2011

වාර්ෂික වාර්තාව සහ ගිණුම් ප්‍රකාශය
வருடாந்த அறிக்கையும் நிதிக்கூற்றும்
ANNUAL REPORT & STATEMENT OF ACCOUNTS

පුනරුත්ථාපන අධිකාරිය
புனர்வாழ்வு அதிகாரசபை
REHABILITATION AUTHORITY

අංක. 95, ආනන්ද රාජකරුණා මාවත කොළඹ 10.
இல. 95, ஆனந்த ராஜகருணா மாவத்தை கொழும்பு 10.
No 95, Ananda Rajakaruna Mawatha, Colombo 10.

Contents

Letter of Submission

Hon. Chandrasiri Gajadeera,
Member of Parliament,
Minister of Rehabilitation and Prison Reforms.
Ministry of Rehabilitation & Prison reforms,
No. 35, A, Dr. N.M. Perera Mawatha, Colombo – 08.

Hon. Minister,

I have pleasure in submitting, on behalf of the Board of Directors of the Rehabilitation of Persons, Properties and Industries Authority, the Annual Report and the Statement of Accounts of the Financial Year ended on 31st December 2011 in terms of provisions of the Finance Act No. 38 of 1971 and the Rehabilitation of Persons, Properties and Industries Act no. 29 of 1987.

Yours truly,

E.A. Samarasinghe,
Chairman,
Rehabilitation Authority.

Rehabilitation of Persons, Properties & Industries Authority. (REPPIA)
No. 95, Ananda Rajakaruna Mawatha, Colombo - 10

Annual Report of the
Rehabilitation of Persons, Properties & Industries Authority
(Rehabilitation Authority)
Year 2011.

The Rehabilitation Authority was established in terms of the Rehabilitation of Persons, Properties and Industries Authority (REPPIA) Act no 29 of 1987.

Board of Directors of the Rehabilitation Authority for the year 2011.

1. Mr.E.A.Samarasinghe -Chairman
2. Mr.D.K.Jinadasa -Working Director
3. Mr.T.Sridaran -Director
4. Mr.A.Samoon Kaleel -Director
5. Mr.Prassanna Kiriwaththuduwa -Director

Following are the functions carried out by the Rehabilitation Authority in order to render relief and Rehabilitation of persons, Properties and Industries affected by terrorist violence, civil commotions or political violence.

A. Statutory Functions

(a) Provision of relief to those affected by terrorists' violence.

(b) Provision of assistance to the owners of houses and properties destroyed/ damaged.

(c) Provision of relief to the tenants of destroyed/ damaged houses or properties.

(d) To order demolition and removal of debris of the affected buildings.

(e) Provision of assistance for damages caused to the properties of industries or commercial enterprises.

(f) Vesting any damaged/ destroyed property in state.

(g) Divesture of vested properties to the rightful owners.

(h) Settlement of disputes, if any, between the owners and tenants in connection with the properties vested in state

B. Other Functions.

(a) Co- ordination and monitoring of the payment of Housing Assistance under the Unified Assistance Scheme (UAS).

(b) Payment of Compensation as per P.A Circulars 49/89 and 21/88 and Rehabilitation Ministry circular MRR/UAS/MAP/01 and MRR/Gen/ to the Public/ Corporation employees, Special categories of Persons and General Public, who are subjected to terrorist violence resulting in

(i) Death.
(ii) Injuries.
(iii) Destruction of or damages to the properties.

(c) Granting assistance to rehabilitate destroyed/ damaged Places of Worship.

(d) Granting assistance under the Marriage Prosperity Allowance Scheme.

(e) Payment of compensation to persons affected by Election Violence.

(f) Provision of Rehabilitation Loan facilities for Housing, Industries & Commercial loan.

(g) Providing self employment loan for widows / affected persons.

(h) Assisting war affected orphan, school going children.

(i) Self Employment Loan Scheme.

(j) Housing Loan Scheme.

(k) Providing assistance for affected people living in remote areas.

C. Description of Activities.

1. Unified Assistance Scheme.

The rehabilitation assistance to the persons displaced/ affected due to terrorist violence is granted as a Package called "Unified Assistance Scheme" implemented by the Rehabilitation Authority and the Ministry in charge of REPPIA, presently Ministry of Rehabilitation & Prison Reforms. This scheme was formulated in 1983 under the emergency Rehabilitation and Reconstruction programme and twice modified in 1994 and in 2002 with a view to enhancing the assistance provided to the affected families.

Before the MOU was signed on 22.02.2002, total sum of Rs.65,000.00 was paid to a resettled family which included the settling in allowance of Rs. 2,000.00, Productivity enterprises grant Rs. 5,000.00, Temporary housing assistance of Rs.7,000.00, Implements of Rs.1,000.00 and Permanent Housing Allowance of Rs.50,000.00.

Permanent Housing Assistance of Rs.100,000.00

After the revision of this scheme the amount was increased up to Rs. 100,000.00 for a family. This consists of two components of permanent housing grant of Rs. 75,000.00 and livelihood allowance of Rs.25,000.00. This amount was paid in four installments.

But the present Board of Directors of REPPIA had modified this payment scheme with the concurrent of the ministry and approved to pay this housing assistance in two installments for better implementation. The Board of Directors taken this decision in its Board meeting held in 2010. 1st installment is Rs.50,000.00 and the balance payment of Rs.50,000.00 was paid to an affected person for repairing the damaged house.

An amount of Rs.50,000,000.00 is paid under this category for 1000 families in the year under review. All these families mostly were selected from Northern & Eastern Provinces.

2. Payment of Compensation/ Financial Assistance

2:1 Payment of Compensation for Death and injuries

(a) Compensation for Public Servants

(i) Compensation for Deaths

The dependents of Public Servants or State Corporation employees are eligible for a compensation of Rs.200,000.00 in respect of death caused to such employees due to terrorist/ subversive activities..

(ii) Compensation for Injuries

Public Servants or State Corporation employees who sustain injuries due to terrorist/ subversive activities are entitled to receive compensation up to a maximum of Rs.100,000.00 depending on a certificate issued by a Medical Officer in respect of loss of earning capacity.

Under this scheme a sum of Rs.6,295,000.00 was paid for 51 persons during the year under review.

(b) Compensation for Special categories of persons.

(i) Death

Under this scheme, if due to terrorist violence death occurs to Ministers, Members of Parliament, Ministers and Members of the Provincial Councils, Members of Local Government Bodies, Candidates defeated at the Parliamentary, Provincial Council and Local government Elections, the next-of-kin are entitled to receive compensation up to a maximum of Rs.500,000.00.

(ii) Injuries

Depending on a Medical Certificate issued by a District Medical Officer, Persons under the category above are entitled to receive a maximum compensation of Rs.500,000.00 in case they sustain injuries.

There was no claim under this scheme in the year under review.

(c) Compensation for the General Public

Under this scheme, the dependents of the deceased persons and those who have sustained injuries due to terrorist violence, ethnic riots, civil unrest and related security operations are entitled for compensation as shown below.

Death: A maximum of Rs.100, 000.00

Injuries: A maximum of Rs. 50,000.00

(Depending on a Medical Certificate)

Under this category Rs.19, 667,500.00 were paid for 227 persons in the year under review.

2.2 Payment of Compensation for damaged/ destroyed private properties. Payment of compensation to Public/ State Corporation employees.

The Public Servants/ State Corporation employees whose properties have been damaged due to terrorist violence of July/ August 1987 and thereafter are eligible for compensation up to a maximum of Rs.150, 000.00.

A sum of Rs.17, 473,674.00 had been paid for 148 persons under this category in the year under review.

(a) Payment of Compensation to the Special category of Persons.

This scheme provides compensation up to a maximum of Rs.500,000.00 in respect of damaged/ destroyed properties owned by Ministers, Members of Parliament, Ministers and Members of the Provincial Councils, Members of Local Government Bodies and Defeated Candidates in the Parliament, Provincial Council and Local government Elections.

There was no claim under this scheme in the year 2011.

(b) Payment of Compensation to the General Public.

Affected persons who do not fall under the above two categories are entitled for compensation with regard to the damages caused to their, properties including vehicles up to a maximum of Rs.100,000.00 or 20% of the value of the damage caused whichever is less.

This scheme is in operation since July, 1983.

Under this category Rs.15, 402,345.00 were paid for 224 persons in the year under review.

2.3 <u>Payment of Compensation for damage caused to Place of Worship.</u>

Assistance is granted to rehabilitate and reconstruct the Places of Worship damaged/ destroyed due to terrorist activities; completely destroyed places are given Rs.1, 000,000.00 whereas partially destroyed places are paid a maximum of Rs.500, 000.00.

A sum of Rs.1, 000,000.00 had been paid under this category for 1 place of worship during the year under review.

3. Payment of Marriage Prosperity Allowance.

Under this scheme, if a person gets married while living in a Government Welfare Centre, he/she is entitled to a grant of Rs.12, 500.00. This is granted in order to assist the person to commence a small scale income creating economic activity. If both are displaced is paid Rs.25, 000.00 under this scheme. This scheme was introduced in July 1995.

No payments were made during the year under review in this category.

4. Payment of Compensation to the victims of Election Violence

As per a decision by the Cabinet of Ministers dated 31.12.1997, a scheme to compensate the victims of Election Violence was introduced.

Payment is made as follows:

Candidates:	Property Damage	Maximum Amount	Rs.500,000.00
	Death	Maximum Amount	Rs.500,000.00
	Injuries	Maximum Amount	Rs.150, 000.00

(Depending on a Medical Certificate)

Polling Agent:	Property Damage	Maximum Amount	Rs. 50,000.00
	Death	Maximum Amount	Rs.100,000.00
	Injuries	Maximum Amount	Rs. 75,000.00
		(Depending on a Medical Certificate)	

General Public:	Property Damage	Maximum Amount	Rs. 50,000.00
	Death	Maximum Amount	Rs. 50,000.00
	Injuries	Maximum Amount	Rs. 50,000.00
		(Depending on a Medical Certificate)	

Before the payment of this loan scheme cabinet approval must be taken by submitting relevant details to the cabinet. According to that the Authority had requested cabinet approval for 1776 applicants.

5. Rehabilitation Loan Scheme.

(i) Industrial Loan

A maximum of Rs. Five Million (per industry) at 9% interest with a recovery period of 10 years is granted for restarting industries affected by terrorist violence. Payment and the recovery are handled by Bank of Ceylon.

An amount of Rs.10, 000,000.00 was recommended for 02 persons in the year under review.

(ii) Self Employment Loan

Cabinet had approved this new loan scheme in the year 2010 for assisting the war affected widows and other affected persons due to terrorist activities/ war.

Under this scheme a person can get maximum Rs.250, 000.00 at the rate 4% interest P.A and repayable period is 10 years with one year grace period.

This self employment loan scheme was implemented mainly in the Northern & Eastern Provinces. Following details show the district wise no. of cases of disbursement and the amount disbursed.

District	No. of Cases Disbursed	Amount Disbursed (Rs.)
Jaffna	991	144,540,000.00
Vavuniya	147	19,520,000.00
Kilinochchi	775	122,235,000.00
Mullathivu	38	6,725,000.00
Mannar	89	14,690,000.00
Batticaloa	35	4,090,000.00
Trincomalee	41	6,295,000.00
Total	**2116**	**318,095,000.00**

Rs. 318,095,000.00 was disbursed for 2116 applicants under this self employment loan scheme up to date.

(iii) Housing loan

Cabinet also approved this scheme in the year 2010 for assisting the war affected widows and other affected persons to put up houses for their resettlement.

Maximum amount Rs. 250,000.00 is paid to an applicant at the rate of 4% interest per annum with one year grace period and this loan also can be repaid within 10 years period.

Under this scheme Rs. 36,800,000.00 were recommended for 184 persons in the year 2011.

(iv) Scholorship Programme For Affected Students.

The war affected children who had lost their parents were assisted by REPPIA to carry out their studies; accordingly Rs. 5,000.00 was paid for a student. Totally 37 students had received this payments under this subject and Rs. 185,000.00 was paid in the year under review.

(VII) Rehabilitated Environmental Friendship Village.

As a new concept of Hon. Minister of Rehabilitation & Prison Reforms the affected villages are being developed with the assistance and contribution of other line ministries and agencies. The REPPIA provides housing assistance, self employment loans for affected persons and reconstruction of religious places of worship in the villages. Other infrastructure facilities are provided by the agencies coming under other line ministries.

Under this scheme a village "Pallikuda" in Poonagari D.S. Division was selected and developed as mentioned above.

The activities carried out in the village of Pallikuda and the expenditures incurred are follows:

Activities	Expenditure (Rs.)
Pallikuda Tank	2,300,000.00
Sevapiyasa	1,000,000.00
Virumer Kovil – Pallikuda	1,000,000.00
Housing Grant	5,600,000.00
Self Employment Loan	10,000,000.00
Housing Loan	7,500,000.00
Fisheries Loan	33,500,000.00

The rehabilitated village called "Pallikuda" in Poonagari D.S Division in Kilinochchi District was handed over to the people of Pallikuda in the year under review.

E.A. Samarasinghe,
Chairman,
Rehabilitation Authority.

Rehabilitation of Persons, Properties & Industries Authority (REPPIA),
No. 95, Ananda Rajakaruna Mawatha,
Colombo- 10.

REHABILITATION OF PERSONS, PROPERTIES AND INDUSTRIES AUTHORITY

(Established under Act no. 29 of 1987)

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2011

Description	Notes	2011 (Rs.)	2010 (Rs.)
ASSETS		1,300,157,110.25	1,250,667,839.01
Non current assets	13	197,411,082.73	141,292,694.06
Long term investments	14	882,089,770.13	888,354,327.63
Loan recoverable	15	73,647,007.21	73,801,637.21
Treasury deposits		73,920,691.06	73,920,691.06
Current assets	16	73,088,559.12	73,298,489.05
LIABILITIES		1,300,157,110.25	1,250,667,839.01
Accumulated fund		334,299,336.92	332,753,416.23
Net surplus / (deficit) for the year		4,217,334.80	2,137,984.71
At the end of the year Accumulated Fund		**338,516,671.72**	**334,891,400.94**
Revaluation Surplus		5,738,374.50	5,738,374.50
Differed grant from Treasury		177,296,000.00	130,496,000.00
Reserve for gratuity		4,832,555.00	4,327,557.50
Non current liabilities	17	765,396,770.00	765,397,567.00
Current liabilities	18	8,376,739.03	9,816,939.07

Accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deduction.

....

E.A. Samarasinghe (Chairman) R.M.N.K.K.Abeyrathna (Deputy Director Finance)

....

A.Dissanayake
Secretary
Ministry of Rehabilitation & Prison Reforms

REHABILITATION OF PERSONS, PROPERTIES AND INDUSTRIES AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2011

Description	Notes	2011 (Rs.)	2010 (Rs.)
REVENUE		**110,235,080.17**	**146,206,263.11**
Treasury grant	01	94,200,000.00	130,484,000.00
Interest	02	13,565,806.02	14,865,735.11
Profit for sales of Disposal Assets		2,434,394.15	21,550.00
Miscellaneous income		34,880.00	834,978.00
EXPENDITURE		**106,017,745.37**	**144,068,278.40**
General Administration Expenses		**45,959,226.37**	**41,413,100.40**
Personal emoluments	03	23,471,067.44	24,040,510.12
Travelling	04	290,868.50	189,252.00
Supplies and consumable used	05	2,771,852.59	2,257,929.81
Maintenance of fixed assets	06	2,808,936.79	2,746,712.66
Contractual services	07	10,345,502.54	7,756,399.78
Other recurrent expenditure	08	5,292,875.61	1,540,855.76
Depreciation	09	978,122.90	2,881,440.27
Operating Activities		**60,058,519.00**	**102,655,178.00**
Compensation for most affected persons	10	25,997,500	34,720,170
Compensation for damaged properties	11	33,876,019	61,947,249
Other welfare activities	12	185,000.00	5,987,759.00
INCOME OVER EXPENDITURE		**4,217,334.80**	**2,137,984.71**

Accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deduction.

REHABILITATION OF PERSONS, PROPERTIES AND INDUSTRIES AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2011

Description	Notes	2011 (Rs.)
Cash flows from operating activities		
Surplus / (Deficit) from ordinary activities	A	4,217,334.80
Non cash movements		
Add: Provision for depreciation		978,122.90
Provision for Gratuity		504,997.50
Less: Other adjustment	B	(15,665,711.79)
Surplus / (Deficit) before adjustment of working capital		(9,965,256.59)
Increase in current assets	C	(750,290.72)
Decrease in current liabilities	D	(1,440,200.04)
Net cash flow from operating activities		(12,155,747.35)
Cash flow from investment activities		(38,392,859.00)
Loan Recoverable	E	(2,674,432.83)
Investment	F	6,264,557.50
Purchase of fixed assets	G	(57,107,507.17)
Investment Income	H	15,124,523.50
Cash Flows from Financing Activities		46,800,000.00
Remittance to Treasury		
Capital Grant-from Treasury		46,800,000.00
Net increase / (decrease) in cash and cash equivalents		(3,748,606.35)
Cash and cash equivalents at beginning of period	I	14,528,246.81
Cash and cash equivalents at end of period	J	10,779,640.46

** Accounting policies and notes form an integral part of these financial statements.*

** Figures in brackets indicate deduction.*

Statement of Changes in Equity and Reserves REPPIA
For the Year ended 31st December 2011

	Accumulated fund	Gratuity Reserve	Revaluation reserve	Total
Balance as at 01.01.2011	334,891,400.94	4,327,557.50	5,738,374.50	344,957,332.94
Reserve during the Period (Net)		504,997.50		504,997.50
Previous year Expenditure	(1,307,813.02)			(1,307,813.02)
Previous year Revenue	715,749.00			715,749.00
Net Surplus for the Year 2011	4,217,334.80			4,217,334.80
Balance as at 31.12.2011	**338,516,671.72**	**4,832,555.00**	**5,738,374.50**	**349,087,601.22**

Notes To The Finacial Statements

		2011 (Rs.)	2010 (Rs.)
01	**Treasury grant**	**94,200,000.00**	**130,484,000.00**
	Imprest from Treasury - recurrent	94,200,000.00	130,484,000.00
02	**Interest**	**13,565,806.02**	**14,865,735.11**
	Interest for BOC Rs. 200,000/= loans	115,061.65	-
	Interest for investment in lending institutions		
	Bank of Ceylon	3,587,602.71	5,933,623.28
	People's Bank	3,880,500.00	4,152,760.27
	Housing Development Finance Corporation	430,139.49	453,153.00
	Hatton National Bank	120,000.00	152,396.73
	New SMIB Investment	200,000.00	827,397.27
	National Housing Development Authority	1,920,000.00	1,920,000.00
	BOC New Loan scheme	2,223,876.65	186,575.33
	Interest for Gratuity Investment	359,848.66	587,091.87
	Interest for staff loans		
	Property loans	448,980.59	380,867.27
	Distress loans	277,868.47	269,079.37
	Special advance	1,927.80	2,790.72
03	**Personal emoluments**	**23,471,067.44**	**24,040,510.12**
	Staff salaries	12,622,113.47	13,794,065.24
	EPF contributions	2,010,286.45	1,546,902.91
	ETF contributions	502,571.36	386,725.72
	Pension contributions	145,058.95	
	Overtime & Holiday Pay	976,979.47	1,574,402.34
	Cost of living Allowance	3,992,362.50	4,074,885.89
	Allowance to Chairman	520,000.00	323,677.42
	Allowance to Working Directors	240,000.00	206,000.00
	Allowance to Board of Directors	77,000.00	16,000.00
	Allowance to Secretary to Board of Directors	48,000.00	48,000.00
	Secondment Allowance	145,058.95	216,690.64
	Special Allowance	620,139.49	
	Other Allowances	754,080.50	1,161,814.35
	Language Allowance	88,431.30	104,278.11
	Gratuity Expenditure	728,985.00	587,067.50

04 Travelling	**290,868.50**	**189,252.00**
Traveling Expenses - Domestic	290,868.50	189,252.00
05 Supplies and Consumable Used	**2,771,852.59**	**2,257,929.81**
Stationery and Office Requisites	818,611.88	555,967.49
Fuel and Lubricants	1,778,240.71	1,552,957.32
Uniforms	65,380.00	51,700.00
Newspapers and Magazines	109,620.00	97,305.00
06 Maintenance of Fixed Assets	**2,808,936.79**	**2,746,712.66**
Repair and Maintenance of Fixed Assets	280,094.45	776,341.93
Repair and Maintenance of Vehicles	2,528,842.34	1,970,370.73
07 Contractual Services	**10,345,502.54**	**7,756,399.78**
Telephone Charges	551,378.51	526,799.38
Postal Charges	305,754.00	207,945.00
Electricity and other Utility Services	972,014.40	1,028,731.90
Rent	5,025,000.00	3,600,000.00
Vehicle Hire Charges	1,167,741.00	1,077,349.07
Printing Charges	1,106,155.63	606,928.20
Entertainment Expenses	1,047,459.00	558,646.23
Audit Fees	150,000.00	150,000.00
withholding Tax for Interest	20,000.00	
08 Other Recurrent Expenditure	**5,292,875.61**	**1,540,855.76**
Seminars Workshops & Recruitment	150,000.00	24,050.00
Medical Insurance for Employees	409,230.32	134,643.64
Misc.Expenses	4,306,538.79	838,089.02
Welfare Society	117,977.00	24,847.00
Mobile Service		96,268.00
Legal Charges	114,500.00	69,500.00
Interest for NDB	194,629.50	353,458.10
09 Depreciation	**978,122.90**	**2,881,440.27**
Depreciation for Motor Vehicles	32,047.43	1,677,142.50
Depreciation for Furniture, Office Equipment & Fixtures	317,468.14	343,261.13
Depreciation for partitioning of Rooms	152,266.00	152,266.00
Depreciation for Telephones	42,670.40	68,182.82
Depreciation for Machinery	175,262.43	100,355.05
Depreciation for Computers	258,408.50	268,758.70

	Depreciation for Air Conditioners		271,474.07
10	**Compensation for Most Affected Persons**	**25,997,500.00**	**34,720,170.00**
	Public Servants	6,195,000.00	2,345,000.00
	General Public	19,802,500.00	32,375,170.00
11	**Compensation for Damaged Properties**	**33,876,019.00**	**61,947,249.00**
	Public Servants	17,473,674.00	39,145,571.00
	General Public	15,402,345.00	21,338,438.00
	Religious Places	1,000,000.00	665,740.00
	Victims of Election Violence		200,000.00
	VIPP		597,500.00
12	**Other Welfare Activities**	**185,000.00**	**5,987,759.00**
	Hope Allowance		5,987,759.00
	Scholership Programme for Affected Students	185,000.00	
13	**Non Current Assets**	**197,411,082.73**	**141,292,694.06**
	COST		
	As at the beginning of the year	20,390,439.18	19,837,346.18
	Additions during the year	7,107,507.17	846,093.00
	Disposals during the year (cost of revaluated assets)	2,308,393.50	293,000.00
	add- revaluated value of assets		
	As at the end of the year	**25,189,552.85**	**20,390,439.18**
	DEPRECIATION		
	As at the beginning of the year	16,650,830.12	14,072,389.85
	add-Charge for the year	978,122.90	2,881,440.27
	Less-Transfer during the year	2,287,397.90	293,000.00
	As at the end of the year	**15,341,555.12**	**16,660,830.12**
	NET BOOK VALUE		
	As at the end of the year	**9,847,997.73**	**3,729,609.06**
	(See note no. 12-1 for details)		
	Housing Constructions by using Capital Grant	187,563,085.00	137,563,085.00
14	**Long term Investments**	**882,089,770.13**	**888,354,327.63**
	Funds advanced to lending institutions for unified assistance scheme	877,762,212.63	884,410,212.63
	(See note no. 13-1 for details)		

Gratuity Investment	4,327,557.50	3,944,115.00
15 **Loan Recoverable**	**73,647,007.21**	**73,801,637.21**
BOC - Rs.200,000/=Commercial loan	4,681,213.68	4,835,843.68
BOC - Rs.25,000/= Restitution movable property loan	67,341,609.58	67,341,609.58
Provision for bad debts	(6,736,352.14)	(6,736,352.14)
BOC - Rs.10,000/= Self employment loan	9,289,484.54	9,289,484.54
Provision for bad debts	(928,948.45)	(928,948.45)
16 **Current Assets**	**73,088,559.12**	**73,298,489.05**
Property loans	10,708,028.00	7,707,461.82
Staff loans (distress)	6,162,549.39	6,632,208.74
Flood loans	286,864.82	
Festival Advances	93,300.00	93,300.00
Interest due from Lending institutions	43,062,118.85	42,393,509.14
Interest due from Gratuity Investment	515,652.51	493,549.60
Receivable	182,330.03	101,253.43
Pre-payments	91,748.82	207,107.55
Stock (stationery)	296,326.24	231,851.96
Sundry Debtors	910,000.00	910,000.00
Bank Balances	10,779,640.46	14,528,246.81
17 **Non Current Liabilities**	**765,396,770.00**	**765,397,567.00**
Funds provided by the Treasury to grant loans under Unified Assistance Scheme	764,544,380.00	764,544,380.00
Provision for Audit Fees	852,390.00	853,187.00
18 **Current Liabilities**	**8,376,739.03**	**9,816,939.07**
Accrued Expenses	300,409.33	747,939.07
Deposits Account	8,076,329.70	9,069,000.00

2011

Note No.12-1

Noncurrent Assets

	Motor vehicles	Furniture, Office equipment and Fixtures	Machinery	Telephones	Partitioning of Rooms	Computers	Air conditioners
Cost							
Balance as at 01.01.2011	6,668,570.00	5,984,199.41	1,475,328.50	813,564.84	1,522,660.00	1,550,322.60	2,375,793.83
Additions during the year	6,183,000.00	146,074.50	84,896.00	29,916.67		663,620.00	
Disposals during the year	2,100,000.00	34,693.50				173,700.00	
Balance as at 31.12.2011	10,751,570.00	6,095,580.41	1,560,224.50	843,481.51	1,522,660.00	2,040,242.60	2,375,793.83
Depreciation							
Balance as at 01.01.2011	6,627,268.66	4,207,612.60	886,038.65	666,687.32	792,306.62	1,095,122.44	2,375,793.83
Depreciation for revaluated assets							
Depreciation Amount for Disposal	2,100,000.00	15,785.40				171,612.50	
Charge for the year	32,047.43	317,468.14	175,262.43	42,670.40	152,266.00	258,408.50	0.00
Transfer during the year							
Balance as at 31.12.2011	4,559,316.09	4,509,295.34	1,061,301.08	709,357.72	944,572.62	1,181,918.44	2,375,793.83
Net book value as at 31.12.2011	6,192,253.91	1,586,285.07	498,923.42	134,123.79	578,087.38	858,324.16	0.00

Note No.13 -1

FUNDS ADVANCE TO LENDING INSTITUTIONS FOR UNIFIED ASSISTANCE SCHEME AT THE END OF 31.12.2011

Institution	Ledger page	Housing loans	Commercial loans	Industrial loans	Self Employeement Loans	New Housing Loans	Total
Bank of Ceylon	39, 51	44,500,000.00	2,500,000.00	21,000,000.00	324,500,000.00	57,000,000.00	449,500,000.00
People's Bank	41	258,700,000.00					258,700,000.00
N H D A	49	126,352,000.00					126,352,000.00
Hatton National Bank	43	3,751,945.57	1,248,054.43				5,000,000.00
H D F C	47	28,210,212.63					28,210,212.63
S M I B	45	10,000,000.00					10,000,000.00
Total		471,514,158.20	3,748,054.43	21,000,000.00	324,500,000.00	57,000,000.00	877,762,212.63

විගණකාධිපති දෙපාර්තමේන්තුව

கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය எனது இல My No.	JP/A/REPPIA/FA/2011	ඔබේ අංකය உமது இல No.		දිනය திகதி Date	30 April 2013

The Chairman,

Rehabilitation of Persons, Properties and Industries Authority

Report of the Auditor General on the Financial Statements of Rehabilitation of Persons, Properties and Industries Authority (REPPIA) for the year ended 31 December 2011in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971

The audit of the financial statements of the Rehabilitation of Persons, Properties and Industries Authority (REPPIA) for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, 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 8(2) of the Rehabilitation of Persons, Properties and Industries Act, No.29 of 1987. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Authority on 08 January 2013.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements is accordance with Sri Lanka 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 පොල්දුව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
දුරකථනය / தொலைபேசி 2887220

இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை இலங்கை
ෆැක්ස් අංකය / பெக்ஸ் இல 2887223

No.306/72, Polduwa Road, Battaramulla , Sri Lanka
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ-மெயில் oaggov@sltnet.lk

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. 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 judgments, 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 Authority'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 Authority'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 powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 Rehabilitation of Persons, Properties and Industries Authority as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Standards

According to Sri Lanka Accounting Standard No.18,if the institution continue to use assets with zero carrying value, through proper computation of depreciation according to the specified percentages, such assets should be revalued and added to the carrying value, Even though assets costing Rs.4,406,987 with zero carrying value were observed in the financial statements, action had not been taken to revalue those.

2.2.2 Accounting Deficiencies

The following deficiencies were observed.

(a.) Action had not been taken even up to 07 February 2013 for the recovery of the balance of self employment loans amounting to Rs.9,289,485 out of the self employment loans granted at Rs.10,000 and the balance of properties regularization loans amounting to Rs.67,341,610 out of the regularization of properties loans granted at Rs.25,000 to the people affected by the July 1983 troubles. The Chairman of the Authority informed in February 2013 that the application for the write off of the loans with the approval of the Cabinet of

Ministers had been forwarded to the Department of Public Finance and that the action on the written off the loans had already commenced.

(b.) Even though the Rehabilitation Authority should prepare separate accounts for the investments made in the Bank of Ceylon for the grant of loans for housing, businesses and industries under three percentages of interest, only one account for the rates of interest at 1.5 per cent and 2.5 per cent had been maintained in the ledger. As such it was not possible to examine whether the interest income under the specific interest rate for each investment had been received correctly.

2.2.3 Accounts Receivable

The following deficiencies were observed.

(a.) Even though a deposit of Rs.10,000 had been made with a private institutions in the year 2006 for the procurement of a motor vehicle on hire basis the Authority had not been able to recover that amount even up to date.

(b.) The Authority had not taken action for the recovery of the insurance indemnity amounting to Rs.44,300 receivable in respect of an accident caused to a motor vehicle in the year 2009.

(c.) Action had not been taken for the recovery of the interest outstanding amounting to Rs.32,640,000 receivable on the investments of the Authority made in the National Housing Authority since year 1990.

2.2.4 Lack of Evidence for Audit

The documentary evidence on the Treasury Deposits amounting to the Rs.73,920,691 shown in the financial statements from the year 2003 had not been furnished to audit.

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

Instances of non-compliance with laws, rules and regulations and management decisions observed during the course of audit test checks given below.

	Reference to Laws, Rules Regulations and Management Decisions	Non-compliance
(a.)	Establishments Code	
	Section 12.2.3 of Chapter VII and Section 13.3 of Chapter II	Appointments on acting basis had been made continuously over a number of years and payments made therefor as acting salary in the preceding years and the year under review amounted to Rs.538,410 and Rs.127,575 respectively.
(b.)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
	i. **Financial Regulation 371(2)**	Even though the sub-imprests granted should be settled immediately after the competition of the purpose, advances totalling Rs.287,400 granted in 10 instances had been settled after delays, ranging from 20 days to 30 days.
	ii. Financial Regulations 502(2)	Fixed assets valued at Rs.23,149,309 shown in financial statements had not been recorded in Registers of Fixed Assets.
(c.)	Treasury Circulars	
	Treasury Circular No.IAI/2002/02 of 28 November 2002	Computers, Accessories and Software valued at Rs.2,040,243 shown in the financial statements had not been recorded in the Register of Fixed Assets.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2011 had rasulted in a surplus of the Rs.4,217,335 as compared with the corresponding surplus of Rs.2,137,985 for the preceding year. The increase in the surplus for the year under review as compared with the preceding year by a sum of Rs.2,079,350 had been mainly due to the decrease in the expenditure on compensation paid to affected people, compensation paid for damaged properties and the expenditure on other welfare activities as well as the profit on disposal of assets.

3.2 Operating Review

3.2.1 Management Inefficiencies

Even though the post of the Deputy Director (Finance) had been vacant since in the year 1989, no action had been to recruit an officer for the post.

4. Accountability and Good Governance

4.1 Budgetary Control

Variances between the budgeted and the actual expenditure ranged between 19.4 per cent and 85.8 per cent. Thus it was observed that the budgetary control had not been made use of as an effective instrument of management control.

5. Systems and Controls

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

(a.) Fixed Assets

(b.) Payment of Compensation

(c.) Housing Assistance Projects

H.A.S. Samaraweera
Auditor General

REP/F/01/21 07.05.2013

Auditor General
Auditor General's Department.

Auditor General's Report In terms of Section 14/2 –C of Finance Act No.38 of 1971 Regarding Financial Statement of Rehabilitation Authority of Persons, Properties and Industries. (REPPIA) in respect of the year ended on 31st December, 2011.

My observations in respect of your report reference JP/A/REPPIA/FA/2011 dated 31 January 2012 are shown below.
d
2.2.1. Short comings in Accounts.

(A,B). Further attempts are still being made to recover these funds and I hereby inform that action would be taken in future to allocate as bad debts, if the attempt is failed.

(C). Several attempts have been made to recover the self employment loan granted to persons displayed owing to July troubles in 1983, it has been unsuccessful due to various reasons. Therefore a cabinet memorandum was submitted to write off the relevant loans and cabinet approval has been received to write off the relevant loan. Accordingly relevant applications to write off the loans have been submitted to State finance Department, the concerned Department has by now initiated action to write off this loan.

(D). A loan scheme of Rs.200,000/- each to restore the industries destroyed by July, 1983 Troubles has been implemented by the Bank of Ceylon.

The relevant interest and installment have been now recovered by the bank from the relevant persons and submitted to us.

Accordingly, the responsibility of recovering the loan amount lies on the Bank, this action has been initiated as the Authority has not done the calculation of interest.

(E). I hereby inform that action is being taken to maintain separate accounts with effect from the year 2013, in respect of investment with interest rate maintained as to 2.5% and 1.5% in loan schemes.

(F). Calculation of interest has been correctly done based on the number of days invested in respect of investments in each financial institutions. The financial statements been submitted by schedules. Your cordial instructions are sought, if any amendment is to be done regarding these schedules.

(G). Action has been taken to rectify the note No.02 regarding the journal notes in respect of financial accounts for 2012.

2.2.2. Non availability of evident for auditing

Officials have been assigned by now to prepare the relevant fixed assets register from the inceptions as the Rehabilitation Authority had not maintained such a register. Accordingly, I kindly inform that action would be taken to rectify in future.

2.2.3. Non compliance of laws, regulations and management decisions.

(A.) Srilanka accounts standard No.18

I kindly inform that it would be able to rectify the current value of assets in future as fixed assets belong to the Authority are to be reconciled in the year 2013.

(B). Establishment Code.

(I). Chapter VII
Section 12.2.3
Chapter 13.3

Changes took place in sum position with the restructure of staff that had been approved for Authority. Accordingly a new recruitment procedure had to be prepared and approval sought. During this period had to be recruited for some positions on acting capacity, I kindly inform that action has been taken to rectify this position according to due system.

(C) . Financial regulation of Srilankan Government, No.37-1 (2).

I kindly inform that the officials have been advised to fill interim imprest as pointed out in the audit observation.

(03). Review of finance and operations

3.1.2. Budget and Variations.

Maximum action has been taken to use the budget as fruitful management tool and deviations have taken place owing to specials situations and functions. Action would be taken in future to avoid such situations.

3.2 Review of Operations.

3.2.1 Management inefficiency.

(i). Applications for the permanent post of deputy director were called through news paper notifications and Board of interview has been appointed. Accordingly, I inform that action soon would be taken to fill this vacancy.

(ii). Officers have by now been assigned to prepare permanent assets record and soon these task would be completed.

(iii). So far, several rounds of talk have been held to recover the investments interest due to be recovered from National Housing Authority. Accordingly volumes of interest amount are being recovered on small basis and Boards of directors of both institutes are considering on the policy decisions. Regarding the investment and interest. It would be decided therefore to invest this fund in another investment scheme or to recover back.

Chairman
Rehabilitation Authority.