

2012 கார්යகாபன வர்தாவ செயலாற்றுகை அறிக்கை Performance Report



ஊகார காமகாரிஸ் டெபார்தமேன்டு
உணவு ஆணையாளர் திணைக்களம்
Food Commissioner's Department







Performance Report

2012

Food Commissioner's Department

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Preface

There was no need in thinking of food necessity for the majority of citizens of this island, famous as the Granary of East. Their gardens were abundant with plenty of crops they needed since the most engaged in agriculture as their livelihood. The wild was overgrown with fruit plants. The mild climate and weather condition were conducive for the livelihood.

Today's condition is quite different. Although population has increased quickly, only a few people are engaged in agriculture. Sudden weather changes occur frequently and a large extent of agro areas are affected. Necessity of the consumption is very high. Fulfilling the nation's boundless consumption necessity out of the limited harvest gained with difficulties. We have heard situations which rice had been imported from foreign countries. Import of food is a very heavy burden for a developing country. Besides, it wastes a large amount of money.

The government has given priority to food security to get rid of this condition. Ever storing of consumption surplus with much security will provide guidelines to manage under consumption necessity. Following those guidelines The Food Department is assigned to the duty of maintaining a buffer stock of 100000 MT of rice. The responsibility of Food Department is to maintain the expected buffer stock in the right manner.

Although the duration of maintaining a stock of rice suitable for human consumption is four months, there is no ability to release buffer stocks within four months which are maintained with the objective of releasing to the market in order to face distress situations and minimize the fluctuation at the decrease of market supply. The Food Department has experienced miserable situations of releasing rice stocks not suitable for human consumption stored in normal stores.

Thus, the department has drawn its attention to identify the methods of maintaining rice buffer stocks achieving the objectives while determining the not to face the same experience. Accordingly, last year the department was able to construct the first scientific store model at Veyangoda warehouse as a result of studying the methods of maintaining a buffer stock for a long time following scientific methods.

Rice storing procedure in the specific store has already been started and the department has already made primary plans to establish one more such store in 2013 remaining in its journey of success without being backwarded. The department has identified five year plan of maintaining a high quality buffer stock suitable for human consumption.

By moving another step forward the department expects to establish two more scientific store models to store buffer stocks of local crops; B onions and potatoes. Renting out the houses at Prima House Complex and the excessive number of warehouses with the objective of making contribution to increase the government revenue is another duty of the department. It is expected to increase the government revenue even in the coming years by obtaining rental as the last year.

Thus, the sole objectives of the Food Department are to maintain high quality buffer stocks, export the surplus and realize the dreams of the government and the nation by making contribution to the government revenue.



N.Nimalka Dias
Food Commissioner
25th of March 2013

Union Place,
Colombo 02,
At Food Department.



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(01). About us.....

- **Vision**

“To ensure that each household is provided nutritious, essential food items without any shortage.”

- **Mission**

“In order to reach this mission we have organized our marketing services in a proper manner to serve the customers and to provide the food items to them at reasonable, affordable prices. In order to reach this service commitment the Food Department has used all the resources of its different units and the services of its committed employees. The Food Department gives great importance to serve its customers.”

(02). Food Commissioner's Department

Introduction (1942-2012)

When the world faced the 2nd world war, it suppressed almost all the countries and even affected internal and external affairs of Sri Lanka. It created disorder in Sri Lankan trade. There were hindrances in equal food distribution in the country and Sri Lankans had to face an issue in getting their food. The rulers were hasten in finding solutions for constant supply of food to redress people from this pressure.

As a result, measures were taken to establish Consumer Authority and it took over the responsibility of food distribution constantly in a fair manner by determining their prices. Consumer Authority handled its duties approximately around one year and with the expectation of getting fulfilled them by a government department; the Food Department was established in 1942 as a government representative of importing food, storing, fixing prices and etc.

The Food Department was founded in 1942. The Food Commissioner was the Head of the department. The Food Commissioner regularly engaged in discharging the duties handled by the Consumer Authority up to the year of 1943 and actions were taken to address the issues occurred in islandwide food distribution.

The Food Department was vested with the powers of issuing Rice Ration Books and supplying required quantities of rice to implement government decision of granting rice rations as a concession taken in 1943. Every citizen of Sri Lanka was entitled to this privilege and Co-operative Societies were established to distribute rice to people. At the beginning, Rice Ration Books were issued only for rice and later this procedure was broadened to issue some other necessary food items.

This concession was granted to the public by every government from 1943 to 1979 and the Food Department engaged in the tasks of issuing Ration Books and supplying necessary food items successfully. The activities such as supplying food items necessary under Ration Book System, importing required food items, storing and distributing them to district warehouses of the department was handled by the Food Department while further making arrangements to maintain adequate store complexes to store food carried from warehouses of harbour and district warehouses in every district for regional food distribution. Among the warehouses used by the Food Department there were renovated buildings which were built by foreigners for military purposes during the 2nd World War period and even now they are used as department stores. The Food

Department which had a huge capacity and islandwide spread warehouse network, rendered a yeoman service and became outstanding. Further, the Food Commissioner directly co-ordinated with District Secretaries with the objective of maintaining his administration regularly in every province. On the basis of bearing the responsibility of maintaining food supply in a broader range, the Food Department could achieve the level of “A” graded major department of the country.

With the increase of population the government understood that there is no necessity in free supply of food for SriLankans; poor people as well as people who earn a very high income since it made difficult to maintain the other heads of expenditure. Thus when The Rice Ration Book System was terminated in 1979 with the introduction of Poverty Relief Stamp System, the Food Department transferred its power of issuing poverty concession rations to Poverty Relief Commissioner's Department. Food Commissioner's Department continued its functions further remaining in the same objective of importing food items to be distributed at Co-operative Societies under Poverty Relief Stamp System.

Prima Flour Factory was established within Trincomalee harbour in 1979 and the Food Department was vested with the monopoly of importing wheat grain, processing at Prima Flour Processing Complex and distributing them instead

of imported flour distribution. Apart from the distribution of food the Food Department continued its task of supplying Kerosene oil and food items such as rice, flour and sugar under Stamp System by 1986 and the due amount was settled by the Poverty Relief Department. Thus, the Food Department functioned with much responsibilities in meeting the objectives of the Government through importing food items to fulfil food necessity of nation and distributed with much responsibility. The authorized power of importing sugar and rice vested with The Food Department was transferred to private sector in 1987 and 1989 respectively and by the latter part of 1986 the Food Department; the nation's major representative of food distribution became inactive. However, the Food Department did not ignore its objective due to the mere loss of one duty.

Thereafter, the Food Department took over the authority of the kitchen complex and the bakery situated at Elliot Road, Borella in 1990 and carried out its functions by uplifting bakery industry, making bread using locally processed flour and distributing cooked food to Colombo city and government institutions.

Parallel to this, the process of Prima flour distribution was successfully continued up to 2000 without any impediment. The Food Department lost its monopoly of flour distribution which had for two decades from 1981. Under these circumstances the department did

not ignore its objective and engaged in the process of closing accounts of the related activities with the expectation of taking over any task the government would assign. According to the government decision of closing the kitchen and the bakery at Elliot Road, Borella in 2002 and transferring its assets to Perk Institution the department had to ignore a part of its mission.

Although the department had to function towards diverse objectives and missions from 1943 to 2002 the department was able to move towards success according to the prevailing circumstances. Though the department had to manage this condition its primary objective was to ensure the food security. As making opportunity to prevent from ignoring that objective, measures were taken to encourage bonded warehouse owners.

The government instructed to liquidate the advance account of food distribution in 2004 and the department had to liquidate it. According to the government decision of not continuing the programme of food distribution, the duties of the Food Department decreased and the Secretary to the Ministry became the Acting Food Commissioner.

The government started to purchase rice under a guaranteed price in 2005 and the department had to process rice and store them in warehouses. As a result the Food Department which was to be liquidated was limited only to maintain a rice buffer stock in terms of the Cabinet

Decision CP/06/0901/218/025 dated 25th May.

As per the Cabinet Paper TMCC/2008/18 dated 11th August 2008 it was suggested to restructure the Food Department and it was adopted by the Cabinet Memorandums CP/08/342/016 and CP/0/1482/342/016 dated 04th September 2008.

A new lady Food Commissioner was appointed in the middle of 2009 and the department rejuvenated as a stakeholder in achieving government objectives. Accordingly, the department could contribute to the government revenue by renting out 126 warehouses out of 146 and 366 houses at Dhanyagama at Trincomalee. Further the department was able to retain 23 warehouses to maintain a buffer stock of 100,000 MT.

A plentiful ever received best harvest could reap by granting fertilizer concession, importing infrastructure facilities and encouraging farmers to grow without keeping any bare land with the objective of uplifting Local Agriculture in accordance with Mahinda Chinthana Policy introduced at the beginning of 2010. When the farmers were interrupted in selling their harvest at a reasonable price, the Food Department made arrangements to purchase paddy through Paddy Marketing Board at a guaranteed price and store them in its warehouses.

Measures were taken at the beginning of 2011 to store the said buffer stock of rice in Food Department warehouses. Since

the buffer stocks had been stored for a long time, chemicals had to be used for pest control. In the meantime the department observed that usage of chemicals decrease the high quality of rice, a huge sum should be afforded on it and the methods prevailed were not suitable to preserve rice approximately one year. On this ground the Food Department investigated four scientific methods of storing rice as a result of studies on store construction.

Accordingly, the Food Department made arrangements to prepare a project proposal to construct such four types of store models and followed scientific methods on it in order to submit it to parties concerned and get the necessary approval in the implementation of its stages. However since sufficient provisions were not made for the proposed projects of 2012, it had to manage on the basis on priority of provisions. The department could complete the construction of the Mechanical Ventilator System and Natural Ventilator System, installation of related scientific equipment and the construction of the operation unit which control them.

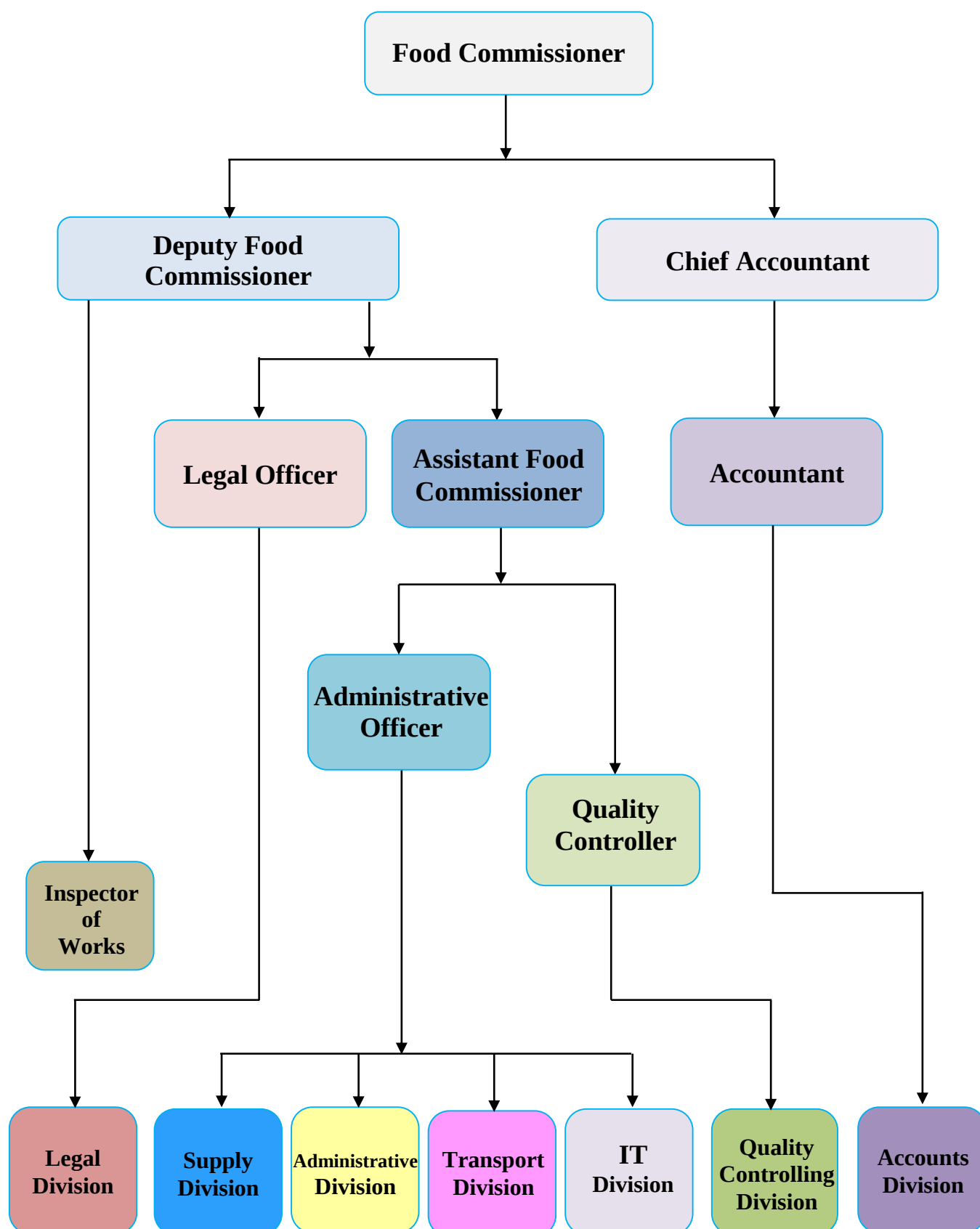
Since the department was not granted financial provisions from the treasury, it had to make provisions for 10,000 MT of rice by regular arrangement of the expenditure under certain objects made by the annual estimate. The department made arrangements to commence storing rice in the relevant stores utilizing the said provisions. Though the last year was a challenging year to complete these activities, the department was able to reach all the targets by facing the challenges in the right manner.

The Food Department has gone beyond the storage of rice and other grain and has made arrangements now to submit a project proposal and make relevant plans to construct two scientific stores in order to store buffer stocks of B onions and potatoes. Parallel to that, since measures have already taken the construction of another scientific store in 2013, steps have taken to get required provisions for that.

Thus, the future plans of the Food Department is to work with utmost dedication to improve stores in achieving expected level using minimum cost, maintaining buffer stocks and identifying the quantity of surplus of rice for export.



(03). Organizational Structure



(04). Administrative Structure and Cadre

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

All the accounts activities of the department were carried by the Accountant in 2012.

Veyangoda, Narahenpita and Orugodawaththa Stores and Tricomalee Assistant Food Control Unit are under the supervision of the officers in charge and Narahenpita Quality Control Unit has been maintained under the Officer in charge due to the release of Grain Surveyor.

The only Supra Grade Management Assistant Officer had been discharging duties as Acting Administrative officer.

By 31st of December 2012 there are 137 employees out of the all 229 such as 42 Management Assistants belong to I, II and III grades from the approved 82 and 71 Department Employees of miscellaneous positions out of 108 are employed in the Food Department.

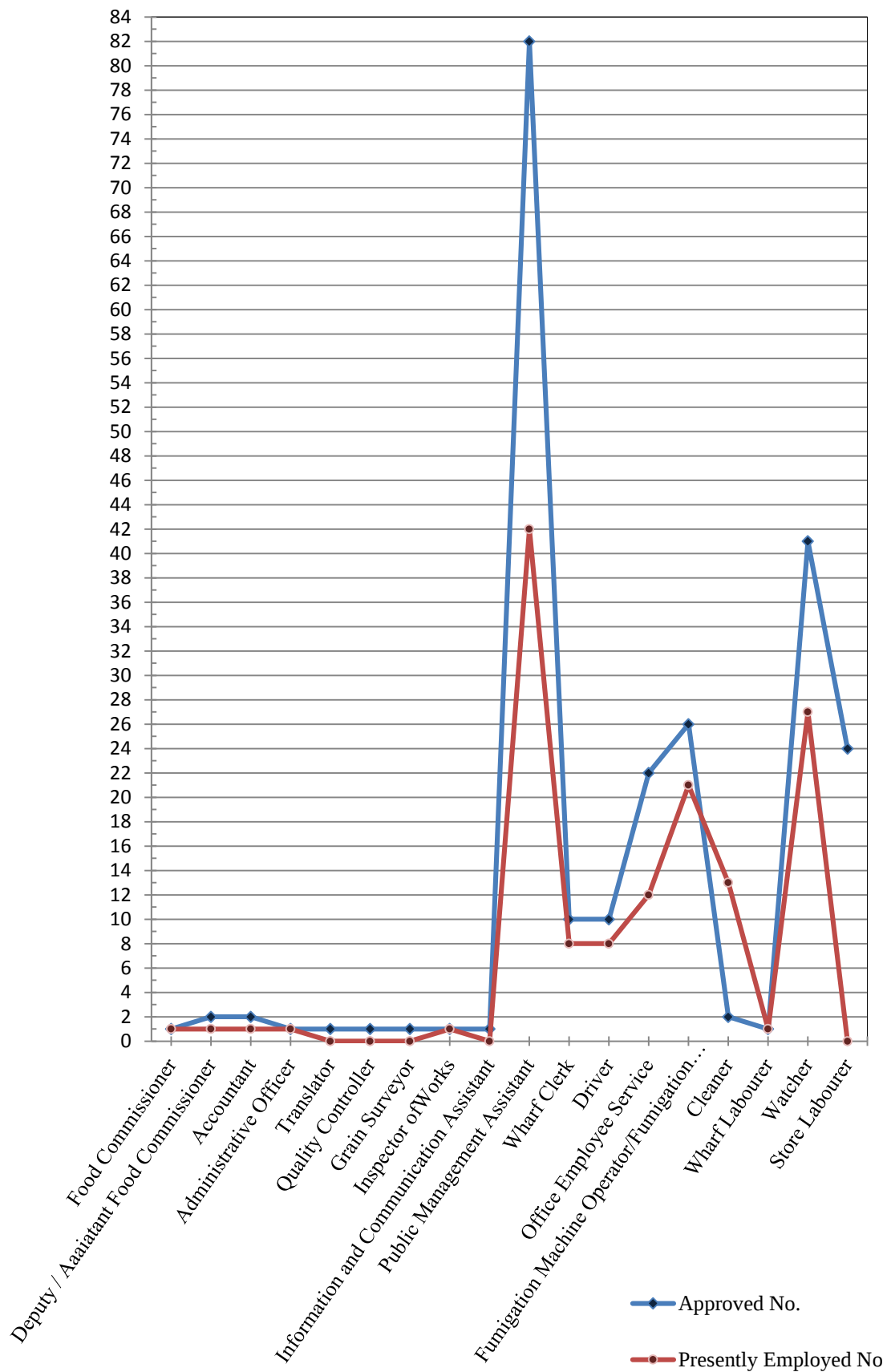
It's a fact to be notified that by 01st of January 2012 9% from the total number of employees retired during the year and two drivers were appointed.



■ Food Department Cadre 2012

#	Name of the Position	Approved Cadre	Employed Cadre by 31.12.2012
01	Food Commissioner	01	01
02	Deputy Food Commissioner/ Assistant Food Commissioner	02	01
03	Accountant	02	01
04	Administrative Officer	01	01 (acting)
05	Translator	01	-
06	Quality Controller	01	-
07	Grain Surveyor	01	-
08	Inspector of Works	01	01
09	Information and Communication Assistant	01	-
10	Public Management Assistant	82	42
11	Wharf Clerk	10	08
12	Driver	10	08
13	Office Employee Service	22	12
14	Fumigation Operator/Labourer	26	21
15	Cleaner	02	13
16	Wharf Labourer	01	01
17	Watcher	41	27
18	Stores Labourer	24	-
	Total	229	137

- Approved Cadre and the Presently Employed Cadre of the Food Department 2012



I. New Appointments

#	Position	No
I.	SriLanka Administrative Service	01

II. New Recruitments

#	Position	No
I.	Driver	02

III. Retirements

#	Position	No
I.	Public Management Assistant Service	03
II.	Wharf Clerk	01
III.	Office Employee Service	01
IV.	Fumigation Operator	01
V.	Watcher	07

IV. Transfers (Outward)

#	Position	No
I.	Public Management Assistant	03

V. Transfers (Inward)

#	Position	No
II.	Public Management Assistant	03

VI. Release from Department Service

(48 (a) Pensions Minute)

#	Position	No
I.	Grain Surveyor	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 the final account auditing are carried out by its staff.

The auditing activities of the department are conducted by the Internal Audit of the Ministry of Co-operative and Internal Trade. This answers the audit queries raised by the Auditor General and the auditing office at the food department with copies to the ministry and the parties concerned directly.

Accordingly, 26 audit queries were raised in 2012 and the department could answer 25 of them.

➤ Disciplinary Activities

It is noteworthy to mention that the Food Department had only one disciplinary inquiry with a store keeper during the year of 2012.



(06) Judicial Activities

At the end of 2012 among cases Food Department has filed, ten cases are on trial at District /Magistrate courts.

#	Category of Cases	Cases on trial
I.	Recoveries of bounced cheques	01
II.	Recovery of non paid store rental	05
III.	Regain the pocession	01
IV.	Recovery of surcharge	03
Total		10

#	Court	Commenced legal actions
I.	Number of cases filed to recover the due rental and regain the procession of Dhanyagama Housing Complex (sent withdrawal notices)	36
Total		36

Total		46
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Further legal actions have been taken against four officers of the department those who did not pay back government property loans co-ordinating with Attorney General's Department in 2012.

(07). Department Stores and Houses

❖ Department Stores

147 of Food Department stores are scattered throughout 25 districts of the island. They are used for the following purposes with the view of managing state property in the proper way.

#	Stores	No.
1.	Rented out for government and private sector institutions.	55
2.	Rented out for government organizations on temporary /free of rental	43
3.	Stores under the authority of the department	30
4.	Stores under the authority of District Secretariats /Divisional Secretariats	15
5.	Stores to be transferred to government institutions	3
6.	Stores destroyed due to terrorist activities	1
	Total	147

❖ Department Houses

There are 366 houses in Dhanyagama at China Port owned by The Food Department. They have been rented out in the following way.

#	As at 31.12.2012	No.
1.	Prima Ceylon Ltd.	206
2.	Government officers and employees	152
3.	Under the department	08
	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.

Serial no	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated Monthly Rental (new)
Colombo District Orugodawatta					
01	Orugodawatta- 01	24624	6000	Sri Lanka Customs	365,000/-
02	Orugodawatta-02	24624	6000	Ministry of Rehabilitation	Rented out on free of rental on temporary basis
03	Orugodawatta - 03	20304	5000	State Book Publishing Department	365,000/-
04	Orugodawatta - 04	19008	5000	Ministry of Rehabilitation	Rented out on free of rental on temporary basis
05	Orugodawatta - 05	19008	4500	Ikon Distributors	290,000/-
06	Orugodawatta - 06	20304	5000	Ministry of Higher Education	310,000/-
07	Orugodawatta - 07	20304	5000	Ministry of Disaster Relief	Rented out on free of rental on temporary basis
08	Orugodawatta - 08	16560	4000	Ministry of Higher Education	265,000/-
09	Orugodawatta - 09	16560	4000	Ministry of Rehabilitation	Rented out on free of rental on temporary basis
10	Orugodawatta - 12	18183	4000	Sri Lanka Customs	257,500/-
11	Orugodawatta - 10	13436	-	Rank Container Terminals (p.v.t)Ltd.	2,465,000/-
12	Orugodawatta - 14	11448	-		
13	Orugodawatta - 15	18206	-		
14	Orugodawatta - 16	19838	-		
15	Office Building	-	-		
Total		262407	48500		4,317,500/-
Colombo District-Narahenpita					
16	Narahenpita - 01	10092	2110	Food Department	-
17	Narahenpita - 02	10092	2150		-
18	Narahenpita - 03	3583	700	Modern Distributors	160,000/-
19	Narahenpita - 04	10135	2110	Food Department	-
20	Narahenpita - 05	10135	2150		-
21	Narahenpita - 06	10135	2150		-
22	Narahenpita - 07	9740	-	Economic Centre	-
23	Narahenpita - 08	28080	5700		-
24	Narahenpita-09a	10000	4150	Derana Distributors	475,000/-
25	Narahenpita 09b	10000	2600	Food Department	-
26	Narahenpita - 10	15000	2600	Energy Commerce B.V.	515,000/-
27	Narahenpita - 11	23850	5000	Economic Centre	-
28	Narahenpita - 12	12992	2700	Food Department	-
Total		163834	34120		1,150,000/-

Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
Colombo District –Barns Place					
29	Barns Place Record Room	-	5000	Food Department	-
30	Barns Place office	-	2300	Mahapola Trust Fund	85,000/-
31	Barns Place Office	-	19362		-
32	do	-	-	Samurdhi Commissioner's Department	-
33	do	-	-		-
34	do	-	-		-
35	do	-	-		-
Total		-	26662		85,000/-
Colombo District Rathmalana					
36	Rathmalana - 01	50350	8530	Economic Centre	-
37	Rathmalana - 03	41200	7520	Red Cross Society	Rented out on free of rental on temporary basis
38	Rathmalana - 04	19032	2580	Economic Centre	
39	Rayhmalana - 05	21008	2900	Labour Department	Rented out on free of rental as per a cabinet decision'
Total		131590	21530		
Colombo District					
40	Wellawatta- 01	10266	2000		-
41	Wellawatta - 02	10915	2000	Health Department	-
42	Wellawatta - 03	11100	2000		-
43	Wellawatta- 04	11100	2000	SriLanka Navy	-
Total		43381	8000		-
Colombo District					
44	Hunupitiya Office Room	755	-	Mrs.Suneetha Gunasinghe	2,800/-
Total		755	-		2,800/-

Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
Gampaha District Veyangoda					
45	Veyangoda - 01	29040	5900	Food Department	-
46	Veyangoda - 02	21750	4000	Eble Holdings (pvt)Ltd	70,000/-
47	Veyangoda - 03	6142	1200	Food Department	-
48	Veyangoda - 04	7552	900	Bandara Industrial Services	23,000/-
49	Veyangoda - 05	12373	1400	Department of Cultural Affairs	40,000/-
50	Veyangoda - 06	7568	1100	Ministry of Buddhist Affairs	Rented out on free of rental on temporary basis
51	Veyangoda -07	28860	5400	Food Department	-
52	Veyangoda - 08	28860	5400		-
53	Veyangoda - 09	28860	5400		-
54	Veyangoda - 10	28860	5400		-
55	Veyangoda - 11	33200	6200	Don Miyon Institution	Legal actions on process to acquire possession
56	Veyangoda - 12	33200	5560	Economic Centre	-
57	Veyangoda - 13	24288	6800	Food Department	-
58	Veyangoda - 14	5368	860	D.S. Office(Attanagalla)	-
59	Veyangoda - 16	6370	1200	Food Department	-
60	Veyangoda - 17	6279	770	CCEB	17,500/-
Total		308570	57490		150,500/-
Kurunegala District					
61	Nikaweratiya Store	10496	4000	D.S.Office(Nikaweratiya)	-
62	Aswedduma Store	6132	-	North Western Provincial Council	-
63	Mahawa No - 01	4698	800	Food Department	-
64	Mahawa No - 02	13118	1300		-
65	Malkaduwwa No - 01	5227	2000	Sheid Mohomed Ltd.	34,787.50
66	Malkaduwwa No - 02	4827	2000		24,462.50
67	Malkaduwwa Store - 03 GI &	10498	2000	Food Department	-
68	Gettuwana No - 01	-	-	Paddy Marketing Board	50,000/-
69	Gettuwana No - 02	6336	2000	Selyn Export	-
70	Gettuwana No - 03	5544	2000	CWE	-
71	Gettuwana No - 04	5544	2000		-
Total		72420	18100		109,250/-

Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
Kandy District					
72	Pallekele	15484	1500	W.S.RR.Wijesiri	150,000/-
73	Katugastota Store	6490	1700	Trends Marketing	120,000/-
74	Wattegama Store	5120	1000	Food Department	-
Total		27094	4200		270,000/-
Kegalle District					
75	Kegalle-Paragammana 01	5500	1500	Vijitha Group Pvt Ltd	85,000/-
76	Kegalle-Paragammana 02	5500	1500		
77	Kegalle-Paragammana03	3960	-		
Total		14960	3000		85,000/-
Galle District					
78	Bussa No - 02	23721	3750	Food Department	-
79	Bussa No - 03	23721	3750		-
80	Bussa No - 04	56784	6000	Economic Centre	-
81	Bussa No - 05	55770			-
82	Katugoda No - 01	20545	3825	Trico Merritime	61,500/-
83	Katugoda Nol - 02	9532	1775		38,500/-
84	Koggala Store	5000	925	Habaraduwa D.S	-
Total		195073	14025		100,000/-
Matara District					
85	Meddawatta No - 01	7264	965	Paddy Marketing Board	-
86	Meddawatta No - 02	10000	1870	D.S. (Matara)	-
87	Meddawatta No - 03	5755	900	SriLanka Consumer	10,000/-
88	Weligama Store	8019	1300	Piyasiri Stores	38,500/-
Total		31038	5035		48,500/-
Hambantota District					
89	Hambantota Store	14023	4500	Paddy Markrting Board	-
90	Weerawila No - 01	5478	1700	D.S.(Hambantota)	-
91	Weerawila No - 02	4157	1100		
92	Weerawila No - 03	4221	1700		
93	Kahandawa No - 01	3517	1900	Paddy Marketing Board	Rented out on free of rental
94	Kahandawa No - 02	4090	1900		
Total		35486	12800		-

Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
Anuradhapura District					
95	Shraawasthipura No - 01	25520	3575	Paddy Marketing Board	-
96	Shraawasthipura No - 02	23930	3350		-
97	Kekirawa No - 01	7950	1275	Paddy Marketing Board	-
98	Kekirawa No - 02	7150	1145		-
99	Senanayaka No - 01	2461	390	People's Integrated Agro Ltd.	15,000/-
100	Senanayaka No - 02	2461	396	Ministry of Indegenous Medicine	-
101	Senanayaka No - 03	11017	2400	Paddy Marketing Board	-
102	Senanayaka No - 04	2185	325	People's Integrated Agro Ltd.	15,000/-
Total		82674	12856		30,000/-
Polonnaruwa District					
103	Kaduruwela No - 01	13419	2880	Paddy Marketing Board	-
104	Kaduruwela No - 02	20187	3200	Paddy Marketing Board	Rented out on free of rental
105	Higurakgoda No - 01	23550	4400	CWE	Rented out on free of rental
106	Higurakgoda No - 02	23550	4400		Rented out on free of rental
Total		80706	14880		-
Nuwaraeliya District					
107	Blackful No - 01	1514	280	Nuwaraeliya Agro Co-operative Society	16,000/-
108	Blackful- 02	1836	150		
109	Blackfula - 02 Upper Floor	1824	-		8,500/-
110	Blackful No - 03	2335	435		13,500/-
Total		7509	865		38,000/-
Rathnapura District					
111	Rathnapura Store	9611	1800	Marapana Bambarabotuwa Co-operative Society	(Rs. 50,000/- Rs.2000/- Nominal rental
112	Opanayayaka No - 01	7730	1335	Lal Stores	60,000/-
113	Opanayaka No - 02	5300	850	Ceylon Electricity Board	30,000/-
114	Eheliyagoda No - 01	2337	435	Eheliyagoda Co-operative Societies Ltd.	8157.60/-
115	Eheliyagoda No - 02	2373	435		31928.50/-
116	Eheliyagoda No - 03	4806	900		
117	Kahawatta No - 01	3180	590	Pannilpattu Cooperative Societies Ltd.	17,500/-
118	Kahawatta No - 02	1881	150		
Total		37218	6495		197,586.10/-

Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
119	Monaragala No 01	22480	3150	Paddy Marketing Board	Temporary
120	Monaragala No - 02	7000	1250	CWE	-
Total		29480	4400		-
Matale District					
121	Matale No - 01	21448	3000	Mr.Mohomed Ashrof	45,000/-
Total		21448	3000		45,000/-
Badulla District					
122	Badulla No - 01	7245	1380	Food Department	-
123	Badulla No -02	6781	1500	SriLanka Consumer Society CEB	16,953/-
124	Haputale No - 01	1653	130	Haputale Coperative Society	17,500/-
125	Haputale No - 02	1806	120		
Total		17485	3130		34,453/-
Ampara District					
126	Ampara No - 01	11368	2125	Food Department	-
127	Ampara No - 02	11368	2125	Paddy Marketing Board	Rented out on free of rental
Total		22736	4250		-
Batticaloa					
128	Batticaloa No - 01	18000	6000	D.S((Batticaloa)	-
129	Batticaloa - 03	17600	6000		-
130	Batticaloa No - 02	17600	6000	Paddy Marketing Board	Rented out on free of rental
131	Batticaloa No - 04 ^Store by the Railway Station)	13560	2800	CWE D.S(Batticaloa)	-
Total		66760	20800		-

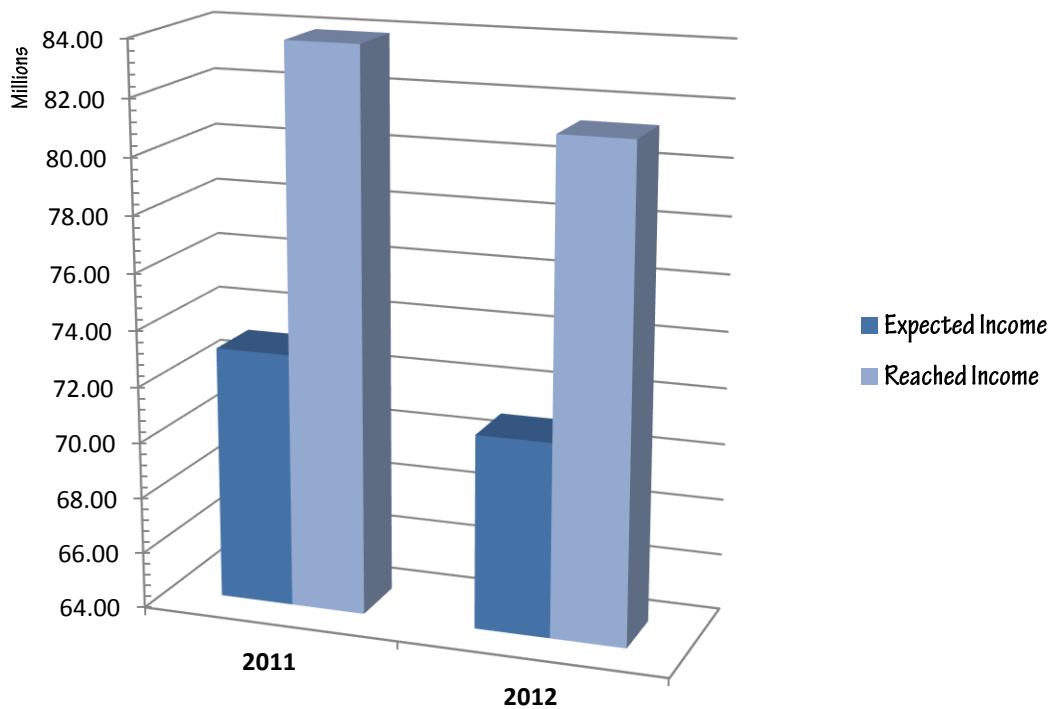
Serial No	Name of the store	Sq ft	Capacity MT	Institution given on rent	Estimated monthly rental(new)
Puttalam District					
132	PuttalamNo - 01	5600	600	D.S. (Puttalam)	-
133	Puttalam No - 02	9600	1000		-
Total		15200	1600		-
Vavniya District					
134	Vavniya No - 01	3763	775	CWE	Rented out on free of rental
135	Vavniya No - 02	4165	165	D.S. (Vavniya)	-
136	Vavniya No - 03	684	160		-
Total		8612	1100		-
Trincomalee District					
137	Lovelane Supply Centre (five stores)	28518	15000	Here stores- Housing Development Authority Two stores- Board of Investment .	-
138	Clapenburgh District Granary	-	66200	SL Army	-
Total		94718	15000		-
Jaffna District					
139	Jaffna (two stores)	-	-	stores have been totally destroyed dueto terrorist activities	-
140	Kankasanthurai(five stores)	80800	14625	Used by Defence Ministry)	-
141	Nawakkkuli (three stores)	43200	7500	D.S.(Jaffna)	-
142	Point Pedra(three stores)	8709	2625	Defence Ministry	-
143	Kayts	1702	375	Used by Kayts Co-operative Societies	-
Total		134411	25125		-
Mannar District					
144	Mannar	4356	450	D.S.(Mannar)	-
145	Murukkan	9720	1500	D.S.(Mannar)	-
Total		14076	1950		-
Mullativ District					
146	Mullativ	612	210	D.S.(Mullativ)	-
147	Maankulam	5125	200	D.S.(Mullativ)	-
Total		5737	410		-

Distribution of Warehouses

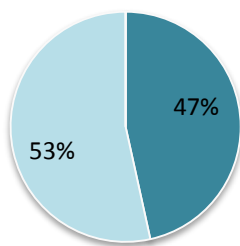


❖ Store Income

	Expected Income	Reached Income
2011	73,058,940.00	83,893,464.97
2012	70,919,047.20	81,323,239.82

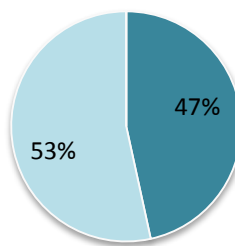


2011



Expected Income
Reached Income

2012



Expected Income
Reached Income

(08).Summary of Accounting Procedure

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 2012 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. Accordingly, the department could not achieve targets since the department was not granted the required provisions for its major task of maintaining a buffer stock of 100,000MT of rice.

Further, expenditure controlling plans were implemented to get provisions for necessary tasks.

Recurrent Expenditure

Minimum administrative expenditure policy was implemented even in 2012 and it paved the way not to exceed provisions made under the recurrent expenditure by the annual estimate and the surplus of provisions occurred due to the control of the expenditure were transferred to necessary objects after getting 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 maximum.

The provisions made on the construction of buildings were used on the construction of an improved store following scientific methods in order to maintain a high quality buffer stock of rice on the basis of food security was a great victory the department achieved.

According to the annual plan, although provisions were granted to renovate the safety wall of Veyangoda district granary, CWE which had taken the contract of construction informed that the construction have to be delayed as the weather was not conducive. Hence, though the relevant provisions could not be used, the approval of the treasury was requested to transfer the provisions to General Advance account. However, the treasury approval was not granted and under utilization could not be prevented.

The other provisions given under other objects were implemented subject to the limits of the provisions granted by the estimates taking actions on the basis of necessity and priority.

Liquidation Accounts

The approval to be obtained for the only liability of writing off the working losses of the Advance Account of Kitchen and Bakery which is one of the the Food Department's liquidation accounts and the account could be closed immediately after getting approval and provisions.

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 closing the account. However; steps could be taken to recover debtors' balance that is under the said advance account and write off a part of debtors' balances that could not be recovered subjecting to the limits of provisions made by the annual estimate and a part of working losses. It is scheduled to get the approval to write off remaining balance of debtors and working losses based on the provisions obtained ..

End

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 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 utilized for the functioning of the department until 31-12-2012.

Accordingly, the assets value analysis of the food department on 31-12-2012 is given below.

#	Assets	Value on 31-12-2013
I. The assets under the advance account of food distribution		
	Buildings and constructions	121,065,254.11
	Vehicles	16,041,562.42
	Machinery and equipment	9,215,359.14
	Furniture and office equipment	22,962,954.35
	Total	169,285,130.02



(10). Income and Recoveries

➤ Income

#	Loan balance was to be recovered as at 2012.01.01	Rs
I.	Store Rental	74,290,572.11
II.	House Rental	2,021,430.00
Total		76,312,002.11

#	Income recovered in the year	Rs
I.	Store Rental	81,323,239.82
II.	House Rental	4,469,986.13
Total		85,793,225.95

#	Due loan balance as at 2012.12.31	Rs
I.	Store Rental	77,138,965.64
II.	House Rental	2,744,604.00
Total		79,883,569.64

➤ Recoveries :

❖ Co-operative loan balance

Recoveries were to be made on made from co-operative Sector on 01-01-2012	Rs. 200,491,391.52
Recoveries made in the year 2012	Rs: 209,423.55
Balance of loans due on 31-12-2012	Rs: 200,281,967.97

❖ Surcharge Balance :

Recoveries were to be made on made from co-operative sector on 01-01-2012	Rs: 51,208,597.96
Recoveries made in the year 2012	-
Surcharge recovered in 2012	Rs: 1,434,148.26
Loan balance to be recovered as at 31.12.2012	Rs: 49,774,449.70

(II). Financial Reports

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

Recurrent Expenditure

Details	2011 Real Expenditure Rs.	2012 Approved Estimate Rs.	2012 Amended Estimate Rs.	2012 Real Expenditure Rs.	2012 Balance Rs.
Personal Salary Details	42,140,247.00	58,394,900.00	58,368,900.00	44,561,434.00	13,807,466.00
Other	25,221,067.00	127,449,360.00	126,935,360.00	124,626,202.00	2,309,158.00
Total	67,361,314.00	185,844,260.00	185,304,260.00	169,187,636.00	16,116,624.00

Caption no : 300
 Ministry/Department : Food Commissioner's Department
 Programme No : 01
 Project : 02

Recurrent Expenditure

Details	2011 Real Expenditure Rs.	2012 Approved Estimate Rs.	2012 Amended Estimate Rs.	2012 Real Expenditure Rs.	2012 Balance Rs.
Personal Salary Details	3,429,550.00	-	-	-	-
Other	64,971.00	-	-	-	-
Total	3,494,521.00	-	-	-	-

Capital Expenses		2011 Real Expenditure	2012 Approved Estimate	2012 Amended Estimate	2012 Real Expenditure	2012 Balance
Object	Details	Rs:	Rs:	Rs:	Rs:	Rs:
	Capital resources Rehabilitation & Development					
20 01	Building & Construction	19,723,667.00	27,300,000.00	27,300,000.00	21,804,938.00	5,495,062.00
20 02	Machinery & equipment	380,534.00	432,250.00	432,250.00	63,493.00	368,757.00
20 03	Vehicles	782,710.00	841,750.00	841,750.00	839,378.00	2,372.00
	Inflow of Capital Resources					
21 01	Vehicles					
21 02	Furniture & Office equipment	1,314,022.00	455,000.00	795,000.00	794,444.00	556.00
21 03	Machinery & equipment	4,512,850.00	408,250.00	608,250.00	541,265.00	66,985.00
24 01	Training & Skill Development	307,970.00	115,000.00	115,000.00	112,650.00	2,350.00
	Total	22,508,903.00	29,552,250.00	30,092,250.00	24,156,168.00	5,936,082.00

Capital Expenses		2011 Real Expenditure	2012 Approved Estimate	2012 Amended Estimate	2012 Real Expenditure	2012 Balance
Object	Details	Rs:	Rs:	Rs:	Rs:	Rs:
01.	Consolidated Fund	93,364,758	215,396,510	215,396,510	193,347,804	22,052,706
07.	Appropriation Law					
	Special Legal Services					
	Foreign Aid					
	Loans					
	Aid					
	Expected Foreign aid					
	Loan					
	Aid					
	Foreign Aid					
01+07	Total Expenditure	93,364,758	215,396,510	215,396,510	193,347,804	22,052,706

(12). Process & Progress

▪ Improvement of Revenue

1. Rent/lease out the department stores which are not maintained by the department and renting out the Dhanyagama Prima Houses was the major income generator and have made arrangements to revise the rental ,avoid the deficiencies in agreements and come into new agreements.
2. Contributed to improve government revenue by crediting Rs.81,323,240/- to government revenue.
3. Department was implementing two advance accounts.The department took measures to recover 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.
4. The department took measures to recover due surcharge balance of the said account and request necessary provisions from the treasury to cut off the balances of debtors as per the approval of the Cabinet of Ministers.
5. Steps have been taken to expedite closing liquidation account by making arrangements to write off debtors' balance of Rs.3,772,135/- and working losses of Rs.94,357,225 using the provisions provided to write off the non recovered the debtors loans and working losses in the advance account.
6. The assets and liabilities except the balance of losses of the kitchen and bakery advance account which was the other advance account was being iquidated have been closed arrangements have been taken to write off the relavnt balances in order to get provisions.

▪ Maintaining and Development of Assets

1. Actions were taken to release 23,791,571/- MT of rice out of 2600MT of rice stored at three stores of Veyangoda Warehouse.
2. Completed the construction of the proposed model stores which included Natural Ventilator System and Mechanical Ventitalor system was to be completed in 2012 under DIBSS project and storing rice in them.



Developing an Improved Buffer-Stocks System

Special occasions at Veyangoda Scientific store



Storing rice

The way rice
stored



rice stocks

■ **Implementation of Productivity Programmes.**

1. Activities being implemented presently in the department to improve productivity.
 - Painting cement flower pots at divisional level.
 - Painting hand railings of the staircase for the beautification of the department premises.
 - Providing table clothes and flower arrangements.
 - Providing glass pads for tables.
 - Providing water filters.
 - Painting divisions
 - Aware employees through the officers of Ministry of Productivity and hold productivity circles in the department.
 - Inspect the department premises weekly and submit a Dengue report to Health Ministry, National Dengue Control Unit, Office of the Medical Officer of Health, Provincial Health Ministry and Ministry of Co-operatives and Internal Trade.
2. Give sufficient training and instructions to the officers of each section to enhance the efficiency of the department staff.

■ **Contribution for National Programmes**

1. Having a department exhibition stall at Deyata kirula Exhibition held at representing Food Commissioner's Department
2. Held an exhibition stall representing the department at Mahapola Exhibition held in Kandy.

▪ Employee's Welfare

1. Providing a uniform for the members of the Welfare society to wear on every Wednesday.
2. Participate in Jonston Fernando Challenging Cricket Tournament organized by the ministry of Co-operatives and Internal trade held on 29.03.2012 with a cricket team consists of 15 players.(qualified for semi finals)
3. Participation of the employees at the events of the New year Celebration Festival organized by the ministry of Co-operatives and Internal Trade held on 25.04.2012.
4. Held a Pirith Ceremony and an Alms Giving on 30th April and 1st May 2012 with the contribution of the members of welfare society.
5. Representing department at the competition of Vesak Lanterns.
6. Representing *the Bhakthi Geetha* Programme organized by the Ministry of Co-operatives and Internal Trade and held at SriLanka Foundation Institute on 04.06.2012.
7. Participation of the department cricket team at the Public Services Cricket Tournament.

