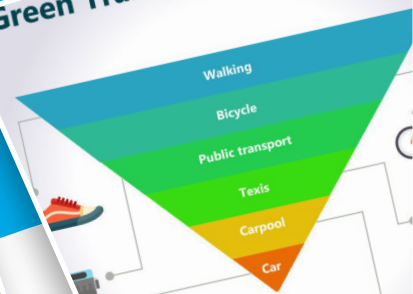
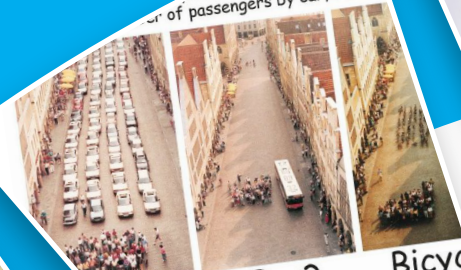


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Green Transportation Pyramid



... required to transport
... of passengers by car, bus or



...?
Bus? Bicyc



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தேசிய போக்குவரத்து ஆணைக்குழு
NATIONAL TRANSPORT COMMISSION

National Transport Commission (NTC)

Address

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Hon. Minister of Transport,
Ministry of Transport,
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Sethsiripaya Stage II,
Battaramulla.

Annual Report - 2020

In terms of Section 14 (2) of the Finance Act No. 38 of 1971, and chapter 05 and 06 of the Public Enterprises Guidelines for Good Governance, the National Transport Commission has the honor to forward herewith the Performance Review, the Annual Report Financial Statement and Auditor General's Report of the National Transport Commission for the year ending 31st December 2020.

Shashi Welgama
Chairman,
National Transport Commission.

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Members of the Commission

February 2020 to May 2020

1.	Mr. Shashi Welgama	- Chairman
2.	Mrs. D.C.B. Hapugoda	- Member (<i>ex officio</i>)
3.	Mr. M.V.M.D.B. Dhanushka	- Member
4.	Mr. S.R. Godamune	- Member
5.	Mrs. S. Jaladeepan	- Member (<i>ex officio</i>)
6.	Mrs. N.V.N.D. Jayawardane	- Member (<i>ex officio</i>)
7.	Mr. K. Buddhadasa	- Member

June 2020 to August 2020

1.	Mr. Shashi Welgama	- Chairman
2.	Mrs. D.C.B. Hapugoda	- Member (<i>ex officio</i>)
3.	Mr. M.V.M.D.B. Dhanushka	- Member
4.	Mr. S.R. Godamune	- Member
5.	Mrs. S. Jaladeepan	- Member (<i>ex officio</i>)
6.	Mrs. N.V.N.D. Jayawardane	- Member (<i>ex officio</i>)
7.	Mr. K. Buddhadasa	- Member
8.	Mr. M. Chandrasiri	- Member

September 2020 to October 2020

1.	Mr. Shashi Welgama	- Chairman
2.	Mrs. D.C.B. Hapugoda	- Member (<i>ex officio</i>)
3.	Mr. M.V.M.D.B. Dhanushka	- Member
4.	Mr. S.R. Godamune	- Member
5.	Mrs. S. Jaladeepan	- Member (<i>ex officio</i>)
6.	Mrs. N.V.N.D. Jayawardane	- Member (<i>ex officio</i>)
7.	Mr. K. Buddhadasa	- Member

Within the Month of November 2020

1.	Mr. Shashi Welgama	- Chairman
2.	Mrs. D.C.B. Hapugoda	- Member (<i>ex officio</i>)
3.	Mr. M.V.M.D.B. Dhanushka	- Member
4.	Mr. S.R. Godamune	- Member
5.	Mrs. S. Jaladeepan	- Member (<i>ex officio</i>)
6.	Mr. A.M.R.J.K. Jayasinghe	- Member (<i>ex officio</i>)
7.	Mr. K. Buddhadasa	- Member

Up to 31st December 2020

1.	Mr. Shashi Welgama	- Chairman
2.	Mrs. D.C.B. Hapugoda	- Member (<i>ex officio</i>)
3.	Mr. M.V.M.D.B. Dhanushka	- Member
4.	Mr. S.R. Godamune	- Member
5.	Mrs. S. Jaladeepan	- Member (<i>ex officio</i>)
6.	Mr. A.M.R.J.K. Jayasinghe	- Member (<i>ex officio</i>)
7.	Mr. K. Buddhadasa	- Member
8.	Mr. B.A.D.A. Sampath Ranasinghe	- Member

Board Meetings and Audit and Management Meetings

The number of meetings held by the Board of Directors during the year 2020	13
The number Audit and Management meetings held during the year 2020	03



Message from the Chairman



A number of projects were planned for the year 2020 with the aim of creating a modern approach to transportation to provide an efficient, qualitative, eco-friendly and comfortable transportation service to the people of Sri Lanka, in accordance with His Excellency, the President's National Policy Framework Vistas of Prosperity and Splendour.

During the year, special attention was given to developing a well-managed school transport service for school students and teachers with the cooperation of both public and private sectors; restoring the backwardness and broken interconnection in the transport system based on highways and railways; providing a 24 hour bus service on all routes under a common schedule ergo both the Transport Board and private buses can jointly earn a fair income without competition and without causing inconvenience to the general public; introducing an E-Ticketing System which can be used on any bus and providing the necessary knowledge and training to change the attitudes and behaviours of drivers to direct them towards disciplined driving as reckless driving has been a major cause of traffic jams and accidents. Accordingly, prominence was given to continuing the 'Sisu Seriya' project and popularizing this bus service among children; preparing combined timetables for private and SLTB buses and commencing bus services in collaboration with the railway service; conducting driver training programmes on a new front and implementing a prepaid card system for public buses. In addition, a number of projects were planned to be implemented to continue the 'Gami Seriya' and 'Nisi Seriya' projects to provide transport facilities to the rural people and introduce modern technology to public transport in order to provide a comfortable journey and eco-friendly transport service for passengers using public transport.

I would like to express my heartfelt thanks to the Honourable Minister of Transport, State Minister of Transport, Secretary to the Ministry of Transport, Secretary to the State Ministry of Transport, all officials of the Ministry of Transport, Board of Directors and the entire staff of the National Transport Commission, the staff including the Chairmen of the Provincial Road Passenger Transport Authorities, the staff including the Chairman of the Sri Lanka Transport Board and to all the bus owners who have extended their support in various ways to ensure significant success of the planned projects amidst all the challenges faced by many projects failing to reach their intended target due to the outbreak of the COVID -19 epidemic in March 2020.

Shashi Welgama
Chairman,
National Transport Commission.

Overview

National Transport Commission



Our Vision...

To ensure a qualitative, cost effective and safe integrated transport system and services that will provide for the socio-economic development throughout the island and fulfill the different mobility requirements of every citizen of Sri Lanka.

Our Mission ...

To advice the Government of Sri Lanka on the National Policy related to passenger transport and to establish the required regulatory framework in order to ensure an efficient bus transportation system which meets the transport needs of the public.

Our Goals/ Objectives

- To steadily maintain the development activities of bus services at a higher level both in quality and quantity.
- To develop an efficient transport network
- To develop a transport system which enables the passengers to choose the bus service suited to their needs.
- To ensure the stability and viability of operators engaged in passenger transport services.
- To provide financial assistance to less remunerative but socially necessary bus services in rural and developing areas.
- To plan and develop a methodology which will prevent the environmental damage caused by bus passenger transport services.
- To increase the productivity of buses by regularizing the turnaround times of buses.
- To ensure safety and discipline in omnibus transportation.
- To co-ordinate the omnibus transportation systems in both inter and intra provincial services.
- To improve the overall labour productivity of the country.

Composition of the Commission

The Commission comprises of three ex-officio members and five more members appointed by the Minister of Transport with the approval of the Cabinet of Ministers. The organizational structure of the Commission constitutes the Chairman, Director General and four Directors in charge of the 04 Departments, viz., Planning,

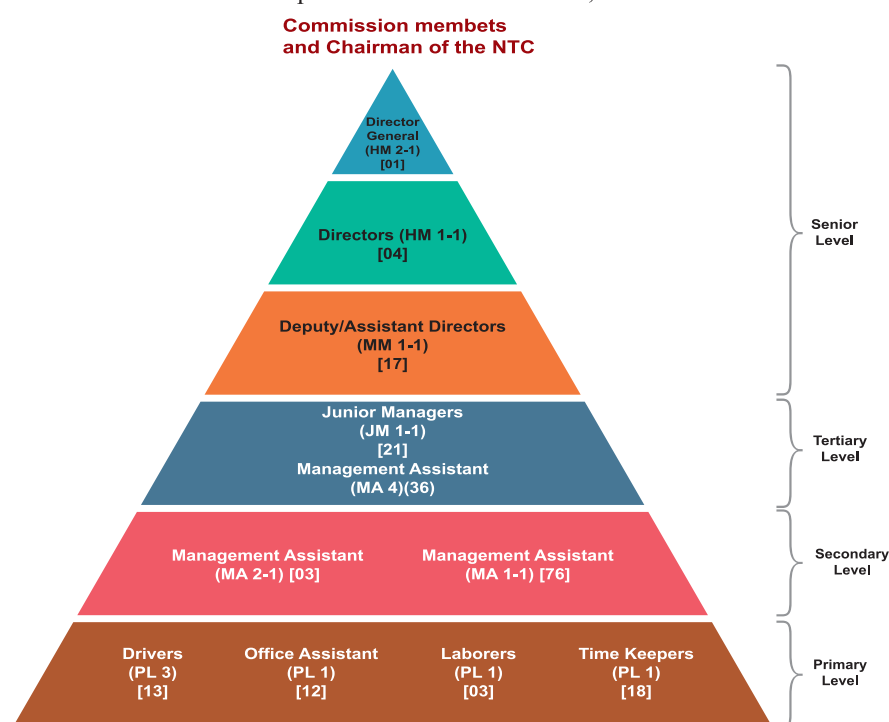
Operations and Services Monitoring, Quality Assurance and External relations, and Finance and Procurement.

The approved cadre of the Commission was 219 employees whereas the number of permanent staff was 184 by the end of the year 2020.

No. of Employees of the National Transport Commission by 31.12..2020

Se. No.	Designation	Employee Category	Approved Cadre	Staff engaged in service
01	Director General	HM 2 -1	01	01
02	Director	HM 1-1	04	04
03	Assistant Director	MM 1-1	17	11
04	Junior Manager	JM 1-1	21	20
05	Management Assistant	MA 4	36	33
06	Management Assistant	MA 2-1	3	01
07	Management Assistant	MA 1-1	76	69
08	Driver	PL 3	13	14
09	Office Assistant	PL 1	12	12
10	Time Keeper	PL 1	33	18
11	Labourer	PL 1	3	01
	Total		219	184

Source – Department of Administration, NTC



Performance of the year 2020

1. Provision of Bus Services prioritized on Social Welfare

The National Transport Commission has been established under the provisions of the National Transport Commission Act No. 37 of 1991 to implement the policies of the Government of Sri Lanka such as upgrading the bus services related to passenger transport to the required quantity and quality to meet the needs of the public and extending those services fairly throughout Sri Lanka; making provisions for the operation of socially necessary but uneconomical road services and routes

by operating adequate bus services for passenger transport and creating a healthy competition among those service providers by preventing unfair and non-profitable competition.

Accordingly, the National Transport Commission has launched the 'Sisu Seriya', 'Gami Seriya' and 'Nisi Seriya' projects to provide socially required bus services. The Government has allocated Rs. 650 million for this purpose in the year 2020.

1.1 School Bus Service Project 'Sisu Seriya'



The 'Sisu Seriya' School Bus Project had been launched by the National Transport Commission in 2005 in order to provide a more reliable and safer school bus service for children under a concessionary fare scheme to enable students to attend school on time and return home safely afterwards, without any mental or physical discomfort.

The students will be transported by SLTB

and private buses under this project. A special feature of this project is that school children traveling by these buses are charged only half the rate of the normal bus fare (transport facilities can be arranged through season tickets in SLTB buses). Therefore, the Government bears the cost of a maximum of 110 km (for two trips) at the rate of Rs. 57 per kilometer carrying school children in order to compensate for

the financial loss incurred by the operator.

While 1419 school buses were in operation island wide under the ‘Sisu Seriya’ project as at 31st December 2019, in accordance with His Excellency, the President’s National Policy Framework Vistas of Prosperity and Splendour, it was planned to

launch 100 new ‘Sisu Seriya’ bus services in the year 2020 in order to develop a properly managed school transport service for school students and teachers by the joint effort of both government and the private sectors, and to popularize the ‘Sisu Seriya’ service among the public by painting the buses exclusively conducting this service in yellow and pasting/affixing a sticker on the bus with the ‘Sisu Seriya’ logo stating “School children on board” in order to give a special look to the buses conducting this service.



Only 49 new bus services from the targeted number could be launched by 2020 despite the government having allocated Rs. 616.97 million for this project, as a result of the discontinuation of schools due to the COVID -19 epidemic in March and parents not being motivated to send their children to school by public transport. Accordingly, the cost of this project for the year 2020 was Rs. 385.57 million. In addition, all ‘Sisu Seriya’ buses have been affixed with the ‘Sisu Seriya’ logo stating “School children on board” by 31st of December 2020.

The total number of valid ‘Sisu Seriya’ services by 31st of December 2020 is shown in the following table.

Province	No of ‘Sisu Seriya’ Bus Services
Western	426
Southern	107
Northwestern	321
North central	168
Sabragamuwa	122
Uva	111
Eastern	117
Central	53
Northern	36
Inter Provincial	7
Total	1468

Source -Department of Planning, NTC

In addition, guidelines were provided to transport children in a hygienic manner due to the COVID -19 epidemic and additional travel schedules were arranged to carry children according to seating capacity

on these buses. SLTB and private buses operating under this project also continued to transport students during the Grade 5 scholarship and G.C.E Advanced Level examinations.

1.2 Rural Bus Service Project – ‘Gami Seriya’

The ‘Gami Seriya’ Project had been launched by the National Transport Commission in 2005 in order to provide transport facilities to people living in rural areas where no

bus service is operational and operators do not carry out passenger transport due to uneconomical routes even though it is a socially necessary service.



The selection of operators for the ‘Gami Seriya’ bus service is conducted via an open tender procedure where the lowest bidder per kilometer is selected on the basis of paying a maximum subsidy of Rs. 38 per kilometer. The selected operator is issued a passenger service permit for rural transport by the relevant Transport Authority, and the relevant bus owner is entered into the ‘Gami Seriya’ project and the agreement is signed by the National Transport Commission based on the permit and the recommendation of the Provincial Transport Authority. According to this agreement, subsidies will be paid by the National Transport Commission for a maximum of three years. Subsidies will be suspended after three years as the route could become economically viable.

Accordingly, a number of ‘Gami Seriya’ services initiated by the National Transport Commission are now economically viable and are being operated to provide services to the rural public.

While 16 buses were in operation under the ‘Gami Seriya’ project as at 31st December 2019, it was planned to launch 20 new ‘Gami Seriya’ bus services in the year 2020 and was allocated Rs. 8.16 million to this purpose, in accordance with His Excellency, the President’s National Policy Framework Vistas of Prosperity and Splendour. However, the new services could not be launched due to the inability to conduct new route identification surveys as a result of the Covid-19 epidemic. Therefore,

information on new routes was obtained from the Provincial Transport Authority to launch the new services. Accordingly, 21 routes from the Sabaragamuwa, Uva and

Eastern Provinces have been referred to the National Transport Commission for the commencement of the new ‘Gami Seriya’ bus service.

The following table shows the ‘Gami Seriya’ services which are subsidized and operational by 31.12.2020.

Province	No of ‘Gami Seriya’ Bus Services
Central	01
Eastern	11
Northeastern	04
Total	16

Source - Department of Planning, NTC

The ‘Gami Seriya’ bus service, which is currently operating under subsidies, operated smoothly even in the midst of the

COVID -19 epidemic in the year 2020, and the total expenditure incurred was Rs. 4.15 million.

1.3 Night Bus Service Project – ‘Nisi Seriya’



This project was introduced by the National Transport Commission in 2005 to encourage the continuation of public transport bus services during night and early morning. The main objectives of this project is to minimize the inconvenience caused to the public due to non-operation of public buses at night and in the early morning by providing them with a regular public transport service and to reduce the high cost and time spent on finding alternative means

of transport. Accordingly, a subsidy of Rs. 19 will be borne by the government for the last journey of the night and the first journey of the morning under this project, while the public will be charged only the prescribed bus fare. 179 ‘Nisi Seriya’ services were operational as at 31st December, 2019 and it was planned to launch 80 new services by 2020. Rs. 24.87 million was allocated for this purpose for the year 2020.

The following table shows the 'Nisi Seriya' services which are subsidized and operational by 31.12.2020.

Province	No of 'Nisi Seriya' Bus Services
Western	62
Southern	33
Northeastern	21
North Central	11
Central	37
Sabragamuwa	08
Uva	12
Eastern	03
Northern	05
Total	192

Source -Department of Planning, NTC

Accordingly, agreements were made for 13 new services in the year 2020. However, the physical and financial targets of this project

could not be achieved due to the COVID -19 epidemic and the total cost incurred was Rs. 12.28 million.

2. Registration and Training of Bus Crew

The main objective of this project is to provide vocational training in various fields to the staff working in inter-provincial private buses with the aim of providing a qualitative passenger transport service to the commuters.

These training programmes are organized with a focus on practical as well as theoretical areas. Lectures will be given on topics such as compliance with traffic rules, terms and conditions imposed by the National Transport Commission on passenger service permits, strategies for providing customer care services, consequences of the use of hazardous drugs and prevention of violence against women and children on buses. These lectures will be conducted with participation of experienced lecturers from

institutions such as the Sri Lanka Police, Women and Children's Bureau, and the National Dangerous Drugs Control Board.

Training of drivers serving in inter-provincial buses is conducted at the institute as well as at the Driving School of Sri Lanka Transport Board. They are mainly given practical training in the programmes.

The training will be conducted under several categories, including separate training for new drivers and conductors and training programmes for existing staff conducted every three years. In addition, separate training sessions are conducted for drivers and conductors who had engaged in disciplinary actions reported to the National Transport Commission.



The staff training on inter-provincial buses is conducted under three categories in this manner, with a maximum of 120 participants per training session. The annual target is to conduct 50 such workshops. Accordingly, training is provided for about 6000 persons per year.

Although the action plan had included a target of conducting 50 training programmes by 2020, only 13 programmes were able to be conducted due to outbreak of the COVID -19 pandemic. The training was imparted to about 1560 people from those programmes.

At the end of this training, the drivers and conductors are issued an identity card by the National Transport Commission for working on inter-provincial private buses and it is

mandatory to wear that identity card while serving on inter-provincial buses.

The Department of Social Security had implemented a programme to provide government aid to drivers and conductors who were registered in this process in the year 2020 during the COVID -19 epidemic, and the names of the inter-provincial drivers and conductors were recommended for the aids based on this registration.

Rs. 4 million has been allocated for this project in the year 2020 and Rs. 2.085 million has been spent as at 31.12.2020. The amount allocated for this project was revised to Rs. 2 million during the budget review of 2020.



3. Surveys on transport demand and service quality

Reviewing the standards of bus services to meet the passenger transport needs of the public and determining the minimum standard at which such services should be main-

tained are functions of the National Transport Commission as stated in the National Transport Commission Act No. 37 of 1991. Accordingly, the main objective of this proj-

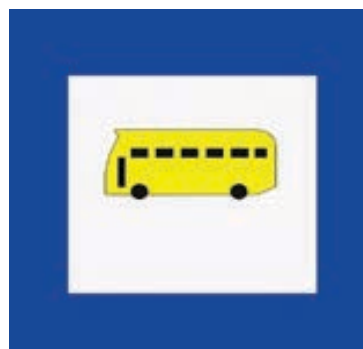
ect is to collect data required for developing plans to provide reliable, qualitative and safe public bus services at affordable prices as required by the public, and to direct the data to relevant parties for analysis and decision making processes. Accordingly, importance is given to House Hold Surveys conducted to identify the transport needs of the public and launch new bus services catering to those needs, Passenger Demand Surveys conducted to prepare and revise the schedules of existing bus services, Passenger Interview Surveys conducted to ensure public satisfaction with the quality of the existing bus services and thereby provide qualitative services to the public, and Travel Time Surveys conducted to determine the running time of buses.

4. Signal boards for long distance service

The main objective of this project is to introduce a limited number of stops for long distance buses in order to avoid unhealthy competition with short distance buses as inter-provincial long distance buses stop at every bus stop and carry short distance commuters too.

Following a discussion with the Provincial Road Passenger Transport Authority, Sri Lanka Transport Board and bus owners, locations were identified within the five main access routes to Colombo for the installation of limited bus stop signals. Thereafter, a committee consisting of officials from the Road Development Authority, Colombo Municipal Council, Sri Lanka Police, the relevant Provincial Road Passenger Transport Authority and National Transport Commission conducted an on-site inspection and geographically identified the locations for the installation of limited bus stop signals which was carried out this year. Moreover, discussions were held with the Road Development Authority

It was planned to conduct 30 surveys in the year 2020 and Rs. 5.045 million was allocated by the National Transport Commission for this purpose. 09 surveys were conducted in the year 2020 and they incurred an expenditure of Rs. 1.22 million. The planned number of surveys has been suspended due to the fact that the data obtained from the surveys conducted in the outbreak of the COVID -19 epidemic in 2020 does not reveal the true situation. Therefore, only 'passenger feedback' surveys were conducted to identify the needs of public buses in the event of the epidemic and to collect the data required to make decisions on hygienic passenger transportation. The amount allocated for this project was reduced to Rs. 1.8 million in the budget review of 2020.



to have these signal boards installed by them according to the instructions of the Audit and Management Committee of the National Transport Commission. Thereafter, discussions were also held this year to carry out the installation of the limited bus stop signals, which were prepared from the funds of the National Transport Commission, in the assigned locations by the Road Development Authority after handing over the signals to them. Rs. 5.13 million was allocated for this project in 2020 and Rs. 0.75 million has been spent as at 31.12.2020. The amount allocated for this project was reduced to Rs. 2.5 million during the budget review of 2020.

5. Preparation and Revision of Time Tables

The National Transport Commission prepares common time tables for both Sri Lanka Transport Board and private buses as per paragraph (a) of the preface of National Transport Act No. 37 of 1991 amended from the Sri Lanka Transport Board Act No. 27 of 2005 “Obtaining an experienced public bus service or private bus service to meet the actual passenger demands on a scientifically determined common time table”. The main objective of this project is to provide a reliable and safe bus service to the public by minimizing the unfavorable competition between private buses and Sri Lanka Transport Board buses, and/or among private buses themselves, and/or among SLTB buses themselves and creating a healthy competition by allocating a specific market share to each party.

His Excellency, the President’s National Policy Framework Vistas of Prosperity and Splendour states “The Transport Board and private buses will work cooperatively to provide a 24 hour transport service on all routes according to a common timetable which would facilitate earning a fair income by avoiding unfavourable competition.” Accordingly, special attention was paid to the preparation and implementation of combined timetables for the year 2020. Accordingly, a committee was formed by the Secretary of the Ministry of Transport Services Management comprising of officials of the Sri Lanka Transport Board, National Transport Commission and other institutions, Secretary to the State Ministry of Transport Services Management as the

Chairman and Additional Secretary to the Ministry of Transport Services Management as the Secretary, in order to expedite the preparation of the combined timetable. The committee had identified the routes for the preparation of the combined timetables and first and foremost, decided to finalize the combined timetables of the main access roads to Colombo. Accordingly, the Kandy access road was selected as the first phase and the combined timetables of the Kandy-Colombo general service and the Kandy-Panadura service were prepared and implemented.

It was planned to prepare and implement 30 joint schedules for the year 2020 and the National Transport Commission had allocated Rs. 2 million for this purpose. However, this project was unable to achieve its anticipated target as public bus services became inoperable; buses were completely removed from service and public bus services did not return to normal until the end of 2020 due to the spread of Covid-19 epidemic in the country. However, the timetables that had already been in effect were revised and implemented according to the new and changed passenger demand resulting from the COVID -19 epidemic. 13 timetables had been revised and implemented accordingly. The cost of this project for the year 2020 is Rs. 0.34 million. The amount allocated for this project was reduced to Rs. 0.5 million during the budget review of 2020.

6. Rectification of Bus Fare Anomalies

Annual bus fare revision is carried out by the National Transport Commission in accordance with the National Bus Fare Policy in force since 2002. As per this bus fare policy the bus fare revision should be

carried out on 1st July every year, and in addition, interim bus fares will be revised when fuel prices contribute to a 4% or more increase in the total cost of a kilometer.

Accordingly, in comparison with the prices prevailing in the year 2020 as the total cost of a kilometer was not sufficient to revise the bus fare the annual bus fare revision was not carried out on July 1, 2020.

However, in the wake of the second wave of the COVID epidemic, according to the decision taken by the government to carry passengers only on the number of seats in public transport buses as per health instructions, the government has decided to increase the bus fare of the ordinary service buses by 20% from 11.11.2020 with the approval of the Cabinet. But there was no revision in bus fares on seated bus services (semi luxury/ luxury/ super luxury).

The Uva Provincial Transport Authority and the Sri Lanka Transport Board were instructed this year to eliminate bus fare

anomalies in SLTB and private bus services operating in the Uva Province. Accordingly, they agreed to eliminate bus fare anomalies in several stages.

The survey of 09 routes was carried out by March 2020 out of 100 routes to collect data required to update the bus fare policy in force currently to suit the present and thereafter these surveys could not be conducted in the year 2020 as passengers were not able to travel in buses normally due to the COVID epidemic. Rs. 3.00 million has been allocated for this project in the year 2020 and Rs. 1.75 million has been spent for this project in the year 2020. The amount allocated for this project was reduced to Rs. 1.6 million during the budget review of 2020.

7. Awareness programmes for stakeholders related to transportation

Awareness programmes on road safety for school children; awareness programmes on transport planning, scheduling and office procedures for officials of Provincial Road Passenger Transport Authorities; awareness programmes on bus operation, staff management, conditions of passenger permits for bus operators; and awareness programmes on and passenger rights for bus drivers and conductors are carried out under this project.

The main objective of this project is to prepare the environment for the establishment of a qualitative passenger transport service, and will be carried out at selected locations in provinces throughout the island.

15 such awareness programmes were included in the action plan for the year 2020, but only two programmes were able

to conduct due the COVID-19 epidemic.

Awareness programmes were conducted on accident prevention strategies for 2000 drivers registered to operate inter-provincial and provincial buses in the Western Province in collaboration with the Sri Lanka Police. These programmes were conducted based on Colombo, Gampaha and Kalutara districts.

Rs. 5.50 million has been allocated for this project in the year 2020 and Rs. 0.37 million has been spent for this project by 31.12.2020. The amount allocated for this project was reduced to Rs. 0.5 million during the budget review of 2020.



8. Information Technology System

The main functions of the Information Technology Unit of the National Transport Commission are to develop, install and carry out necessary technical interventions to facilitate the work of the institution. There

are a number of projects being implemented through this Information Technology Unit and the progress of those projects in the year 2020 is as follows.

8.1 Project for Automation of Institutional Processes

The objective of the project was to automate institutional processes using software. The work done in the existing Departments of Operation, Planning and Quality Assurance of the institute was identified and the automation of the work was done under 03 categories in this project. The objective of this project was to provide a faster service to the public and to establish a more reliable, secure and efficient methodology for filing institutional documents through an electronic system.

During the implementation of each of these systems, necessary training was provided

to the officers using these systems to help adapt to the project and operate the systems in a user friendly manner. In the year 2020, more time allocated to make the changes requested by the respective departments which were required for the smooth use of this software. Issuance of an NFC card as a replacement of the passenger service permit also commenced in 2020.

8.2 Public Transport Service Identification (GTFS) by Google Technology

The inclusion of public transport into Google Maps was carried out in 2019 and preliminary work was conducted to include the bus routes of all the Provincial Road Passenger Transport Authorities as another extension of this project. However, the planned targets for the year 2020 were unable to be achieved due to the challenge posed by the Covid-19 epidemic. Yet, the Southern Provincial Road Passenger Transport Authority had added eight routes to Google map and the Transportation Superintendent had brought in all stakeholders and provided a one-day training on how to incorporate this route information into Google map.

This project was awarded in the category of enabling access of information to the public at the e-Swabhimani Awards Ceremony for the year 2019 held by the Information and

Communication Technology Agency of Sri Lanka in 2020.



8.3. Launching the MybusSL Application

The launch of MybusApp in the year 2020, which will be available to all passengers, is a significant achievement of the Information Technology Unit. This app facilitates features such as identifying the location of

the desired bus through GPS technology, retrieving information on bus schedules and fares, booking seats and also making passenger complaints and inquiries through the app.



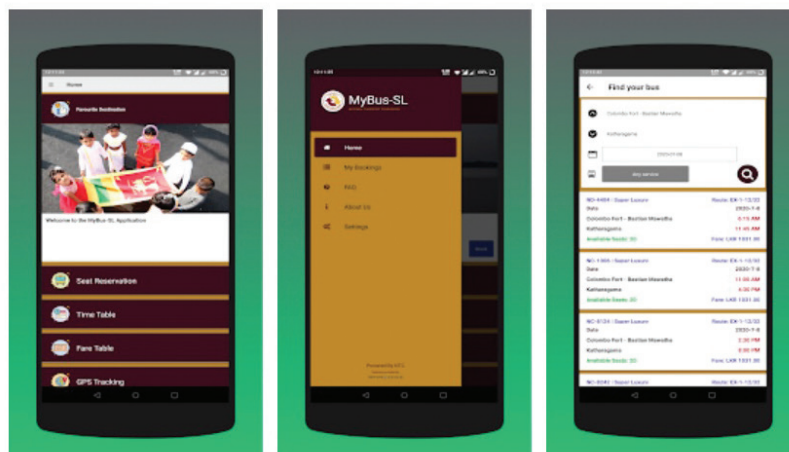
MyBus-SL

National Transport Commission Travel & Local

3+

Install

Add to Wishlist



8.4. Installation of GPS for buses

1400 buses will be regulated through GPS units and the installation of GPS in all super luxury and luxury buses will be completed by the year 2020. 60% of semi-luxury buses have been equipped with GPS by 2020, and those buses are monitored on a daily basis through the control room. Bus passengers are allowed access to view live information on all GPS-enabled buses through the Mybussl app in 2020.



9. Electronic Fare Collection

The National Transport Commission has selected a suitable institution via a formal procurement process in order to develop the required backend software to activate an online prepaid travel card introduced for use in transportation under the National Card Scheme (JCB Card) introduced by the Central Bank of Sri Lanka.

Rs. 25.00 million has been allocated for this project in the year 2020 and Rs. 0.15 million has been spent for this project in the year 2020. The amount allocated for this project was reduced to Rs. 2.00 million during the budget review of 2020.

10. Public Complaints

Public response to the passenger transport services is a means by which the conduct of the public transport service can be closely monitored in order to provide a qualitative service to the public.

Accordingly, a separate Public Complaints Unit has been set up at the institution to report any problems that may arise in connection with the service received by the passengers in the buses and the conduct of the bus crew. The inquiry number related to the complaint will be sent via SMS to the complainant's mobile number as soon as the complaint is added to the automation system.

All complaints lodged with the National Transport Commission regarding inter-provincial buses are closely monitored and, action such as warnings, suspensions, administrative fines, suspension of passenger permits and, in some cases, the revocation of passenger permits are taken depending on the nature of these complaints.

There was a decrease in the number of complaints received in the year 2020 in comparison to other years as public transport services were not operated properly due to the Covid-19 situation.

Year		2020	
Se.No.	Discription	No. of complaints receive	Percentage
1	Charging extra fare / Not returning the balance	595	13
2	Being discourteous to passengers	710	16
3	Overcrowding the bus surpassing the approved no. of passengers	304	7
4	Not issuing tickets appropriately	525	12
5	Reckless driving	433	10
6	operating without a road permit	71	2
7	Collecting passengers in midway points by halting the bus in an unnecessary manner	441	10
8	Violation of the assigned timetable	40	1
9	Not beginning from the assigned place and not travelling up to the destination	280	6
10	Unsuitable condition of the bus for passenger transport	101	2
11	Malfunctions of the of air conditioners	44	1
12	Playing cassettes/radio in unbearable volume/unsuitable video displays	388	9
13	Conflicts between passenger buses	233	5
	Total	4464	

Source- Department of Quality Assurances and external relations, NTC

4464 complaints were received based on various problems faced by passengers in the inter-provincial private buses in the year 2020, most of which were related to the lack of courtesy shown towards passengers. Statistically, this amounts to 710 complaints.

Although this is a low figure in comparison to last year, it is clear that this decline is

due to the non-operation of public transport buses in the face of the COVID-19 epidemic.

All complaints are investigated and actions are taken to warn bus owners and crew, charge administrative fines, provide referrals for training and suspend passenger service permits.

11. Institutional Reforms and Infrastructure Development

This project includes the following projects/ activities under capital projects. Such as,

11.1 Construction and modernization of bus terminals

No work has been done on the construction of the bus terminals in the year 2020 and rest areas were set up on the Bastian Mawatha premises using refurbished containers to alleviate the physical and mental exhaustion

of the bus crew. These rest areas were made available to bus crew in the first quarter of 2020, but were suspended until further notice due to the spread of the COVID 19 epidemic.



11.2 Repairs of the NTC buildings

With the commencement of building renovation work planned for the year 2020, the work was temporarily suspended due to

the outbreak of the COVID 19 epidemic and it could not be started by the end of 2020 and is expected to be completed by next year.

11.3 Alternative energy generation (solar panels) within the organization to save electricity

In this project, work is in progress to prepare the roof for the installation of solar panels. This project has also been postponed until 2021 due to the spread of the COVID 19 epidemic.

- Repairs at Bastian Mawatha and Vavuniya Bus Terminals
- Facilitating Disabled Citizens at the Bastian Mawatha Bus Terminal

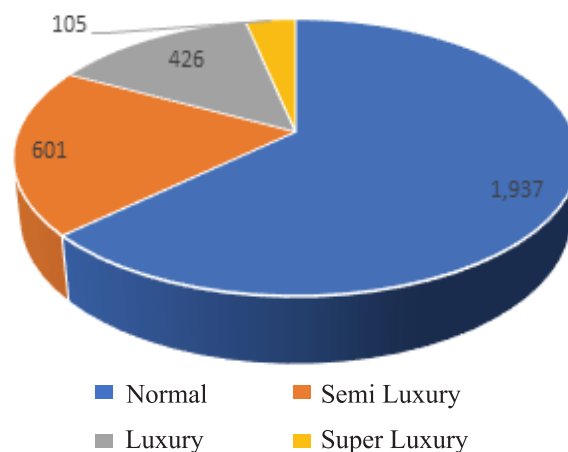
The activities related to these two projects have also been postponed until 2021 due to the spread of the COVID 19 epidemic.

Rs. 26.85 million has been allocated for this project in the year 2020 and Rs. 0.89 million has been spent for this project by 31.12.2020. The amount allocated for this project was reduced to Rs. 4.5 million during the budget review of 2020.

In addition, under recurrent projects, monitoring the operation of buses at Bastian Mawatha and Vavuniya bus terminals and while following the health guidelines to control the spread of the COVID 19 epidemic, regulating passenger transport operations and maintaining bus terminals were carried out at a very high level.

12. Issuance of Inter-Provincial Passenger Service Permits

Serial No.	Service Category	No of buses
1	Normal	1,937
2	Semi Luxury	601
3	Luxury	426
4	Super Luxury	105
Total		3,069



Source – Department of Operations and Monitoring Services, NTC

13. Mobile Inspections and Inquiries

Permits are issued for inter-provincial passenger transport in accordance with the authority vested by the National Transport Commission Act No. 37 of 1991 to the National Transport Commission. A series of conditions are imposed for the buses operating under that permit and the Mobile Inspection Unit carries out the supervision whether the buses are operating on adherence to those conditions.

Under this unit, levying administrative fees for violations of the conditions identified by inspecting the buses online by the Mobile Inspection Division, referring for training, suspending passenger service permits as well as cancelling are made under this unit. The deployment of officers for mobile inspections was limited in the wake of the COVID-19 epidemic in 2020, which resulted in 1,084 violations being investigated in 2020.

14. National Transport Statistics



‘National Transport Statistics’ is published annually as an attractively printed book in three languages collecting information and data from the institutions such as Central Bank of Sri Lanka, Road Development Authority, Sri Lanka Transport Board, Sri Lanka Railway Department, Department of Motor Traffic, Sri Lanka Ports Authority and National Transport Medical Institute including CILT Sri Lanka, a transportation related institution, and thereby analyzing on different aspects by means of the collected data.

The ‘National Transport Statistics Report’ is now a highly acclaimed scholarly treatise by all experts in the field of transport as a one-stop-shop for information on all the transport operations carried out across the land, water and air. This report will be an immense beneficial for the institutions and

authorities engaged in making policies and conducting researches on transport and for those who are studying pertaining to transport.

The distribution of National Transport Statistics 2018 report was done completely by end of the year 2020 and about 90% of publishing work of the 2019 report is being carried out. This report is distributed to various island wide institutions related to transportation and to public libraries, schools and universities and is provided to anyone who requires for higher studies.

Rs. 2.5 million has been allocated for this in the year 2020 and Rs. 0.11 million has been spent for this project by 31.12.2020. The amount allocated for this project was reduced to Rs. 1.5 million during the budget review of 2020.

15. Capacity development of NTC staff

The project aims to create a knowledgeable and skillful staff as required by the National Transport Commission by directing the staff of the institution to local and foreign training programmes in various fields.

Despite Rs. 2.4 million being set aside for the purpose of carrying out local and foreign training programmes for the staff planned for the year 2020 as well, the officers were not

directed towards those programmes due to closure of offices as a result of the outbreak of the COVID-19 epidemic before the end of the first quarter and the government suspending all training programmes due to security and health reasons. The amount of Rs. 2.4 Million allocated for this project was diverted to another project during the budget review of 2020.

16. Work done during the Covid-19 epidemic

As per the action plan of the National Transport Commission, a number of unplanned activities had to be carried out in the wake of the COVID -19 epidemic in March 2020. Moreover, the payments due for tender fees, license renewal fees, travel logs and entry fees were not fully recovered in order to provide relief to the bus operators of the inter-provincial buses which have been issued passenger service permits by the National Transport Commission, as they had lost their income due to all services being suspended completely. In addition, the NTC also provided expeditious transport services at expressways and other bus stations for passengers travelling from Colombo and suburbs to their villages following the announcement of government holidays from 16.03.2020, and facilitated hand washing stations and the disinfection of Bastian Mawatha Inter-Provincial Bus Terminal and premises of the Head Office as soon as instructed. Lists of relevant bus crews were prepared and forwarded to the Department of Social Services to help obtain the allowance of Rs.5000 available to them. The 1955 hotline was operated for 24 hours a day during the entire period of curfew for inquiries made by the public regarding public transport. Guidelines were formulated regarding the operation of public transport by maintaining social distancing (Zig-Zag system) in accordance with health guidelines and such guidelines were sent in writing to all provincial transport authorities and the SLTB following the decision of the government to relax the curfew for a certain period of time in low risk districts. According to the requests made by the bus associations that private bus operators will be unable to maintain the service as the buses would carry only seated passengers while maintaining social distancing,

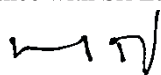
arrangements were made to increase the bus fare for normal service by 20% as per the Cabinet approval in order to minimize the loss caused to the private bus owner due to transporting passengers according to seating capacity in normal service as per the health guidelines. Arrangements were also made to print and distribute CDs and DVDs containing health guidelines to be followed by passengers on public buses and to display health guidelines inside and outside the buses.

Annual Accounts

STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER

	Note	2020	2019
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	405,037,914.34	431,237,126.24
Work in Progress		30,502,154.10	30,674,726.89
Library Books		1,269,973.81	1,269,973.81
Total Non-Current Assets		436,810,042.25	463,181,826.94
Current Assets			
Receivables, Deposits and Advances	5	11,155,660.60	6,082,105.22
Staff Receivables	6	25,902,340.00	24,378,163.00
Investment in Term Deposits	7	42,053,092.41	38,317,490.30
Investment in Treasury Bills	8	14,935,680.00	13,823,174.00
Interest Receivable		2,593,962.78	3,543,592.69
Cash and Cash Equivalents	9	517,262,715.21	532,294,890.61
Total Current Assets		613,903,451.00	618,439,415.82
TOTAL ASSETS		1,050,713,493.25	1,081,621,242.76
LIABILITIES			
Non-Current Liabilities			
Government Grants	10	243,505,851.02	267,821,299.86
Retirement Benefits Obligation	11	53,133,450.00	45,668,232.50
Total Non-Current Liabilities		296,639,301.02	313,489,532.36
Current Liabilities			
Payables	12	1,870,484.93	62,552,668.92
Refundable Tender Deposits		57,231,404.00	59,703,404.00
Provision & Accrued Expenses	13	109,132,088.18	39,141,068.79
Total Current Liabilities		168,233,977.11	161,397,141.71
Accumulated Surpluses / (Deficits)		585,840,215.12	606,734,568.69
TOTAL LIABILITIES		1,050,713,493.25	1,081,621,242.76

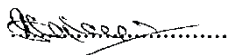
It is certified that the Financial Statements of National Transport Commission have been prepared and presented in compliance with Sri Lanka Public Sector Accounting Standards (SLPSAS).



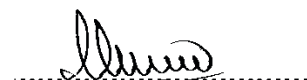
Director (Finance & Procurement)

The Accounting policies on pages 05 to 08 and Notes on pages 09 to 15 form an integral part of these Financial Statements.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



Chairman



Member of the Commission

Date : 25.02.2021

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE
YEAR ENDED 31 DECEMBER

	Note	2020	2019
Revenue			
Revenue	14	194,374,241.20	410,966,074.21
Other Income	15	59,158,570.54	68,912,998.09
Total		253,532,811.74	479,879,072.30
Expenses			
Operational Expenses			
Personnel Emoluments	16.1	155,120,686.63	152,466,003.42
Transportation	16.2	12,870,202.08	17,686,303.64
Special Committee Payment		-	39,000.00
Travelling & Subsistence	16.3	1,500,474.75	3,791,447.98
Establishment Expenses	16.4	39,204,838.02	49,423,879.68
Repairs & Maintenance of Fixed Assets	16.5	2,377,177.37	2,987,729.82
Staff Welfare	16.6	7,086,600.54	12,209,422.63
Staff Development	16.7	632,618.72	1,148,026.35
Legal & Other Fees	16.8	1,328,549.00	2,689,811.00
Information	16.9	759,279.00	1,119,008.75
Depreciation	16.10	26,955,712.19	25,290,793.67
Financial Charges	16.11	39,174.18	51,186.52
Other Expenses	16.12	1,699,189.90	447,151.50
Total Operational Expenses		249,574,502.38	269,349,764.96
Operational Surplus/(Deficit) for the Year		3,958,309.36	210,529,307.34
Non Operating Revenue	17	15,430.00	40,175.00
Net Surplus/(Deficit) for the Year		3,973,739.36	210,569,482.34
Government Grants			
Government Grants For Projects	18	401,999,970.00	581,750,000.00
Special Project Expenses on Government Grants	19.1	(401,999,970.00)	(581,750,000.00)
Special Project Expenses on NTC Funds	19.2	(24,868,092.93)	(38,055,450.36)
Net Surplus/(Deficit) for the Year		-20,894,353.57	172,514,031.98

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

**STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 31 DECEMBER
2020**

	Accumulated Surpluses/ (Deficits)
Balance as at 01 January 2019	434,220,536.71
Surplus / Deficits for the Year	172,514,031.98
Balance as at 31 December 2019	<u>606,734,568.69</u>
Funds Return to Treasury	-
Surplus / Deficits for the Year	(20,894,353.57)
Balance as at 31 December 2020	<u><u>585,840,215.12</u></u>

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 31 DECEMBER**

	Note	2020	2019
Cash Flows from Operating Activities			
Surplus/(Deficit) for the Year		(20,894,353.57)	172,514,031.98
Non Cash Movements			
Depreciation		26,955,712.19	25,290,793.67
Disposal of Assets		(15,430.00)	(40,175.00)
Amortization of Government Grants		(24,315,448.84)	(27,229,632.11)
Gratuity Charge for the Year		9,162,857.50	7,744,054.50
Interest Income		(34,843,121.70)	(41,683,365.98)
Operating Surplus/(Deficit) Before Changes in Working Capital		(43,949,784.42)	136,595,707.06
Changes in Working Capital			
Receivables, Deposits and Advances		(5,073,555.38)	(2,308,620.91)
Staff Receivables		(1,524,177.00)	(1,515,388.00)
Interest Receivable		949,629.91	(117,410.72)
Payables		(60,682,183.99)	(796,236.12)
Refundable Tender Deposits		(2,472,000.00)	(6,015,500.00)
Provision & Accrued Expenses		69,991,019.39	1,771,567.36
Cash Generated from / (used in) Operations		(42,761,051.49)	127,614,118.67
Gratuity Paid		(1,697,640.00)	(2,892,965.00)
Cash Received from Disposal of Assets		15,430.00	40,175.00
Net Cash Flow from / (used in) Operating Activities		(44,443,261.49)	124,761,328.67
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(756,500.29)	(17,083,417.29)
Acquisition of Work in Progress		172,572.79	(16,432,846.45)
Acquisition of Library Books		-	(92,865.00)
Net Investment in Term Deposits Treasury Bills		(4,848,108.11)	(4,543,069.21)
Interest Received		34,843,121.70	41,683,365.98
Net Cash Flow from / (used in) Investing Activities		29,411,086.09	3,531,168.03
Cash Flows from Financing Activities			
Funds Transfer to the Treasury		-	(50,000,000.00)
Net Cash Flow from / (used in) Financing Activities		-	(50,000,000.00)
Net Changes in Cash and Cash Equivalents During the Year		(15,032,175.40)	78,292,496.70
Cash and Cash Equivalents at Beginning of the Year		532,294,890.61	454,002,393.91
Cash and Cash Equivalents at End of the Year	Note 9	517,262,715.21	532,294,890.61

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

1 CORPORATE INFORMATION**1.1 REPORTING ENTITY**

National Transport Commission was established under the National Transport Commission Act No. 37 of 1991. The office and the principal place of business of the commission is situated at No.241 Park Road, Colombo 05.

The financial statements of the commission for the year ended 31 December 2020 comprise the financial information of the commission.

1.2 Principal Activities and Nature of Operations

The functions of the Commission shall be advice to the Government on the National Policy relating to passenger transport services by omnibuses and grant passenger services permits for omnibus services in the specified area.

1.3 The commission had 181 employees as permanent carder and 7 employees on contract basis at the end of the financial year.

1.4 Reporting Date

The commission's financial reporting period ends on 31st December.

1.5 Date of Authorization for Issue

The Financial Statements were authorized for issue by the members of the commission on 25/02/2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation**

The financial statements of National Transport Commission have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSASs) and Government Grants have been recognized and measured in compliance with Generally Accepted Accounting Principles – LKAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Sri Lanka Public Sector Accounting Standards (SLPSASs) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Changes in Accounting Policies

The changes in accounting policies set out below have been applied consistently to the periods presented in the financial statements unless otherwise indicated.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

2.3 Foreign Currency Translation**2.3.1 Functional and Presentation Currency**

Transactions and balances included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the commission's presentation currency.

2.3.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

2.4 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as an asset, only when it is probable that future economic benefits associated with the item will flow to the commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated, depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Assets Category	Years
Motor Vehicle	05 Years
Furniture & Fittings	10 Years
Office Equipment	05 Years
Miscellaneous Equipment	05 Years
Computer & Printers	04 Years
Machinery	05 Years
Building	20 Years
Digital Display Boards (LED)	03 Years

An asset's carrying amount is been written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation has not been provided on Library Books

Investments in Term Deposits and Treasury Bills

Investments in term deposits and treasury bills are stated at maturity value.

2.6 Receivables

Receivables are amounts due for services rendered. Collection is expected in the normal operating cycle (within one year or less) and the receivables are classified as current assets. Receivables are recognized and measured at transacted value.

2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.8 Payables

Payables are obligations to pay for goods or services that have been acquired from suppliers and service providers. Payables are classified as current liabilities if payment is due in the normal operating cycle of the business (within one year or less). If not, they are classified as non-current liabilities.

Payables are recognized initially at transaction price and subsequently measured at the transaction price as they are expected to pay in the normal operating cycle of the business.

2.9 Government Grants

Grants from the government including non-monetary grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the commission will comply with all attached conditions.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are recognized in the statement of financial performance on a straight-line basis over the expected lives of the related assets.

Non-monetary grants are measured at carrying value of the non-monetary asset and account for both grant and asset at the carrying value.

Borrowing Costs

Borrowing costs are recognized in the statement of financial performance in the period in which they are incurred.

2.11 Employee benefits

The commission has both defined benefit and defined contribution plans.

Defined Contribution plan

A defined contribution plan is a post employment benefit plan under which the commission pays fixed contributions into a separate entity. The commission has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

The commission contributes 15% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

Defined benefit plan

Provision has been made for retiring gratuity from the first year of service of the employee at half (1/2) month's salary for each year of service. However, according to the payment of Gratuity Act No 12 of 1983, the liability for gratuity to an employee arises only on completion of five years continued service.

Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted amount expected to be paid for related services provided by the employees.

2.12 Provisions and Contingent Liabilities

Provisions for operational expenses are recognized when the commission has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the commission and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the commission's activities. The commission recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the commission.

The commission applies the revenue recognition criteria set out below to each identifiable major types of revenue.

Permit Revenue

Revenue arises from route permits is recognized when it is probable that future economic benefits will flow to the commission.

Gain and Losses on Disposal of Property, Plant and Equipment

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of financial performance.

2.14 Expenses

Expenditures incurred in the running of the operation are to income in arriving at the profit for the reporting period.

2.15 Events Occurring after the Reporting Period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.16 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

3. Significant Accounting Estimates and judgments

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(a) Useful life time of depreciable assets

Management reviews its estimate of the useful life time of depreciable assets at each reporting date, based on the expected economic utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 Property, Plant and Equipment

Freehold Assets - Cost

No	Asset Class	Cost			Rate of Depreciation	Depreciation			Net Carrying Values 2020	Net Carrying Values 2019
		Balance as at 01 January 2020	Additions during the Year	Balance as at 31 December 2020		Disposal	Charge for the Year	Balance as at 31 December 2020		
1	Land	245,000,000.00	-	245,000,000.00	-	-	-	-	245,000,000.00	245,000,000.00
2	Building	195,683,739.57	-	195,683,739.57	5%	9,348,666.60	79,358,398.64	9,348,666.60	116,325,340.93	125,674,007.53
3	Motor Vehicles	75,547,270.00	-	75,547,270.00	20%	420,000.00	69,129,249.10	420,000.00	6,418,020.90	6,838,020.90
4	Furniture & Fittings	35,684,150.92	172,115.50	35,526,054.77	10%	330,211.65	26,063,024.28	2,929,842.60	9,463,030.49	12,220,757.59
5	Office Equipment	25,306,451.13	79,500.00	25,385,951.13	20%	13,859,286.95	16,839,606.98	2,980,320.03	8,546,344.15	11,447,164.18
6	Miscellaneous Equipment	8,941,437.55	232,407.00	9,173,844.55	20%	4,593,898.42	5,645,939.41	1,052,040.99	3,527,905.14	4,347,539.13
7	Computers & Printers	67,676,597.93	272,477.79	67,949,075.72	25%	41,966,961.02	52,191,802.99	10,224,841.97	15,757,272.73	25,709,636.91
8	Machinery	1,775,637.00	-	1,775,637.00	20%	1,775,637.00	-	-	-	-
9	Digital Display Boards	62,415,360.00	-	62,415,360.00	33.33%	62,415,360.00	-	-	-	-
Total		718,030,644.10	756,500.29	718,456,932.74		286,793,517.86	313,419,018.40	26,955,712.19	405,037,914.34	431,237,126.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

		2020	2019
5 Receivables, Deposits and Advances			
Receivables	Note 5.1	9,032,500.27	4,297,274.17
Deposits and Advances	Note 5.2	2,123,160.33	1,784,831.05
		11,155,660.60	6,082,105.22
5.1 Receivables			
Income Receivable		9,011,594.77	3,958,088.00
Department of Election		-	83,898.00
Other Receivable		20,905.50	255,288.17
		9,032,500.27	4,297,274.17
5.2 Deposits and Advances			
Deposits		686,500.00	686,500.00
Advance for Projects		-	37,616.00
Advance - NTC		61,380.00	55,000.00
Payment in Advance		1,375,280.33	1,005,715.05
		2,123,160.33	1,784,831.05
6 Staff Receivables			
Distress Loans		25,874,140.00	23,383,870.00
Disaster Loans		-	214,593.00
Advances for Cloths		20,200.00	469,200.00
Festival Advances		8,000.00	310,500.00
		25,902,340.00	24,378,163.00
7 Investment in Term Deposits			
Term Deposits		42,053,092.41	38,317,490.30
		42,053,092.41	38,317,490.30
The investments in term deposits amounts to Rs. 41,133,092.41 (2019- 37,397,490.30) are maintained separately for the gratuity commitments.			
8 Investment in Treasury Bills			
Treasury Bills		14,935,680.00	13,823,174.00
		14,935,680.00	13,823,174.00
The investments in term deposits amounts to Rs.14,935,680.00 (2019-13,823,174.00) are maintained separately for the gratuity commitments.			
9 Cash and Cash Equivalents			
Cash in Hand	Note 9.1	155,820.00	2,811,789.83
Cash at Bank	Note 9.2	796,473.34	563,528.37
Short Tem Deposits	Note 9.3	516,310,421.87	528,919,572.41
Cash and Cash Equivalents for the Purpose of Cash Flow Statement		517,262,715.21	532,294,890.61
9.1 Cash in Hand			
Cash in Hand - Cash		80,820.00	397,524.06
Cheques		-	2,339,265.77
Petty Cash Imprest		75,000.00	75,000.00
		155,820.00	2,811,789.83

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

	2020	2019
9.2 Cash at Bank		
People's Bank - Narahenpita	744,847.27	496,518.37
People's Bank - Narahenpita (Seat Reservation)	51,626.07	67,010.00
	796,473.34	563,528.37
9.3 Short Term Deposits		
Investment in Short Term & Call Deposits	65,668,245.22	61,292,527.90
Investment in REPO	450,261,379.54	467,312,284.67
Savings Account - National Saving Bank	380,797.11	314,759.84
	516,310,421.87	528,919,572.41
The saving deposits amounts to Rs.380,797.11 (2019-314,759.84) are maintained separately for the gratuity commitments.		
10 Government Grants		
Balance at 01 January	267,821,299.86	295,050,931.97
Grants Received During the Year	-	-
Amortization of Government Grants	(24,315,448.84)	(27,229,632.11)
Balance at 31 December	243,505,851.02	267,821,299.86
Land at No.241 Park Road Narahenpita received from the Government of Sri Lanka has been recognized as non-monetary government fund and assets at fair value of the land at the time of granting and amortized the grant in profit or loss over the life time of the building.		
11 Retirement Benefits Obligation		
Balance at 01 January	45,668,232.50	40,817,143.00
Expenses recognized for the year	9,162,857.50	7,744,054.50
Payments made During the year	-1,697,640.00	(2,892,965.00)
Balance at 31 December	53,133,450.00	45,668,232.50
12 Payables		
Hire Purchases	47,071.79	44,293.79
Stamp Fees	28,375.00	15,500.00
Insurance	379.00	379.00
Payee Tax	27,418.00	23,218.00
Sundry Creditors	62,405.00	12,215,182.19
Receipts in Advance	-	41,329,368.55
Other Payables	851,944.27	777,774.69
EPF Payable	61,702.50	-
ETF payable	7,404.30	-
Bank Loans & Deposits	10,729.00	23,600.00
Payable for Bus Owners for Ticket Booking	11,266.07	26,650.00
Bid Bond Claim	-	4,896,212.70
Performance Bond Claim	-	2,438,700.00
BIA Gateway Project	761,790.00	761,790.00
Thirasara School Project	-	-
	1,870,484.93	62,552,668.92
13 Provision & Accrued Expenses		
Accrued Expenses - Projects	89,678,696.58	24,240,960.37
Accrued Expenses - Recurrent	17,977,365.60	13,570,082.42
Provision For Audit Fees	1,476,026.00	1,330,026.00
	109,132,088.18	39,141,068.79

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

2020

2019

13.1 Accrued Expenses - Projects**Recurrent**

Contribution of Socially Obligatory Transport Service	87,026,249.19	17,991,665.44
Reform of the Private Bus Industry	237,999.96	311,752.00
Quality & Fare Regulation	1,581,009.92	2,102,005.33
Capacity Development	0.00	246,747.30
Transport Related Awareness Programme	77,470.00	120,978.08
Preparation of Annual national transport statistics report		1,433,997.00
	88,922,729.07	22,207,145.15

Capital

Reform of the Private Bus Industry	755,967.51	2,033,815.22
	755,967.51	2,033,815.22
	89,678,696.58	24,240,960.37

13.2 Accrued Expenses - Recurrent

Cleaning Service	702,534.78	1,236,932.58
Communication	354,392.45	257,121.59
Electricity & Power	582,381.65	631,382.77
Employee Welfare	3,255,054.70	180.00
Employee Medical Scheme	5,000.00	7,500.00
EPF	-	58,011.00
ETF	-	6,961.32
Fuel & Lubricants	330,075.58	304,517.88
Holiday Pay - Executive	-	67,658.00
Language Allowance	260.00	487.00
Legal Fee	223,600.00	290,500.00
Local Travelling	63,962.50	39,257.50
Maintenance of Motor Vehicle	334,118.39	254,811.74
Maintenance of office equipment	35,429.00	34,347.49
Membership Fee for Professional Bodies	21,000.00	12,500.00
Meals & Refreshment for Meetings	8,615.00	3,690.00
Newspapers & Periodicals	57,040.00	55,960.00
Office requisites	395,580.00	145,554.00
Other Expenses	84,449.00	-
Over Time & Holiday - Non Executive	913,034.00	1,215,867.00
Press Notification	19,440.00	-
Salaries & Wages	221,954.00	208,664.60
Security Service	2,220,904.17	1,513,350.00
Staff Training	45,336.74	44,500.00
Transport & Hiring Charges	187,539.00	496,800.00
Water	36,120.10	56,213.69
Stamp for Receipts	2,825.00	17,825.00
Un-utilized Leave Payment	7,876,719.54	6,609,489.26
	17,977,365.60	13,570,082.42

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

2020

2019

14	Revenue		
	14.1 Permit Revenue		
	Route Permit Income	30,000.00	440,000.00
	Permit Renewal Income	10,987,836.00	21,432,500.00
	Route Tendering Income	131,819,474.05	307,815,617.95
		142,837,310.05	329,688,117.95
	14.2 Other Revenue		
	Administrative Revenue	14,666,500.00	35,330,347.24
	Bastian Mw. Lavatory Income	9,590,221.02	9,480,746.27
	Miscellaneous	27,280,210.13	36,466,862.75
		51,536,931.15	81,277,956.26
	Total Revenue	194,374,241.20	410,966,074.21
	Bid Bond Claim for Rs. 4,896,212.70 & Performance Bond Claim for Rs. 2,438,700.00		
	Bid bond & Performance bond recovered from Dharmadasa Construction was recognized as an income after handing over the Killinochchi bus terminal to Northern Provincial Council in 2020.		
15	Other Income		
	15.1 Interest Income		
	Interest on Deposits	33,943,089.70	40,742,207.98
	Interest on Distress Loan	900,032.00	941,158.00
		34,843,121.70	41,683,365.98
	15.2 Others		
	Amortization of Government Grants	24,315,448.84	27,229,632.11
		24,315,448.84	27,229,632.11
		59,158,570.54	68,912,998.09
16	Operational Expenses		
	16.1 Personnel Emoluments		
	Salaries & Wages	87,241,658.40	81,424,350.52
	Cost of Living Allowance	17,079,388.00	17,671,544.00
	Professional Allowance	665,613.00	655,807.00
	Language Allowance	281,149.00	292,229.60
	Employees Provident Fund	15,768,117.66	14,809,251.45
	Employees Trust Fund	3,153,623.53	2,969,183.09
	Holiday Pay - Executive	707,293.00	1,290,504.00
	Over Time & Holiday Pay - Non Executive	10,341,317.00	16,030,244.00
	Encashment of Un-Utilized Medical Leave	8,030,919.54	6,824,177.26
	Gratuity	9,162,857.50	7,744,054.50
	Bonus	2,688,750.00	2,754,658.00
		155,120,686.63	152,466,003.42
	16.2 Transportation		
	Repair & Maintenance of Motor Vehicles	3,982,200.81	4,126,839.61
	Fuel & Lubricants	3,565,232.74	4,671,814.14
	Transport & Hiring Charges	4,254,930.65	7,782,647.50
	License & Insurance	1,067,837.88	1,105,002.39
		12,870,202.08	17,686,303.64
	16.3 Travelling & Subsistence		
	Foreign Travelling	-	7,400.00
	Local Travelling	1,500,474.75	3,784,047.98
		1,500,474.75	3,791,447.98

Figures in brackets indicates deductions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

2020

2019

16.4 Establishment Expenses

Office Requisites (Stationary & Printing)	2,730,152.81	5,865,410.29
Cleaning Service	8,973,639.44	12,933,169.21
Rates	374,220.00	288,288.00
Security Services	14,641,266.94	15,463,832.47
Electricity & Power	7,540,440.70	9,413,417.16
Water	452,260.40	610,202.72
Board Members' Fees	853,400.00	817,000.00
Meals & Refreshment for Meetings	222,800.86	361,163.20
Insurance-Cash in Transit	44,166.77	51,874.76
Communication	3,372,490.10	3,619,521.87
	39,204,838.02	49,423,879.68

16.5 Repairs & Maintenance of Fixed Assets

Maintenance of Buildings	363,426.50	821,293.37
Maintenance of Office Equipment	1,955,254.94	2,084,300.00
Maintenance of Computer Equipment	58,495.93	82,136.45
	2,377,177.37	2,987,729.82

16.6 Staff Welfare

Employee Medical Scheme	333,000.00	289,800.00
Employee Welfare	6,744,070.54	11,054,890.63
Uniform	9,530.00	864,732.00
	7,086,600.54	12,209,422.63

16.7 Staff Development

Staff Training	432,190.00	971,594.00
Membership Fee for Professional Bodies	200,428.72	176,432.35
	632,618.72	1,148,026.35

16.8 Legal & Other Fees

Audit Fees	650,000.00	601,000.00
Legal Fees	678,549.00	2,088,811.00
	1,328,549.00	2,689,811.00

16.9 Information

Press Notification	661,969.00	966,948.75
Newspapers and Periodicals	97,310.00	152,060.00
	759,279.00	1,119,008.75

16.10 Depreciation

Building	9,348,666.60	9,487,724.66
Motor Vehicles	420,000.00	2,250,000.00
Furniture & Fittings	2,929,842.60	3,037,376.03
Office Equipment	2,980,320.03	2,883,035.44
Miscellaneous Equipment	1,052,040.99	1,316,217.72
Computers & Printers	10,224,841.97	6,315,979.42
Machinery	-	460.40
	26,955,712.19	25,290,793.67

16.11 Financial Charges

Bank Charges	39,174.18	51,186.52
	39,174.18	51,186.52

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

	2020	2019
16.12 Other Expenses		
Miscellaneous expenses	1,681,689.90	383,251.50
Stamps for Receipts	17,500.00	63,900.00
	1,699,189.90	447,151.50
17 Non Operating Revenue		
Disposal of Assets	15,430.00	40,175.00
	15,430.00	40,175.00
18 Government Grants For Projects		
Government Grants For Projects - Recurrent	401,999,970.00	581,750,000.00
	401,999,970.00	581,750,000.00
19 19.1 Special Project Expenses on Government Grants		
Recurrent Project Expenses	401,999,970.00	581,750,000.00
	401,999,970.00	581,750,000.00
19.2 Special Project Expenses on NTC Funds		
Recurrent Project Expenses	20,626,255.00	26,950,120.15
Capital Project Expenses	4,241,837.93	11,105,330.21
	24,868,092.93	38,055,450.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Adjustments made as per SLPASA – 3 Accounting Policies, Changes in Accounting Estimates and Errors are as follows.

- 01) Rs.1,467,427.50 was recognized as Bastian Mawatha lavatory income receivable for the year 2018 by crediting Income Receivable account and removing it by debiting Bastian Mawatha Lavatory Income in 2019.
 - 02) Rs.520,000.00 was recognized as LED board rental Income receivable for the year 2018 by crediting Income Receivable account and removing it by debiting Miscellaneous Income in 2019.
 - 03) Rs.25,100.00 was recognized as receivable for disposal of assets for the year 2018 by crediting Income Receivable account and removing it by debiting Miscellaneous Income in 2019.
 - 04) Rs.13,950.00 was recognized as online ticket booking income for the month of December 2019 by crediting online ticket booking income account and removing it by debiting payable for bus owners for ticket booking system
 - 05) Rs.34,806.00 & Rs.6,589.84 were recognized as EPF & ETF expenses by crediting EPF & ETF expenses accounts and removing them by debiting EPF Payable & ETF Payable accounts entered erroneously.
 - 06) Rs.487.00, Rs.67,658.00, & Rs.1,215,867.00 were recognized as Language Allowance, Holiday Pay (Executive), Overtime & Holiday Pay (Non- Executive) for the year 2019 by crediting Accrued Expenses Account by a way of debiting to Language Allowance, Holiday Pay (Executive), Overtime & Holiday Pay (Non- Executive) accounts.
 - 07) Rs.17,981.66 was recognized as over provision for consultancy payment by crediting Institutional Capacity Building Account and removing it by debiting Sundry Creditors Account.
 - 08) Rs.2,781,161.06 was recognized as recurrent expenses by debiting Institutional Capacity Building Account and removing it by crediting Building Account.
 - 09) Rs.139,058.05 was recognized as over provision for depreciation for the Cost of the building of Rs.2,781,161.06
- Due to the above adjustments made for Financial Statements year 2019, the Net Surplus/Deficit for the year 2019 has been decreased from Rs.178,379,346.39 to Rs.172,514,031.98.
The adjustments resulted to decrease the Accumulated Surplus / Deficit From Rs.612,599,883.10 to Rs.606,734,568.69.

Figures in brackets indicates deductions.
Notes to the Financial Statements

Report of the Auditor General



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

CTPA/NTC/FA/01/2020/130

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

30 July 2021

Chairman
National Transport Commission

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Transport Commission for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Transport Commission for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) In correcting the prior year capitalization error of building maintenance expenses, the value of depreciation Rs.1,139,058 was adjusted in the maintenance expenditure and as a result of deducting this from the depreciation expense of the current year, the financial statements for the year under review was understated from that amount.
- (b) Special projects had been implemented spending Rupees 24,868,093 of the funds of the Commission had been shown later as an expenditure under government grant after make adjustment to the net profit. Rupees 4,241,838 spent on work in progress under this special project were also recorded in the revenue as expenditure and as a result the profit and the work in progress of the Commission were understated by that value in the financial statements.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the 2020 Annual Report of the National Transport Commission

The other information comprises the information included in the Commission's 2020 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.



When I read the Commission's 2020 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Commission is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Commission.



1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related



disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 Subject to the matters described under the Section 1.2 of this report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination proper accounting records have been kept by the Commission as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained was limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Commission has any direct or indirect interest in any contract entered into by the Commission which is out of the



normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018

2.2.2 To state that the Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

Reference to law/ direction	Observation
(a) Treasury Circular No.842 of dated 18 December 1978	The Commission had not maintained a separate inventory of assets so that the value of the assets could be examined for annual depreciation, additions and disposals.
(b) Financial Act No.38 of 1971 and Public Enterprises Circular No. PED/12 of dated 02 June 2003.	
I. Section 8.2.2	Excess investment requires the consent of the Minister of Finance and the approval of the relevant Minister, but without the same and only on the approval of the Board of Directors, the institute had been invested Rs. 42,053,092 in fixed deposits and Rs. 14,935,680 in Treasury bills as at 31 December 2020. Also, Rs. 516,310,421 had been invested in short term investments on that day.
II. Section 8.3.9	Although the State Enterprises shall not incur any expenditure or other resources including their human resources on behalf of the relevant Line Ministry or other Government Institutions, the Commission had been released a Management Assistant to the service of the Ministry of Transport from 12 October 2020 onwards as salary and allowances till the end of the year under review Rs. 442,932 had also been paid.



III Section 9.1.2

Although the approval of the Department of Public Enterprises in the Treasury should be obtained regarding the institutional welfare schemes, nevertheless, Rs. 6,744,070 had been incurred on employee insurance and other welfare activities without obtaining the approval.

- (c) Financial Regulation 371 (2) (b) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- Add hoc Advances should be limited to Rs.100,000 in any particular time. But exceeding this limit in the year 2020, total amount of Rs. 1,678,155 had been paid on 7 occasions,

2.2.3 To state that the Commission has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018 except for the following observations;

Under the activities in Section 9 of the National Transport Commission Act No. 37 of 1991 provisions had been provided to the Commission issuance of passenger service permits and issuance of permits in terms of the Section 24 of the Commission. However, the prescribed method had not been introduced in issuance of passenger service permits in the Act of the Commission. Further, by the date of audit of March 2021, the Commission had not taken any action to amend the National Transport Act making necessary provisions for the issuance of passenger service permits.

2.2.4 To state that the resources of the Commission had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018, except for the following observations.

- (a) The Commission had been unanimously decided to exempt all the late fees, tender fees update charges, log entry fees, etc., before obtaining Cabinet approval , for granting relief for the restoration of inter-provincial bus services affected by the Corona epidemic. The institution had lost revenue of Rs.186,850,808 in the year 2020 due to that decision. As mentioned above, it was observed that the decision not to charge the main source of income for the existence of the Commission at



all without alternative proposals could jeopardize the future of the institution in the years to come.

- (b) Interest income on the Commission had continued to decline due to the failure to identify the most suitable investment to meet the working capital requirements of the Commission through investment.
- (c) Even though Rs. 6,642,350 had been spent for the maintenance of the GPS system used for bus operations during the year 2020, but only Rs. 2,047,500 was charged as service revenue during the year. Accordingly, the Commission had to incur an additional expenditure for the maintenance of the GPS system. This was due to the reduction in the service charge by Rs. 3,000 to Rs. 1,500 for a bus during the year under review.

2.3 Other Matters

- (a) Action had not been taken to survey the 117 units of office equipment and computer accessories issued to the bus companies by the Commission. Also, an identification number had not been used for the entire assets of the Commission. Five hundred and nineteen unnumbered items had been submitted for the survey. According to the Board of Survey report of the Commission, 67 items that could not be identified during the survey.
- (b) The Commission had lost revenue due to issuing licences daily basis instead of issuing new licences through tender procedure during the year 2020. Further, due to this reason, it was able to install GPS system only to 1159 or 38 per cent out of the 3040 buses expected to install operations during the under review.

W.P.C. Wickramaratne
Auditor General

Answers to the Audit Report for the financial statements of the year ending on 31 December 2020 of the National Transport Commission based on Section 12 of the National Audit Act No 19 of 2018 and for other legal and regulatory requirements

1.2 Basis for Qualified Opinion

- (a) Depreciation value for the previous year was not Rs 1,139,058, but it was only Rs. 139,058.05, an error occurred by omitting it from the depreciation expense of the current year. The relevant error was noted in the preparation of the financial statements for the year 2021.
- (b) The value identified as assets included in the expenditure incurred under the implementation of special capital projects is capitalized and the remaining expenditure is stated in the income expenditure statement.

2 Report on other legal and regulatory requirements

- (a) The asset register is being prepared with the relevant details.
 - i. The Ministry of Private Transport Services had requested the approval of the Treasury to invest the temporary surplus (A copy of the relevant letter has been produced to the Audit along with the replies for the Query No. RT/B/NTC/SF/2012/22 made by the Auditor General).

However, it was advised to invest the short term surplus funds in fixed deposits in order to receive higher interest revenue rather than investing them in seven-day call deposits during the General Committee meeting on Public Enterprises conducted on 22nd August 2012. (A copy of the minutes of the General Committee meeting on Public Enterprises has been produced to the Audit along with the replies to the Query No. RTB/B/NTC/FA/2012/22)

In addition, a request was sent on 07.02.2019 with several other requests on this behalf by the Ministry of Transport Services Management to get the approval of the Treasury to invest the temporary surplus but I would like to inform that no response is received up to now.

- ii. According to the letter No. MT / 01/05/05/05/01 received from the Ministry of Transport and dated 28.09.2020, Mrs. Indika Lakmali has been released on 12.10.2020 to the Assistant Staff of the Hon. Minister of Transport of the Ministry of Transport.
- iii. Employees of the National Transport Commission have contributed to the Agrahara Insurance Scheme. It is a functional insurance for public servants. This has been approved by the Board of Directors of the National Transport Commission. Also, the National Transport Commission Act provides an opportunity to sponsor employee welfare.

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- iv. The entire amount had to be paid in advance by cheques as the relevant work could not be done on a loan basis. Also, due to the COVID epidemic prevailing in the country at that time, an advance payment was made for the bills of various service providers and then the balance had to be paid after a proper inspection. However, it was noted that the minimum cash advance was paid when paying for employee welfare.

2.2.3 Amendment to the National Transport Commission Act has been submitted to the Cabinet for approval in November 2020 and the approval was obtained. It has been referred to the Legal Draftsman's Department for further action.

2.2.4 The quarantine curfew and lockdown were implemented island wide in mid-March 2020 to control the spread of the Covid 19 epidemic, which was later gradually relaxed from province to province. The inter provincial bus services were completely crippled due to the quarantine curfew and the lockdown imposed. Even though the quarantine curfew was relaxed from province to province, there were no possibility to start the inter provincial bus services as the inter provincial buses run between two or more provinces. Accordingly, inter provincial bus services could be started from around first week in June 2020 however due to the drastic reduction in the commuters of those buses, the buses were not operated as usual and only a few number of passengers were travelling in those buses.

Under this circumstances, bus operators' associations and passenger transport service permit holders requested to provide relief until the bus operations resumes normally. Accordingly, approval was granted to relax the payments for the period in which buses were not operated, i.e., March, April and May 2020, such as passenger transport permit renewal fees, tender fees, temporary permit fees for express highways, log sheet fees and delay fees by the Directors' Board paper no: 49/2020. Even though the operation of buses were started in June, as the bus operations did not return to normal by that time, approval was granted by the Board of Directors by the Board papers 51/2020 and 120/2020.

Based on the instructions given in the discussions held with His Excellency President and Hon. Minister to quicken the provision of relief, action was taken to provide relief with the approval of the Board of Directors. With the onset of the Brandix second Covid wave in the first week of October 2020, bus operations again were crippled and thereby arose a necessity to further extend the provision of relief on the request of bus operators' associations.

Cabinet approval has also been granted to provide relief for the period from March to September 2020 as well as for the period from October to December 2020. No action was taken to obtain Cabinet approvals in advance as arrangements were made to charge the bus owners properly and measures have been taken to provide relief with a view of continuing the transport services as an essential service considering the circumstances that have arisen.

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- (b) On unexpected working capital requirements triggered by the COVID-19 pandemic and had to withdraw on an investment maturity basis, and the surplus was reinvested. A decrease occurred in the interest income receivable as the interest rate took lower value when reinvesting.
 - (c) GPS control room and charging for SIMs are two different things and there is no aim or plan in this project to use the money charged for SIMs to maintain the GPS control room. Measures will be taken to cover the annual cost of Rs. 1440.00 for the SIMs out of the Rs. 1500.00 charged for the SIMs. The GPS control room is set up to regulate the entire inter-provincial buses and is absolutely intended to provide a public service not to generate revenue. It is proposed to connect SLTB and provincial transport buses through this control room. Therefore, the income from the SIMs cannot be adjusted to the control room maintenance costs.

2.3 Other Matters

- (a) All the assets that are not recorded with asset numbers on the assets were identified and action has already been taken to record relevant numbers to those assets.
- (b) New passenger transport permits were not issued in 2020 under the tender method. There was no need to issue new passenger transport permits to buses under the tender method as the passenger demand dropped due to the spread of the Corona pandemic throughout the country from March 2020.
Agree to the facts stated in the query on fixing GPS equipment.

241, ຈຳພາບ ທາງ, ກອນລອມ 05.
241, ປູນກາ ວິທິໄຊ ກອນລອມ 05
241, Park Road, Colombo 05