

வார்த்தை வார்த்தை கன குறுமி குறாவு
வருடாந்த அறிக்கையும் நிதிக்கூற்றும்
ANNUAL REPORT & STATEMENT OF ACCOUNTS

புனர்வாழ்வு அதிகாரசபை
REHABILITATION AUTHORITY

2012



Contents

1. **Letter of Submission.**
2. **Annual Report.**
3. **Annual Accounts.**
4. **Report of the Auditor General.**
5. **Observations of the Chairman on the Auditor General's Report.**

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 2012 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. 59, D.S.Senanayake Mawatha, Colombo – 08

Vision

Economic and Social Prosperity through Rehabilitation

Mission

To create a developed Socio-economic environment through rehabilitation and reconstruction for the citizens affected by the ethnic violence or terrorist activities in order to facilitate and ensure the resumption of a normal life.

**Annual Report of the
Rehabilitation of Persons, Properties & Industries Authority
(Rehabilitation Authority)
Year 2012.**

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 2012

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. Prasanna 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. Functions.

- (a) Co- ordination and monitoring of the payment of Housing Assistance under the Unified Assistance Scheme (UAS).
- (b) Granting assistance to destroyed/damaged properties due to terrorist activities.
- (c) Providing assistance to death/injuries/destruction of or damages to the properties due to terrorist activities.
- (d) Granting assistance to rehabilitate destroyed/ damaged Places of Worship.
- (e) Granting assistance under the Marriage Prosperity Allowance Scheme.
- (f) Payment of compensation to persons affected by Election Violence.
- (g) Provision of Rehabilitation Loan facilities for Housing, Industries & Commercial loan.
- (h) Providing self employment loan for widows / affected persons.
- (i) Assisting war affected orphan, school going children.
- (j) Self Employment Loan Scheme.
- (k) Housing Loan Scheme.

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. The Compensation amount has been increased up to Rs. 100,000.00 from 06.03.2014

Permanent Housing Assistance of Rs.100,000.00

The present Board of Directors of REPIA 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.21, 300,000.00 is paid under this category for 426 families in the year under review. All these families mostly were selected from Northern & Eastern Provinces.

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 report of Medical Board .

Under this scheme a sum of Rs.2, 700,000.00 were paid for 24 persons during the year under review.

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.

(b) Compensation for the Most Affected Persons

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: Rs.100, 000.00

Injuries: A maximum of Rs. 50,000.00

(Depending on a Medical Certificate)

Under this category Rs.23, 952,500.00 were paid for 259 persons in the year under review.

2.2 Payment of Compensation for damaged or destroyed properties of General Public.

(a) 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 under P.A.Circular No.49/89 up to a maximum of Rs.150, 000.00.

A sum of Rs.13, 448,279.00 had been paid for 149 persons under this category in the year under review.

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

This scheme provides compensation up to a maximum of Rs.500, 000.00 and Rs.150, 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 2012.

(c) Payment of Compensation for 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 , 20% of the value of the damage caused .

This scheme has covered the incidents since July, 1983 and operates since 16.02.1996.

Under this category Rs.13, 378,737.00 were paid for 201 persons in the year under review.

2.3 Payment of Compensation for Places of Religious Worship.

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. 200,000.00 had been paid under this category for 2 places of worship during the year under review.



Damaged Vairawar Kovil
at Kilinochehi under
construction

2. 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.

A sum of Rs. 25,000.00 was made during the year under review in this category for one family.

4. 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.1, 500,000.00 was recommended for 01 industry in the year under review.



An Aluminium Industry of
Mr.V.Shamugalingam in
Thelippalai, Jaffna
benefited under the
Industrial Loan Scheme

(5) Self Employment Loan



'Happy Time Cool Bar' of
Mr.P.Suhindan in Mankulam Road,
Mullativu



Palmyrah oil preparing industry of
Mr.Sanmugarasa in Karainagar, Jaffna
as a self employment



Hair Cutting Industry of Mr.V. Udaya
Sudan in Mankulam Road, Mullativu
as a self employment



Tyre Business of Mr.Suhandan in
Thelippalai, Jaffna

Cabinet has 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.

Serial No.	District	2012	
		Cases	Amount(Rs.)
01.	Vavuniya	23	3,425,000.00
02.	Mannar	09	1,550,000.00
03.	Kilinochchi	06	975,000.00
04.	Mullativu	34	5,970,000.00
05.	Jaffna	47	7,125,000.00
06.	Baticaloa	74	9,466,000.00
07.	Trincomalee	78	11,360,000.00
08.	Ampara	600	15,000,000.00
09.	Other Districts	07	1,425,000.00
Total		878	56,296,000.00

(6) 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. 3,300,000.00 were recommended for 15 persons in the year 2012 as follows.

Serial No.	District	2012	
		Cases	Amount(Rs.)
01.	Jaffna	01	250,000.00
02.	Vavuniya	01	250,000.00
03.	Mannar	08	1,650,000.00
04.	Trincomalee	05	1,150,000.00
Total		15	3,300,000.00

(7). Self Employment loan Scheme for socially Reintegrated Trainees

The cabinet has approved on 31.01.2012 granting loans for Self employment for socially reintegrated trainees rehabilitated under the Commissioner General of Rehabilitation. This scheme was implemented under the circular dated 25.04.2012 by the Secretary of Ministry of Rehabilitation and Prison Reforms regarding above loan scheme.

The criteria of this loan scheme are as follows.

- i. Maximum amount can be granted Rs.250, 000.00.
- ii. Interest is 4% per annum.
- iii. One year grace period.
- iv. 10 year recovery period..

Loan will be disbursed through the following financial institution.

- I. Bank of Ceylon
- II. People's Bank
- III. Sri Lanka Savings Bank

In 2012, a sum of Rs.178, 605,000.00 had been released for 1086 beneficiaries under following self-employment categories.

Progress is 2012 as follows.

Serial No.	Self Employment Categories	No. of Loans	Amount Disbursed(Rs.)
01.	Agriculture	250	35,620,000.00
02.	Livestock	104	15,815,000.00
03.	Fisheries	91	19,325,000.00
04.	Small Business	387	62,030,000.00
05.	Technical Work	99	16,650,000.00
06.	Industrial	24	3,975,000.00
07.	Services	28	4,990,000.00
08.	Domestic Industries	09	1,450,000.00
09.	Enterprises Equipments	47	9,050,000.00
10.	Buy Vehicles	47	9,700,000.00
	Total	1,086	178,605,000.00



A Tailoring Shop of Mr. T.Gnanaseelan in Mulliyawalai, Mullativu as a self employment



A Saw Mill of Mr.Kandasami in K.K.S.Road, Jaffna



A Dried Fish Industry of Mr. Shivarajah in Kalappadu, Mullativu



A Carpentry Industry Of Mr.Kumarapuram of Mulliyawalai, Mullativu

New Activities commenced by Authority

(1) Rehabilitated environmental friendship village

Following villages are in progress in this concept and housing works were already commenced. 250 families are provided with housing grant by this Authority.

<u>District</u>	<u>D.S.Division</u>	<u>Name of Village</u>	<u>No. of Families</u>
Ampara	Mahaoya	Samagipura	100
Vavuniya	Vavuniya	Parannaddakal	100
Batticaloa	Vavunathivu	Gandinagar	50

In addition to the housing assistant the people will be assisted by providing Self Employment Loans by REPPIA .

(2)Infrastructure facilities to the villagers

Infrastructure facilities to the villagers will be arranged through other line Ministries and Institutions. Ministry of Rehabilitation And Prison Reforms will coordinate and giving necessary advises and support for obtaining these facilities.

(3) Services in the Districts

To coordinate the above said activities in the Districts Level the REPPIA have recruited Rehabilitation Assistants and employed in Kachcheries of Jaffna,Mullative, Mannar, Vavuniya & Trincomalee. In addition a sub office of REPPIA is functioning in District Secretariat complex in Vavuniya for coordinating the rehabilitaton activities in Northern Province; consequently the attended works are being strengthened.

E.A. Samarasinghe,
Chairman,
Rehabilitation Authority.

Rehabilitation of Persons, Properties & Industries Authority (REPPIA),
No. 59, D.S.Senanayake Mawatha,
Colombo- 08.

REHABILITATION OF PERSONS, PROPERTIES AND INDUSTRIES AUTHOR
(*Established under Act no. 29 of 1987*)

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2012

Description	Notes	2012 (Rs.)	2011 (Rs.)
ASSETS		1,316,945,694.39	1,300,157,110.
Non current assets	13	216,974,057.17	197,411,082.
Long term investments	14	857,334,767.63	882,089,770.
Loan recoverable	15	73,647,007.21	73,647,007.
Treasury deposits		73,920,691.06	73,920,691.
Current assets	16	95,069,171.32	73,088,559.
LIABILITIES		1,316,945,694.39	1,300,157,110.
Accumulated fund		337,274,316.48	334,299,336.
Net surplus / (deficit) for the year		(1,283,016.86)	4,217,334.
At the end of the year Accumulated Fund		335,991,299.62	338,516,671.
Revaluation Surplus		5,738,374.50	5,738,374.
Differed grant from Treasury		198,996,000.00	177,296,000.
Reserve for gratuity		8,022,924.60	4,832,555.
Non current liabilities	17	764,844,380.00	765,396,770.
Current liabilities	18	3,352,715.67	8,376,739.

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

.....
E.A.Samarasingha
(Chairman)

.....
S.N.C.W.M.Dharmakeethi
(Assistant Director Finance)

.....
G.S.Vithanage
Secretary
Ministry of Rehabilitaion & Prison Reforms

REHABILITATION OF PERSONS, PROPERTIES AND INDUSTRIES AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2012

Description	Notes	2012 (Rs.)	2011 (Rs.)
REVENUE		98,933,560.77	110,235,080.17
Treasury grant	01	86,451,000.00	94,200,000.00
Interest	02	12,468,160.77	13,565,806.02
Profit for sales of Disposal Assets			2,434,394.15
Miscellaneous income		14,400.00	34,880.00
EXPENDITURE		100,216,577.63	106,017,745.37
General Administration Expenses		46,487,061.63	45,959,226.37
Personal emoluments	03	26,683,183.15	23,471,067.44
Travelling	04	180,999.50	290,868.50
Supplies and consumable used	05	3,268,005.28	2,771,852.59
Maintenance of fixed assets	06	2,125,444.51	2,808,936.79
Contractual services	07	9,981,866.83	10,345,502.54
Other recurrent expenditure	08	1,679,039.35	5,292,875.61
Depreciation	09	2,568,523.01	978,122.90
Operating Activities		53,729,516.00	60,058,519.00
Compensation for most affected persons	10	26,677,500	25,997,500
Compensation for damaged properties	11	27,027,016	33,876,019
Other welfare activities	12	25,000.00	185,000.00
INCOME OVER EXPENDITURE		(1,283,016.86)	4,217,334.80

*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 2012

Description	Notes	2012 (Rs.)
Cash flows from operating activities		
Surplus / (Deficit) from ordinary activities	A	(1,283,016.86)
Non cash movements		
Add: Provision for depreciation		2,568,523.01
Provision for Gratuity		3,190,369.60
Less: Other adjustment	B	(13,705,945.44)
Surplus / (Deficit) before adjustment of working capital		(9,230,069.69)
Increase in current assets	C	(1,251,040.83)
Decrease in current liabilities	D	(5,024,023.36)
Net cash flow from operating activities		(15,505,133.88)
Cash flow from investment activities		
Loan Recoverable	E	2,900,751.03
Investment	F	24,755,002.50
Purchase of fixed assets	G	(21,812,070.95)
Investment Income	H	11,597,745.51
Cash Flows from Financing Activities		
Capital Grant-from Treasury		21,700,000.00
Net increase / (decrease) in cash and cash equivalents		23,636,294.21
Cash and cash equivalents at beginning of period	I	10,779,640.46
Cash and cash equivalents at end of period	J	34,415,934.67

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

**Statement of Changes in Equity and Reserves REPPFA
For the Year ended 31st December 2012**

	Accumulated fund	Gratuity Reserve	Revaluation reserve	Total
Balance as at 01.01.2012	338,516,671.72	4,832,555.00	5,738,374.50	349,087,601.22
Reserve during the Period (Net)		3,190,369.60		3,190,369.60
Previous year Expenditure	(1,255,855.24)			(1,255,855.24)
Previous year Revenue	13,500.00			13,500.00
Net surplus / (deficit) for the year	(1,283,016.86)			(1,283,016.86)
Balance as at 31.12.2012	335,991,299.62	8,022,924.60	5,738,374.50	349,752,598.72

Notes To The Financial Statements

	2012 (Rs.)	2011 (Rs.)
01 Treasury grant	86,451,000.00	94,200,000.00
Imprest from Treasury - recurrent	86,451,000.00	94,200,000.00
02 Interest	12,468,160.77	13,565,806.02
Interest for BOC Rs. 200,000/= loans		115,061.65
<i>Interest for investment in lending institutions</i>		
Bank of Ceylon	1,255,000.00	3,587,602.71
People's Bank	3,500,535.63	3,880,500.00
Housing Development Finance Corporation	377,742.23	430,139.49
Hatton National Bank	75,000.00	120,000.00
New SMIB Investment	200,000.00	200,000.00
National Housing Development Authority	1,869,045.00	1,920,000.00
BOC New Loan scheme	4,050,162.07	2,223,876.65
Interest for Gratuity Investment	361,151.58	359,848.66
<i>Interest for staff loans</i>		
Property loans	532,952.14	448,980.59
Distress loans	244,552.52	277,868.47
Special advance	2,019.60	1,927.80
03 Personal emoluments	26,683,183.15	23,471,067.44
Staff salaries	12,109,012.03	12,622,113.47
EPF contributions	2,215,524.42	2,010,286.45
ETF contributions	553,881.08	502,571.36
Pension contributions		145,058.95
Overtime & Holiday Pay	740,237.89	976,979.47
Cost of living Allowance	3,948,262.50	3,992,362.50
Allowance to Chairman	600,000.00	520,000.00
Allowance to Working Directors	460,000.00	240,000.00
Allowance to Board of Directors	52,000.00	77,000.00
Allowance to Secretary to Board of Directors	48,000.00	48,000.00
Secondment Allowance	1,592.10	145,058.95
Special Allowance	1,755,807.97	620,139.49
Other Allowances	753,769.33	754,080.50
Language Allowance	95,152.80	88,431.30
Gratuity Expenditure	3,349,943.03	728,985.00

04 Travelling	180,999.50	290,868.50
Traveling Expenses - Domestic	180,999.50	290,868.50
05 Supplies and Consumable Used	3,268,005.28	2,771,852.59
Stationery and Office Requisites	952,567.72	818,611.88
Fuel and Lubricants	2,139,809.56	1,778,240.71
Uniforms	67,928.00	65,380.00
Newspapers and Magazines	107,700.00	109,620.00
06 Maintenance of Fixed Assets	2,125,444.51	2,808,936.79
Repair and Maintenance of Fixed Assets	488,130.04	280,094.45
Repair and Maintenance of Vehicles	1,637,314.47	2,528,842.34
07 Contractual Services	9,981,866.83	10,345,502.54
Telephone Charges	487,634.00	551,378.51
Postal Charges	376,297.00	305,754.00
Electricity and other Utility Services	1,001,268.48	972,014.40
Rent	5,100,000.00	5,025,000.00
Vehicle Hire Charges	1,114,731.60	1,167,741.00
Printing Charges	594,892.80	1,106,155.63
Entertainment Expenses	1,137,042.95	1,047,459.00
Audit Fees	150,000.00	150,000.00
withholding Tax for Interest	20,000.00	20,000.00
08 Other Recurrent Expenditure	1,679,039.35	5,292,875.61
Seminars Workshops & Recruitment	145,134.50	150,000.00
Medical Insurance for Employees	447,176.40	409,230.32
Misc.Expenses	997,901.75	4,306,538.79
Welfare Society	49,900.80	117,977.00
Legal Charges		114,500.00
Interest for NDB	38,925.90	194,629.50
09 Depreciation	2,568,523.01	978,122.90
Depreciation for Motor Vehicles	1,562,633.00	32,047.43
Depreciation for Furniture, Office Equipment & Fixtures	270,548.66	317,468.14
Depreciation for partitioning of Rooms	116,196.00	152,266.00
Depreciation for Telephones	36,170.84	42,670.40
Depreciation for Machinery	193,228.00	175,262.43

Depreciation for Computers	312,134.90	258,408.50
Depreciation for Air Conditioners	77,611.61	
10 Compensation for Most Affected Persons	26,677,500.00	25,997,500.00
Public Servants	3,450,000.00	6,195,000.00
General Public	23,227,500.00	19,802,500.00
11 Compensation for Damaged Properties	27,027,016.00	33,876,019.00
Public Servants	13,448,279.00	17,473,674.00
General Public	13,378,737.00	15,402,345.00
Religious Places	200,000.00	1,000,000.00
12 Other Welfare Activities	25,000.00	185,000.00
Hope Allowance	25,000.00	
Scholarship Programme for Affected Students		185,000.00
13 Non Current Assets	216,974,057.17	197,411,082.73
COST		
As at the beginning of the year	25,189,552.85	20,390,439.18
Additions during the year	1,181,497.45	7,107,507.17
Disposals during the year (cost of revaluated assets)		2,308,393.50
<u>add</u> - revaluated value of assets		
As at the end of the year	26,371,050.30	25,189,552.85
DEPRECIATION		
As at the beginning of the year	15,341,555.12	16,650,830.12
<u>add</u> -Charge for the year	2,568,523.01	978,122.90
Jurnal entry No. 02	350,000.00	
<u>Less</u> -Transfer during the year		2,287,397.90
As at the end of the year	18,260,078.13	15,341,555.12
NET BOOK VALUE		
As at the end of the year	8,110,972.17	9,847,997.73
<i>(See note no. 12-1 for details)</i>		
<i>Housing Constructions by using Capital Grant</i>	208,863,085.00	187,563,085.00

14 Long term Investments	857,334,767.63	882,089,770.13
Funds advanced to lending institutions for unified assistance scheme	852,502,212.63	877,762,212.63
<i>(See note no. 13-1 for details)</i>		
Gratuity Investment	4,832,555.00	4,327,557.50
15 Loan Recoverable	73,647,007.21	73,647,007.21
BOC - Rs.200,000/=Commercial loan	4,681,213.68	4,681,213.68
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	95,069,171.32	73,088,559.12
Property loans	9,277,091.74	10,708,028.00
Staff loans (distress)	4,938,404.53	6,162,549.39
Flood loans	45,494.91	286,864.82
Festival Advances	89,000.00	93,300.00
Interest due from Lending institutions	43,870,837.96	43,062,118.85
Interest due from Gratuity Investment	557,348.66	515,652.51
Receivable	239,612.06	182,330.03
Pre-payments	347,921.48	91,748.82
Stock (stationery)	377,525.31	296,326.24
Sundry Debtors	910,000.00	910,000.00
Bank Balances	34,415,934.67	10,779,640.46
17 Non Current Liabilities	764,844,380.00	765,396,770.00
Funds provided by the Treasury to grant loans under Unified Assistance Scheme	764,544,380.00	764,544,380.00
Provision for Audit Fees	300,000.00	852,390.00
18 Current Liabilities	3,352,715.67	8,376,739.03
Accrued Expenses	966,157.17	300,409.33
Deposits Account	2,386,558.50	8,076,329.70

2012

Noncurrent Assets										Note No.12-1
	Motor vehicles	Furniture, Office equipment and Fixtures	Machinery	Telephones	Partitioning of Rooms	Computers	Air conditioners	Total		
Cost										
Balance as at 01.01.201	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	25,189,552.85		
Additions during the year		393,381.96		25,150.00		93,538.99	669,426.50	1,181,497.45		
Disposals during the year										
Balance as at 31.12.201	10,751,570.00	6,488,962.37	1,560,224.50	868,631.51	1,522,660.00	2,133,781.59	3,045,220.33	26,371,050.30		
Depreciation										
Balance as at 01.01.201	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	15,341,555.12		
Journal entry No. 02	350,000.00							350,000.00		
Charge for the year	1,562,633.00	270,548.66	193,228.00	36,170.84	116,196.00	312,134.90	77,611.61	2,568,523.01		
Transfer during the year										
Balance as at 31.12.201	6,471,949.09	4,779,844.00	1,254,529.08	745,528.56	1,060,768.62	1,494,053.34	2,453,405.44	18,260,078.13		
Net book value as at 31.	4,279,620.91	1,709,118.37	305,695.42	123,102.95	461,891.38	639,728.25	591,814.89	8,110,972.17		

FUNDS ADVANCE TO LENDING INSTITUTIONS FOR UNIFIED ASSISTANCE SCHEME AT THE END OF 31.12.2012

Institution	Ledger page	Housing loans	Commercial loans	Industrial loans	Self Employment Loans	New Housing Loans	Total
Bank of Ceylon	38, 50	44,500,000.00	2,500,000.00	21,000,000.00	369,987,000.00	58,502,000.00	496,489,000.00
People's Bank	41	193,200,000.00					193,200,000.00
N H D A	49	124,603,000.00					124,603,000.00
Hatton National Bank	43	3,751,945.57	1,248,054.43				5,000,000.00
H D F C	47	23,210,212.63					23,210,212.63
S M I B	45	10,000,000.00					10,000,000.00
Total		399,265,158.20	3,748,054.43	21,000,000.00	369,987,000.00	58,502,000.00	852,502,212.63

Note No.13 -2

Interest due from lending Institutions as at 31.12.2012

Institution	Ledger page	Amount Rs.
Bank of Ceylon	22	1,255,000.00
People's Bank	24	3,500,535.62
N H D A	33	34,509,045.00
H D F C	31	377,824.42
S M I B	28	178,270.84
BOC New Loan Scheme	36	4,050,162.08
Total		43,870,897.96



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிவிதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } JP/A/REPPIA/FA/
 எனது இல } 2012/02
 My No

ඔබේ අංකය }
 உமது இல }
 Your No.

දිනය } 31 January 2014
 திகதி }
 Date }

The Chairman
 Rehabilitation of Persons, Properties and Industries Authority

Report of the Auditor General on the Financial Statements of the Rehabilitation of Persons, Properties and Industries Authority for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

The audit of Financial Statements of the Rehabilitation of Persons, Properties and Industries Authority for the year ended 31 December 2012 comprising the statement of the financial position as at 31 December 2012 and the comprehensive 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 30 October 2013.

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 Generally Accepted Accounting Principles 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 පොල්දො පාර,
 බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය }
 தொலைபேசி } 2887028 -34
 Telephone }

இல. 306/72, பொல்துவ வீதி,
 பத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය }
 பக்ஸ் இல } 2887223
 Fax No. }

No.306/72, Polduwa Road,
 Battaramulla, Sri Lanka

ඉමේල් ලේඛනය }
 #- மெயில் } oaggov@sltnet.lk
 E-mail }

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 judgements, 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 the 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 the 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 2012 and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2:2 Comment on Financial Statements

2:2:1 Accounting Deficiencies

The following observations are made.

- (a) Action had not been taken to revalue 04 items of fully depreciated assets costing Rs.7,491,247 which are being used continuously.
- (b) A motor vehicle valued at Rs.4,900,000 had not been included in the financial statements and provision for depreciation in that connection had not been made.

2:2:2 Lack of Evidence for Audit

The following observations are made.

- (a) Any documentary evidence what so ever relating to the balance of Rs.73,920,691 shown as Treasury Deposits in the statement of financial position as at 31 December 2012 had not been furnished to audit.
- (b) The information on the loans granted by the Banks from the sums of Rs.44.5 million and Rs.193.2 million supplied by the Authority to two Banks for the implementation of the integrated loan schemes and the balances remaining had not been furnished to audit.

2:2:3 Non-compliances with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Establishments Code	
(i) Section 5.8 of Chapter IV and the Service Minute	The officer appointed to the post of Data Processing Officer on 15 January 2001 had

of the Public Management Assistants' Service of the Democratic Socialist Republic of Sri Lanka

been absorbed into Class II of the Management Assistants' Service with effect from 09 May 2006 despite not possessing the minimum qualifications and placed at 12 salary increments above the initial salary step and had been confirmed in service on 16 November 2009.

(ii) Section 1.3 of Chapter xiv

According to the provisions in the Establishments Code, the combined allowance is considered as the money paid as reimbursement of expenditure incurred on lodging and subsistence. The Officers of the Authority performing field duties had been paid Rs.460,863 for lodging and food and in addition, combined allowance amounting to Rs.86,857 had also been paid in that connection.

(iii) Section 11.1 of Chapter xxiv and Public Administration Circular No. 08/2005 of 31 March 2005.

A property loan of Rs.987,600 had been approved and granted to an officer who applied for a loan for redeeming a loan obtained from a finance company by mortgaging a property as security.

(b) Public Enterprises Circular No. 95 of 14 June 1994. Paragraph 2

Even though special allowance of Rs.10,500 had been paid to different grades of officers for official travel, the approval of the Treasury had not been obtained.

Financial Review

Financial Results

According to the financial statements presented, the financial result of the Authority for the year ended 31 December 2012 amounted to a deficit of Rs.1,283,017 as against the surplus of Rs.4,217,335 for the preceding year. The deterioration of the financial result for the year under review by a sum of Rs.5,500,352 as compared with preceding year had been mainly due to the decrease in the income by a sum of Rs.11,301,520 and payment of compensation by a sum of Rs.6,329,003 and the increase in administrative expenditure by a sum of Rs.527,835

4. Operating Review

4:1 Management Inefficiencies

The following observations are made.

- (a) The Authority had not taken action for the recovery of compensation of Rs.44,300 receivable in connection with an accident caused to a motor vehicle in the year 2009.
- (b) Even though the agreement period of the money made available by the Authority to the National Housing Development Authority for the supply of loan facilities under the Integrated Subsidy Scheme had expired, action had not been taken for the recovery of the balance sum of Rs.124.3 million and the interest thereon.

4:2 Underutilization of Funds

Even though the Authority had withdrawn an investment of Rs.70,500,000 and reinvested a sum of Rs.46,989,000 for the grant of self employment and new housing loans, the balance sum of Rs.23,511,000 had been retained for 2 ½ months without being made in any investment.

4:3 Build up of a Fund for the Provision for Employees Gratuity

The provision of Rs.3,349,943 made for employees gratuity had not been invested for building up a fund.

5. Accountability and Good Governance

5:1 Internal Audit

An internal audit covering all transactions of the Authority had not been carried out.

5:2 Budgetary Control

Variations ranging from 3 per cent to 3184 per cent, were observed between the budgeted and the actual expenditure, thus indicating that the budget had not been made use of as an effective instrument of financial management control.

6. Systems and Controls

Deficiencies in systems and controls 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 the following areas of controls.

- (a) Fixed Assets
- (b) Budgetary Control
- (c) Housing Assistance Projects
- (d) Payment of Compensation

H.A.S. Samaraweera
Auditor General

Auditor General
Auditor's General Department
Battaramulla.

**Auditor General's Report In Terms Of Section 14/2 - C of Finance Act No. 38 of 1971
Regarding Financial Statement Of Rehabilitation of Persons, Properties & Industries
Authority (REPPIA) in respect of the year ended on 31st December 2012**

My observations in respect of your report reference JP/A/REPPIA/FA/2012/02 dated 05th November 2013 are made known below.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

- I. Revaluation of fixed assets has been completed for the year 2013 and balanced in the final account of 2013.
- II. I hereby inform that the amounts shall be balanced in the 2013 final accounts.

2.2.2 Lack of Evidence For Audit

- I. Department of Treasury Operations has given permission to do the treasury deposit of the balance in the final statement according to agreement letter dated 29.07.2013 between Rehabilitation Authority and Ministry of Rehabilitation Prison Reforms.
- II. I have attached relevant details herewith. Sufficient information shall be submitted for the audit.

2.2.3 Non-Compliances with Laws, Rules, Regulations and Management Decisions

- I. The observations are clear. Will follow up the regular recruitment procedure.
- II. (a)

There are no field officers recruited at Rehabilitation Authority. Therefore officers are performing the field duties as well as in the Head Office. The Authority has to cover up lot of field duties on implementing the two Self-Employment loan schemes. Since 2012 three Executive officers and two Tamil speaking Management Assistants had to perform field duties in each weekend regularly. After the commencement of the Self – Employment Loan Scheme for Socially Re-integrated Trainees(LTTE ex-combatants) in 2012 the field duty work load has been increased up to 100% as it has been a combined

activity together with financial institutions and Ministry of Finance and Planning as these field duties covered up according to the loan agreement.

In accordance with the above statement the payment has to be made.

(b)

I wish to inform that the Board Of Directors have not taken any actions in non – compliance to the Establishment Code or any other circulars. Although the Board Of Directors have taken a decision to pay a combined allowance for the field duties on 10.12.2012 it is not an allowance increase or a cutoff. This allowance is paid because of the field work load which has been augmented 100% as per the cabinet decision to implement the Self –Employment Loan Scheme for Socially Re-integrated Trainees (LTTE ex-combatants). Accordingly it is compulsory to

- ❖ Organize Enterprises Development Training Programmes for the Rehabilitated Trainees
- ❖ Conduct selection interviews
- ❖ Organize awareness Programmes to solve the complications faced by the beneficiaries
- ❖ Credit supervision for 4000 beneficiaries under all Self- Employment Loan categories will be done according to the 2014 Action Plan.
- ❖ Target to disburse 300 million through Bank of Ceylon, People’s Bank, Sri Lanka Savings Bank within a short period.

Board of Directors have taken a decision to pay this allowance to encourage the officers who are dedicated to cover up the field duty day and night and even in the public holidays with the intention to do their duty sufficiently. According to the board decision

- ❖ Will be paid only for 05 days per month
- ❖ Funds will not be taken through the consolidated fund
- ❖ Funds for this allowance will be subjected by the 1% interest which is received as a service charge from the financial institutes

III. Observations are sufficient and appropriate.

4. **Operating Review**

4.1 **Management Inefficiencies**

- I. Generally the recycling funds are disbursed to the relevant financial Institute for the period of loan disbursement. I kindly inform that these circumstances will be dejected in the future.
- II. I hope to take actions to recover the insurance indemnity.

- III. As per discussions held between the Chairman of National Housing Development Authority and the Officers of Rehabilitation Authority, both parties agreed to implement a integrated subsidy loan scheme by means of the capital amount, for the people in Northern and Eastern Provinces. And REPPIA agreed to right off the intrest balance. Although The Ministry of Construction, Engineering Services, Housing and Common Amenities instructed National Housing Development Authority to implement this loan scheme almost immediately, agreeable responds were not received yet. There is no accomplishment concerning this issue. The Rehabilitation Authority has sent correspondences to the Treasury Department for further consultations and legal recommendations will be taken from the Attorney General Department in future.

4.2 Build up a Fund for the Provision for Employees Gratuity

The funds being requested from the Department of Treasury Operations has been postponed due to lack of funds at that time by the letter BD/JLI/174/2/2 dated 11.10.2013. The provisions made for Employees gratuity will be invested for building up a fund in the future. (Letter annexed herewith)

5. Accountability and Good Governance

5.1 Internal Audit

The internal audit is done under the administration of Chief Internal Auditor of the Ministry of Rehabilitation and Prison Reforms.

5.2 Budgetary Control

I wish to inform you that the budget would be used as an effective instrument of Financial Management control except for special conditions.

6. Systems and Controls

- a) Maintain an updated list on fixed assets
- b) ,c)and d) The officers being advised

E.A. Samarasinghe
Chairman
Rehabilitation Authority