



2016

ANNUAL REPORT



SRI LANKA
CONVENTION BUREAU

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Message from the Hon. John Amaratunga, Minister of Tourism Development, Lands and Christian Religious Affairs



The tourism industry in Sri Lanka is growing at a rapid pace. It is at the heart of the government's economic strategy in order to both attract foreign exchange and also provide gainful employment to hundreds of youth.

Following the hard work put in by the Sri Lanka Convention Bureau over the last 12 months we see positive growth in the MICE category with dividends likely to accrue in the medium to long term. Our strategy of leveraging the regional market especially India for large scale MICE events seems to be paying dividends with Sri Lanka becoming a viable alternate destination for the Indian corporate sector.

It is important that the MICE segment in our tourism mix is developed to its full potential as the yield from this segment has been proven to be much greater than the leisure travelers. The MICE segment also helps stimulate economic activity through supplementary services such as transport and logistics, food and beverage, convention

services, entertainment etc. and forms an integral part of the tourism 'mix'.

Sustained support from all stakeholders will be key to achieving our goal of making Sri Lanka an Indian Ocean hub for MICE tourism. The untapped potential in this proposition needs to be carefully nurtured in order to optimize results and I'm convinced that the SLCB headed by the current Chairman and Board of Directors will be equal to the task.

One of the main challenges we see is the effective communication of the value proposition that we offer as the perfect MICE destination. It is my belief that this challenge can be overcome to a great extent with the anticipated global marketing campaign.

I take this opportunity to congratulate the team at SLCB for a job well done in the year under review and wish all success in the year ahead.

Hon. John Amaratunga

Minister of Tourism Development and Christian Religious Affairs

Board of Management of Sri Lanka Convention Bureau - 2016

Mr. Prema Cooray	SLCB Chairman
Mrs. Deepthi Fernando	Ministry representative
Mr. P. Algama	The officer Representing Ministry of Finance on the Board of SLTDA
Mr. Malraj Kiriella	DG of the SLTDA
Mr. M. Shanthikumar	President or CCTHA or his representative
Mr. J. Kehelpannala	President of THASL or his representative
Mr. Sunil Dissanayaka	DG of the B.M.I.C.H or his representative
Mr. Dimuthu Tennakoon	Officer nominated by the Sri Lankan Airlines
Prof. Deepal Mathew	President of the Sri Lanka Association for the Advancement of Science or the Vice President
Mr. Devindre Senarathne	President of SLAITO
Mr. Zian Ameen	President of the Sri Lanka Professional Conference Association (SLAPCEO)
Mr. Rohana Kuruppu	The President of OPA or the Vice President

Vision, Mission & Objectives of Sri Lanka Convention Bureau

Vision

To establish and position Sri Lanka as Asians' most treasured and Green Island, with its beautiful beaches, warm and friendly people, with a strong nature culture and adventure offering, raising its profile to that of an Asian tourism icon and make it the largest foreign exchange earner, benefiting the stakeholders of tourism and people of Sri Lanka

Mission

Sri Lanka Convention Bureau will secure optimum revenue in foreign exchange from MICE tourism which will contribute to the national economy by uplifting of the living standard of those who are dependent upon the "Meeting Industry in Sri Lanka"

Objectives

The objectives of the Bureau as mandated by the Tourism Act No 38 of 2005 (page 32-33) which came into effect in 2007 are as follows:-

- a) To promote Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel destination.
- b) To provide a common policy designed to ensure the co-ordinate and co-operative development and marketing of Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel destination.
- c) To coordinate and assist the promotion, development and servicing by the public and private sector of for international, regional and domestic conventions, meetings and exhibitions, and as an incentive travel destination.
- d) To coordinate and co-operate with convention, exhibition and incentive travel organizers in Sri Lanka and overseas to ensure the successful staging of conventions, meetings and exhibitions and the implementation of incentive travel programs.
- e) To prescribe, and enforce the maintenance of professional standards by persons or organizations involved in handling various aspects of conventions, meetings, exhibitions and incentive travel.
- f) To encourage and promote the development of professional skills among the different categories of persons or organizations involved in handling convention, meetings, exhibitions and incentive travel.
- g) To affiliate with, obtain membership of, or enter into any agreement with any association or organization engaged in developing or promoting conventions, meetings, exhibitions and incentive travel.
- h) To provide guidance to the Bureau to develop, promote and market Sri Lanka as a tourist travel destination both in Sri Lanka and abroad.
- i) To develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry in a sustainable manner; and
- j) To do in Sri Lanka or elsewhere all such acts and things incidental or conducive to the attainment of the objects of the Bureau.

Highlights of year 2016

SNAV (JEV) French Travel Agent Congress ; 31st October to 4th November 2016

The Syndicat National des Agencies de Voyages (SNAV) now referred as Les Entreprises du Voyage (LEV) as is a professional organization created in 1944, it groups some 1,500 state approved French travel agencies representing more than 3,000 sales points in France. The Annual Congress of French Travel Agent "Les Journées des Entrepreneurs du Voyages, successfully held in Sri Lanka from 31st October to 5th November 2016, where 286 Travel Agents came to Sri Lanka to attend the Congress. The main Congress was held in BMICH and Cinnamon Grand hotel followed by excursions in the Cultural Triangle.

As per Jean-Pierre Mas, President JEV "Our successful convention was impeccably organized and we want to congratulate the steering committee and all staff for this well executed event. It has been a delightful experience."







Introduction

Sri Lanka Convention Bureau is the primary contact point for Meeting Planners, Incentive houses, Corporate and Association for information, advice and expertise when planning and organizing events in Sri Lanka. The Bureau work closely with the industry and the national airlines not only to promote Sri Lanka as a venue for MICE events but also to ensure that these events are conducted in a professional manner to the entire satisfaction of the visitors and delegates.

The Bureau provides wide-ranging services from servicing inquiries to conducting marketing activities. The activities also entail engaging in research, providing assistance to the industry in bidding, planning, organizing and implementing events. Bureau also offers coordination of selection of a PCO, all necessary government clearances, coordination with airlines and airport authorities, promotional support to increase participation at the event and all necessary conference support services.

In addition to the French Travel Agent Congress (SNAV), there were 36 International Conferences have been held in the year 2016. 8th International Perspective on Water and the Environment (IPWE) Conference, The International Orthodontic Conference & Scientific Sessions, WONCA - South Asian regional Conference of Family Doctors, International Conference on Dengue & Dengue Hemorrhagic Fever, 2nd World Conference on Women's Studies, Cinnamon Travel Bloggers conference, 5th World Construction Symposium, International Conference on Tropical Dermatology (ICTD), 20th Congress of the International Association of Hydraulic Research to name a few.

Corporate Meeting Sector has also performed well with country being the host of 28 Corporates Meetings with majority from India. Sri Lanka Convention Bureau also assists in certain events that have a positive impact on MICE tourism through image building and publicity.



- International Perspective on Water Resources Environment Conference 2016 -



- International Conference on Dengue & Dengue Hemorrhagic Fever 2016 -

General Activities (Advising–Collaborating–Coordinating)

Sri Lanka Convention Bureau's core activities are directly linked with promoting Sri Lanka as a venue for MICE (Meetings, Incentives, Conferences, Exhibitions and events) Tourism. MICE is a niche market and the promotional strategies are different to that of leisure Tourism Promotions. The work carried out by the Bureau can be broadly classified under four strategies which are based on the objectives laid down in the Tourism Act. These strategies are namely, Research & Development, Training, Marketing and a fourth strategy which encompasses SLCB's role in the industry in advising, collaborating and coordinating previously referred to as General activities.

SLCB's role outlined above also include specialised functions such as assisting the local Associations, Government Institutions, Industry members in Bidding, Advising, Planning, Organising Implementing as well as value adding to Conferences and Exhibitions as the one only Government arm for the promotion of Sri Lanka as a venue for MICE events.

Given below are some of the general activities (advising, collaborating, coordinating) which SLCB has been involved in one or more stages of the above, which also includes some key events of national significance.

- 2.1 IPWE Conference January 2016 - The 8th International Perspective on Water and the Environment conference which was brought to Sri Lanka through the efforts of the University of Peradeniya was successfully held in Colombo in January 2016. SLCB extended its fullest support throughout the planning phase and provide some value addition to the Conference in way of delegates gifts and cultural performance.
- 2.2 WONCA - The South Asian Regional Conference of Family Doctors was held in Colombo in February 2016. The College of General Practitioners of Sri Lanka was the local host of the conference and SLCB assisted the local event management company stage the conference successfully.
- 2.3 LAWASIA 2016 – The 28th LAWASIA conference and the 50TH GOLDEN JUBILEE CELEBRATIONS OF LAWASIA held in August at Cinnamon Grand Colombo. SLCB worked very closely with the local host, the Sri Lanka Bar Association from the bidding stage to secure this conference to Sri Lanka.
- 2.4 APNIC Conference – The Asia Pacific Network Computer Engineer conference (APNIC) 2016 was held in September at Colombo Hilton. This conference was secured by SLCB as a follow-up of contact made during IMEX 2016 Trade Fair in Germany. Three day Conference, followed by five day workshop was attended by more than 375 foreign IT professionals and closer to hundred local IT industry members.

Bid initiated during 2017 through local affiliations:

- I. Consensus in Pediatrics Congress
- II. International Society of Blood Transfusion Regional Congress
- III. Asia-Oceania Congress of Perinatal Societies

- ❖ Revamping of the MICE buyer database
- ❖ Established contact with the Department of Immigration and Emigration to get information on business visa statistics

Promotions

MICE promotion / Joint promotion with Chambers /Sales Call to leading MICE Operators 13th February 2016 to 19th February 2016.

SLCB joint hands with the Ceylon Chamber of Commerce and took part in CNN Asia Business forum which was held coinciding the 'Make in India week' which was held from 13-18 February 2016 in Mumbai.



Corporate, Incentive Houses, Media based in Mumbai

SLCB took the advantage of the meetings organized by Ceylon Chamber of Commerce where the Bureau was given a slot to address all delegates on Sri Lanka Tourism in general and in particularly on MICE activities in Sri Lanka, SLCB met several outbound tour operators who were interested in promoting Sri Lanka as a MICE destination at OTM Trade Fair, Bureau also had the opportunity to convince leading MICE operators such as Cox & Kings, Thomas Cook and Kesari Travels during the arranged sales calls.

Sri Lanka Convention Bureau participated in Meedex Meeting Destination Experts, held in Paris, France on 22nd - 23rd March 2016

SLCB promotes MICE tourism to Sri Lanka took part in Meeting Destination Experts 2016 MICE trade fair in France to entice the upscale clients in to the country to bring in Incentive Traveler from Europe to Sri Lanka. Sri Lanka delegation was led by Sri Lanka Convention Bureau Chairman Prema Cooray and the events were also attended by HE Mr. Tilak Ranaviraja – Sri Lanka Ambassador to France and Mr. M.Ranjith Gunaratna, Sri Lanka Consul General in Germany, Mr. Nihal Samarasinha, Honorary Consul of Sri Lanka in Frankfurt, Sri Lankan Airlines - France Country Manager Mr. Danny Schepers along with leading industry members from Sri Lanka.



Sri Lanka team at Meedex 2016

Achievements of the Bureau shared the plans to position Sri Lanka as the most sought after Incentive Destination among the French Business traveler. Bureau met and initiates contacts with hosted buyers and also met substantial amount of Destination Management Companies and trade visitors and agents. Apart from the pre scheduled appointments given by the organizer, Bureau also conducted a Breakfast meeting & presentation session which was Conducted by HE. Mr. Tilak Ranaviraja, Sri Lanka Ambassador to France, Chairman SLCB and Manager SriLankan Airlines.

SLCB promotes MICE Tourism in Germany

SLCB took part in IMEX 2016 MICE trade fair in Germany to entice the upscale clients in to the country and this is a direct approach to bring in Incentive Travelers from Europe to Sri Lanka.

Sri Lanka delegation was led by Sri Lanka Convention Bureau Chairman Prema Cooray and the events were also attended by Mr. M. Ranjith Gunaratna, Sri Lanka Consul General in Germany, Mr. Nihal Samarasinha, Honorary Consul of Sri Lanka in Frankfurt, Sri Lankan Airlines - Germany Country Manager, Mr. Sharuka Wickrama Adittiya along with leading industry members from Sri Lanka.

Asia Pacific Network Computer Engineer conference (APNIC) 2016, confirmed to Sri Lanka at IMEX as a follow up done by SLCB. Initial contact was made at IMEX 2016 with Mrs. Blandine Cousin, Project Manager of Asia Pacific Network Information Centre of Queensland, Australia. Three day Conference, followed by five day workshop was successfully held at Colombo Hilton with the participation of over 400 local and foreign IT professionals.



SLCB promotes MICE Tourism in Germany

MICE promotion in Delhi - 7th and 8th April 2016

SLCB had successful Road Shows for two days in Gurgaon and in New Delhi to promote MICE tourism to Sri Lanka. The Sri Lankan evening on the 7th April 2016 was held Vivanta by Taj in Association with American Chamber of Commerce (AMCHAM) Delhi chapter and the Sri Lankan chapter and Saturday the 8th of April “Meet in Sri Lanka” was held at The Park, New Delhi, in association with Sri Lankan Airlines.

Both days were excellent interactive sessions with over 100 corporates meeting with the Travel planners and tour operators mainly for MICE (Meetings, Incentive Travel, Conferences and Events) travels in future.

Performances by the Sri Lankan Traditional Dancers depicting the culture of Sri Lanka on both evenings were a great treat to the audience while His Excellency the High Commissioner Mr. Esala Weerakoon, Deputy High Commissioner Mr. Lenagala, Mr. C Sen Principal Adviser (special project) and Mr Subash Goyal, President of IATO (Indian Association of Travel Operators) graced the occasions.

Joint MICE promotion in Hyderabad

One to One meetings with the Corporates, out bound MICE agents and IT Leaders in Hyderabad and Sri Lanka Food Festival in Hyderabad, India held on 14th July and 15th July 2016.

Bureau initiates the contacts with corporates by hosting panel discussions headed by Chairman – SLCB and Manager SriLankan Airlines. During the one on one meetings with the MICE travel agents, industry members are gain the networking opportunities and promote Sri Lanka as a destination for MICE activities.



Joint MICE promotion with Thomas Cook India and Sri Lankan Airlines

Presentation to cream of Corporates in Mumbai held on 29th July 2016. Bureau was able to tap on high end India market and promote Sri Lanka as a venue for hosting corporate meetings and Incentive travels in future.

CIBTM 2016 China

This was held 07 and 8th September Beijing China. Target groups work Corporates, Incentive Houses and Travel agents based in China.

Bureau met and initiative contacts with hosted buyers and also met substantial amount of Destination Management companies and Trade visitors and agents. Apart from the pre –scheduled appointments given by the organizer Bureau also conducted a presentation session.

MICE promotion in Dubai



Realising the importance of the UAE Corporate Meetings and Incentive Travel Market, SLCB revived joint promotions with SriLankan Airlines. The first such country promotion in UAE for this year took place in Dubai on 5 October at Pullman City Centre hotel with Industry members.

Over 100 UAE MICE buyers based in Dubai, Abu Dhabi and Sharjah attended the event. The SLCB took the full advantage of the strengths of the SriLankan Airlines Dubai office to use their network and organise the event which was attended by the leaders of the MICE industry.

Leading Sri Lankan MICE industry members had the opportunity of meeting the UAE based buyers specially the ones who had not previously marketed Sri Lanka among their clients. They continued their dialogue during the interactive session in the evening.

SLCB presented to the invitees why Sri Lanka should be their next choice for MICE with the new locations and products for MICE activities while SriLankan Airlines explained their services for United Arab Emirates.

Trade fair in Barcelona, Spain IBTM world 2016

SLCB took part in the biggest MICE trade fair in Europe, IBTM World 2016 trade fair was held in Barcelona Spain to entice the upscale clients in to the country and this is a direct approach to bring in MICE travelers from Europe to Sri Lanka.

With over 15,500 industry professionals from 73 countries and over 150 destinations represented, IBTM world provided a truly global marketplace to gain worldwide visibility for Sri Lanka.



Other Activities

Site inspection visit to Hambantota International Convention Centre & Shangri La Hambantota (HICC)

SLCB made arrangements for the local MICE industry members to visit the Hambantota International Convention Centre (HICC) and Shangri La's Hambantota Resort & Spa.

Thirty five industry members representing PCO's, Event Management Companies, DMC's, Hotels and venues took part at the site inspection visit. It was the first time that they have visited the HICC for all of them.



Sri Lanka Base Jumping Tour 2016

During the period under review, the income made available its technical expertise in bids for the following Events held/to be held in Sri Lanka on required by respective organizers.

Date	Local Event Organizer	Event
04-06 Jan	Dept. of Civil engineering - Peradeniya	IPWE Conference
14-17 January	Ballroom Dancers Federation International Sri Lanka	5 th International Dance & Salsa festival 2015-2016
15-18 Jan	Aitken Spence Travels (pvt) Ltd	Indian MICE group - 75 Pax
18-21 Jan	Aitken Spence Travels (pvt) Ltd	Indian MICE group 170 pax
21-Jan	Sri Lanka College of Paediatrics	Bidding for 16 th APCP in 2018 & 17 th APCP in 2021
27 Jan -01 Feb	College of Anesthesiologists of Sri Lanka	32nd Annual Academic Session
29-31 Jan	LECS	Jaffna International Trade Fair 2016
27-Feb	College of General Dental Practitioners of Sri Lanka	Annual Scientific Sessions of College of General Dental Practitioners of Sri Lanka
12-14 Feb	Aitken Spence Travels (pvt) Ltd	40 Pax MICE group from India - Top Stock Traders
15-19 Feb	Lanka Sportreizen	GITAM University MBA students tour to Sri Lanka
19-Feb	Serendivus Conference	2 nd ICBME 2016
09-12 February	FTS Island Holidays	MICE group from VOLVO India Limited
5-7 Feb	Sri Lanka Orthodontic Society	International Orthodontic Conference & Scientific Sessions
18 Feb - 1 March	Golden isle travel	50 + ODI Tournament
12- 14 Feb	College of General Practitioners of Sri Lanka	WONCA - South Asian regional Conference of Family Doctors 2016
19-21 Feb		
24-26 Feb	Epidemiology Unit, Ministry of Health	International Conference on Dengue & Dengue Hemorrhagic Fever 2016
8-10 March	The Ceylon Chamber of Commerce	Invest Sri Lanka 2016
20-23 March	Red Apple Travel & Holidays Lanka (pvt)ltd	38 th SIG seminar on Industrial Gases - AIIGMA
13-16 April	Aitken Spence Travels (pvt) Ltd	Indian MICE group - Akzo Nobel

22-24 April	Jetwing Travels (pvt) Ltd	Indian MICE group - Axis Retail
05-06 May	TIKM	2 nd World Conference on Womens Studies 2016
13-17 May	Redbull	DougieLampkin - tour to Sri Lanka 2016
16-May	Jetwing Travels (pvt) Ltd	Indian MICE group - Barbeque International
16-21 May	Jetwing Travels (pvt) Ltd	Indian MICE group - Smiths Medical India (pvt) Ltd
18-21 May	Jetwing Travels (pvt) Ltd	Indian MICE group - JK Tyres
21-25 May	Aitken Spence Travels (pvt) Ltd	Indian MICE group - Janalakshmi Financial Services
7-Jun	Cinnamon Hotels & Resorts	Cinnamon Travel Bloggers conference
18-20 June	Sri Lanka Heart Association	Annual Academic sessions and Sri Lanka Intervention Meetings of Sri Lanka Heart Association
28-30 June	TIKM	ICCS 2016
28-29 July	TIKM	ICOPH 2016
8-10 July	National Chamber of Commerce	Ayurveda Expo 2016
21-22 July	Asia Tours & Events	Academic sessions of Sri Lanka Society of Gastroenterology 2016
24-27 July	SLMA	129 Anniversary International Medical Congress of SLMA 2016
29-31 July	Ceylon Institute of Builders	5th World Construction Symposium 2016
8-10 Aug	Computer Society of Sri Lanka	34 National Information Technology Conference - NITC 2016
12-16 Aug	BAR Association -Sri Lanka	LAWASIA 2016
11-14 Aug	Sri Lanka College of Dermatologists	International Conference on Tropical Dermatology (ICTD)
13-14 Aug	8 Apollo International Clinical Nutrition Update 2016	Jetwing events
13-17 Aug	Aitken Spence Travels (pvt) Ltd	MICE group form Bombay Chartered Accountant Society - India
18-20 August	Play House Kotte	ASSITEJ - Asia Meeting 2016

17-20 August	The College of Surgeons of Sri Lanka	Annual Academic Sessions of the College of Surgeons of Sri Lanka
21-27 August	Connaissance De Ceylan	Lanka Challenge 2016
23-24 August	Department of Civil Engineering, University of Moratuwa	International Conference in Transportation
26-28 August		ICAP 2016
28-31 August	Aitken Spence Travels (pvt) Ltd	20 th Congress of the International Association of Hydraulic Research
1-3 September	University of Colombo, School of Computing	ICTer 2016
1-9 September	The Colombo Fort Hotel	Child Education forum by Mrs. Stephanie Barts Child Evangelical Fellowship
2-4 September	Sri Lanka College of Radiologists	Annual Academic Session of Sri Lanka College of Radiologists
5-9 September	Luxe Asia	Indian MICE group - 50 Pax JK Ansel Group
8-10 September	SAIDIP conference secretariat Sri Lanka	DIPAP SAIDIP conference 2016
21-23 September	Shippers Academy - Colombo	Colombo International Maritime Conference - CIMC 2016
22-24 September	Sri Lanka College of Haematologists	Annual Academic session of Sri Lanka College of Haematologists
25-28 September	University of Colombo	Tourism Leaders' Summit 2016
Sept 28 to Oct 02	APNIC 42 Conference/ Hilton Colombo/ Event productions	APNIC 42 Conference
22-25 September	Global Shapers Community - Colombo	Shape South Asia 2016 Conference
16 October	Sri Lanka Medical Council	24 th Triennial Conference of the Commonwealth Medical Association
14-15 October	Ballroom Dancers Federation International Sri Lanka	5 th International Dance & Salsa festival 2015-2016
21-24 October	Catapult Lanka	FAM tour - Indian Agents
24-27 October	National Dangerous Drugs Control Board	40 meeting of the Heads of National Drug Law Enforcement Agencies
03-08 November	Green Holidays	Indian MICE group
04-05 November	Serendivus Conference - Global Academic Research Institute	ICAUST 2016

09 November	Luxe Asia	DHFL MICE group - 250/270 Pax
12-14 November	Aitkenspence Travels	Indian MICE group Spark Capital
11-14 November	Asian Adventures Travel Management Company	Indian MICE group -Ashok Layland
14-15 November	TIKIM	International Conference on Birds, Biodiversity & Tourism
16-18 November		Intex South Asia 2016
15-17 November	The Insurance Association of Sri Lanka	12 International Microinsurance Conference 2016
18-22 November	Walkers Tours	Indian MICE group - Matrix Healthcare Pharma
30 Nov to 04 Dec	Lions Sri Lanka	Lions Club 44th ISAAME forum
02 December	Global Academic Research Institute	ICS 2016
01-07 December	Jetwing Travels (pvt) Ltd	Indian MICE group - Regaliya MICE group
02-06 December	NATANDA International	NATFEST 2016
15-16 December	TIKIM	Nano Science and Nano technology conference 2016
15-16 December	Aitkenspence Travels	Indian MICE group - Akhil Bharatiya Sanskrutik Sanskrutik Sangh (ABSS)

Source: Sri Lanka Convention Bureau

Finance & Administration

Finance & Administration

In accordance with the requirements, the Bureau has submitted all reports required by various Institutions including Progress Reports, Performance Report, General Performance and Progress Reports, Actions Plans, Activity reports etc.

Organizational Structure

Position	Approved Carder Number of positions	Existing Carder number of positions	Vacant
General Manager	1	-	1
Senior Manager	1	1	-
Manager	2	1	1
Assistant Manager	3	3	-
Management Assistant	2	2	-
Driver	1	1	-
Office Assistant	1	1	-
Total	11	9	2

SLCB Staff

Mr. Prema Cooray	- Chairman
Ms. Achini Dandunnage	- Senior Manager
Ms. Kumudu Henedige	- Manager Marketing
Ms. Peumi Peris	- Assistant Manager, Research, Development, Trade Standards, Association Meetings
Ms. Ranjika Perera	- Assistant Manager, Accounts and Administration
Mr. Champika Anuradha	- Assistant Manager, Marketing
Ms Arundathi Kumari	- Management Assistant
MS. Dinushka Fonseka	- Management Assistant
Mr. Sanjeeva Perera	- Driver
Mr. Proboda Wijesuriya	- Office Assistant

Financial Position

As At 31st December 2016

ASSETS

Current Assets

Cash in Hand and at Bank	6	4,886,320.57	3,211,876.94
Trade & Other Receivables	7	63,951,149.46	44,430,635.48
Pre payments	8	266,072.80	285,863.83
BOC fund Management		117,606,905.23	100,317,290.38
Deposits	9	80,000.00	80,000.00
Advance Payment for promotion		-	4,733,855.70
W.H.T. / VAT Receivable		-	450,553.57
Total Current Assets		186,790,448.06	153,510,075.90

Non - Current Assets

Property, Plant & Equipment	10	19,127,867.38	20,830,148.78
Less : Provision for Depreciation		13,846,027.04	12,082,556.78
Written down value		5,281,840.34	8,747,592.00
Long Term Investments		26,648,658.01	25,300,000.00
Total Non- Current Assets		31,930,498.35	34,047,592.00
Total Assets		218,720,946.41	187,557,667.90

LIABILITIES

Current Liabilities

Creditors & Accrued Expenses	11	864,863.58	319,154.71
Total Current Liabilities		864,863.58	319,154.71

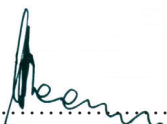
Long term liabilities

Provision for Retirement Gratuity		1,898,952.00	2,177,247.50
Total Liabilities		2,763,815.58	2,496,402.21
Net Assets		215,957,130.83	185,061,265.69

NET ASSETS/EQUITY

Opening Balance Equity		6,433,492.69	6,433,492.69
Retained Earnings	12	218,627,773.00	191,220,766.85
Tourism Development Fund		(40,000,000.00)	(40,000,000.00)
Profit for the year		30,895,865.14	27,407,006.15
Total Net Assets/Equity		215,957,130.83	185,061,265.69

The Accounting Policies on pages 5 and Notes on pages 5 to 10 form an intergral part of these Financial statements. The Board of Directors is responsible for the preparation and presentation these Finianal Statements were approved by the Board of Directors and signed on their behalf.



Prema Coory

Chairman

Sri Lanka Convention Bureau



M. Shanthikumar

Board member

Sri Lanka Convention Bureau

Statement of Financial Performance

For the period ended 31st December 2016

	Notes	2016 Rs.	Budget 2016 Rs.	2015 Rs.	Budget 2015 Rs.
Revenue					
Embarkation Levy		94,217,651.02	93,010,000.00	78,741,643.96	8,448,000.00
Tourism Development Levy		51,278,967.01	47,430,000.00	40,807,067.56	43,520,000.00
Other Revenue	13	11,128,515.95	8,300,000.0	6,439,927.06	6,000,000.00
Total Revenue		156,625,133.98		125,988,638.58	
Expenses					
Wages,Salaries & Employee Benefits	14	11,818,796.67	13,880,000.00	10,956,647.10	10,220,000.00
Supplies and Consumables Used	15	7,009,745.86	5,870,000.00	4,964,463.50	5,730,000.00
Marketing Related Expenditure	16	102,938,436.23	204,645,000.00	77,496,622.19	164,215,000.00
Research & Development	17	1,199,375.69	7,400,000.00	3,049,749.09	6,100,000.00
Depreciation and Ammortization Expenses	7	1,982,364.26	-	1,991,772.37	-
Other Expenses	18	765,825.00	1,525,000.00	605,370.00	800,000.00
Finance Costs	19	14,725.13	60,000.00	27,195.79	50,000.00
Prior Year Adjustment		-	-	(510,187.61)	-
		125,729,268.84		98,581,632.43	
Surplus/ (Deficit) for the Period		30,895,865.14		27,407,006.15	

Notes to the Accounts

For the period ended 31st December 2016

1. General Information

SRI LANKA CONVENTION BUREAU (SLCB)

The Sri Lanka Convention Bureau incorporated under the Tourism Act No 38 of 2005 and domiciled in Sri Lanka. The registered office and the principal place of business of the Bureau is located at 4th Floor, Hotel School Building #78, Galle Road, Colombo 3.

The SLCB is engaged in promoting conferences, corporate meetings, incentive travel and exhibitions.

2. Basis of Preparation and Accounting Policies

The Financial statements of the Sri Lanka Convention Bureau have been prepared in conformity with the Sri Lanka Public.

Sector Accounting Standards and the applied consistently on historical cost basis. Income and cost have been accrued and recorded in the financial statements of the period to which they relate. Where appropriate, significant accounting policies are explained in the succeeding notes. No adjustments have been made for inflation factors affecting the accounts.

3. Property, plant and equipment

All property, plant and equipment are stated at historical cost which is at purchase cost or construction cost.

Depreciation is provided on cost with relevance to the period of ownership. The depreciation rates are as follows.

Assets	Rate
Office equipment	10%
Motor vehicles	25%
Furniture and fittings	10%
Building	5%

4. Liabilities and provision

All material liabilities as at balance sheet date have been included in the accounts.

5. Retirement benefits

Provision has been made for the retirement benefit payable under the Payment of Gratuity Act No. 12 of 1983. Terminal benefits are provided for on the basis of half month current salary for every year of continued service. However the liability becomes due on completion of 5 years.

Notes to the Financial Statements

For the period ended 31st December 2016

6. Cash in Hand and at Bank

Item	2016 (Rs.)	2015 (Rs.)
Cash at Bank - Bank of Ceylon	(91,794.29)	(1,356,742.86)
Cash at Bank - Peoples Bank	4,978,114.86	4,568,619.80
Total of cash in hand & bank balance	4,886,320.57	3,211,876.94

7. Trade & Other Receivable

Item	2016 (Rs.)	2015 (Rs.)
Staff Loan	441,873.20	556,689.20
Stocks	345,252.00	-
Festival Advance	-	2,500.00
Receivable from SNAV	6,273,477.85	-
Sri Lanka Tourism Development Authority	56,890,546.41	43,871,446.28
Total	63,951,149.46	44,430,635.48

8. Prepayments

Item	2016 (Rs.)	2015 (Rs.)
Payment for Promotions	101,018.37	101,018.37
Insurance	88,934.51	88,934.51
Office Equipment Maintenance	66,119.92	95,910.95
Web maintenance prepayment	10,000.00	-
Total	266,072.80	285,863.83

9. Deposits

Item	2016 (Rs.)	2015 (Rs.)
Sri Lanka Telecom	5,000.00	5,000.00
C.F. De Mel and Sons	75,000.00	75,000.00
Total	80,000.00	80,000.00

For the period ended 31st December 2016

10. Property, Plant & Equipment
Note No. 2A

Note	Code	Description	Balance as at 01.01.2016	Additions 2016	Transfer 2016	Balance as at 31.12.2016	Acc. Depreciation as at 01.01.2016	Depreciation 31.12.2016	Acc. Depreciation as at 31.12.2016	Net Book Value as at 31.12.2016
3.1	101	Office Equipments	7,036,330.49	212,989.00		7,249,319.49	5,703,281.19	161,216.02	5,864,497.21	1,384,822.28
3.3	103	Furniture & Fittings	1,777,753.29	105,294.60		1,883,047.89	1,120,913.34	111,898.24	1,232,811.58	650,236.31
3.4	110	Motor Vehicles	9,995,500.00	-		9,995,500.00	5,039,468.25	1,709,250.00	6,748,718.25	3,246,781.75
		Sub Total	18,809,583.78	318,283.60		19,127,867.38	11,863,662.78	1,982,364.26	13,846,027.04	5,281,840.34

For the period ended 31st December 2016

11. Creditors & Accrued Expenses

Item	2016 (Rs.)	2015 (Rs.)
SLTDA -Welfare Association	5,100.00	-
Sri Lanka Telecom	-	3,573.68
E P F Payable	290,849.00	240,383.00
E P F Payable	193,861.40	64,954.50
Payee Payable	(571.00)	279.00
Phoenix Ogilvy	1,785.93	1,785.93
E T F Payable	32,839.13	8,178.60
American Premium	(0.88)	-
Global Academic Research	91,000.00	-
S.L.Medicle Association	250,000.00	-
Total	864,863.58	319,154.71

Notes 12

Changes in equity statement for the year ended 31 December 2016

	Capital Reserves	Retained Earnings
Balance at 31 December 2015	6,433,492.69	191,220,766.85
Profit for the year 2015	27,407,006.15	-
Tourism Development Levy TFR	(40,000,000.00)	-
Profit for the year 2016	30,895,865.14	-
Balance at 31 December 2015	6,433,492.69	209,523,638.14
Total		215,957,130.83

For the period ended 31st December 2016

	2016 Rs.	Budget 2016 Rs.	2015 Rs.	Budget 2015 Rs.
13. Other Revenue				
Item				
Staff Loan Interest income	21,188.00	-	27,483.47	-
Participation fees	5,330,000.00	-	4,140,000.00	-
Call deposit interest	2,174,173.38	-	794,825.80	-
Other Income	3,603,154.57	-	1,477,617.79	-
Total	11,128,515.95	8,300,000.00	6,439,927.06	6,000,000.00
14. Wages, Salaries & Employee Benefits				
Item				
Staff Salaries	6,352,892.00	7,000,000.00	5,602,956.00	6,000,000.00
Casual Wages & Other Allowances	380,262.71	400,000.00	509,630.08	300,000.00
Chairmans Allowances	960,000.00	1,080,000.00	748,000.00	720,000.00
Chairman fuel & Vehicle Rent	590,350.00	600,000.00	350,203.48	800,000.00
Staff Overtime	257,982.97	300,000.00	261,998.81	300,000.00
Employees Provident Fund	678,108.75	600,000.00	502,786.65	500,000.00
Employees Trust Fund	140,151.71	200,000.00	100,941.39	200,000.00
Staff Welfare	482,099.03	600,000.00	289,363.27	200,000.00
Staff Welfare -Sri Lanka Tourism	51,200.00	100,000.00	347,900.00	200,000.00
Uniforms to Staff	166,600.00	200,000.00	53,622.50	200,000.00
Travelling local	116,283.00	400,000.00	303,318.00	300,000.00
Gratuity	215,857.50	-	960,032.50	-
Attendance Incentives	290,849.00	600,000.00	240,383.00	500,000.00
Staff Transport & Fuel Allowance	1,136,160.00	1,800,000.00	685,511.42	-
Total	11,818,796.67	13,880,000.00	10,956,647.10	10,220,000.00
15. Marketing Related Expenditure				
Item				
Printing & Stationery	837,768.09	650,000.00	555,388.04	600,000.00
Telephones	553,886.43	700,000.00	614,620.07	600,000.00
Postage & Courier	26,323.55	200,000.00	64,812.89	150,000.00
General Office Expenses	102,555.10	500,000.00	217,836.13	450,000.00
Insurance	913,054.79	1,000,000.00	1,083,985.94	900,000.00
Maintenance - Office	2,132,696.95	400,000.00	351,352.89	380,000.00
Vehicle fuel	357,869.50	600,000.00	504,906.67	800,000.00
Maint. & Repair vehicles	289,648.28	300,000.00	211,195.98	250,000.00
Sundry	25,389.60	200,000.00	40,364.89	200,000.00

For the period ended 31st December 2016

	2016 Rs.	Budget 2016 Rs.	2015 Rs.	Budget 2015 Rs.
Write off	450,553.57	-	-	-
Office Rent	1,320,000.00	1,320,000.00	1,320,000.00	1,400,000.00
Total	7,009,745.86	5,870,000.00	4,964,463.50	5,730,000.00
16. Marketing Related Expenditure				
Item				
Overseas Promotions / Fairs	57,587,624.38	100,700,000.00	49,405,557.73	102,700,000.00
Printing / Production	577,021.82	13,050,000.00	1,565,514.51	6,175,000.00
Advertising	3,493,674.35	6,250,000.00	1,314,756.90	6,000,000.00
SLCB Web	43,254.97	145,000.00	47,210.02	140,000.00
Marketing Expenses - Other	531,124.98	500,000.00	812,164.87	200,000.00
Event Supports	10,005,399.11	15,000,000.00	8,905,175.24	10,000,000.00
Fam Tours	207,725.00	4,000,000.00	2,547,712.01	4,000,000.00
Special projects & Activites	5,780,404.95	10,000,000.00	-	10,000,000.00
SNAV 2016	24,712,206.67	55,000,000.00	15,000.00	-
MiCE Mart 2015	-	-	12,883,530.91	25,000,000.00
Total	102,938,436.23	204,645,000.00	77,496,622.19	164,215,000.00
17. Research & Development				
Item				
ICCA Membership	1,023,085.69	700,000.00	451,703.21	600,000.00
Database Maintenance	-	500,000.00	50,000.00	500,000.00
SLCB Training Programes	-	5,000,000.00	554,267.20	5,000,000.00
Conference Bid Supports	176,290.00	1,200,000.00	1,993,778.68	-
Total	1,199,375.69	7,400,000.00	3,049,749.09	6,100,000.00
18. Other Expenses				
Item				
Board Member Allowance	549,950.00	1,225,000.00	393,950.00	500,000.00
Professional Fees	215,875.00	300,000.00	211,420.00	300,000.00
Total	765,825.00	1,525,000.00	605,370.00	800,000.00
19. Finance Costs				
Item				
Bank charges	14,725.13	60,000.00	27,195.79	50,000.00
Total	14,725.13	60,000.00	27,195.79	50,000.00

Cash Flow Statement

For the period ended 31st December 2016

cash flows from operating activities	27,407,006.15
Surplus / (Deficit)	

Non - cash movements

Depreciation	761,584.76	
(Increase / Decrease in Receivables	(6,936,543.05)	
(Increase / Decrease in Prepayments	830,910.73	
Increase / Decrease in Creditors & Accrued Expenses	(707,999.61)	
Net cash flows from operating activities		(6,052,047.17)

CASH FLOWS FROM INVESTING ACTIVITIES

Advance Payment	(4,733,855.70)	
Purchase of Property, plant and equipments	(857,992.39)	
BOC Fund Management Account	(33,421,723.16)	
Removal of software	720,000.00	
Net cash flow from Investig Activities		(38,293,571.25)

CASH FLOWS FROM FINANCING ACTIVITIES

Provision for Gratuity	960,032.50	960,032.50
Net increase / (decrease) in cash and cash equivelents		(15,978,579.77)
Cash and cash equivelents at beginning of period		19,190,456.71
Cash and Cash equivelents at end of period		3,211,876.94

The Auditor General's Opinion



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මගේ අංකය
எனது இல.
My No.

TIP/A/SLCB/01/16/03

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

13 December 2017

Chairman,
Sri Lanka Convention Bureau.

Report of the Auditor General on the Financial Statements of the Sri Lanka Convention Bureau for the year ended 31 December 2016 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Sri Lanka Convention Bureau for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971 and Section 20 of Tourism Act, No. 38 of 2005. My comments and observations which I consider should be published with the Annual Report of the Bureau in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detailed report according to the Section 13 (7)(a) of the Finance Act had been issued to the Chairman of the Bureau on 08 November 2017.

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.

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

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1.3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

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

1.4 Basis for Qualified Opinion

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



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Convention Bureau as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on the Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following Non-compliances had been revealed in audit.

(a) Sri Lanka Public Sector Accounting Standard 02

- (i) Depreciation amounting to Rs.1,982,364 pertaining to the year under review had been shown as Rs.1,763,470 in the cash flow statement.
- (ii) The transfer from building account to building maintenance account Rs.1,801,671 had been shown as Rs.2,020,565 in the Cash Flow Statement and the adjustment should be shown under the cash generated from investment activities instead of showing under non-cash movement in the cash flow from operating activities.
- (iii) The write off Value Added Tax receivable balance of Rs.447,303 had been shown as a cash flow generated by financial activities instead of showing under non-cash movements.



(b) Public Sector Accounting Standard 09

Stocks which had been kept for delivery without a charge or charged with a nominal value should be measured at the lowest value of its cost or the current procurement value whichever is less. But, in respect of the promotional items valued at Rs.345,252 kept to be delivered without any charge in the Bureau had not been followed those instructions.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) The Interest income totalled Rs.25,520 had been shown less as a result of interest on fixed deposit amounting to Rs.54,478 of the year 2015 had been shown as an income of the year under review and the interest receivable amounting to Rs.79,998 for the year 2016 had not been brought to the income of the year under review.
- (b) Out of the final promotional items of the stocks which should be accounted as at 31 December of the current year, stocks valued at Rs.1,358,488 had not been included to the financial statements and the value of Rs.345,252 stocks which already included had also been shown in the statement of financial position under trade and other receivable balances.
- (c) Even though, the expenditure amounting to Rs.1,801,671 incurred on maintenance of building had been capitalized erroneously in the year 2015, and while correcting them the adjustment should be made to the prior year retained profit it had been accounted as building maintenance expenditure of the year under review. Accordingly, the profit of the year under review had been shown less by that amount.
- (d) Even though, provisions had not been made on the audit fees payable for the years 2015 and 2016, the payment of audit fees Rs.198,375 for the year 2014 had been accounted as an expenditure of the year under review and as a result the profit of the year had been shown less by that amount.



- (e) The Employees Provident Fund payable account for the year under review and the Expenditure of the Employees Provident Fund expenditure account by Rs.58,272 and the Employees Trust Fund Account and the Employees Trust Fund payable account by Rs.11,652 had been shown in excess.

2.2.3 Lack of Evidence for Audit

Register of Fixed Assets pertaining to property, plant and equipment costing Rs.5,638,960 and original bills and the confirmations on cash receipts from recipients with regard to the trade and promotional expenditure amounted to Rs.8,363,700 had not been made available to audit.

2.2.4 Unexplained Differences

The Long term Investment had been shown in the Statement of Financial Position, as Rs.26,648,658 whereas a balance in accordance to the Bank Renewal Notice it was Rs.27,898,647 and hence a difference of Rs.1,249,989 had been observed.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Bureau for the year ended 31 December 2016 had been a surplus of Rs. 30,895,865 as compared with the corresponding surplus of Rs. 27,407,006 for the preceding year, thus indicating an increase of Rs. 3,488,859 in the financial result of the year under review. Even though, the marketing expenditure had been increased by Rs.25,441,814, the increase of Revenue by Rs. 30,636,495 had been the main reason for the improvement of the above financial result.

While analyzing the financial result of the year under review with the four preceding years, the surplus in the year 2012 amounted to Rs.21,704,200 had been fluctuated gradually in the year 2016 and had been Rs.30,895,865. However, re-adjusting of employees remuneration and depreciation on non-current assets to the financial results, the contribution of the Bureau amounting to Rs.29,522,428 of the year 2012 had improved with variances and it had become Rs.44,697,026 in the year 2016.



4. Operating Review

4.1 Performance

The followings are the objectives of the Bureau in terms of Section 42(2) of Tourism Act, No.38 of 2005.

- (i) To promote Sri Lanka as a venture for international, regional and domestic conventions, meetings and exhibitions and as an incentive travel destination.
- (ii) To provide a common policy designed to ensure co-ordinated and co-operative development and marketing of Sri Lanka as a venue for international, regional and domestic conventions, meetings and exhibitions and as an incentive travel destination.
- (iii) To co-ordinate and assist the promotion, development and servicing by public and private sector of international, regional and domestic conventions, meetings and exhibitions and an incentive travel.
- (iv) To co-ordinate and co-operate with convention, exhibition and incentive travel organizers in Sri Lanka and overseas to ensure the successful staging of conventions, meetings and exhibitions and the implementation of incentive travel programmes.
- (v) To prescribe and enforce the maintenance of professional standards by persons or organizations involved in handling various aspects of conventions, meetings, exhibitions and incentive travel.
- (vi) To encourage and promote the development of professional skills among the different categories of persons or organizations involved in handling convention, meetings, exhibitions and incentive travel.
- (vii) To affiliate with, obtain membership of, or enter into any agreement with any association or organization engaged in developing or promoting conventions, meetings, exhibitions and incentive travel.



- (viii) To provide guidance to the Bureau to develop, promote and market Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad.
- (ix) To develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry, in a sustainable manner.
- (x) To do in Sri Lanka or elsewhere all such acts and things incidental or conducive to the attainment of the objects of the Bureau.

The following observations are made in relation to achieving of the objectives of the Bureau.

- (a) Out of the above objectives and goals on such (ii), (v), (vi), (vii), (viii) and (ix) could not been unable to achieved.
- (b) According to the Annual Performance Report, out of the allocated sum of Rs.212.85 million only a sum of Rs.104.14 million had been utilized for 14 key activities during the year under review. Which is 49 per cent.
- (c) According to the Annual Performance Report, out of 155 projects scheduled to be completed during the year 2016, only 97 projects had been completed.
- (d) Fifteen awareness projects scheduled to be implemented engaged with domestic tourism organizations with an estimate allocation of Rs.1.2 million and 4 projects on Human Resource Development scheduled to be implemented throughout the year with an allocation of Rs.5 million had not been implemented.

4.2 Management Activities

The Cabinet approval had been received to the Bureau to conduct the Annual General Meeting of the National Union of Travel Agents of France in Sri Lanka during the period from 31 October 2016 to 02 November 2016. Approval had been received to spent a some of Rs.51,000,000 out of the estimated amount Rs.95,000,000 by the Sri Lanka Convention Bureau.



Following observations are made according to the information made available to audit in relation to the above Convention.

- (a) It had been confirmed by the email of 06 June 2016 of the Secretary of the National Union of Travel Agents of France that a 300 numbers of foreigners who are participating nevertheless, expenditure estimate of inclusive of numbers of 488 foreigners according to the Cabinet Memorandum of No. MTD & CRA/2016/23 dated 15 September 2016 had been submitted. However only 286 foreigners had been actually participated.
- (b) To conduct the above convention instead of calling for bids separately from five star hotels in Colombo, bids had been obtained from the Chairman of the Hotels Association. It had been revealed that bids were based on the prices of the Gazette Notification of the Tourism Development Authority. According to the Gazette Notification No.1697/24 dated 17 March 2011 it should be deduct a 10 per cent from the invoice price on meetings/ incentives/ conferences/ exhibitions (MICE), and it had revealed that a sum of Rs.740,306 had been paid in excess to 4 hotels as a result of not deducting the same.
- (c) In relation to the annexure of the Cabinet Memorandum dated 15 September 2016 the agreed charges for rooms inclusive of taxes had been 169 US\$ for single rooms and 180 US\$ for double rooms, nevertheless, while vouching the payment vouchers, payments were made in a range between 169.78 US\$ to 188.93 US\$ and as a result, a sum of Rs.329,592 paid in excess for 4 hotels.
- (d) Out of the amount to be charged from the France Tourism Agency National Association, a sum of Rs.4,029,000 had been deducted on behalf of air tickets, the reason for such deduction and adequate evidence to confirm them had not been made available for audit.

4.3 Under Utilization of Funds

An average balance of Rs.110,000,000 was existed in the Fund Management Account during the year under review, hence attention had not of the management being to depositing in a fixed deposit account and earn a higher interest out of the same.



4.4 Staff Administration

Without fulfilling of the basic qualifications according to the recruitment procedure of the Institute a General Manager had been recruited based on application submitted inclusive of false information and had been paid a sum of Rs.483,372 as salaries and allowances during the period from December 2016 to January 2017.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

Even though the financial statements should be presented within 60 days after the close of the year of accounts in terms of Paragraph 6.5.1 of the Public Enterprises Circular No.PED/12 of 02 June 2003, the financial statements of the year 2016 had been presented to the Auditor General only on 04 April 2017. Thus, a delay of 34 days was observed.

5.2 Action Plan

According to Section 5:1:2 of Public Enterprises Circular No PED/12 dated 02 June 2003, Action Plan should be prepared in a manner that the responsibility of the management can be easily identifiable by reviewing the operating results of immediate 03 preceding years and the strategic plans and the expected objectives and goals can be achieved within the planned duration. However, it had not been so done.

5.3 Internal Audit

An Internal Audit Unit had not been established to carry out internal audit in the Bureau while the transactions of the year under review had not been examined even by the Internal Audit Unit of the line Ministry.

5.4 Procurement Plan

A Master Procurement Plan had not been prepared in terms of Guideline 4.2.1 of the Government Procurement Procedure dated 25 January 2006.



5.5 Budgetary Control

Significant variances ranging between 29 per cent and 433 per cent were observed between the budget and the actual amounts in 21 Objects for the year under review, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Weaknesses in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls

Observations

Areas of Systems and Controls	Observations
(a) Accounting	Failure to submit comparative information to the cash flow statement.
(b) Stock Control	In relation to promotional stocks all the items had not been included to the Financial Statements.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General





SRI LANKA

CONVENTION BUREAU

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