excavation Division

Research excavation activities related to Akurugoda archaeological excavations which commenced in year 2010, could be completed during the year. It was identified as a place of human settlements for centuries from the evidence found after excavating for a depth of 5.5 meters. Coins, pieces of black & Red clay pots, beads, bones and pieces of jewellery, pieces of glass and creations made out of rock were unearthed.

Image House No. 08 was also excavated for the purpose of conservation.

Another important activity carried out was to do an exploration regarding the dried lakes around Tissamaharama area owing to the drought that prevailed in year 2014.

Apart from this, maintenance of Laboratories, Museums and disseminating of activities were also carried out continuously. Lectures and seminars which are held on an annual basis for University students, Printing of handouts and also creating a website was done during the year.

Progress of some excavation work – Pictures



The progress at the end of the year at Akuregoda excavation.



A Lecture for school children in progress

Conservation Division

Conservation of the kitchen of the Bhikkuni aramaya commenced in 2013 by the Tissamaharamaya project was completed this year.

Under general maintenance work activities were carried at following places and monuments;

1. Sandagiri Stupa and the outer wall
2. Upper terrace (Maluwa) of the Sandagiri Stupa
3. Lower terrace of the Sandagiri Stupa
4. The front vehicle park of the Sandagiri Stupa and roads

5. Image house, Bodhigara and umbrella shaped building and maintenance of adjacent areas
6. The building in center of the town, conserved monument and maintenance of surrounding areas

The following maintenance work was carried out under scientific maintenance:

- Sandagiri Stupa and the outer wall
- Bodhigaraya – conserved building
- Umbrella shaped building (Chatthagaraya) conserved
- Conserved building of the Image House
- The conserved building in the center of the city

The inner and outer walls of the Kataragama Museum building which had not been restored up to 2014 were restored and maintained.

Apart from this, installation of a Buddha Statue at the Tissamaharama Image House, erecting the memorial plaque of Ruhunu Development Zone, maintaining the Kataragama circuit bungalow, Landscaping at the Gombaddala Shiylaramaya, constructing of the museum at Sithulpawwa Viharaya are some important activities that were performed during the year through the project.

Under preparation of conservation reports, the report for 2013 was completed and facts were collected for the preparation of the 2012 conservation report.

Marine Archaeological Project – Galle Excavation Division

The following conservation and maintenance work pertaining to the project were performed during the year.

- Reporting data of curios (antiques)
- Preparation of new data with regard to the antiques exhibited in the studios
- Cleaning of cupboards used for exhibition of items – (monthly)
- Identifying the deterioration factors of goods in the Museum and forwarding them to the maintenance and conservation divisions.
- Restoring the bottle exhibition tank by applying Silican gum and filling of fresh water
- Fixing permanent boards to prevent the visitors touching the antiques which are placed in the open garden.

The marine archaeological unit was involved in its activities throughout the year. Workshops, Lectures, Exhibitions and informative programs were held for the visitors. The Lecture on “The Marine Archeological Museum” held at Galle Polpagoda school, the lecture on “Foreign effects which caused the cultural revolution of Sri Lanka” held at the Galle Opatha Maha Vidyalaya and the awareness programme held at the Venamulla Bhikku training college were some main activities carried out.

Debating competitions and Art competitions were held with the participation of schoolchildren.

Apart from this the following are some important activities that were performed in the year 2014.

- Supporting the temporary exhibition of Buddha Statues at the Diyawanna Vesak zone.
- Welcome local and foreign state leaders and offering guidance
- Training University students and holding special lectures

- Purchase of books and establishing a library for the members of the Institution and Researchers.
- Creation of handouts
- Creating advertisements for the tourist guide handbooks
- Creating an index and notice boards including information of the Museum
- Creating a Photograph to mark the Tourist Day

A tourist survey was carried out this year too, on the concepts of visitors with regard to the Museum and the infrastructure facilities provided in order to carry out a study on these.

Pictures related to Excavations and Explorations



Awareness programmes for school children



Fixing of notice boards with regard to the artifacts to make aware the visitors



Arrival of foreign visitors



Awareness programme for visitors

The North-West Triangle

Yapahuwa work site

Excavation Division

The following excavations and exploration work were performed during the year.

- Excavating D – 13, D-36, and D-37 Caves
- Research excavations of the inner and outer city
- Excavation of the outer canal
- Megalithic cemetery at Gurugoda
- Patanagara complex at Nagolla
- The Gurugoda Stupa
- Excavating the megalithic cemetery at Polpithigama
- Exploring the area close to Mee Oya where the Gurugoda megalithic cemetery is situated.

Accordingly the excavations of caves D-13 which was commenced last year was completed successfully during the year. Excavations of two new caves numbering D-36 and D-37 were also carried out. The initial excavations were completed and analyzation of data and preparation of reports are under way.

Excavations which were going on at the Gurugoda cemetery for some years were able to be Completed during this year and preparation of reports and data analyzation are being done at present.

The research excavations which were implemented to discover information about the inner and outer city of Yapahuwa kingdom were able to be completed successfully.

It was also able to successfully complete the excavations carried out last year with the intention of bringing light to factors relevant to the Nagolla Patanagara complex. At his stage the creativity technology of the building and the ancient cultures could be identified.

Apart from this an exploration to reveal archeological factors and ethnological factors in the area adjacent to the Mee Oya, holding annual workshops and seminars, preparation of annual reports pertaining to excavations and conservations and activities of special artifacts unit were carried out during the year.

Conservation Division

The first and second stage conservation activities of Nagolla Patanagara were able to be completed during the year and maintenance work of the conserved monuments was done whole through the year.

The excavation work commenced in 2013 at the outer canal of the Yapahuwa palace complex was completed this year.

Also restoring activities at the Kadawala Tampita Viharaya, Gurugoda Raja Maha Viharaya Bathigamuwa Bana Maduwa and the kitchen were able to be completed during 2014.

Under conservation of Frescoes, the paintings of Kadawala tampita viharya, Rathgallegama tampita vihraya, Bulnewa tampita viharaya, Niyandawana tampita viharaya – cave no.01, Bathigamuwa Gurugoda Raja Maha Viharaya, Ambagasvewa Raja Maha Viharaya were conserved. Out of these the Niyandawana conservations were able to be completed and conservations of the other temples were carried forward to the next year.

Under constructions , maintenance, and restoration activities, constructing the new artifacts stores, and the main stores, and erecting a roof for the historical Kalu Devathabandara Devalaya were the main activities carried out relevant to this year.

Pictures relevant to conservation activities



The outer canal conservation



The Patanagaraya after conservatin

Dambadeniya Excavation Division

Excavations in archeological sites such as the Maligagala palace, and the clay prakara bund, Bihalpola Viharaya, Kalundawa and Ruwangirikanda were implemented this year,

Accordingly the excavation carried out to unearth the historical clay bund which was believed to be built for the security of the city during the Dambadeni era was a special excavation activity done during the year. Excavations were also carried out basing the remaining special bund that is in close proximity to the Wijayasundararamaya and three other research canals and it was able to bring to light evidence about the creativity technology and the expansion of the technology of the Prakaraya.

It was also able to unearth from excavations carried out towards the western direction from the monument called 'Meda Midula' which is on top of the Maligagala rock, some parts of the building believed to be the Rajamaligaya" (Palace)

Apart from this, explorations to reveal archeological evidence at Ruwangiri kanda believed to be a forest senasanaya (a residential place of Bhikkus) of the Anuradhapura era, the ethological exploration at the Kalundawa village, and explorations around the Bihalpola viharaya which was developed during the Kandy era were some special activities carried out during the year.

Activities such as collection of data on tourists, analyzing of artifacts, preparation of annual reports, and other promotional activities were performed during the year 2014.

Conservation Section

Under restoration of Frescos (wall paintings) for this year, the paintings at the Yataththawala Purana Viharaya, Images at the Muruthange Raja Maha Viharaya and paintings were conserved.

The Frescoes at the Yataththawala Viharaya of the Kurunegala district, which were damaged severely, were conserved during the year. At this stage not only the Frescos but the transverse rods which were decayed, control of pests, and the colour layer which was deteriorating were also restored and re-strengthened.

The Makara Thorana, images, and Frescos were all damaged and the conservation work was carried out according to the evidence available at the Muruthangeya Raja Mahaa Viharaya which carried evidence of the Kandy era. The following conservation works were carried out under the Vihara restoration activities:

- Collection of the broken parts of the ancient Makara Thorana and reconstruction
- Re - erection of the Samadhi Statute which was in the middle of the Makara Thorana
- Re- fixing of the plaster through the support of the walls and removal of unsystematic plasters and re-plastering methodically
- Re- creation of Frescos which were broken and fallen off
- Recreation of the Deva Vimanaya on top of the Makara Thorana
- The Deva images and standing Buddha statues on either sides of the Samadhi Statute were restored and the damaged statues were re-constructed.
- The spaces in between the planks of the ceiling were filled and all waste above it was removed.
- The wooden door frame with carvings was strengthened
- The decayed wooden lattice fence was removed and re-constructed
- Re- painting of Images, Makara Thorana, and Frescos

Under archeological conservations the Tampita Vihara Mandiraya of the Kalundawa ancient temple was conserved. In the Viharaya which is completely renovated only the tampita viharaya had been protected according to its ancient appearance. But this was also in a very dilapidated condition. Therefore it was proposed to conserve this part also. At the end all internal and external sections of the Tampita Viharaya was restored.

Conservation of the south prakara bund situated at the right side of the wijayasundararamaya Vihara Maluwa and also the conservation of the building to the west side of the bund and also maintenance of roads were some special conservation activities performed.

Some pictures showing the progress of the Conservation Division



Images of Yataththwala tampita viharaya - before and after conservation



The Makara Thorana and Images at Muruthenge ancient Viharaya before conservation



Makara Thorana and Images at the Muruthenne Viharaya after conservation



Kalundawa Tampita Viharaya before and after conservation

Panduwasnuwara Excavation Division

Among the excavations and explorations carried out at Panduwasnuwara, (PNB 3 – 2014) also known as the building no. 03 were the main activities at the site. A remainder of a building has been unearthed which is believed to be from the Polonnaruwa period.

A building close to the Nikasla citie's prakaraya was also subject to excavation this year and according to the archeological remains on the surface it is believed that this building had been actively used from the Anuradhapura era up to the Kandy regime.

Excavations of the pond situated on to the western direction of the Nathagane archeological site was also another special task carried out this year. The creative technology an also several artifacts were discovered from this excavations. Artifacts like special clay pots, beads were discovered.

An exploration with regard to the historical Panduwas Nuwara kingdom and relevant traditional industries were carried out and at this a study was conducted about the people who are engaged in these industries as a profession.

Also several explorations were done relevant to this year by the Panduwas Nuwara project. Among these the explorations carried out with the intention of reporting archeological data of the pre- historic era up to the colonial rule at archeological sites including the Nathagane and Ridikanda and also explorations in the Pandara vewa area were very important. It was able to bring to light many archeological data through these explorations.

Also other work such as analyzing of artifacts, categorizing, drawing plans, and reporting was also performed whole through the year.

Progress of the excavation division



Building no 03 before and after excavation



The building close to the wall of Nikasala Nuwara before and after excavation.



Study on traditional industries

Conservation Division

Conservation of buildings No. PNB 01 and PNB 02 which were excavated in year 2012 were carried out this year and this conservation activity could be done protecting the archeological features of the Polonnaruwa era.

Conservation of the Viharageya and Image House of the Tampita viharaya complex were two important activities that were carried out during the year. Murals, Images and Frescos of the tampita viharage was also conserved. The decayed parts of the shrine room , plaster of old buildings, roof and paintings of the Makara Torana was also conserved.

Apart from this No.02 building of the Nikasala Nuwara, the prakaraya, building nos. 01 and 02 close to access road to Panduwas Nuwara were also conserved.

Maintenance work of the PNB 01 building was done and the surrounding areas of the site were landscaped during the year.

It was also able to hold 03 educational seminars, several social service programmes and religious programmes during the year under review.

Pictures of Progress of conservation



PNB 01 building before and after conservation



Tampita Viharaya and Image house before and after conservation



Building No.02 before and after conservat

Kurunegala Worksite.

Excavation Division

Excavation of the bund of the Sarasumgala (decorated) pond was carried out relevant to this year. The intention was to unearth ruins of an old wall according to evidence on the surface. After doing excavations for about 1 1/2 meters the old bund could be unearthed.

Apart from this, analyzing, categorizing documentation and drawing of Plans of artifacts including clay pots, unearthed from excavations during the previous years were carried out whole through the year and preparation of excavation reports were also done simultaneously during the year.

Conservation Division

The following conservation projects were undertaken relevant to the year 2014 through the Kurunegala project;

- Conservation of the bund of cemetery mound
- Conservation of the roof of the Maraluwawa Raja Maha Viharaya
- Conservation of the Salapathala maluwa of the Makulana temple
- Conservation of the Jakaduwa Raja Maha Viharaya
- Conservation of the stone steps at the Lake circle

The roof of the cemetery mound and the side bunds which were discovered from excavations were conserved according to the evidence available. A roof was also erected for the protection of the mount.

The concreted parts at the Maraluwawa Raja Maha Vihraya were removed and a new roof was constructed and the floor of the Viharaya was also repaired.

At Makulana Raja Maha Viharaya, the salapathalamaluwa which was layed with stone chips made from concrete balls were removed and relayed with crushed stones were and the terrace was restored. The stairway at the lake circle was repaired using new granite stone and conserved by the project.

It had also being proposed to conserve the roof of the Jakaduwa Raja Maha Viharaya but it was postponed to next year due to the difficulty in finding enough raw material.

It was able to complete work of the project office of the Ridi Viharaya started last year.

Daily work pertaining to the artifact conservatory and maintenance work of Ridi Viharaya were implemented through the year.

Replica Center at Bataleeya

This project is consisted of educational, production and sales divisions and the progress is appended below.

01.Education Division

New students were recruited from a practical examination held subject wise and numerical progress is appended below:

Course	Number of students recruited 2014
Stone carving	02
Brass founding and carving	03
Wood carving	03
Ceramic	02

Accordingly subject wise educational activities were carried out and educational tours were organized and monthly professional training were also given to students.

02. Production Unit.

The following work was carried out during the year.

1. Production of Images under piece rate basis
2. Orders received from outside were completed and handed over
3. Completion and handing over of orders received from the Ministry, the Institution and Projects.

Apart from these the following special activities were also performed during the year.

- 1.Preparing the Makara Thorana with carvings at the vestibule at Naigala Raja Maha Viharaya

2. Supplying two emblems with lion images to the Koddikamam army camp.
3. Decorative work for the 2014 “Deyata Kirula” exhibition
4. Preparing a Replica of a Lion for the defense ministry.
5. Supplying images for Issipathana College, Colombo
6. Erecting a Pandal for the Colombo Law College, Pirith ceremony.

03. Sales Division

Production through piece rate for daily sales by trainee students and permanent artists, is the activity done by this section. Accordingly distribution of products to the Image House sales centres of all projects of the CCF was done through the year.

Income from sales centres	- Rs. 797,801.75
Donations and services	- Rs. 609,883.08
Total Income	- Rs. 1,407,684.83

CCF publications division

Publications, printing work, dissemination, collecting photographs, and archiving activities are done by the publications division as well as research of Ola leaves, preparation of Indexes, and sale of books and these activities were carried out by the publication unit during this year too. Apart from this a library is also maintained by this section.

Appended below are some publication activities that were carried out from January – September 2014.

1.	Books that are at the typing stage	03
2.	Editing and proof reading of books	15
3.	Books that the final script is ready to be printed	50

Accordingly, the completed printing work is 56 and the income gathered out of this is Rs. 3,503,719.61.

Apart from this local and foreign tourist tickets, handouts, posters, vouchers and invitation cards and also a considerable amount of printing activities were executed through the publication division.

Following activities were performed by the dissemination unit.

- Implementation of 67 “Uttama Lanka “ programmes
- Holding 06 media conferences for the publicity activities of print and electronic media
- Executing 03 media exploration tours
- Preparation of publications and publicity work connected to the 2014 - Siththamgallena Raja Maha Viharaya Perahera festival

Preparation of name boards for some photographs in the photo collection purchased from the veteran photographer Gamini Jayasinghe and preparing indexes for all books by the Library, categorizing and documentation of reports on Ola leaves were also carried out during the year.

Other activities of the CCF relevant to year 2014

*** Construction, of religious places and restoration and maintenance.**

Rs.10,040,520.00 was donated to religious places all over the island for their new constructions, restoration and maintenance work .

• Financial aid to annual perahera festivals of religious places.

Under this scheme Rs. 4,183,706.00 was donated to religious places all over the island for their annul processions.

• Providing aid to other Cultural Events

The Central cultural fund had donated Rs. 9,046,380.40 for drama displays, Poya programmes, and cultural conferences, and other religious events during the year

• Offering financial medical aid to sick people.

Under this the CCF had donated Rs.1,850,000.00 to various sick people including artists.

• Donations to Universities for their research seminars

Rs. 320,000.00 as donated this year.

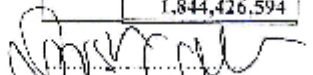
• Donation to other state festivals

Rs. 81,250.00 was donated for other state festivals.

STATEMENT OF FINANCIAL POSITION
AS AT 31st DECEMBER 2014

	Note	2014 Rs.	2013 Rs.
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	1	57,439,782	75,762,504
Receivable	2	61,975,675	70,489,618
Inventories	3	104,331,735	75,879,357
Investments		400,357,590	150,000,000
		624,006,782	373,134,479
NON CURRENT ASSETS			
Receivables	4	215,425,009	194,307,192
Foreign Funded Projects		676,432	676,432
Property, plant & Equipments	5	962,042,104	962,176,005
Gratuity Investments		598,461,894	398,461,894
		1,775,603,439	1,555,621,521
TOTAL ASSETS		2,399,610,221	1,928,756,000
LIABILITIES			
CURRENT LIABILITIES			
Payables and Accruals	6	101,934,369	124,496,229
NON CURRENT LIABILITIES			
Provision for Gratuity	7	439,029,478	425,353,599
Special Funded Projects	8	8,803,143	8,803,143
Foreign Funded Projects	9	5,416,638	1,969,611
TOTAL LIABILITIES		555,183,627	560,622,582
NET ASSETS		1,844,426,594	1,368,133,418
CAPITAL CONTRIBUTED BY			
Accumulated Fund		19,944,705	19,944,705
Reserves		16,064,386	16,064,386
Assets Revaluation Reserves		444,422,000	447,395,000
Foreign resource fund		286,349,551	301,121,881
Accumulated Surplus		1,097,713,952	581,607,446
		1,844,426,594	1,368,133,418


E.C. Peiris
Director Finance Actg
Central Cultural Fund


Prof. Prishantha Gunawardana
Director General
Central Cultural Fund


H.D.S. Malhanthi
Chief Administrative Officer
CCF & Secretary to the
State Ministry of Cultural Affairs

Signed on: 25 June 2015

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Revenue</u>	Note	2014 Rs.	2013 Rs.
Tickets Sales	10	2,200,143,813	1,748,439,894
Contribution from Replicas Sales	11	8,032,135	(1,152,741)
Contribution from Publication Sales	12	5,132,748	1,893,075
Contribution from Printing	13	3,063,186	1,245,586
Income from Investments		76,483,229	53,063,839
Other Income	14	16,417,830	15,267,732
		2,309,272,940	1,818,757,385
 <u>Expenditure</u>			
Wages, Salaries, & Employee Benefits	15	1,029,707,694	919,234,392
Gratuity		22,511,527	66,949,750
Depreciation		53,880,089	42,359,757
Sales Promotion and Public Relations		67,740,761	17,162,616
Supplies and Consumable Used	16	196,845,975	136,839,850
Repairing of Property, Plant & Equipments	17	72,421,815	37,778,087
Contractual Services	18	58,689,460	40,732,730
Finance Cost		334,158	135,429
Audit Fees		300,000	250,000
Bonus	19	26,886,775	22,316,300
Other Expenses	20	300,491,716	232,929,384
		1,829,809,971	1,516,688,295
Surplus for the year		479,462,969	302,069,090

Cash Flow Statement

For the year ended 31st December

Cash Flow from Operating Activities

Surplus/(deficit) for the year

Adjustments for non-cash movements

Depreciation

Prior year adjustments

Profit on disposal of fixed assets

Provision for Gratuity

Operating result before change in working capital

Changes in working capital

Receivables

Inventories

Payables and Accruals

Net Cash Generated from Operation Activities

Cash Flows from Investment Activities

Acquisition of fixed assets

Disposal of fixed assets

(Increase)/Decrease in Investments

Increase in long term receivables

Net cash used in investing activities

Cash Flows from Financing Activities

Foreign resource fund

Payment of gratuity

Special funded projects

Foreign funded projects

Cash used in financing activities

Net cash increase in cash and cash equivalents

Cash and cash equivalents at the beginning of year

Cash and cash equivalents at the end of year

	2014		2013	
	Rs.	Rs.	Rs.	Rs.
Surplus/(deficit) for the year		479,462,969		302,069,092
Adjustments for non-cash movements				
Depreciation	53,880,089		42,359,757	
Prior year adjustments	16,675,537		12,216,770	
Profit on disposal of fixed assets	131,910		351,811	
Provision for Gratuity	22,511,527	93,199,063	66,949,750	121,878,088
Operating result before change in working capital		572,662,032		423,947,180
Changes in working capital				
Receivables	(19,115,817)		(45,239,226)	
Inventories	(28,454,378)		(13,768,030)	
Payables and Accruals	(22,561,860)	(70,132,055)	56,714,998	(2,292,258)
Net Cash Generated from Operation Activities		502,529,977		421,654,922
Cash Flows from Investment Activities				
Acquisition of fixed assets	(74,591,520)		(135,260,732)	
Disposal of fixed assets	(131,910)			
(Increase)/Decrease in Investments	(450,357,590)		(231,772,834)	
Increase in long term receivables	(8,513,943)		(38,764,449)	
Net cash used in investing activities		(533,594,963)		(405,798,015)
Cash Flows from Financing Activities				
Foreign resource fund	23,921,939		21,695,875	
Payment of gratuity	(8,835,648)		(27,100,958)	
Special funded projects			(606,215)	
Foreign funded projects	(3,447,027)		(830,854)	
Cash used in financing activities		11,639,264		(6,011,298)
Net cash increase in cash and cash equivalents		(19,425,722)		9,845,608
Cash and cash equivalents at the beginning of year		76,765,504		66,919,896
Cash and cash equivalents at the end of year		57,339,782		76,765,504

**Statement of Changes in Equity
for the year ended 31st December 2014**

	Accumulated Fund	Capital Reserves	Revaluation Reserves	Reserve Fund	Accumulated Surplus	Total
Balance as at 01/01/2013	19,944,705	16,064,386	451,428,000	303,121,881	267,321,584	1,057,880,556
Add:						
Surplus for the year					302,069,092	302,069,092
Prior year adjustments			-4,033,000		12,216,770	8,183,770
	- 19,944,705	16,064,386	447,395,000	303,121,881	581,607,446	1,368,133,418
Balance as at 31/12/2013	<u>19,944,705</u>	<u>16,064,386</u>	<u>447,395,000</u>	<u>303,121,881</u>	<u>581,607,446</u>	<u>1,368,133,418</u>
Add:						
Revaluation surplus			2,200,000			2,200,000
Capitalization foreign fund				4,300,000		4,300,000
Surplus for the year					479,462,969	479,462,969
Prior year adjustments			-5,173,000	-21,172,330	17,310,412	-9,034,918
	19,944,705	16,064,386	444,422,000	286,249,551	1,078,380,827	1,845,061,469
Less:						
Provision for Depreciation						
Prior year adjustments					-634,875	-634,875
Balance as at 31/12/2014	<u>19,944,705</u>	<u>16,064,386</u>	<u>444,422,000</u>	<u>286,249,551</u>	<u>1,077,745,952</u>	<u>1,844,426,594</u>



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. } TM/A/CCF/1/14/25

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உமது இல. }

දිනය
திகதி }

14 December 2015

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 2014 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 2014 comprising statement of financial position as at 31 December 2014 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 conducted in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810).

1.4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2.2 of this report I am unable to determine whether any adjustments might have been found necessary in respect of the recorded or unrecorded items and the elements making up the statement of financial position, the statement of financial performance, the statement of changed in equity and the cash flow statement.

2. Financial Statements

2.1 Disclaimer of Opinion

Because of the significance of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statement.

2.2 Comments on Financial Statements

2.2.1 Non-disclosure of Transactions with Related Parties

The private company, Cultural Conservation and Construction Company Ltd. established under the Ministry of Culture and the Arts, executes certain construction and conservation works of the Central Cultural Fund on contract basis. This Company had deployed labourers during the year under review as excavation / conservation assistants of the project work sites of the Central Cultural Fund and a sum of Rs.142 million out of the Fund had been paid to the Company.

Two officers holding Director post of the Fund had been included in the Board of Directors of the Company while an Accountant of the Fund Staff had functioned as the Accountant of the Company during the year under review. The nature of this connection and the transactions between the Central Cultural Fund and the Cultural Conservation and Construction Private Company had not been disclosed in the financial statements.

2.2.2 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standard No. 3

The prior period adjustments of errors made to the accounts for the rectification of errors should be done as a restatement of the comparative information of the prior year and disclosed as a note to the financial statements. Even though the adjustments of Rs.44,290,617 made to the comparative information of the prior year had been adjusted to the statement of changes in equity, the information of that had not been disclosed by way of notes.

(b) Sri Lanka Public Sector Accounting Standards 7

(i) Even though the fully depreciated fixed assets which are still being used and the assets that cannot be used and due for disposal should be disclosed in the financial statements, the assets fully depreciated and in use included in the property, plant and equipment existing from the year totaling Rs.963 million had not been disclosed in the financial statements. In addition, 6,984 units of 758 categories of goods auctioned and destroyed as unusable in the year 2013 had not been shown in the financial statements as derecognized assets.

(ii) When fixed assets are revalued, steps should be taken to revalue all the assets of similar classes. But, out of 98 fully depreciated motor vehicles 39 motor vehicles, and a part of the lands and buildings had been revalued for Rs.461,115,000 and shown in the financial statements as at 31 December.

(iii) Even though the obstructions and limitations relating to the ownership of property, plant and equipment should be disclosed in the financial statements, the value of the land on which the Head Office is situated but not belonging to the Fund had been shown at Rs.4,064,443 in the financial statements, the limitation to the ownership had not been disclosed in the financial statements.

2.2.3 Accounting Policies

The following observations are made.

- (a) The policy adopted by the Fund for making provision for doubtful debts had not been disclosed in the financial statements. A sum equal to the provision for doubtful debts in the two preceding years without carrying out a review of the recoverability of debts, that is, a sum of Rs.1,964,833 had been made as the provision for doubtful debts for the year under review.
- (b) It was disclosed in the financial statements that Heritage Assets are not assets belonging to the Fund and that the Fund under the Commissioner of Archaeology. The accounting policy on the capital expenditure incurred on improvements to the Heritage Assets had not been disclosed. A sum of Rs.11,875,792 spent in the year under review and a sum of Rs.48,339,812 spent in the preceding year had been capitalized as Buildings, Roads and Infrastructure.

2.2.4 Accounting Deficiencies

The following observations are made.

- (a) According to the statement of financial performance presented with the financial statements, the overall expenditure for the year under review amounted to Rs.1,829,809,971. Even though accrued expenses amounting to Rs.66,119,386 had also been adjusted to the above amount, the expenditure for the year and the accrued expenses had been overstated by a sum of Rs.28 million due to the erroneous adjustment made to the Accrued Expenses Account for the settlement of accrued expenses of the preceding year.

- (b) A sum of Rs.131,910 received from the sale of fixed assets as cash outflows, a sum of Rs.8,513,943 to be adjusted as changes in working capital as investment activities, a sum of Rs.19,115,817 to be shown as investment activities as the working capital variances, foreign aid not received in cash amounting to Rs.23,921,939 foreign aid received in cash and foreign aid received amounting to Rs.3,447,027 as cash outflows, had been erroneously adjusted to the cash flow statement. As such the cash flow statement presented to audit with the financial statements had not been prepared in accordance with the Accounting Standard.
- (c) Out of the 21 motor vehicles received as the foreign aid from the year 1984 to the year 2004, action had not been taken up to the end of the year under review to assess the fair value and account for. It was observed in audit that the insured value of those motor vehicles amounted to Rs.5,460,000.
- (d) The value of the land at Nugagahawatta, Galle purchased for Rs.2,558,000 in the year 2005 for the construction of a Tsunami Museum had not been assessed and brought to account.
- (e) The depreciation for the years 2013 and 2014 in respect of the revalued buildings amounting to Rs.2,100,000 had been debited to the Foreign Resources Fund instead of debiting the Assets Revaluation Reserve. As such the balance of the Foreign Resources Fund had been understated by that amount while the Assets Revaluation Reserve had been overstated in the financial statements.
- (f) The sum of Rs.1,000,000 given during the year under review to the Ministry of Culture and the Arts on the reimbursement, basis had been written off against the income for the year instead of being brought to account as a sum receivable.

- (g) Even though a sum of Rs.1,342,446 had been shown in the financial statements as the insurance expenses of the year under review, the expenditure on insurance of motor vehicles amounted to Rs.2,293,842. As the receipt and payment of employees medical aid insurance as well had been included in the Insurance Account, the actual annual insurance expenditure incurred on motor vehicles had not been disclosed in the financial statements.
- (h) A van costing Rs.5,067,106 received as foreign aid and fully depreciated had been revalued and shown at Rs.4,300,000 in the financial statements. But the original valued and the accumulated depreciation had not been eliminated from the accounts. As such the cost of the van and the accumulated depreciation had been overstated by a sum of Rs.5,067,106. Similarly, the amortization for depreciation on the revalued amount of the vehicle amounting to Rs.860,000 had been included in the Revaluation Account instead of posting in the Foreign Resources Fund Account. As such the Foreign Resources Fund Account had been overstated by a sum of Rs.860,000 and the Assets Revaluation Reserve Account had been understated by that amount.
- (i) The cost of labour, overheads and the materials relating to the figurines costing Rs.4,278,305 given as tokens had been credited to the Cost of Production Materials Account instead of the respective accounts. As such, Production Materials Account had been understated by a sum of Rs.2,032,503 while the labour and the overheads expenditure had been overstated by sums of Rs.542,242 and Rs.1,490,261 respectively.
- (j) Expenditure of Rs.1,479,575 incurred on carrying out improvements to motor vehicles had been posted erroneously and as such the Motor Vehicles Account and the Accrued Expenses Account had been overstated by that amount.
- (k) Expenditure relating to 02 Objects amounting to Rs.2,370,698 had not been properly classified and shown in the financial statements.

2.2.5 Lack of Evidence for Audit

The following items of accounts could not be satisfactorily vouched or accepted in audit, as the evidence indicated against each item had not been furnished to audit.

Item	Value	Evidence not made available
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	Rs.	
(a) Special Funds Projects (Relating to 10 Projects)	8,803,143] Files containing information on each Project and supporting documents
(b) Foreign Fund Projects (Relating to 3 Projects)	1,969,612	
(c) Adjustments made to the Accumulated Profit and the Cash Flow Statement	59,331,279	How adjustments were made and particulars of adjustments
(d) Payment made to the National Heritage Park Trust of the Purana Viharaya Kahawilgoda	30,500,000	Cost Estimates, Bills of Quantities, Payment Vouchers for Payments, Receipts, Bills etc., Designs, Work Done Reports, Engineers Certificates
(e) Debtors	950,463	Schedules and Age Analysis
(f) Direct Payments made to the Contractor as fees for aerial photography	2,297,740	Invoice, Bill or Receipt issued by the Sri Lanka Air Force

2.3 Transactions not Supported by Adequate Authority

The following observations are made.

- (a) According to Section 7 of the Central Cultural Fund Act, No. 57 of 1980, the Secretary to the Ministry of the Minister in charge of the subject Cultural Affairs, should by virtue of the post, be the Chief Administrative Officer of the Central Cultural Fund and as such provision for the payment of allowances for the post had not been made in the Act. Nevertheless, the Fund had paid a sum of Rs.241,356 during the year under review as a monthly allowance calculated at 33 1/3 per cent of the monthly salary of the Secretary. Similarly, the approval of the Director General of Establishments and the Treasury had not been taken for the payment in terms of Section 1.2 of Chapter IX of the Establishments Code and the Public Finance Circular No. 374 of 04 May 1999.
- (b) A sum of Rs.1,791,507 comprising the total of 09 Sundry Deposit Accounts amounting to Rs.152,252 , the total of 06 advance balances amounting to Rs.166,407 and the value of 08 cash frauds amounting to Rs.1,472,848 had been written off from accounts as bad debts without obtaining the Treasury approval.
- (c) A sum of Rs.4,618,938 as donations and a sum of Rs.1,299,000 for the Deyata Kirula Exhibition had been spent in the year under review without the approval of the Board of Directors and a budget.
- (d) According to the provisions in Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the resources of institutions should not be given to the Line Ministry or any other Government institution. Nevertheless, the Central Cultural Fund had paid a sum of Rs.3,000,000 at the rate of Rs.1,000,000 to the Ministry of Cultural Affairs and the Arts, the Department of Cultural Affairs and the Tower Hall Theatre Foundation.

2.4 Accounts Receivable and Payable

The following observations are made.

- (a) Festival and special advances and distress loan balances older than 06 years amounting Rs.1,458,653 paid to the employees had not been recovered even by 31 December of the year under review.
- (b) Five debtors balances amounting to Rs.153,784 remaining without being recovered over a period exceeding 17 years and the debtors balances amounting to Rs.75,300 remaining without being recovered over a period exceeding 5 years had been shown in the accounts continuously without taking action for recovery.
- (c) Action had not been taken for the recovery of a sum of Rs.772,577 older than 03 years and a sum of Rs.20,598 older than 05 years remaining receivable from the Ministry of Cultural Affairs and the Arts.
- (d) Advances older than 2 years amounting to Rs.1,025,420 granted to 02 Projects had not been settled and action had not been taken over a period exceeding 05 years for the settlement of an advance granted to the Sigiriya Project.
- (e) An advance balance of Rs.79,924 granted to officers and older than 02 had not been recovered up to date and Courts deposit balance of Rs.44,534 older than 8 years further remained without being recovered.
- (f) The balances payable totalling Rs.379,019 not identified and older than 05 years as at 31 December of the years under review had not been identified and settled.

2.5 Non-compliance with Laws, Rules and Regulations

The following non-compliances were observed.

Reference to Laws, Rules and Regulations

Non-compliance

(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka

(i) Chapter XLVII Section 1.11

Even though Government should not be made use of for private purposes, the Director General of the Central Cultural Fund had used an aircraft of the Sri Lanka Air Force for a private purpose and had paid a sum of Rs.850,067 out of the Fund for that purpose. The approval of the Secretary to the Ministry had not been obtained.

(ii) Chapter XLVII Sections 8.1 and 8.2

Even though disciplinary action should be taken against the officers acting in contravention of the Establishments Code, Financial Regulations and the provisions of the Public Service Commission as well as the instructions of the Treasury Circulars, disciplinary action had not been taken against the officers who were responsible for the illegal purchase of timber valued at Rs.1,163,525 for the conservation work of the Yapahuwa.

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

(i) Financial Regulation 396(d)

Action in terms of the Financial Regulation had not been taken on 07 cheques totalling Rs.110,908 issued but not presented for payment for over 06 months.

(ii) Financial Regulation 751

All stores received must be taken on charge immediately entered in the Inventory Book or other prescribed documents in the Stores Rules, 07 items of goods valued at Rs.570,455 purchased at the ceremony held for the Sigiriya "Matikalaya" Project had not been recorded in the Inventory Books.

(c) Procurement Guidelines 2006

(i) Sections 5.3.13(a), 5.4.6 and 8.12.2

Action in terms of the Procurement Guidelines had not been taken in the award of the contract for Rs.1,397,000 for the painting of the Sigiriya Museum. Even though the refundable deposit should be 1 per cent of the contract value, the deposit amounted only Rs.4,000. A sum equivalent to 10 per cent of the value of work done had not been retained in making payments. Payments had been made without obtaining a certificate from a supervisory officer that the work had been done in accordance with the specifications.

(ii) Section 4.3.1, 5.2.1 and 5.3.1

Even though maximum limit of procurement work by the Project Manager of the Sigiriya Project is Rs.2 million, inviting bids for the sanitation works of the Project, without preparing a total cost estimate and award of the contract for Rs.3,468,000 had been done by him. All important information had not been recorded in the Bid Documents and the recommendations of a Technical Evaluation Committee had not been obtained for the bids received.

(d) Public Enterprises Circular No.
PED/57 of 11 February 2011
Paragraph 6

Figurine products, stocks of publications and printed materials costing Rs.5,917,937 had been given as donations to external parties on the approval of the Director General of the Fund without obtaining the approval of the Minister of Finance in terms of the circular.

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

The Register of Fixed Assets had not been maintained in accordance with the circular.

Financial Review

Financial Results

According to the financial statements, the financial results of the Fund for the year under review amounted to a surplus of Rs.479,462,969 as compared with the corresponding surplus of Rs.302,069,090 for the preceding year, thus indicating an improvement of Rs.177,393,879 in the financial results for the year under review. Even though the operating expenses of the Fund for the year under review had increased by Rs.313,121,676 as compared with the preceding year, the increase of other income including the Tourist Admission Ticket sales by a sum of Rs.490,515,555 had been the main reason for the improvement.

Operating Review

Performance

The following observations are made.

- (a) Twenty eight excavation and conservation work sites of estimated costs amounting to Rs.47.3 million planned for execution during the year under review, had not been commenced in the year.
- (b) Even though 19,422 units of work of 24 excavation and conservation under 11 Projects had been planned for completion during the year under review and estimated at Rs.88,744,470. Out of that 2,657 units of work only had been completed by the end of the year under review. The actual expenditure thereon amounted to Rs.6,565,697 and as such the physical and the financial progress had been very low 14 per cent and 7 per cent respectively. Even though the completion of 301 excavation and conservation work sites had been planned for the year under review, the work of 48 work sites only had been completed.
- (c) Out of the materials cost of Rs.210,722,168 and direct labour cost of Rs.367,698,199 for the 301 work sites referred to above for completion during the

4.2 Management Inefficiencies

The following observations are made.

- (a) (i) A proper internal control system is not set in place for the main source of income of the Fund, that is, the printing sale and stock control of Tourists Admission Tickets. As such the Tourist Admission Tickets had been misused. Action had not been taken to exercise a good control over this through the use of the Bar Code System.
 - (ii) Stocks of 15,968 circuit tickets the sale of which had been suspended after 31 December 2011 and 44,904 Single Tourist Tickets with mini DVD, the sale of which had been suspended after 31 December 2012, had been retained without being cancelled even up to 31 October 2014. Instances of the issue of overseas travellers Mini DVD Tickets even during the year 2014 were observed.
 - (iii) There was no proper technology for the disposal of tickets with printing errors and the cancelled tickets and the goods verification reports as at 31 December of the year under review revealed the existence of 42,706 such tickets as at 31 December of the year under review.
 - (iv) Labourers instead of officers or the Ticket Sellers had been deployed for the sale of Tourists Tickets at Sigiriya.
- (b) In making payment for the construction of a roof above the Vidyadhara cave of the Polonnaruwa Gal Vihara awarded to the State Engineering Corporation and completed in the year under review, action had not been taken for the recovery of the 20 per cent advance of Rs.1,427,866 paid to the State Engineering Corporation in the year 2012.

- (c) According to the decision of the case filed by the Fund against a contractor for the failure to work in accordance with the agreement, a private company had been ordered on 30 June 2011 to pay a sum of Rs.4,472,150 to the Fund. But, that amount had not been recovered even up to 31 December of the year under review.

4.3 Operating Inefficiencies

According to the financial statements, a sum of Rs.115.67 million had been spent during the year under review for other Cultural activities and as compared with the preceding year indicated an increase of Rs.53 million or 85 per cent. Grant of sponsorship aid for modernization of temples and processions had been granted without a methodology to ensure that the money given has actually been utilized for the intended purpose itself. A list of priorities, specifications, plan or estimates had not been prepared.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) A 40x80 size mobile exhibition stall for the Sigiriya Project had been purchased for a sum of Rs.3,176,708 without preparing the designs and plans and contrary to the Procurement Guidelines. That remained idle without being used. The supplier had not been issued an official order and as such these transactions were observed as not executed with transparency. It was observed that the stall had been given for political meetings.
- (b) Out of the 998 copies of the book on "Chief Priests of the Malwatta Vihara" printed in the year 2013 at a cost of Rs.1,069,636 by the Printing Division of the Fund, 901 copies had been given out as donations. Out of that 890 books costing Rs.953,884 had been issued to the Ministry of Culture and the Arts. As such it was observed that the book had not been printed for the requirements of the Fund.

- (c) A sum of Rs.1,718,882 had been spent out of the Fund for the air travel tickets, incidental allowances, entertainment allowances, etc., of the Minister of Culture and the Arts and the officers who participated in the Conference of the Ministers of the SAARC Countries held in India from 24 to 27 September of the year under review.
- (d) Competitive quotations had not been invited for the award of the contract valued at Rs.1,790,000 for the installation of tempered double doors in connection with the modernization of the restaurant of the Sigiriya Project and the Fund had not provided specifications and construction designs. The full amount of the contract had been paid without a certificate from a Technical Officer.

4.5 Apparent Irregularities

The following observations are made.

(a) Production of the "Our Heritage" Documentary Programme

- (i) Three agreements valued at Rs.18,725,700 had been entered into in the years 2011, 2012 and 2014 with a Film Director for the production of this documentary without following the procurement procedure.
- (ii) Even though the first and the second agreements valued at Rs.7,237,000 entered into in the years 2011 and 2012 had not been finalized within the agreement periods, the full amount of the agreements had been paid. Even though the work had not been completed during the specified period according to the third agreement for Rs.11,488,700 entered into on 19 August 2014, and the documentary had not been handed over 40 per cent of the agreed sum amounting to Rs.4,595,480 had been paid. If the work had not been completed according to the terms of the agreement, the agreement should have been cancelled and payments stopped. But it had not been done and no action had been taken against the contractor for the failure to act according to the terms of the agreement.

(b) **Construction of the National Heritage Concepts Museum, Kahawilgoda**

An agreement had been entered into on 19 February of the year under review for the grant of a sum of Rs.60 million within three years to an institution called National Heritage Park Trust which did not have a legal existence, for the above construction and a sum of Rs.30.5 million had been paid by 30 January 2015. The following matters were observed in this connection.

- (i) Loans had been granted to an external party contrary to the provisions in the Central Cultural Fund Act. No. 57 of 1980 and without the approval of the Cabinet of Ministers.
- (ii) A sum of Rs.30.5 million had been paid to the Trust without a plan of the constructions, an estimate, a bill of quantities, the work to be executed, particulars of expenditure incurred, work done reports, Engineers Certificates, etc.
- (iii) The approvals needed to be obtained from the relevant Government institutions for a work of this nature had not been obtained. Even though owner of the land on which construction works are done had filed a case in the Supreme Court, the Fund had released the money without considering that situation.

(c) **Procurement of DVD for free issue with Foreign Tourists Tickets**

A sum of Rs.51,099,925 had been paid in the preceding year and the year under review for the procurement of 500,000 Digital Versatile Discs containing information on Sigiriya, Polonnaruwa and Anuradhapura without carrying out an evaluation of the requirements and following the procurement procedure.

Even though the contractor had supplied the computer printed Digital Versatile Discs of a previously produced programme, the former Director General of the Fund had suppressed that fact and made the payments, thus leaving room for the contractor to defraud a sum exceeding Rs.50 million. Even though the Committee on Public Accounts and the Audit and Management Committee of the Ministry had directed the Secretary to the Ministry to conduct a formal inquiry and report the fraud to the Police, the Secretary had not taken action.

4.6 Underutilised Assets

The following observations are made.

- (a) Necessary action had not been taken either for auctioning or disposal of 11,377 old roof tiles stacked in the Alahana Project over a period exceeding 3 years.
- (b) Sixteen motor vehicles belonging to the Fund had been left parked without any protection over a period exceeding one year in the Head Office and Project premises as obsolete assets. Eight of those motor vehicles had been insured for the year under review.

4.7 Uneconomic Transactions

The old restaurant of the Sigiriya Project, fully modernized at a cost of Rs.6,599,746, had been given to an external party to run the restaurant during the year under review without charging a rent whereas the Employees Welfare Association of the Fund which ran the old restaurant had paid a monthly rent of Rs.24,000 to the Fund. In addition, the electricity bills for the year 2014 had been paid by the Fund the electricity charges for the seven months from January to July amounted to Rs.627,064 and that as compared with the preceding year, had increased by 123 per cent.

4.8 Identified Losses

The following observations are made.

- (a) Newspaper advertisements had been published on 11 July 2014 for the sale of 17 unusable motor vehicles of the Central Cultural Fund and the quotations received from 49 bidders had been opened on 06 August 2014. The assessed value of 15 of the motor vehicles amounted to Rs.6,110,000 and the highest bids received for those 15 motor vehicle totaled Rs.11,147,999. Despite the possibility of the sale of motor vehicles for those bids, the sale of motor vehicles had been stopped without adducing any reasons. As such the Fund had been deprived of a profit from the disposal of the motor vehicle.
- (b) Out of the figurines produced for sale by the School of Figurines maintained by the Fund, figurines costing Rs.4,278,305 had been donated to external parties without approval during the year under review. The sales value of the figurines amounted to Rs.9,271,550.
- (c) Instead of purchasing timber for the Yapahuwa Project from the timber merchants registered with the Government or timber agents, timber valued at Rs.1,163,525 had been purchased in the year under review from a person maintaining stocks of timber without permits and such timber had been taken over by Courts as illegal timber.

4.9 Payments Contrary to Objectives

The following observations are made.

- (a) The Fund had spent a sum of Rs.1,986,200 during the year under review for the publication in newspapers of a felicitation message of the former Minister on the

- (b) The Fund had made a sponsorship payment of Rs.400,000 in connection with a Literary Symposium organized by the Royal Asiatic Society, an external private institution.
- (c) The Fund had spent a sum of Rs.199,634 for the printing of 7,500 new year greeting cards for the year 2015 by the Media Secretary of the Minister on the instructions of the Minister.

4.10 Resources of the Fund given to other Government Institutions and External Parties

The following observations are made.

- (a) Even though 474 GI pipes and 677 couplings valued at Rs.1,614,965 belonging to the Sigiriya Project had been given to external parties for use in construction works, action had not been taken for the recovery of those. These goods remained with the external parties for about 1 1/2 years without being used for the purposes of the Fund.
- (b) A double cab motor vehicle of the Sigiriya Project had been given to the Ministry during 12 March to 21 April of the year under review and had run 2,065 kilometres while another double cab motor vehicle taken over for use by the former Minister on 12 June 2012 had not been returned up to 15 July 2015. The Fund had not taken any action for the recovery of the motor vehicle.
- (c) Four officers of the permanent staff of the Central Cultural Fund had been released for service in the Ministry of Culture and the Arts over several years ago. Their salaries and allowances for January to December of the year under review amounting to Rs.1,590,744 had been paid by the Fund.

- (d) Even though 3,204 GI pipes and 4,320 couplings belonging to the Abhayagiriya Project valued at Rs.11,520,000 had been given irregularly in 12 instances from 31 December 2010 to 10 November of the year under review to external parties adequate steps had not been taken up to 15 July 2015 for the recovery of those goods.

4.11 Staff Administration

The following observations are made.

- (a) Forty five employees of the post of labour of the Sigiriya Project had been deployed over a period exceeding three years in the Project Office and Watch duty outside the duties of their substantive posts and as such employees had to be obtained on hire basis for labour services purposes. Action had not been taken for filling the vacancies in the labour and watcher services.
- (b) Ten Security Guards of the Sigiriya Project had been deployed in August of the year under review on duty continuously for 36 hours thus violating the provisions in the Labour Act.
- (c) According to the Scheme of Recruitment, the filling of vacancies in the posts from the Excavation Inspector Grade I to the Project Manager should be done by calling for interviews. Nevertheless, an Excavations Inspector Grade I had been appointed to the Post of Project Manager and granted 13 salary increments without conducting an interview. The approval of the Director General of Establishments in terms of Section 1.10 of Chapter II of the Establishments Code had not been obtained for pre-dating her promotion to the post of Project Manager.

- (d) Even though the Director General of the Department of Management Services had, by his letter No. DMS/E1/54/9/241 dated 21 July 2011, instructed that the creation of new posts and recruitment beyond the approved limit should not be resorted to without formal approval, contrary to that, appointments had been made in the year under review to 06 posts of Assistant Directors and 03 posts of Project Manager in excess of the approved numbers and paid salaries and allowances.

5. **Accountability and Good Governance**

5.1 **Presentation of Financial Statements**

In terms of paragraph 4.3 of the Public Finance Circular No. 423 of 22 December 2006, the financial statements should be presented to audit within 02 months after the close of the year of accounts. Nevertheless, the financial statements for the year under review had been presented to audit only on 02 July 2015.

5.2 **Holding of Board Meetings**

In terms of the Public Enterprises Circular No. PED/12 of 02 June 2003 the Board of the Fund should hold meetings every month. But the Board had held only 04 meetings during the year under review. The Board had not held meetings since 06 June 2014 to the end of the year 2015.

5.3 **Budgetary Control**

A reconciliation of the budgeted income and expenditure for the year under review with the actual income and expenditure revealed variances ranging from 20 per cent to 123 per cent, thus indicating that the budget had not been made use of as an instrument of management control.

5.4 Unresolved Audit Paragraphs

The following observations are made.

- (a) (i) A sum of Rs.28,255,312 had been paid to a firm of contractors for the development of 1 kilometre of the internal access road of the Polonnaruwa Sacred City, by laying concrete blocks. But no action whatsoever had been taken even up to 30 July 2015 in connection with the payment of Rs.22,099,917 made for the use of concrete blocks not conforming to the standards for the construction, payment of a sum of Rs.4,660,998 for work not done according to the bills of quantities, lack of equilibrium of the road due to the use of ABC Mix less by 40 per cent and underutilization of metal dust mixture by 50 per cent pointed out in the Audit Report for the year 2012.
- (ii) The contract for Rs.27,500,000 had been awarded to the Road Development Authority for laying the blocks to a length of 01 kilometre of the internal road from the exit gate of the Sacred City of Polonnaruwa and a sum of Rs.29,235,510 had been paid for the work. The estimated cost had increased to Rs.48,575,893 due to the increase of the width of the road without obtaining the approval of the Procurement Committee and the recommendation of the Technical Evaluations Committee and the payment of a sum of Rs.16,992,545 made for the use of cement blocks not conforming to the standard was pointed out in the Audit Report for the year 2013. But no action had been taken in that connection up to date.
- (b) Even though the deficiencies in connection with the appointment of an officer without the necessary qualifications to the post of Legal Officer of the Fund on contract basis with effect from 01 June 2013 had been pointed out in the Audit Report for the year 2013 that officer had been deployed in service and a sum of Rs.478,620 had been paid as salaries and allowances for the year under review.

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The following observations are made.

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- (ii) The contract for Rs.27,500,000 had been awarded to the Road Development Authority for laying the blocks to a length of 01 kilometre of the internal road from the exit gate of the Sacred City of Polonnaruwa and a sum of Rs.29,235,510 had been paid for the work. The estimated cost had increased to Rs.48,575,893 due to the increase of the width of the road without obtaining the approval of the Procurement Committee and the recommendation of the Technical Evaluations Committee and the payment of a sum of Rs.16,992,545 made for the use of cement blocks not conforming to the standard was pointed out in the Audit Report for the year 2013. But no action had been taken in that connection up to date.
- (b) Even though the deficiencies in connection with the appointment of an officer without the necessary qualifications to the post of Legal Officer of the Fund on contract basis with effect from 01 June 2013 had been pointed out in the Audit Report for the year 2013 that officer had been deployed in service and a sum of Rs.478,620 had been paid as salaries and allowances for the year under review.

- (c) Even though the deficiencies in obtaining labour on contract basis as trained Conservation / Excavation Assistants from the Cultural Conservation and Construction Private Company Ltd. had been pointed out in the Auditor General's Report for the year 2013, labour had been obtained from that company during the year under review and payments amounting to Rs.142 million had been made.
- (d) Even though the payment of monthly allowances amounting to Rs.4,494,105 from January 2006 to December 2013 for a post of Working Director not included in the approved staff of the Central Cultural Fund and not included in the Central Cultural Fund Act, obtaining full salaries from the Vocational Training Authority of Sri Lanka and the Central Cultural Fund, use of two allocated motor vehicle from both those institutions and obtaining fuel from both those institutions was pointed out in the Audit Report for the year 2013, no action had been taken thereon. Further, payments amounting to Rs.886,730 had been made as monthly allowances for the period from January 2014 to January 2015.

6. **Systems and Controls**

Deficiencies 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 further in respect of the following areas of control.

- (a) Accounting
- (b) Income Control
- (c) Procurement
- (d) Contract Administration
- (e) Motor Vehicle Utilisation
- (f) Staff Management
- (g) Internal Control on Printing, Sale and Stock Control of Tourist Admission Tickets

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Auditor General