



Performance Report

2015

Food Commissioner's Department

No. 330,
Union Place,
Colombo 02.

Telephone: 011-2421211

Fax: 011-2434291

Preface.....

We ever come across the two ends of scarcity of rice required for the country due to destruction of cultivations in consequence of natural catastrophes and excessive harvest with rich of grain due to regular rain fall and sunlight. Governmental and semi governmental institutions involved in this field have to find solutions for number of issues related to the said two ends. Although timely decisions were taken for the issues arisen, the ground for the existing situation is not paying attention on entering into long term solutions for these issues.

It will be a necessity with great importance to maintain buffer stocks of rice in order to control the increase in price of rice due to shortage in supply of rice to the market because of whatever reason and to cover the shortage may occur later and direct for export of rice when there is an excess in the harvest. Hence it is a well known fact that these issues have become serious although Food Department has revealed the necessity of maintaining a buffer stock of rice from several years through its performance report.

However we were able to construct two stores inclusive of the methodology to maintain buffer stocks of rice and submit proposals to improve existing stores of the department step by step with relevant facilities. Food Department had to temporarily move over from the role of maintaining buffer stocks of rice in 2015 since the anticipated harvest was not received due to the drought prevailed during Maha season in 2013 / 2014 and import of rice by Lanka Sathosa to meet the requirement of rice during the year and the department made arrangements to rent out its stores to Lanka Sathosa for the purpose of providing space to store imported rice.

Further the department took over the task of storing and maintaining the rice stock approximately of 4300 MT. In addition the department provided space at Veyangoda store complex to store paddy stocks of PaddyMarketing Board of 2014 / 2015 in order to release PMB stores at Bulnewa, Galnewa in North Western Province to store the



Yala harvest of 2015. In consideration of the above 2015 became a year that Food Department moved over from its main role of maintaining a buffer stock and earned income through renting out its stores.

In addition to the stores given to Lanka Sathosa (Co-operative and Wholesale Establishment), other stores owned by the department were rented out to private organizations. Accordingly, the department could realize a rental income of Rs. 77,749, 259.89 inclusive of income of Rs. 73,140,466.30 and Rs. 4, 608,793.89 respectively by renting out stores and Prima Houses.

Similarly, I wish to state that the year under review is a year that legal measures could be taken to recover credit balances and arrears in stocks and to decrease due loan balances to a considerable level. Measures were taken to recruit an officer with qualifications and experience for quality controlling which is an essential service in the management of buffer stocks of rice a lady officer was appointed for that post. This was a year that the shortcoming of inability of obtaining quality controlling reports and laboratory reports could be overcome and it is a significant step the department put forward during the year. It was a great victory achieved during the year under review that a project proposal on construction of seven scientific stores was presented to the Hon. Minister. Rishard Badurdeen, Minister of the line Ministry and Secretary to the Ministry. Mr. T.M.K.B. Tennakoon. I wish to pay them my gratitude for the effort they made to give approval for that. The department expects to maintain a rice buffer Stock of 35000MT through the implementation of the said project after obtaining relevant approval and required financial provisions.

I make this an opportunity to extend my sincere thanks to the staff of this department and staff of the Ministry of industries and Commercial Affairs and other public institutions of the relevant field who involved in fulfilling the expected role for the year 2015 through strategic plan and procurement plan with commitment, courage and positive attitudes.



I am much pleased to state that Food Department is functioning with the ultimate objective of meeting the vision of “Safe sustainable nutritious staple grain foods for every household.” maintaining a buffer stock of sweet scented rice nourished with blue water.



N.Nimalka Dias
Food Commissioner (Acting)
On 30th March 2016

Food Commissioner's Department
Union Place,
Colombo 02.

Contents

| | |
|--|-------|
| 1. Vision and Mission of the Food Department | 69 |
| 2. Major Activities of Food Department | 70 |
| 3. Organizational Structure | 71 |
| 4. Administrative Structure and Staff | 72-75 |
| 5. Auditing and Disciplinary Activities | 76 |
| 6. Judiciary Activities | 77-79 |
| 7. Department Stores and Houses | 80-86 |
| 8. Review of Accounting Activities | 87-88 |
| 9. Assets and Property | 89 |
| 10. Income and Recoveries | 90 |
| 11. Financial Reports | 91-93 |
| 12. Process and Progress | 94 |



(1).Vision & Mission

■ Vision

“Safe sustainable nutritious staple grain foods for every household.”

■ Mission

“Guarantee the availability, accessibility and affordability of staple grain Foods for the citizens of SriLanka by managing and aligning the markets by using departmental assets and with the dedicated and committed staff members of the Food Department and stakeholder Institutions.”

(2). Major Activities of Food Department

01.Maintenance of a special buffer stock of rice as per the Colombo declaration and 16th conference of South Asian Association for Regional Co – operation (SAARC)

It was decided at the 16th conference of said organization that Sri Lanka should maintain 8000 MT of rice buffer stock to be used at the emergency and disastrous situations of Regional Countries of South Asia.

02.Maintenance 100,000 MT of rice buffer stock at the islandwide Food Department warehouses as per the Cabinet Decision dated 27/08/2008

Food Department has been re structured with the view of maintaining 100,000 MT of rice buffer stock to be used at critical situations as per the Cabinet Decision dated 27/08/2008.

(03). Ensure the availability of rice at market

Equip the consumer with the opportunity of purchasing rice by releasing rice stocks when necessary to the market with the objective of controlling the fluctuation of the price of rice due to the rice scarcity at the market.

04.Effective Co-ordination with the stake holders for the better management of department resources

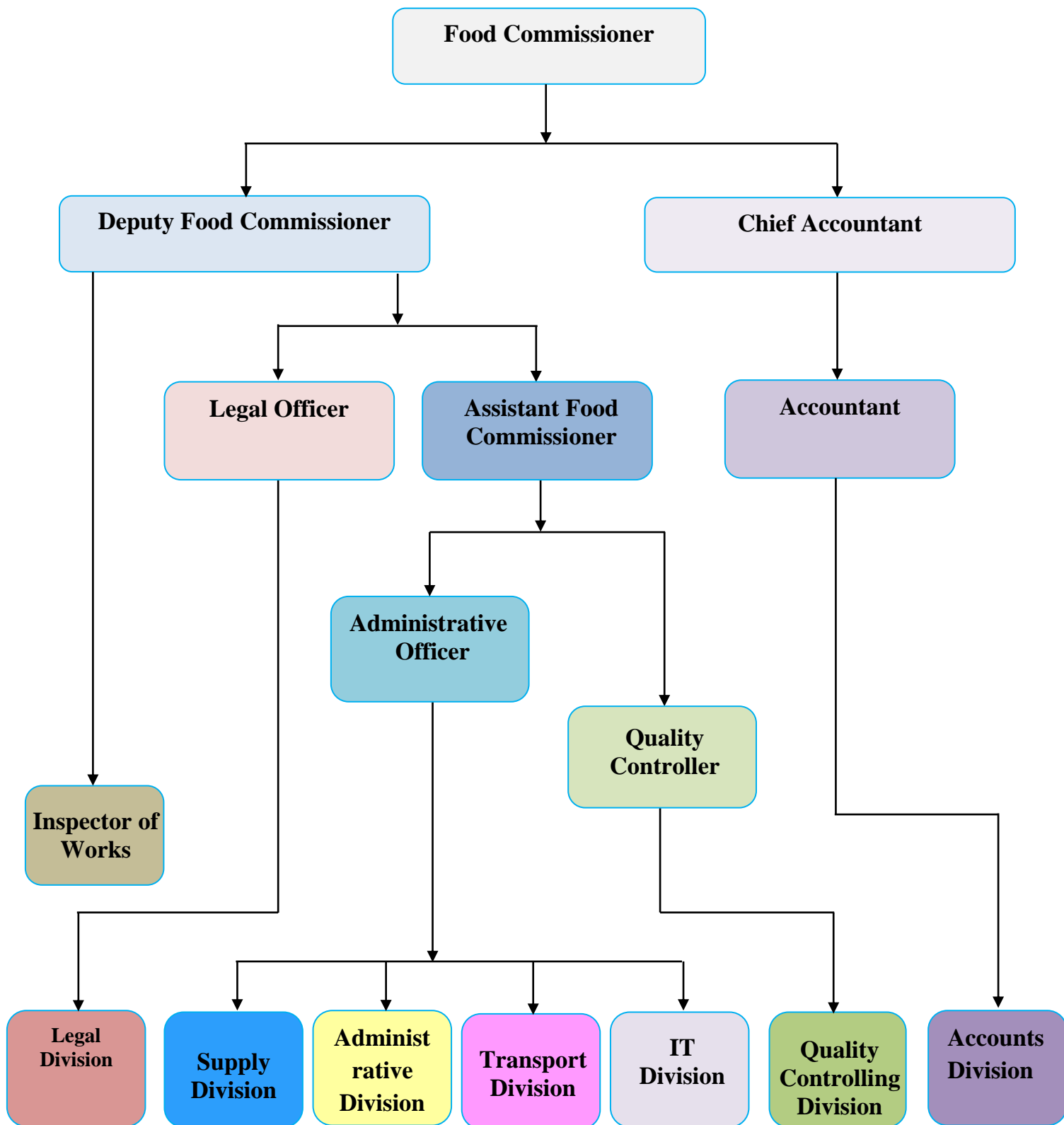
Contribute state revenue by renting out excessive number of warehouses and houses in order to utilize them effectively on the basis of the estimates of chief assessor.

05. Create a pest free grain food environment

Supply of high quality grain to consumers by maintaining pest free stores that could store grain with high quality.



(03).Organizational Structure



(04) Administrative Structure and Staff

• Administrative Structure

The administrative and maintenance programmes conducted by The Food Commissioner were in progress.

All the accounts activities of the department were carried by the Accountant herself in 2015.

The Trincomalee Housing scheme which is situated at Dhanyagama, consist of 366 houses was managed by Officer In charge of Trincomalee. The store complex at Veyangoda was managed by Officer In charge of Veyangoda stores.

The activities of Legal division of the Ministry were carried out by legal consultant of the Ministry of Rural Economic Affairs (on acting

basis) on the approval of Secretary to the Ministry of Industry and Commerce.

By 31st of December 2015 there were 116 employees out of the approved cadre of 230 as 29 Management Assistants of me, II and III grades, 57 Department Employees of miscellaneous positions out of 86 are employed in the Food Department.

4% of total number of cadre served as at 01.01.2015 was retired. Further 02 Development Officers and 05 Management Assistant Officers were appointed to this Ministry in 2015. Further, it is noteworthy to mention that a quality controller was appointed to this department in 2015 as new recruitments.

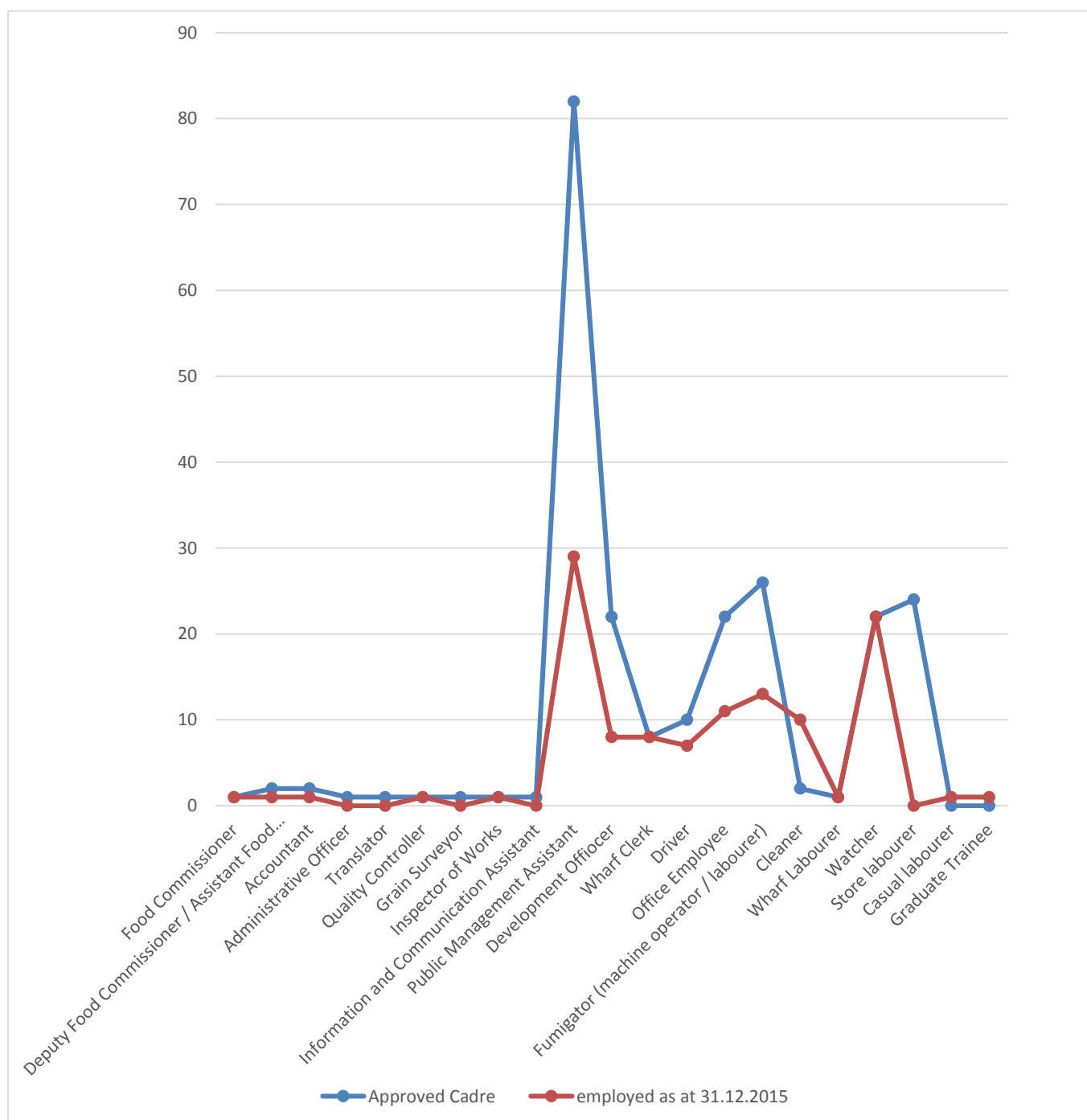


• **Staff of the Food Department in 2015**

| | Designation | Approved Cadre | Employed Cadre as at 31.12.2015 |
|--------------|--|-----------------------|--|
| 01 | Food Commissioner | 01 | 01 |
| 02 | Deputy Food Commissioner/ Assistant Food Commissioner | 02 | 01 |
| 03 | Accountant | 02 | 01 |
| 04 | Administrative Officer | 01 | - |
| 05 | Translator | 01 | - |
| 06 | Quality Controller | 01 | 01 |
| 07 | Grain Surveyor | 01 | - |
| 08 | Inspector of Works | 01 | 01 |
| 09 | Information and Communication Assistant | 01 | - |
| 10 | Public Management Assistant | 82 | 29 |
| 11 | Development Officer | 22 | 08 |
| 12 | Wharf Clerk | 08 | 08 |
| 13 | Driver | 10 | 07 |
| 14 | Office Employee Service | 22 | 11 |
| 15 | Fumigator | 26 | 13 |
| 16 | Cleaner | 02 | 10 |
| 17 | Wharf Labourer | 01 | 01 |
| 18 | Watcher | 22 | 22 |
| 19 | Stores Laborer | 24 | - |
| 20 | Casual labourer | - | 01 |
| 21 | Graduate trainee | - | 01 |
| Total | | 230 | 116 |



- Approved Cadre and the Presently Employed Cadre of the Food Department – 2015



II. New appointments

| # | Designation | Number |
|------|-----------------------------|--------|
| I. | Development Officer | 02 |
| II. | Public Management Assistant | 05 |
| III. | Casual Driver | 01 |
| IV. | Graduate Trainee | 01 |

II. New Recruitments

| # | Designation | Number |
|----|--------------------|--------|
| I. | Quality Controller | 01 |

III. Retirements

| # | Designation | Number |
|------|-----------------------------|--------|
| I. | Public Management Assistant | 03 |
| II. | Cleaner | 01 |
| III. | Office Employee Service | 01 |

IV. Transfers (Outward)

| # | Designation | Number |
|----|-----------------------------|--------|
| I. | Development Officer | 01 |
| II | Public Management Assistant | 05 |

IV. Transfers (Inward)

| # | Designation | Number |
|----|-----------------------------|--------|
| I. | Public Management Assistant | 01 |

VI. Vacation of Service

| # | Designation | Number |
|----|-------------------------|--------|
| I. | Office Employee Service | 01 |
| II | Driver | 01 |



(05). Auditing and Disciplinary activities

- **Auditing**

Auditor General's Department has established an Auditing Division at the Food Department premises. The regular auditing and auditing of final accounts are carried out by its staff.

The auditing activities of the department are conducted by the Internal Audit Division of the Ministry of Industry and Commerce and the department took measures to send answers for the audit queries sent by the Auditor General and the auditing office at the Food Department with copies to the ministry and the parties concerned directly.

Accordingly, the department received 14 audit queries by 31st of December 2015 and the department responded all of them.

- **Disciplinary Activities**

No proper disciplinary investigation against the officers of the department was conducted in 2015.

(06). Judiciary Activities

Judiciary activities of the Food Department by the end of 2015 can be stated as follows.

| | Condition | Number of judiciary activities |
|--------------|--|--------------------------------|
| I | Recovery the value of bounced cheques | 02 |
| II. | Recovery of surcharge | 06 |
| III. | Recovery of loan balances | 04 |
| IV. | Recovery of store rental in arrears | 04 |
| V. | Cases on acquiring the ownership of Dhanyagama Houses, Trincomalee | 09 |
| Total | | 25 |

01. Akmeemana Multi service Co-operative Society has paid Rs. 1,050,277 in settling the amount of bounced cheques and has to pay Rs. 800,000 and Rs.65 as fess of bounced cheques. Money is paid continuously.

02. Department of Attorney General has been informed with regard to non-settlements of cheques value at Rs. 55,000 by Southern Development Authority that had taken Koggala food store on rent.

03. Recovery of surcharge from Mr.W.H.Sumathipala – Measures have been taken by the department to inform Director General of Agriculture to recover the amount of Rs. 6,384,486.19 to be paid by Mr.W.H.Sumathipala and still measures have not been taken to pay that amount to the department.

04. Recovery of surcharge from Mr.A.W.Gunasekara - The case No. D.M.R/1046 filed at Kandy District Secretariat to recover the surcharge amount of Rs. 847, 349.43 will be on trial again on 23.03.2016.



05. Recovery of surcharge from Mr. Wilphat Bopage – Mr. Bopage has not paid surcharge amount of Rs. 1,314,236.58 as per the judgment given on 16/11/2000 for the case filed at Galle District Court. Hence, measures have been taken to inquire from Divisional Secretary of Galle Four Gravets regarding not providing true information to when inquiring on the assets of the said accused to implement execution.
06. Recovery of surcharge from Mr. N.E. Panditharathna - The case No. 1216 has been filed at Attanagalla District Secretariat to recover the amount of Rs. 376,153.35 but since he was expired a complaint has been submitted to Meerigama Police to make his wife and children as substitutes to settle that amount on behalf of him.
07. Recovery of surcharge from Mr. O. Jagathweera – He has not paid the surcharge of Rs. 371,180.20 as per the judgment for the case 2749 / M filed at Gampaha District Court. His present personal address to send statement of the judgment and execution was personally found by an officer of the department and referred to the Attorney General Department.
08. Recovery of surcharge from Mr. H.L.M. Mendis - He has not paid the surcharge of Rs. 351,968.82 as per the judgment for the case 35759 / M filed at Gampaha District Court. Therefore it has been decided to discuss in this regard with Director of pensions to recover it.
09. Recovery of loan balance from Mr. R.S.G. Wickramarathne - An amount of Rs. 128,279 has to be recovered for getting property loan and measures are being taken by the department to submit his address, loan agreement and other documents related to the loan to Attorney General Department on its request.



10. Recovery of loan balance from Mr.H.A.S.Wimalasiri – He has agreed with Food Commissioner to pay the due loan balance of rs. 323,321 in installments of Rs. 3000/- and it is paid continuously.
11. Recovery of loan balance from Mr.Ranjith Peramunugama – He has already paid the property loan balance of Rs.218, 229.
- 12.Recovery of loan balance from Mr.Shantha Malwana - Attorney General has been advised to take legal measures to recover the due property loan balance of Rs. 109,496.
- 13.Compensation loan of Orugodawaththa 10, 14, 16 - The case No. D.M.R/01815 was on trial and judgment has been given to recover the compensation amount of Rs. 1,028,500. It has been informed to Fiscal Court through the relevant letter that there is no such an institution for that address.
14. Welisara No.05 – Rs. 250,000 and two installments of Rs.50, 000 from the total due balance of Rs. Rs. 910,602.91 have been settled. The parties concerned have been informed to pay the balance regularly. Further the lawyer of the accused has informed that the accused has agreed to settle the balance as soon as possible.
15. The case No. D.M.R/03128/08 was settled with the agreement to pay store rental in arrears Rs. 3,340,715.06 in 18 basic installments. Rs. 2,115,708.85 has been paid and the balance of Rs. 1,225,006.21 is further to be settled. Ownership of 41 Trincomalee Danyagama houses has been given to the department in 2015.



(07). Department Stores and Houses

• Department Stores

110 of Food Department stores are scattered throughout 21 districts of the island. They are used for the following purposes with the view of managing state property in the proper way.

| # | Stores | Quantity |
|--------------|---|------------|
| 1. | Rented out for public and private sector establishments on monthly rental | 56 |
| 2. | Rented out for public institutions free of rental | 32 |
| 3. | Stores used by the Food Department | 12 |
| 4. | Stores under the authority of District Secretary / Divisional Secretary | 10 |
| Total | | 110 |

• Department Houses

There are 366 houses at Dhanyagama of China Harbour in Trincomalee owned by The Food Department. They have been utilized in the following way.

| # | As at 31.12.2015 | Number |
|--------------|---|------------|
| 1. | Office of the Food Department | 01 |
| 2. | Circuit bungalow | 01 |
| 3. | Scheduled to be handed over to applicants | 07 |
| 4. | Rented out | |
| • | To the employees of Prima Ltd. | 182 |
| • | To private establishments | 01 |
| • | To public officers | 63 |
| • | To tri forces and the police | 55 |
| • | Semi governmental institutions | 56 |
| Total | | 366 |



❖ Description of the department stores

The description of the stores which are under the department and rented out or given on free of rental by 31.12.2015.

| Serial No | Name of the store | sq.ft | Capacity MT | Institution given on rent |
|-------------------------|----------------------------|---------------|--------------|------------------------------------|
| Colombo District | | | | |
| 01 | Orugodawaththa- 01 | 24624 | 6000 | SriLanka Customs |
| 02 | Orugodawaththa- 02 | 24624 | 6000 | Ministry of Rehabilitation |
| 03 | Orugodawaththa- 03 | 20304 | 5000 | Education Publication Department |
| 04 | Orugodawaththa- 04 | 19008 | 5000 | Ministry of Rehabilitation |
| 05 | Orugodawaththa- 05 | 19008 | 4500 | Ikon Distributors |
| 06 | Orugodawaththa- 06 | 20304 | 5000 | Ministry of Education |
| 07 | Orugodawaththa- 07 | 20304 | 5000 | Ministry of Disaster Relief |
| 08 | Orugodawaththa- 08 | 16560 | 4000 | Ministry of Education |
| 09 | Orugodawaththa- 09 | 16560 | 4000 | Ministry of Rehabilitation |
| 10 | Orugodawaththa- 12 | 18183 | 4000 | SriLanka Customs |
| 11 | Orugodawaththa- 10 | 13436 | | Rank Container Terminals (pvt)Ltd. |
| 12 | Orugodawaththa- 14 | 11448 | | |
| 13 | Orugodawaththa- 15 | 18206 | | |
| 14 | Orugodawaththa- 16 | | | |
| 15 | Office building | | | |
| 16 | Hunupitiya Office Room | 755 | - | Mrs. .Suneetha Gunasinghe |
| 17 | Ratmalana- 03 | 41200 | 7520 | Red Cross Society |
| 18 | Ratmalana- 05 | 21008 | 2900 | Labour Department |
| 19 | Barnes Place Building A | - | - | PMB |
| 20 | Barnes Place Building B | - | - | Ombudsman's Office |
| 21 | Barnes Place Buildings C | - | - | Local Loan and Development Fund |
| 22-23 | Barnes Place Buildings D-E | - | - | Samurdhi Commissioner General |
| 24 | Barnes Place Record Room | - | 5000 | Food Department |
| Total | | 305532 | 63920 | |



| Serial No | Name of the store | sq.ft | Capacity MT | Institution given on rent |
|---------------------|--------------------------|--------|-------------|---|
| Gampaha District | | | | |
| 25 | Veyangoda- 01 | 29040 | 5900 | Lanka Sathosa |
| 26 | Veyangoda- 02 | 21750 | 4000 | Able Holdings (pvt)Ltd |
| 27 | Veyangoda- 03 | 6142 | 1200 | Food Department |
| 28 | Veyangoda- 04 | 7552 | 900 | Bandara Industrial Services |
| 29 | Veyangoda- 05 | 12373 | 1400 | Department of Cultural Affairs |
| 30 | Veyangoda- 06 | 7568 | 1100 | Food Department |
| 31 | Veyangoda- 07 | 28860 | 5400 | |
| 32 | Veyangoda- 08 | 28860 | 5400 | Lanka Sathosa |
| 33 | Veyangoda- 09 | 28860 | 5400 | Food Department |
| 34 | Veyangoda- 10 | 28860 | 5400 | Mechanical Division Lanka Sathosa |
| 35 | Veyangoda- 11 | 33200 | 6200 | Don Miyon Institution |
| 36 | Veyangoda- 13 | 24288 | 6800 | Lanka Sathosa |
| 37 | Veyangoda- 16 | 6370 | 1200 | Lanka Sathosa |
| 38 | Veyangoda- 17 | 6279 | 770 | CCEB |
| Kurunegala District | | | | |
| 39 | Aswedduma | 6132 | - | North Western Provincial Council |
| 40 | Mahawa No- 01 | 4698 | 800 | |
| 41 | Mahawa No- 02 | 13118 | 1300 | Food Department |
| 42 | Malkaduwawa No - 01 | 5227 | 2000 | |
| 43 | Malkaduwawa No - 02 | 4827 | 2000 | Saed Mohommed Ltd |
| 44 | Malkaduwawa No GI Store | 10498 | 2000 | Nikaweratiya Green valley Plantations Pvt. Ltd. |
| 45 | Gettuwana No - 01 | 6336 | 2000 | PMB / Lanka Sathosa |
| 46 | Gettuwana No - 02 | 5544 | 2000 | Selyn Export |
| 47 | Gettuwana No - 03 | 5544 | 2000 | |
| 48 | Gettuwana No - 04 | 5544 | 2000 | CWE |
| Kandy District | | | | |
| 49 | Pallekele | 15484 | 1500 | H.M.M.S.Dharmasena |
| 50 | Katugastota Store | 6490 | 1700 | Trends Marketing |
| Kegalle District | | | | |
| 51 | Kegalle – Paragammana 01 | 5500 | 1500 | Food Department |
| 52 | Kegalle – Paragammana 02 | 5500 | 1500 | |
| 53 | Kegalle – Paragammana 03 | 3960 | - | |
| Galle District | | | | |
| 54 | Bussa No- 02 | 23721 | 3750 | Lanka Sathosa / District Secretariat |
| 55 | Bussa No - 03 | 23721 | 3750 | Lanka Sathosa |
| 56 | Bussa No - 04 | 56784 | | Divisional Secretariat - Hikkaduwa |
| 57 | Bussa No - 05 | 55770 | | |
| 58 | Katugoda No - 01 | 20545 | 3825 | Traico Maritime |
| 59 | Katugoda No - 02 | 9532 | 1775 | |
| Total | | 564477 | 86470 | |



| Serial no | Name of the store | Sq ft | Capacity MT | Institution given on rent |
|-----------------------|------------------------------|--------|-------------|---|
| Matara District | | | | |
| 60 | Meddawatta No - 01 | 7264 | 965 | PMB |
| 61 | Meddawatta No - 02 | 10000 | 1870 | District Secretary Galle) |
| 62 | Weligama Store | 8019 | 1300 | Piyasiri Stores |
| Hambantota District | | | | |
| 63 | Hambantota Store | 14023 | 4500 | PMB |
| 64 | Kahandawa No - 01 | 3517 | 1900 | PMB |
| 65 | Kahandawa No - 02 | 4090 | 1900 | |
| Anuradhapura District | | | | |
| 66 | Shrawasthipura No - 01 | 25520 | 3575 | PMB |
| 67 | Shrawasthipura No - 02 | 23930 | 3350 | |
| 68 | Kekirawa No - 01 | 7950 | 1275 | |
| 69 | Kekirawa No - 02 | 7150 | 1145 | |
| 70 | Senanayaka No - 01 | 2461 | 390 | Public Integrated Agrarian Ltd. |
| 71 | Senanayaka No - 02 | 2461 | 396 | Ministry of Indigenous Medicine |
| 72 | Senanayaka No - 03 | 11017 | 2400 | PMB |
| 73 | Senanayaka No - 04 | 2185 | 325 | Public Integrated Agrarian Ltd. |
| Polonnaruwa District | | | | |
| 74 | Kaduruwela No - 01 | 13419 | 2880 | PMB |
| 75 | Kaduruwela No - 02 | 20187 | 3200 | |
| 76 | Hingurakgoda No - 01 | 23550 | 4400 | CWE |
| 77 | Hingurakgoda No - 02 | 23550 | 4400 | |
| Nuwaraeliya District | | | | |
| 78 | Blackful No - 01 | 1514 | 280 | Nuwaraeliya Agricultural Development Society Ltd. |
| 79 | Blackful No - 02 | 1836 | 150 | |
| 80 | Blackful No - 02 Upper Floor | 1824 | - | |
| 81 | Blackful No - 03 | 2335 | 435 | |
| Ratnapura District | | | | |
| 82 | Ratnapura Store | 9611 | 1800 | Bambarakotuwa Marapana multi service co-operative Society Ltd and Lanka Sathosa |
| 83 | Opanayaka No - 01 | 7730 | 1335 | Lal Stores |
| 84 | Opanayaka No - 02 | 5300 | 850 | CEB |
| 85 | Eheliyagoda No - 01 | 2337 | 435 | Eheliyagoda Multi Service Co-operative Society Ltd. |
| 86 | Eheliyagoda No - 02 | 2373 | 435 | |
| 87 | Eheliyagoda No - 03 | 4806 | 900 | |
| 88 | Kahawatta No- 01 | 3180 | 590 | Pannilpattu Multi Service Co-operative Society |
| 89 | Kahawatta No - 02 | 1881 | 150 | |
| Total | | 255020 | 47531 | |



| Serial no | Name of the store | Sq ft | Capacity MT | Institution given on rent |
|---------------------|---|---------|-------------|--|
| Moneragala District | | | | |
| 90 | Moneragala No- 01 | 22480 | 3150 | PMB |
| Matale District | | | | |
| 91 | Matale No - 01 | 21448 | 3000 | Mr.Mohomad ASHROF |
| Badulla District | | | | |
| 92 | Badulla No-01 | 7245 | 1380 | Food Department |
| 93 | Badulla No -02 | 6781 | 1500 | CEB |
| 94 | Haputale No - 01 | 1653 | 130 | Haputhale Multi Service Co-operative Society |
| 95 | Haputale No - 02 | 1806 | 120 | |
| Ampara District | | | | |
| 96 | Ampara No - 01 | 11368 | 2125 | PMB |
| 97 | Ampara No - 02 | 11368 | 2125 | Food Department |
| Batticaloa District | | | | |
| 98 | Batticaloa No - 01 | 18000 | 6000 | Brandex |
| 99 | Batticaloa No - 02 | 17600 | 6000 | Brandex |
| 100 | Batticaloa No - 03 | 17600 | 6000 | Brandex |
| 101 | Batticaloa No - 04 (Store by the railway Station) | 13560 | 2800 | CWE / District Secretariat , Batticaloa |
| Puttalam District | | | | |
| 102 | Puttalam No - 01 | 5600 | 600 | District Secretariat (Puttalam) |
| 103 | Puttalam No - 02 | 9600 | 1000 | |
| Vavuniya District | | | | |
| 104 | Vavuniya No - 01 | 3763 | 775 | CWE |
| 105 | Vavuniya No - 02 | 4165 | 165 | District Secretariat , Vavuniya |
| 106 | Vavuniya No - 03 | 684 | 160 | |
| Jaffna District | | | | |
| 107-109 | Nawakkuli (three stores) | 43200 | 7500 | District Secretariat Vavuniya |
| Mannar District | | | | |
| 110 | Murukkan | 9720 | 1500 | World Food Programme |
| Total | | 227641 | 46030 | |
| Full Total | | 1352670 | 243951 | |

➤ Presently, Food Department has taken over again three stores.

1. Barnes place B building that Ombudsman's office was functioned.

2. Kahaduauwa 1 and 2 stores that were used by PMB

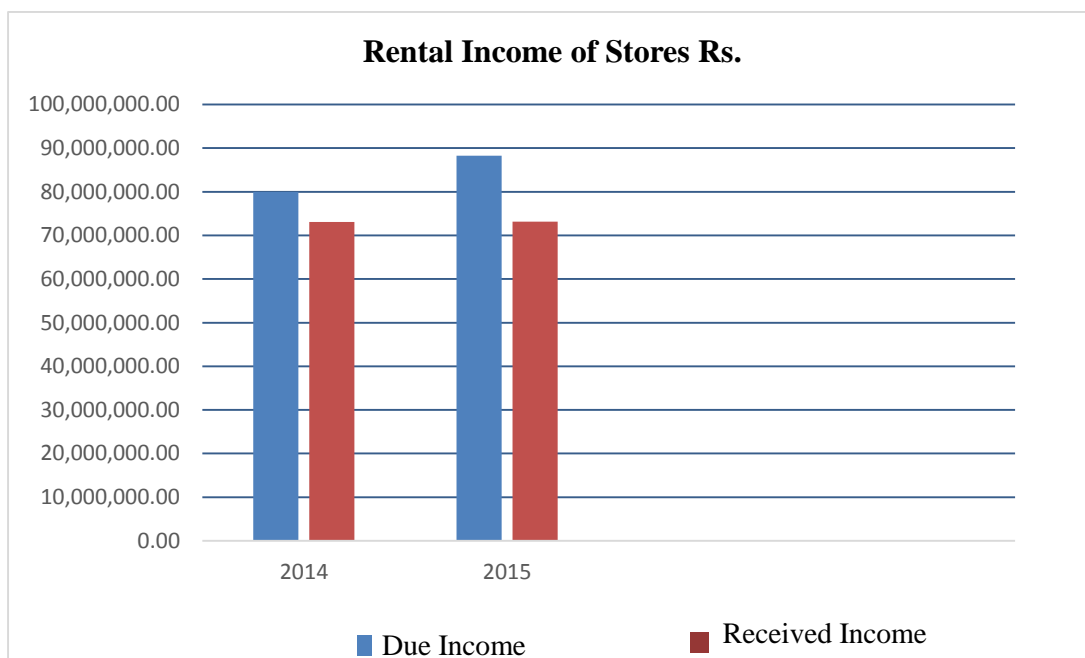


Distribution of Warehouses

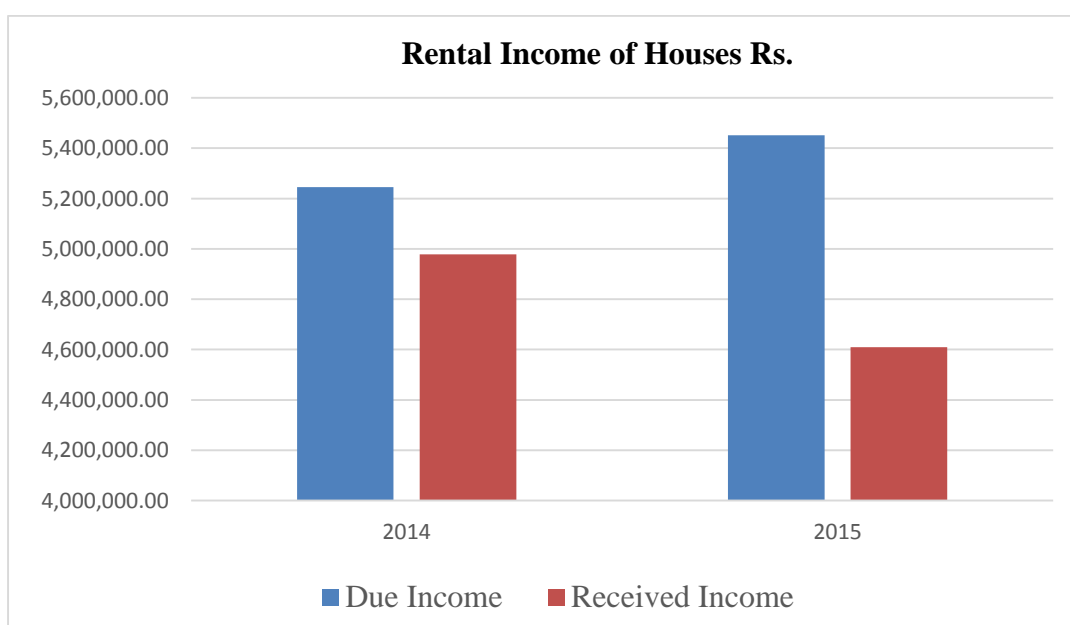


❖ **Income of Stores**

| Year | Due Income | Received Income Rs. |
|------|---------------|---------------------|
| 2014 | 80,000,000.00 | 73,072,795.86 |
| 2015 | 88,285,229.27 | 73,140,466.30 |

❖ **Income of Houses**

| Year | Due Income Rs. | Received Income Rs. |
|------|----------------|---------------------|
| 2014 | 5,245,380.00 | 4,978,211.20 |
| 2015 | 5,451,575.00 | 4,608,793.59 |



(08). Review of Accounts Activities

The combined plan and the action plan of the Food Department had been designed with the objective of improving the existing warehouses convenient for maintaining a high quality buffer stock of rice giving priority to the implementation of government policy of food security. The annual estimate of 2015 was made to achieve that task.

The annual estimate did not make provisions for certain required objects indicated in the estimate prepared by the department.

Expenditure controlling plans that could be controlled were implemented for the objects provisions have been granted. Transfer of F.R 66 could achieve the procurement plan made at the beginning of the year and additional requirements of the department.

Recurrent Expenditure

Minimum and controlled expenditure policy carried out by the department even in 2015 eased it not to exceed provisions made under the recurrent expenditure by the annual estimate and the surplus of provisions occurred in certain provisions due to the control of the expenditure was transferred to necessary objects after obtaining necessary approval in terms of F.R. 66

The department could be free from the risk of being inconsistent to the accounting rules and regulations and instructions by not exceeding the limits of provisions and having the ability of revising the provisions to the required extent.



Capital Expenditure

The provisions made by annual estimate on capital object were used to the highest ceiling. The Provisions obtained for the purchase of rice could not be used as expected since stores did not receive rice as determined.

Liquidation Accounts

The approval for the only liability of writing off the working losses of the Advance Account of Kitchen and Bakery which is one of the two liquidation accounts of Food Department was obtained in 2015.

There are issues in realizing the other liquidation account; Food Distribution Advance Account, since its assets are used in the functioning of the Food Department. Hence, there is less possibility in expediting the closure of the account. It is scheduled to get the approval to write off remaining balance of debtors and working losses based on the provisions obtained.

Conclusion

The Food Department has taken very specific measures concerning the timely needs of the state policy. The accounting procedure of the year could be completed without any deficiency following all the rules and regulations in a practical manner with much dedication and transparency.



I.P.Kothalawala

Accountant

Food Commissioner's Department

(09). Assets and Property

The assets of the Food Department remain as the acquired assets of the food distribution under the advance account. The entire property used for the functioning of the department even by 31-12-2015.

Accordingly, the assets value analysis of the food department on 31-12-2015 is given below.

| # | Assets | Cost Value as at 31.12.2015 Rs. |
|---|--------------------------------|---------------------------------------|
| I. The assets under the advance account of food distribution | | |
| | Buildings and constructions | 121,065,254.11 |
| | Vehicles | 13,499,924.31 |
| | Machinery and equipment | 9,215,359.14 |
| | Furniture and office equipment | 22,962,954.35 |
| | Total | 166,743,491.91 |



(10). Income and Recoveries

▪ Income:

| # | Loan balance was to be recovered as at 01-01-2016 | Rs |
|--------------|---|----------------------|
| I. | Store Rental | 77,029,281.56 |
| II. | House Rental | 3,358,879.78 |
| Total | | 80,388,161.34 |

| # | Income recovered in the year | Rs. |
|--------------|------------------------------|----------------------|
| I. | Store Rental | 73,140,466.30 |
| II. | House Rental | 4,608,793.59 |
| Total | | 77,749,259.89 |

| # | Due loan balance as at 31.12.2015 | Rs. |
|--------------|-----------------------------------|----------------------|
| I. | Store Rental | 77,029,281.56 |
| II. | House Rental | 3,358,879.78 |
| Total | | 80,388,161.34 |

▪ Recoveries:

❖ Co-operative loan balance

| | |
|--|-------------------|
| Recoveries were to be made on made from co-operative Sector as at 01-01-2015 | Rs.199,766,413.71 |
| Recoveries made during the year | Rs. 260,000.00 |
| Due loan balance as at 31-12-2015 | Rs.199,506,413.71 |

❖ Surcharge Balances

| | |
|--|------------------|
| Surcharge balance to be recovered as at 01.01.2015 | Rs.49,477,098.63 |
| Recoveries made in the year 2015 | - |
| Surcharge recovered in 2015 | Rs. 54,650.83 |
| Loan balance to be recovered as at 31.12.2015 | Rs.49,422,447.80 |



(11). Financial Reports

Head no : 300
 Ministry/Department : Food Commissioner's Department
 Programme no : 01
 Project no : 01

Recurrent Expenditure

| Details | 2014 Real Expenditure Rs. | 2015 Approved Estimate Rs. | 2015 Amended Estimate Rs. | 2015 Real Expenditure Rs. | 2015 Balance Rs. |
|-------------------|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|------------------------|
| Personal Salaries | 42,482,259.00 | 51,200,000.00 | 53,800,000.00 | 51,303,035.00 | 2,496,965.00 |
| Other | 108,276,346.00 | 153,040,000.00 | 152,887,000.00 | 141,338,459.00 | 11,548,541.00 |
| Total | 150,758,605.00 | 204,240,000.00 | 206,687,000.00 | 192,641,494.00 | 14,045,506.00 |



Developing an Improved Buffer-Stocks System

| Capital Expenses | | | | | | |
|---|--------------------------------|--|---|--|--|---------------------------------|
| Object | Details | 2014 Real Expenditure Rs. | 2015 Approved Estimate Rs. | 2015 Amended Estimate Rs. | 2015 Real Expenditure Rs. | 2015 Balance Rs. |
| Rehabilitation & Improvement of Capital Assets | | | | | | |
| 2001 | Building & Construction | 14,290,936.00 | 10,000,000.00 | 10,000,000.00 | 666,833.00 | 9,333,167.00 |
| 2002 | Machinery & equipment | 461,493.00 | 200,000.00 | 200,000.00 | - | 200,000.00 |
| 2003 | Vehicles | 1,049,240.00 | 500,000.00 | 531,000.00 | 530,560.00 | 440.00 |
| | Acquisition of capital assets | | | | | |
| 2102 | Furniture and Office Equipment | 883,973.00 | 400,000.00 | 517,000.00 | 507,330.00 | 9,670.00 |
| 2103 | Machinery and Equipment | 16,160.00 | 200,000.00 | 200,000.00 | 67,500.00 | 132,500.00 |
| 2401 | Training and capacity building | 262,700.00 | 230,000.00 | 235,000.00 | 235,000.00 | - |
| 2502 | Food Department Store Repairs | - | 10,000,000.00 | 10,000,000.00 | - | 10,000,000.00 |
| | Total | 16,964,502.00 | 21,530,000.00 | 21,683,000.00 | 2,007,223.00 | 19,675,777.00 |



| Sources of Finance | | 2014 Real Expenditure Rs. | 2015 Approved Estimate Rs. | 2015 Amended Estimate Rs. | 2015 Real Estimate Rs. | 2015 Balance Rs. |
|--------------------|--------------------------|------------------------------------|-------------------------------------|------------------------------------|---------------------------------|------------------------|
| Programme | Details | | | | | |
| 01. | Consolidated Fund | 167,723,107.00 | 225,770,000.00 | 228,370,000.00 | 194,648,717.00 | 33,721,283.00 |
| 07. | Appropriation Law | - | - | - | - | - |
| | Special Legal Services | - | - | - | - | - |
| | Foreign Aid | - | - | - | - | - |
| | Loans | - | - | - | - | - |
| | Aid | - | - | - | - | - |
| | Expected Foreign aid | - | - | - | - | - |
| | Loan | - | - | - | - | - |
| | Consolidated Fund | - | - | - | - | - |
| | Funds of other parties | - | - | - | - | - |
| | Foreign Aid | - | - | - | - | - |
| 01+07 | Total Expenditure | 167,723,107.00 | 225,770,000.00 | 228,370,000.00 | 194,648,717.00 | 33,721,283.00 |



(12). Process and Progress

▪ Improvement of Income

1. Rent/lease out the department stores which are not operated by the department and renting out the Dhanyagama Prima Houses was the major source of income and has made arrangements to revise the rental, avoid the deficiencies in agreements and enter into new agreements.
2. Hence, The department has contributed to improve state revenue by crediting Rs. 73,140,466.30 of income from stores and Rs. 4,608,793.59 income from houses to state revenue.
3. There were two advance accounts under the department. The department took measures to recover Rs. 260,000 from the due amount for the goods given to co-operative societies for distribution of food under the Food Stamp System of the Food Distributing Advance Account which is being liquidated.
4. The department could recover due surcharge balance of Rs. 49,422,447.80 under the said account.
5. The assets and liabilities except the balance of losses of the kitchen and bakery advance account which was the other advance account was being liquidated have been closed and arrangements have been taken to write off the relevant balances in order to get provisions in 2015.

