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செயலாற்றுகை அறிக்கை
PERFORMANCE REPORT
2019**

Prepared as per the Guidelines No. PFD / RED / COPA / 2019 / 01 dated 30.01.2020 and submitted through the Department of Public Finance of the Ministry of Finance, Economy and Policy Development of the Democratic, Socialist, Republic of Sri Lanka

Institutional Profile / Executive Summary

- 1.1 Introduction
- 1.2 Vision, Mission and Objectives of the Excise Department of Sri Lanka
 - 1.2.1 Vision
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- 1.3 Key Functions of the Excise Department of Sri Lanka
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1.1 Introduction

Excise Department of Sri Lanka with over one hundred and six years old history, holds the third place among the government revenue generating Departments of Sri Lanka. This Department which was established under the Excise Ordinance No.08 of 1912 commenced its operations from the 01st of January 1913.

At the commencement, a Commissioner of Excise was appointed as the Head of the Department, and subsequently said designation was revised as the Commissioner General of Excise. In the year 2019, an Additional Commissioner General, an Acting Additional Commissioner General, 02 Commissioners of Excise, a Chief Accountant and 02 Accountants, 06 Deputy Commissioners of Excise and 02 Administrative Officers have served the department for administrative and monitoring support.

Moreover, an Internal Audit Division has been established in the Excise Head Quarters and an Audit Division from the Auditor General has also been attached. Department extends an island wide service with 13 Offices of Assistant Commissioners of Excise, 30 Offices of Superintendents of Excise, 56 Excise Stations, 05 Special Operations Bureaus and a Narcotic Unit covering all Provinces. In addition to the above, excise officers have been deployed to supervise the 94 excise units located at Tobacco and Alcohol manufactories located island wide.

The actual number of staff served in the Department during the year under review was 1326. There were 216 vacancies which was 14 % of the approved cadre. This entire staff has contributed to achieve the expected performance of the department.

The Department takes action to fulfill its three key result areas of Excise and Tobacco tax revenue management, Excise, Tobacco and Narcotic laws enforcement and safeguarding social protection. In the year 2019, the Department has been able to collect Rs.115.42 Billion of Excise and Tobacco tax revenue for the General Treasury. Tax liability creation in terms of Excise Duty and Tobacco Tax as recorded within 2019 was Rs.119.18 Billion.

The excise operation room has been established anew, to instantly respond and manage the complaints received from the public and various institutions via 1913 emergency hot line.

In the year 2019, Excise Officers were able to file 47,391 illegal alcohol and drug cases and recover Rs. 244,015,250.00 as fines. Meanwhile, seizure of 109 kgs. of heroin by the Excise Narcotic Unit was exceptional.

I highly appreciate the support extended by all the officers of the Ministry of Finance and the General Treasury, and all the institutions including the Sri Lanka Police, Sri Lanka Customs, Departments of Inland Revenue, Sri Lanka Tourism Development Authority, National Dangerous Drugs Control Board, National Authority on Tobacco and Alcohol, and the Attorney General's Department to carry out the overall activities of the Excise Department of Sri Lanka.

Moreover, my earnest gratitude goes to the entire staff of the department for the support extended to achieve the expected departmental performance level during the year 2019.


A. Bodaragama
Commissioner General of Excise

1.2 Vision, Mission and Objectives of the Excise Department of Sri Lanka

1.2.1 Vision

Contributing to build a healthy society in Sri Lanka, which is free from illicit liquor and narcotic drugs.

1.2.2 Mission

Collection of revenue through efficient and effective administration of the liquor and the tobacco industries in Sri Lanka, and contributing to the development and social welfare in Sri Lanka through prevention of illicit manufacture and sale of such products, while safeguarding social protection through enforcement of the Poisons, Opium and Dangerous Drugs Ordinance.

1.2.3 Objectives

Excise Department of Sri Lanka operates with the under mentioned objectives in order to achieve its mission.

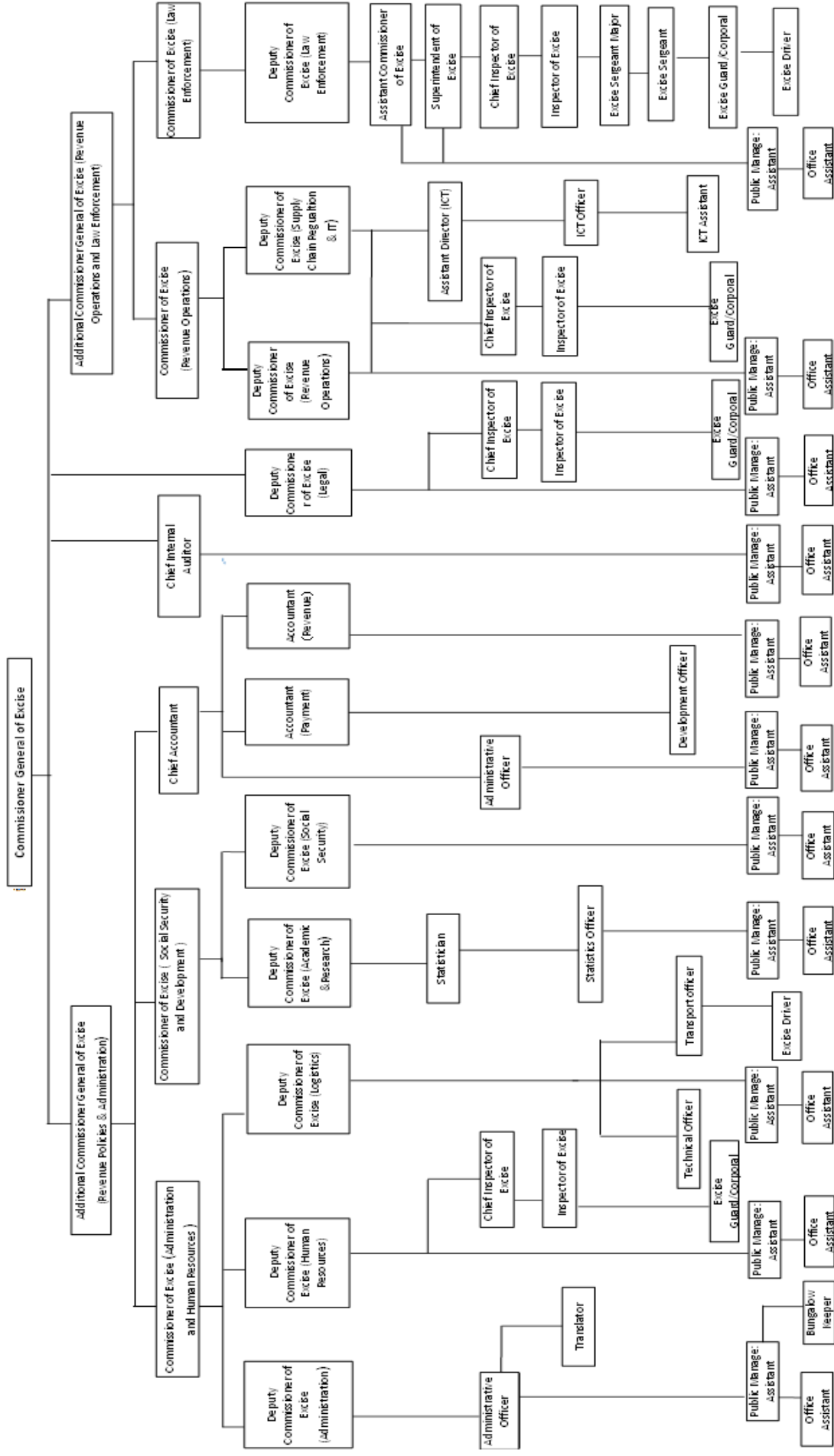
- a. Safeguarding the revenue accumulated from liquor and tobacco.
- b. Securing the anticipated tax revenue for the General Treasury through enforcement of the Excise Ordinance and the Tobacco Tax Act.
- c. Establishment of social security throughout the island by implementation of the Poisons, Opium and Dangerous Drugs Ordinance.
- d. Establishment of social security and enforcement of the related law through implementation of National Authority Act on Tobacco and Alcohol.

1.3 Key Functions of the Excise Department of Sri Lanka

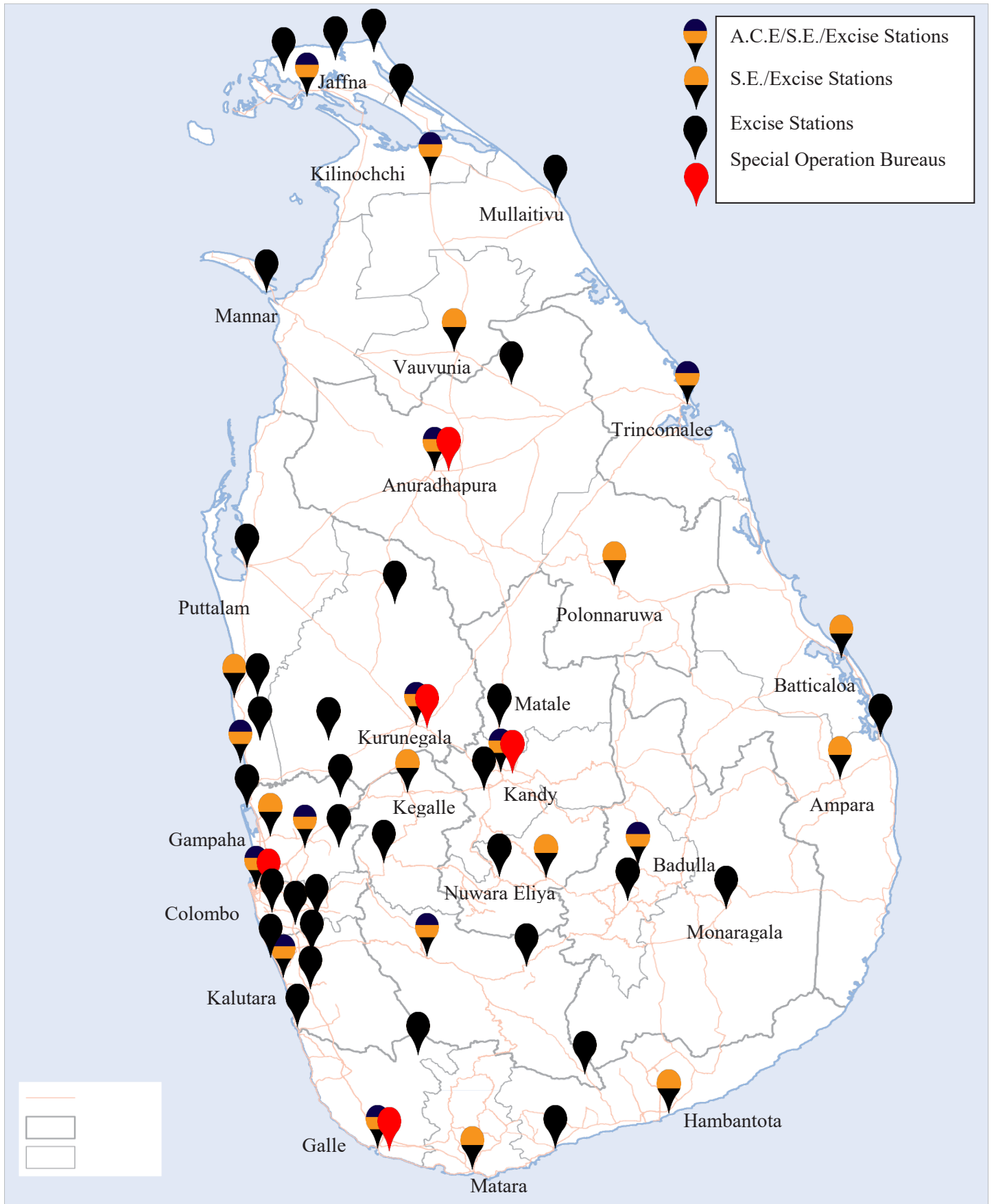
Excise Department of Sri Lanka carries out the following activities so as to achieve the above objectives.

- a. Supervision and control of licensed premises, and collection of revenue therefrom.
- b. Acting as a law enforcement agency in respect of the Excise Ordinance and implementation of the said law throughout the island.
- c. Collection of tax revenue from tobacco industries through enforcement of the Tobacco Tax Act including supervision and control of tobacco manufactories.
- d. Establishment of social security through acting as a law enforcement agency in respect of the Poisons, Opium and Dangerous Drugs Ordinance.
- e. Establishment of social security through Implementation of National Authority Act on tobacco and alcohol.
- f. Obtaining assistance and contribution of other parallel departments and entities for establishing social security and fulfilling mission of the department by maintaining close rapport and coordination with said institutions.

1.4 Organizational Structure of the Excise Department of Sri Lanka



1.5 Map of the Regional Offices of the Excise Department of Sri Lanka



Progress and the Future Outlook

- 2.1 Special Achievements
 - 2.1.1 Revenue
 - 2.1.2 Crimes
 - 2.1.3 Logistics
 - 2.1.4 Establishment of New Divisions
- 2.2 Challenges – Future Goals
- 2.3 Welfare

2.1 Special Achievements

2.1.1 Revenue

- Excise Department of Sri Lanka has been able to collect an income of Rs. 115,384,226,735.65 as Excise duties and Rs. 32,801,536.08 as Tobacco taxes in the year 2019. Excise tax income reported a growth by 1% while the tobacco tax income reported a decrease by 28% compared to the previous year.
- Tax liability creation in terms of Excise Duty and Tobacco Tax as recorded within 2019 was Rs.119.18 Billion.
- It has been able to control tax evasion related to foreign liquor imported to Sri Lanka by introducing a foolproof sticker for alcohol related products. Arrangements have been made to introduce this foolproof sticker for local liquor as well.
- Introduction of the Extra Ordinary Gazette No.2128/30 dated 20.06.2019 for the implementation of the foolproof sticker project.
- Developing and implementation of a computer software for tax calculation.
- Taking action to update the departmental web site with the details of all the excise licenses already issued in the year 2019 and those to be issued by the Department.
- Computerization and registration of the production details related to tobacco based products, viz, Beedi and Cigars as the first step of formulating a mechanism for regulating the tobacco industry and its taxation strategy.

2.1.2 Crimes

- In the year 2019, Excise Officers were able to take three suspects into custody with 109 kgs of heroin in Piliyandala which is recorded as the largest heroin raid in 106 years long history of the Department. Similarly, 47,391 successful raids were conducted throughout the island to detect illegal drugs and liquor and collected Rs. 244,015,250.00 as court fines.
- Being able to earn Rs. 186,291,725.27 as compounding fees through submission of 4,244 technical crime reports related to violation of excise license conditions by proper supervision and administration of excise licensed premises located island wide.
- A special operation room of which 1913 telephone number is operative round the clock, was set up in the excise head office to create close links with the general public and to give priority to public complaints.

2.1.3 Logistics

- Excise Department of Sri Lanka was able to purchase 19 new cabs and a car in the year 2019. In addition to the above, it was able to commence the constructions of new buildings in Chilaw, Pugoda and Point Pedro.

2.1.4 Establishment of New Divisions

- Establishment of a Legal Division and a Studies and Research Division in the Excise Department of Sri Lanka as per the instructions of the Committee on Public Accounts (COPA).

2.2 Challenges – Future Goals

- Increasing the cadre of the Excise Department of Sri Lanka up to 5000 since the current staff is by no means adequate to fulfill its island wide duties.
- Improving infrastructure facilities including vehicles and buildings for all the divisional and circle offices, excise stations and units located island wide.
- Acquiring Mobile Communication Equipment and establishment of a communication center for Excise Department of Sri Lanka
- Networking of all excise licensed manufactories in the island with the Excise Department of Sri Lanka to enable a real time monitoring system.
- Information networking between Sri Lanka Customs, Inland Revenue Department and the Excise Department of Sri Lanka.
- Creating interfaces between Sri Lanka Customs, Inland Revenue Department and the Excise Department of Sri Lanka for information sharing.
- Establishing a laboratory at the Excise Department for the purpose testing and analyzing the composition and the quality of alcohol related products.
- Making the procurement process to purchase IT equipment and services more efficient.
- Setting up the proposed Excise Revenue Management System (ERMS).
- Equipping all the staff with sufficient IT knowledge.
- Introducing a new Service Minute for the Excise Department to improve the productivity through employee motivation.
- Revamping excise laws and regulations as to meet contemporary and future requirements.

2.3 Welfare

- Reactivating the Welfare Society of Excise Department of Sri Lanka.
- Opening a fully equipped canteen for the staff.
- Establishment of a library.

Overall Financial Performance for the Year ended 31st December 2019

- 3.1 Statement of Financial Performance
- 3.2 Statement of Financial Performance – Reward Fund
- 3.3 Statement of Financial Position
- 3.4 Statement of Cash Flows
- 3.5 Notes to the Financial Statements
- 3.6 Performance of the Revenue Collection
- 3.7 Performance of the Utilization of Allocation
- 3.8 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments
- 3.9 Performance of Reporting Non-Financial Assets
- 3.10 Auditor General’s Report

3.1 Statement of Financial Performance

ACA-F

Statement of Financial Performance
for the period ended 31st December 2019

Budget 2019	Note	2019	Actual 2018	Rs.
135,000,000,000.00		115,417,028,272.00	113,934,799,217.00	
	Revenue Receipts			
-	Income Tax	115,417,028,272.00	113,934,799,217.00	} ACA-1
-	Taxes on Domestic Goods & Services	-	-	
-	Taxes on International Trade	-	-	
-	Non Tax Revenue & Others	-	-	
135,000,000,000.00	Total Revenue Receipts (A)	115,417,028,272.00	113,934,799,217.00	
	Non-Revenue Receipts			
-	Treasury Imprests	752,175,000.00	549,212,000.00	ACA-3
-	Deposits	299,009,574.00	226,519,053.00	ACA-4
-	Advance Accounts	50,529,077.00	45,348,437.00	ACA-5(A)/5(b)
-	Other Receipts	104,592,121.00	86,939,142.00	
-	Total Non-Revenue Receipts (B)	1,206,305,772.00	908,018,632.00	
135,000,000,000.00	Total Revenue Receipts & Non-Revenue Receipts C = (A)+(B)	116,623,334,044.00	114,842,817,849.00	
	Less: Expenditure			
	Recurrent Expenditure			
-	Wages, Salaries & Other	-	-	} ACA-2(ii)
724,200,000.00	Employment Benefits	723,371,911.00	665,232,580.00	
435,600,000.00	Other Goods & Services	205,020,444.00	131,670,737.00	
8,700,000.00	Subsidies, Grants and Transfers	8,409,221.00	-	
-	Interest Payments	-	-	
-	Other Recurrent Expenditure	-	20,782,138.00	
1,168,500,000.00	Total Recurrent Expenditure (D)	936,801,576.00	817,685,455.00	
	Capital Expenditure			
7,000,000.00	Rehabilitation & Improvement of Capital Assets	6,288,020.00	24,177,899.00	} ACA-2(ii)
293,500,000.00	Acquisition of Capital Assets	94,056,258.00	146,211,941.00	
-	Capital Transfers	-	-	
-	Acquisition of Financial Assets	-	-	
24,500,000.00	Capacity Building	9,670,775.00	13,396,581.00	
-	Other Capital Expenditure	-	-	
325,000,000.00	Total Capital Expenditure (E)	110,015,053.00	183,786,421.00	
	Main Ledger Expenditure (F)	115,650,132,007.00	113,981,211,351.00	
	Deposit Payments	531,522,103.00	170,785,916.00	ACA-4
	Remittance			ACA-5(A)/5(b)
	Advance Payments	115,059,294,194.00	113,741,682,208.00	
	Total Expenditure G = (D+E+F)	116,696,948,636.00	114,982,683,227.00	
-	Imprest Balance as at 31st December..... H = (C-G)	(73,614,590.00)	(139,865,419.00)	
	Imprest Adjustment Added			
	FR 208 Other Department Expenses	46,550,631.00	1,332,120	
	Imprest Accounts DR Difference	29,735,446.00	88,602,223	
	Imprest Accounts CR Difference	45,475,137.00	166,967,044.00	
	Advance 'B' Accounts Difference	1,002,414.00	-	
	Adjustment Total	122,763,628.00	256,901,387	
	Less			
	FR 208 Other Department Expenses	5,436,061.00	12,000.00	
	Adjustment Total	5,436,061.00	12,000.00	
	After Adjustment of Imprest Balance as at 31st December 2019	43,712,977.00	117,023,968.00	


3.2 Statement of Financial Performance – Reward Fund

Excise Department of Sri Lanka - Reward Fund

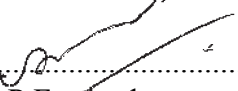
Statement of Financial Performance for the period ended by 31st December 2019

(Rupees)

	2019	2018
Revenue		
Receipts of Compounding Fees	181,849,475.27	171,783,252.65
Cigarette Fines	4,442,250.00	6,091,950.00
Receivable Composition Fees	54,577,283.55	-
Receivable Cigarette Fines	871,100.00	-
Total Revenue	241,740,108.82	177,875,202.65
Expenditure		
Payment of Rewards	363,518,332.51	101,516,517.95
Payment to the Government Revenue - Compounding Fees 15 %	27,277,421.29	25,767,487.90
Payment to the Government Revenue -- Cigarette Fines 75 %	3,331,687.50	4,568,962.50
Payables to the Tobacco Fund	1,110,562.50	1,522,987.50
Special Raids	210,000.00	-
Payments for Training & Educational Tasks	-	-
Sports, Recreation & Educational Tasks	-	-
Depreciations (Appendix 01)	6,601,350.14	5,497,331.02
Rebates to Licensees	102,000.00	-
Deficit in Total Revenue	-	2,242,887.74
Total Expenditure	402,151,353.94	141,116,174.61
(Deficit) / Surplus	(160,411,245.12)	36,759,028.04

Prepared by 

Checked By 


M.N.P.Fernando
Chief Accountant

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3.3 Statement of Financial Position

Statement of Financial Position as at 31st December 2019

	Note	Actual	
		2019 Rs.	2018 Rs.
<u>Non-Financial Assets</u>			
Property, Plant & Equipment	ACA-6	1,371,338,801.00	1,659,059,552.00
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(A)	177,607,948.00	163,631,147.00
Cash & Cash Equivalents	ACA-3	43,712,977.00	117,023,968.00
Total Assets		1,592,659,726.00	1,939,714,667.00
<u>Net Assets / Equity</u>			
Net Assets		(167,943,085.00)	(414,432,414.43)
Property, Plant & Equipment Reserve		1,371,338,801.00	1,659,059,552.00
Rent and Work Advance Reserve	ACA-5(B)		
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	345,551,033.00	578,063,561.43
Imprest Balance	ACA-3	43,712,977.00	117,023,968.00
Total Liabilities		1,592,659,726.00	1,939,714,667.00

Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from 05 to 42 and Notes to accounts presented in pages from 43 to 59 form and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

.....
 Chief Accounting Officer
 Name :S.R.Artigalle
 Designation: Secretary
 Date: 24.02.2020

.....
 Accounting Officer
 Name :A.Bodaragama
 Commissioner General of Excise
 Date: 25.02.2020

.....
 Chief Financial Officer/ Chief Accountant/
 Director (Finance)/ Commissioner (Finance)
 Name: M.N.P.Fernando
 Date: 24.02.2020

3.4 Statement of Cash Flows

ACA-C

Statement of Cash Flows 2019 for the Period ended 31st December 2019

	Actual 2019 Rs.	Actual 2018 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	115,417,028,272.00	113,934,799,217.00
Fees, Fines, penalties and license	104,592,121.00	86,939,142.00
Profit	-	-
Non- revenue Receipts	75,210,583.00	255,569,267.00
Revenue Collected from the Other Heads	-	-
Imprest received	752,175,000.00	549,212,000.00
Total cash generated from Operations (a)	116,349,005,976.00	114,826,519,626.00
Less – cash disbursed for :		
Personal Emoluments & operating payments	935,818,716.00	665,232,580.00
Subsides & Transfer Payments	-	152,452,875.00
Expenditure on Other Heads	5,436,061.00	12,000.00
Imprest Settlement to Treasury	115,059,294,194.00	113,741,682,208.00
Total Cash disbursed for Operations (b)	116,000,548,971.00	114,559,379,663.00
Net cash flow from operating activities (c) = (a) – (b)	348,457,005.00	267,139,963.00
Cash Flows from Investing Activities		
Interest	-	-
dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from on Lending	-	-
Recoveries from Advance	44,049,500.00	36,442,370.00
Total cash generated from Investing Activities (d)	44,049,500.00	36,442,370.00
Less – cash disbursed for :		
Purchase or Construction of physical Assets & Acquisition of	64,447,282.00	167,909,094.00
Other investment	51,833,719.00	59,837,200.00
Total cash disbursed for Investing Activities (e)	116,281,001.00	227,746,294.00
Net cash flows from investing activities (f) = (d) – (e)	(72,231,501.00)	(191,303,924.00)
Net cash flows from operating & Investment activities (g) = (c) + (f)	276,225,504.00	75,836,039.00
Cash Flows from Financial Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants received	-	-
Deposit Received	299,009,574.00	226,519,053.00
Total Cash generated from Financial activities (b)	299,009,574.00	226,519,053.00
Less – cash disbursed for :		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Deposit Payments	531,522,103.00	185,331,126.00
Total cash disbursed for Financing Activities (i)	531,522,103.00	185,331,126.00
Net cash flow from financing activities (j) = (g) – (j)	(232,512,527.00)	41,187,929.00
Net Movement in Cash (k) = (g) – (j)	43,712,977.00	117,023,968.00
Opening Cash Balance as 01st January	-	-
Closing Cash balance as at 31st December	43,712,977.00	117,023,968.00

3.5 Notes to the Financial Statements

3.6 Performance of the Revenue Collection

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate	Amount (Rs.)	as a % of Final Revenue Estimate
1002.0.4.0.1.0	Liquor	135,000,000,000.00	135,000,000,000.00	115,384,226,735.65	85.47%
1002.0.6.0.0.0	Tobacco Tax	45,000,000.00	45,000,000.00	32,801,536.08	72.89%
2002.0.1.0.1.0	Government Building Rentals	740,000.00	740,000.00	590,761.44	79.83%
2002.0.2.0.99.0	Other Interests	6,000,000.00	6,000,000.00	6,904,577.45	115.07%
2003.0.1.0.0.0	Departmental Sales	2,800,000.00	2,800,000.00	1,323,590.00	47.27%
2003.0.2.0.99.0	Miscellaneous	20,000,000.00	20,000,000.00	61,666,038.00	308.3%
2004.0.1.0.0.0	Social Security Contributory fees Central Government	-	-	34,107,115.10	-

3.7 Performance of the Utilization of Allocation

Type of Provision	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	1,168,500,000.00	1,168,500,00.00	936,801,576.00	80.17%
Capital	311,000,000.00	325,500,000.00	110,015,053.00	45.87%

3.8 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Provision	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
01.	Building Department	Constructing Buildings	92,970,213.13	92,970,213.13	26,412,083.04	29.68%
02.	District Secretary-Gampaha	Constructing Buildings	30,640,001.87	30,640,001.87	18,397,985.73	60.04%

3.9 Performance of Reporting Non-Financial Assets

Asset Code	Code Description	Balance as per the Board of Survey Report as at 31.12.2019	Balance as per the Financial Position Report as at 31.12.2019	Yet to be accounted	Reporting Progress as a %
9151	Building and Structures	348,253,187.68	348,253,187.68		100%
9152	Plant & Equipment	636,519,000.42	636,519,000.42		100%
9153	Land	184,800,000.00	184,800,000.00		100%
9154	Intangible Assets	-	-		
9155	Biological Assets	-	-		
9160	Works in Progress	174,869,318.22	174,869,318.22		100%
9180	Assets leased			3,134,268.28	

3.10 Auditor General's Report

My No. PUR/E/EXD/2019/FA

Date: 30th June 2020

Accounting Officer
Excise Department of Sri Lanka

Auditor General's Summary Report on the Financial Statements of the Excise Department of Sri Lanka for the year ended at 31st December 2019 as per the Section 11 (1) of the National Audit Act No.19 of 2018.

Foregoing report has been attached herewith.

Sgd. Illegibly
R.R.M. Abeysingha Banda
Deputy Auditor General
For Auditor General

Copies:

- i. Secretary, Ministry Finance, Economic and Policy Development
- ii. Director General, Department of Public Accounts

Accounting Officer
Excise Department of Sri Lanka

Summary Report of the Auditor General on the Financial Statements of the Excise Department of Sri Lanka for the year ended 31 December 2019 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Excise Department of Sri Lanka for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance and cash flow statement for the year then ended, 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. My comments and observations on the financial statements appear in this report submitted to the Excise Department of Sri Lanka in pursuance of provisions in Section 11(1) of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution read in conjunction with provisions of the Section 10 of National Audit Act No. 19 of 2018 will be tabled in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the accompanying financial statements prepared in pursuance of the provisions of the Public Accounts Circular No.271/2019 dated 03.02.2019, give a true and fair view of the financial position of the Excise Department of Sri Lanka as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements in pursuance of Public Accounts Circular No.271/2019 dated 03.12.2019 that give a true and fair view in accordance with Generally Accepted Accounting Principles, 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.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Department 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 Department.

Chief Accounting Officer and the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations required for such systems to be effectively carried out in pursuance of the provisions of the sub section 38(1) (c) National Audit Act.

1.4 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 scepticism 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 Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 the Accounting Officer regarding, significant audit findings, any significant deficiencies in internal control and other matters, that I identify during my audit.

1.5 Report on Other Legal and Regulatory Requirements

I state the following requirements in pursuance of the Section 6 (d) of the National Audit Act, No. 19 of 2018.

- 13 instances where the closing balances of the financial statements of year under review were inconsistent with that of the previous year could be disclosed. Although it had been reported that the rectification of the defects pointed out by the audit of the previous year had resulted in the above, the same had not been disclosed in the Notes to the Financial Statements.
- Recommendations made by me in the previous year regarding the observations given in the 2.4 para in this report had not been rectified even on submission of the financial statements of year under review.

1.6 Observations on the Financial Statements

1.6.1 Financial Performance Statement

1.6.1.1 Revenue Receipts

Following observations are made.

- a) Although departmental accounts should be tallied with the Final Treasury Accounting Statements in accordance with the provisions stipulated in the 3.1 paragraph of the State Accounts Circular No. 271/2019 dated 03.02.2019, a difference of Rs.25,000.00 could be observed in the Excise revenue as per the treasury books and departmental books.

- b) Although monthly revenue returns should be submitted to the Director General, Fiscal Policy by the Commissioner General of Excise on or before 10th day of the following month in accordance with the provisions stipulated in the 7 paragraph of the Fiscal Policy Circular No. 271/2019 dated 03.02.2019, action had not been taken to comply with this requirement.
- c) As per the ACA-1(1) format submitted with the Financial Statements, balance of revenue arrears as at 31 December of the year under review had been Rs.3,799,189,371.00 and the balance as per the Revenue Arrears Report had been Rs.3,319,192,027.00, thereby a Rs.479,997,344.00 could be observed

1.6.1.2 Non- Revenue Receipts

Following observations are made.

- a) Difference of Rs. 25,000.00 in deposit receipts of the Treasury Print outs (SA-30) and Departmental Consolidated Trial Balance had not been adjusted to the Imprest Adjustment Account.
- b) Deposit receipts as per the Treasury Print outs had been Rs.299,034,574 and the same in the Financial Statements submitted had been given as Rs.299,009,574.00, thereby a difference of Rs.25,000.00 could be observed.

1.6.1.3 Recurrent Expenditure

Following observations are made.

- a) Total Net Provision for recurrent expenditure in the Summary of Expenditure, ACA-2 as per the programs of Financial Statements submitted Rs.1,168,500,000. while Rs. 936,801, 576, had been indicated as total recurrent expenditure. However, it had been indicated in the Statements of Expenditure ACA-2 (ii) as Rs.1,159,800,000 and Rs. 928,392,355 respectively.
- b) Although Rs.59,315,710 had been indicated as the advance payments under key ledger expenditure in the Financial Performance Statement, it had been indicated as Rs.59,325,710.00 in the Treasury Print outs (SA-52) and as Rs. 59,490,410 in the Consolidated Trial Balance.

1.6.2 Statement on Financial Position

16.2.1 Non Financial Assets

Following observations are made.

- a) Journal notes with respect to adjustment of Rs. 982,032,375 balance of Non Financial Assets as at 31 December of the previous year as Rs.1,371,338,801 as at 31 December of the year under review, had not been submitted.
- b) Although Rs. 107,562,052 had been incurred for acquiring capital assets under capital expenditure of the year under review as per the Expenditure head, Rs. 56,420,700 had been indicated as purchases under Non-financial assets (ACA-6).
- c) Buildings and Constructions worth of Rs. 45,567,770.77 had not been included as non-financial assets under work in Progress in the Statement on Financial Position of the year under review.

1.6.2.2 Deposit Account Balances

Following observations are made.

- a) As per the treasury print outs, deposit balance had been Rs. 345,576,033 as at 31 December 2019 and it had been indicated as Rs.345,551,033 as in the Financial Statements submitted.
- b) Action had not been taken to credit Rs. 9,946,304, total of retains related to 05 contracts and Rs.71,000, the total of 5 tender deposits to the Government Revenue as per F.R.571 on expired deposits.

1.6.2.3. Imprest Account Balances

Following observations are made.

- a) As per the departmental Consolidated Trial Balance, a total of Rs. 115,059,294,193, of two unidentified imprest balances and a debit balance of Rs. 26,897,295 under Expenditure Head 248 had been indicated. This balance had not been indicated in the ACA-3 format on Balance Imprest Account and also clarifications in this regard had not been submitted.

- b) Following variations could be observed bet ween the Departmental Consolidated Trial Balance and the Treasury Consolidated Trial Balance

Item	As per the Departmental Consolidated Trial Balance	As per the Treasury Consolidated Trial Balance	Difference
	Rs.	Rs.	Rs.
7002-72-18 (Credit)	3,355,000	60,514,721	57,159,721
7002-72-19 (Credit)	116,487,354,076	1,370,900,161	
	115,116,453,915		
7002-72-19 (Debit)	116,459,211,469	115,707,036,469	752,175,000

- c) A sum of Rs. 1,051,429 for the staff deployed for election duties had not been settled even as at 31 December 2019 owing to non-receipt of provisions from the Elections Department.

1.6.3 Cash Flow Statement

1.6.3.1. Cash Flow Generated from Operational Activities

Following observations are made.

- a) A sum of Rs. 75,210,583 which had been the total of Rs. 29,735,446 of opening balance of the Imprest Account and Rs.45,475,138 which had been the difference bet ween the departmental imprest account and the treasury print outs, had been indicated as Non –Revenue Receipts.
- b) As per the ACA-2 (ii) Format included in Financial Statements, Personal Emoluments & Operating Payments had been Rs.928,392,355 and it had been indicated as Rs.935,818,716 when preparing the cash flow statement.

1.6.3.2 Cash Flow Generated from Investments

Following observations are made.

- a) As per the Statement of Non – Financial Assets (ACA-6), sum of Rs.23,002 received from the sale of assets had not been included in the Cash Flow.
- b) As per the ACA-5 format, recovering advances and payment had been Rs. 50,529,077 and Rs.59,315,710 respectively and it had been brought to the cash flow statement as Rs.44,049,500 and Rs.51,833,719 respectively.
- c) As per ACA-2(ii) format, constructions or purchases and acquisitions of physical assets had been Rs. 110,015,053 and it had been brought to the Cash Flow Statement as Rs.64,447,282.

1.6.3.3 Cash Flow Generated through Financial Activities

Rs. 29,735,446 of balance which had been at the beginning of the year, had not been adjusted in adjustment of the cash flow generated through financial activities.

2. Financial Review

2.1 Revenue Management

Excise Revenue

Following observations are made.

- a) Estimated revenue for the year under review had been Rs. 135,000 million and the revenue collected by the Department had been Rs.105,417 million. This was 85% of the estimated revenue.
- b) Details on the net excise revenue collected from the year 2014 to 2019 are as follows.

Year	Excise Revenue Rs. Billion	Percentage Difference
2014	69.1	4.6
2015	105.2	52.2
2016	120.2	14.2
2017	113.2	(5.8)
2018	113.8	0.5
2019	115.3	1.3

- c) As per the Excise Notification No.902, surcharges are levied in the event of failure to pay the taxes on the prescribed date and surcharges worth Rs. 39,514 had not been levied on 9 companies which had thus failed to comply with the above. A sum of Rs. 42,643 had been lost owing to the failure to duly calculate the surcharge pertain to 4 companies.
- d) The total of tax arrears exceeding 05 years, due from 05 companies had been Rs.479.99 million and the respective late fee had been Rs. 1,896.39 million as at 31 December 2019. Cases had been filed against two companies and although it had been mentioned that files had been forwarded to the Attorney General for legal actions, no any progress in that regard could be observed.

- e) Action had not been taken to collect revenue in accordance with the F.R. 176(2),3 pertain to collection of revenue arrears.

2.1.2 Tobacco Tax

- a) Failure to collect taxes as per the Tobacco Tax Act

Although it is required to impose and charge a tax on every cigar, beedi and a kilogram of pipe tobacco in accordance with the Section 2 of the Tobacco Tax Act No. 8 of 1999, it was revealed that such tax is not thus levied according to the sample audit conducted on cigars and beedis manufactured. By the year 2019, there had been 18 company registered for importing tobacco for manufacturing cigars and beedis and under said companies, approximately 500 beedi and cigar manufacturers had been registered in the department. During the preceding 4 years, beedi and cigar manufacturing had been approximately 4 billion units. At present, only an application fee, manufacturing and storing license fee, and the relevant tax for the imported tobacco are charged. Accordingly, it was observed that a tax revenue receivable to the government is being forfeited. 20/18/2019 annual beedi manufacturing quantity of the 30 companies selected for the audit sample was around 31,348,500 and it could be observed that a massive tax revenue had been annually forfeited to the government taken into consideration 518 registered companies.

- b) As per the Tobacco tax income account submitted for auditing, local and imported tobacco tax income collected during the period from the year 2014 to 2019 was as follows.

<u>Year</u>	<u>Tobacco Tax Income</u>		<u>Total</u>
	Local Tobacco Tax Rs.	Imported Tobacco Tax Rs.	Rs.
2019	22,837,952	9,963,584	32,801,536
2018	21,587,211	12,704,726	34,291,937
2017	19,306,806	16,361,400	35,668,206
2016	27,076,026	6,250,121	33,326,147
2015	31,414,310	2,635,690	34,050,000
2014	28,064,210	4,377,420	32,441,630

- c) It observed that the department engages in regulating cigarette consumption while such regulation is not done regarding the beedi consumption. Further, it has been identified that the smoke discharged in beedi consumption is injurious to health and result in chronic diseases. And also, it has been identified that this has an enormous impact on losing productivity of the labour force. Therefore, it is observed that it is required to draw similar attention in regulating the beedi manufacturing.

2.2 Expenditure Management

Following observations are made.

- a) Over Provision

Even though provision totaling Rs.507.2 million had been made in respect of 7 items of expenditure, provision totaling Rs.124.8 million only had been utilized. The Saving in those items of expenditure ranged between 18 per cent and 84 per cent of the net provision made.

- b) Non-utilization of the allocated provisions

Total net provision amounting to Rs.58.45 million made for 2 items of expenditure, had been saved in full without making any utilization.

- c) Delays in completion of projects had been as follows

Project	Estimated Cost (Rs.)	Date of Commencement	Date of Completion	Expenditure as at 31.12.2019 (Rs.)	Progress (by July 2020)
Kandy Phase (iii)	17,810,625	05.02.2019	10.09.2019	17,810,625	Not completed(More than 9 month delay)
Ampara	51,600,000	03.08.2019	04.03.2018	44,625,936	Not completed(delay of 2 years)
Point Pedro	61,780,000	12.05.2019	14.01.2020	30,000,000	} Not completed
Mullaitivu	49,000,000	08.02.2019	08.02.2020	35,986,421	
Pugoda	30,640,000	05.07.2019	03.11.2019	18,397,986	

2.3 Incurring Liabilities and Commitments

Following observations are made.

- a) Total amounting to Rs. 3,430,288 of supplies and services obtained at 27 instances with respect to 11 Items of Recurrent Expenditure totalling Rs. 1,468,150 of services obtained at 4 instances with respect to 4 items of Capital Expenditure, had not been included in the Statement.
- b) As per the 3.4 Paragraph of the State Accounts Circular No.271/2019 dated 03.02.2019, any liability or commitment unrecorded under (iii) should not be settled in the year 2020 as an expenditure of the preceding year. However, a sum totaling to Rs. 4,898,437 pertain to 15 thus unrecorded instances of the year 2019 had been settled in the year 2020.
- c) As per the Financial Regulations 94(1), although it is indicated not to enter into any expenditure, liability or commitment in absence of provisions in annual estimates, liabilities amounting to Rs. 1,847,321 had been created when only Rs.43,903 of balance had been saved for Expenditure Vote No.1406.

2.4 Responsibilities of the Chief Accounting Officer and Accounting Officer

Although the Accounting Officer should be responsible over the undermentioned matters, actions had not been taken accordingly.

- a. The Accounting Officer should certify that a productive internal system of control is formulated and maintained for the financial administration of the Department. The productivity thereof should be reviewed from time to time and changes should be made accordingly to maintain the productivity of the systems. Such reviews should be in writing, and a copy thereof should be furnished to the Auditor- General. However, no statement to the effect that such reviews had been made, was furnished to the Audit.
- b. Although the Accounting Officer should ensure that all queries be answered within the specified time as required by the Auditor- General, there had been delays in replying the audit queries.

3. Operational Review and Performance

Operational review with respect to the revenue, expenditure, assets and liabilities given in the financial statements submitted, audit observations with respect to sustainable development, good governance and Human Resource Management shall be included in the report submitted in accordance with the Section 10 of the National Audit Act No.19 of 2018 referred in the above 1.1 paragraph.

Sgd. Illegibly
R.R.M.Abeysinghe Banda
Deputy Auditor General
For Auditor General

Performance Indicators

- 4.1 Introduction
- 4.2 Performance Indicators of the Institute
 - 4.2.1 Administrative Division
 - 4.2.2 Revenue Division
 - 4.2.3 Law Enforcement Division
 - 4.2.4 Accounts Division
 - 4.2.5 Internal Audit Division
 - 4.2.6 Human Resources Division
 - 4.2.7 Information Technology Division
 - 4.2.8 Transport & Logistics Division
 - 4.2.9 Studies & Research Division
 - 4.2.10 Supply Chain Regulation Division
 - 4.2.11 Legal Division

4.1 Introduction

Administrative Division of the Excise Department of Sri Lanka has introduced the Action Plan for the year 2019 by the end of the year 2018. It has to be acknowledged that the departmental performance indices had not been clearly indicated as the Key Performance Indicators in the aforementioned Action Plan introduced. However, action has been taken to point out the revenue and crime detection targets under relevant divisions, having identified said revenue and crime detection targets of the action plan. Accordingly, progress of the expected final output percentages for the performance report of the year 2019 has been given in this report taking the action plan for the year 2019 in to consideration. Necessary arrangements have been made to rectify those identified shortcomings when preparing the action plan for the year 2020.

Due to the reasons of implementing new projects of the IT division and the time taken to fulfil the basic requirements for researches subsequent to establishment of studies and research division as a new division and not being able to allocate provisions, there are issues in the percentages of outcome in the expected output for the respective divisions based on the action plan for the year 2019. Accordingly, despite of having the progress of said divisions is between 50%-74% level, the progress of the expected final outcome of all other divisions remains between 90%-100% as a percentage. Relevant details have been given under 4.2 of this report.

4.2 Performance Indicators of the Institute

Divisions of the Department	Specific Indicators		Actual output as a percentage (%) of the expected output		
			100% - 90 %	75% - 89 %	50 % - 74 %
4.2.1 Administrative Division	Establishment and Administrative Functions		✓		
4.2.2 Revenue Division	Collecting the expected revenue for 2019	Liquor	✓		
		Tobacco	✓		
4.2.3 Law Enforcement Division	1. Enforcement of relevant laws and acts		✓		
	2. Technical crime reports for excise licenses		✓		
	3. Drug related crime reports		✓		
	4. Tobacco related raid targets		✓		
4.2.4 Accounts Division	All accounting activities of the year 2019		✓		
4.2.5 Internal Audit Division	Internal audit program to be completed in the year 2019			✓	
4.2.6 Human Resources Division	1. Trainings for all officers		✓		
	2. Capacity Building of Officers		✓		
4.2.7 IT Division	Updating the web site		✓		
	Implementing new projects				✓
4.2.8 Transport & Logistics Division	Construction of proposed buildings		✓		
	Transport and other related duties		✓		
4.2.9 Studies & Research Division	Studies		✓		
	Research activities		Provisions have not been allocated		✓
4.2.10 Supply Chain Regulation Division	Sticker Project	Local	-	-	-
		Foreign	✓		
4.2.11 Legal Division	Legal requirements		✓		
	Expected new trends		✓		

Performance of Achieving Sustainable Development Goals (SDG)

- 5.1 Introduction
- 5.2 Activities of the Excise Department of Sri Lanka based on the Sustainable Development Goals
- 5.3 Progress

5.1 Introduction

All government administrative entities such as, ministries, departments, provincial councils, local government institutes should specify the manner which the said institute expects to maintain the 17 sustainable development goals introduced to the institute in setting its annual action plan. Therefore, at the outset of each year, the department should specify in its action plan how it should plan its activities carried out in line with its vision, mission, and objectives.

However, attention has not been drawn to these sustainable development goals in preparing the action plan of the Excise Department of Sri Lanka for the year 2019. Thus, it was difficult to indicate the progress of each subject in clarifications on successful achievement of said sustainable development goals, in preparation of the Performance report in line with the action plan 2019. Nevertheless, action has been taken to clarify how the Excise Department of Sri Lanka expects to carry out its activities as per the 17 sustainable development goals introduced by the Sustainable Development Goals Act No. 19 of 2017 in preparation of the action plan for the year 2020. Although the progress of achievements introduced for each division has not been given in the performance report for the year 2019, it has been pointed out that the expected outcome percentage of the overall performance of the Excise Department of Sri Lanka remains at the (90% - 100 %) level.

When considering the 17 sustainable development goals, a detailed clarification of the manner in which the No.02 and 06 targets directly contribute for the projects and programs of the Excise Department of Sri Lanka is not given since it is clarified in the description of other 15 targets.

5.2 Activities of the Excise Department of Sri Lanka based on the Sustainable Development Goals

❖ Sustainable Development Goals Identified

- Although attention has not been drawn to the sustainable development goals when preparing the action plan for the year 2019 in 2018, said sustainable development goals have been identified. Action plan 2020 has been prepared having included said goals.
- Targeted sustainable development goals of the year are as follows.

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0% - 49%	50% - 70%	75% - 100%
Goal - 01 End poverty in all its forms every where	<ul style="list-style-type: none"> ➤ Enhance social security by efficient and effective law enforcement on illicit liquor and dangerous drugs. ➤ Conduct awareness programs on effective control of liquor and drugs throughout the country by selection of villages in each Divisional Secretary's Division. ➤ Annual tax increase or price increase of liquor and tobacco products to ensure discouraging the affordability. ➤ Implementation of Control techniques on illicit liquor and drugs. ➤ Conduct prevention programs with the support of other stake holders. 			✓	✓
Goal - 02 End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Not applicable				

<p>Goal - 03</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> ➤ Ensure the quality of legal beverages under Excise Ordinance. ➤ Minimizing and control of the spread of illicit liquor to ensure health and quality of lives. ➤ Establishment of social security through effective prevention programs. ➤ Law enforcement on illicit liquor and drugs for the wellbeing of the general public 			<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	
<p>Goal - 04</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> ➤ Conduct awareness programs for communities of all levels to save them of the danger of addiction to liquor and drugs. ➤ Human resource development for officers of all levels of Excise Department of Sri Lanka. 			<p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p>
<p>Goal - 05</p> <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> ➤ Both men and women are given opportunities to apply when recruitment are made to the posts of excise guard to excise inspector. ➤ Women officers are given equal opportunities for promotions. ➤ Male and Female officers are given equal opportunities for training and development. ➤ No gender discrimination for both sexes as they are given opportunities for reasonable remuneration. 			<p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>
<p>Goal - 06</p> <p>Ensure availability and</p>	<p>Instructions have been issued to all</p>				

sustainable management of water and sanitation for all	liquor manufactories to obtain the environmental protection license for the liquor based manufacturing processes. Protection of natural water sources by minimizing the illegal liquor manufacturing which destroy said water sources.				✓
Goal - 07 Ensure access to affordable, reliable, sustainable and modern energy for all.	Instructions are to be given for all liquor manufactories and distilleries to save energy by using minimum electricity for manufacturing purposes.				
Goal - 08 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> ➤ EDSL has provided access for decent work to its employees of all levels. The Finance Ministry and EDSL have ensured the fair income, security of their jobs and lives, social protection, better prospects for personal development and respect fundamental rights of officers and the public. The department has ensured the equal treatment opportunities for employees of all levels. ➤ Creating an efficient monitoring environment. ➤ Revenue collected through the Excise Department of Sri Lanka is utilized for the development of the country by the Ministry of Finance. 				<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>

<p>Goal - 09</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> ➤ Excise Department of Sri Lanka has ensured an effective excise and tobacco tax administration mechanism. ➤ Obtaining consultation services of Moratuwa University for the Excise Revenue Management System (ERMS). ➤ Making the tax administration efficient. ➤ A foolproof sticker for liquor has been introduced for easy tax administration, for prevention of illegal substitutes flow to the market and for protection of public health. ➤ All excise regulations are currently being simplified and amended. ➤ New excise regulations have been formulated. ➤ Minimizing the entry barriers for liquor and tobacco industries through the verification of new products. 			<p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>
<p>Goal - 10</p> <p>Reduce inequality within and among countries.</p>	<ul style="list-style-type: none"> ➤ Enhance exposure through foreign training programs and provide such foreign trainings opportunities to the employees of the Excise Department of Sri Lanka. ➤ Efficient and effective networking with the international organizations on excise and tobacco revenue administration, dangerous drugs control and Tobacco control. 			<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	

	<ul style="list-style-type: none"> ➤ Introducing local standards for alcoholic and tobacco products through the coordination of international standard organization and local standard bureau. 		✓		
Goal - 11 Make cities and human settlements inclusive, safe, resilient and sustainable	Departmental programs are implemented for building a society free from illegal drugs and liquor in order to ensure human settlements safe and resilient.				✓
Goal - 12 Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> ➤ Excise Department of Sri Lanka has taken measures to lessen or reduce consumption of liquor through awareness programs on responsible consumption of liquor and conduct awareness programs throughout the country with the above intension. Similarly, imposing limits on retail sale and possession of liquor in order to control consumption. Moreover, effective and efficient monitoring of liquor manufactories for ensuring liquor and tobacco of high standards. 				✓
Goal - 13 Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> ➤ Excise Department of Sri Lanka has ensured environmental protection by making it compulsory to obtain the license issued by the Central Environment Authority when new licenses are issued for Liquor manufactories. Similarly, Boiler certificates should be obtained from the relevant authorities to ensure that manufacturing process is global climate and environment friendly. ➤ Efficient and effective control of 				✓ ✓

	illicit liquor manufactory throughout the country to protect the natural water resources from water pollution.				
Goal - 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Issuing licenses only for hotels which are situated 100 meters away from the beach in coastal areas with Tsunami threat.				✓
Goal -15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	<ul style="list-style-type: none"> ➤ Instructions have been issued for all distilleries and manufactories which are under the administration of the Excise Department of Sri Lanka to establish them without damaging the terrestrial eco systems, environment reservation and also the bio diversity. ➤ Protecting the forests through curtailing cannabis cultivation 			✓	✓

<p>Goal - 16</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> ➤ Taking action to build a peaceful society for the community through productive enforcement of law on dangerous drugs, illegal liquor and tobacco products. Similarly, all officers of all levels are encouraged to respect the rule of law. Moreover, officers are continuously trained to be liable for all the activities fulfilled by them. ➤ All officers shall be directed for productive tax management methods through the Excise Revenue Management System (ERMS) 				<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>
<p>Goal - 17</p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<ul style="list-style-type: none"> ➤ Efficient and effective participation in programs conducted by the National Authority on Tobacco and Alcohol through the World Health Organization. Efficient and effective participation in programs conducted by the World Health Organization's convention on control of Tobacco 				<p style="text-align: center;">✓</p>

Human Resource Profile

- 6.1 Cadre Management
- 6.2 Impact of the shortage or excess in human resources on the performance of the institute
- 6.3 Human Resource Development
 - * Impact of the training programs contributed to the performance of the institution

6.1 Cadre Management

	As at 2019.12.31		
	Approved Cadre	Actual Cadre	Vacancies
Senior	67	35	32
Territory	381	320	61
Secondary	872	768	104
Primary	222	202	20

6.2 Impact of the shortage or excess in human resources on the performance of the institute

Out of the existing vacancies in senior posts, 23 vacancies are of Superintendents of Excise. Accordingly, officers have been appointed to said posts on acting and covering up basis and it has been unable to make appointments on permanent basis due to legal proceedings. Decision of the said case has been received in the year 2019 and actions are being taken for giving the promotions.

There are 57 vacancies in the post of Excise Inspector in the vacancies of the tertiary level. Limited and open competitive examinations have been held to fill said vacancies.

There are around 85 vacancies in the post of Excise Sergeant among the posts of the secondary level. This situation has arisen due to two cases heard in the Supreme Court for over 07 years. Relevant verdicts have now been received, and the environment to hold the examinations and the interviews for giving said promotion has now been created. Accordingly, it will be able to fill the large number of vacancies subsequent to giving these promotions and appointments in the near future.

6.3 Human Resource Development

41 local and foreign training courses were conducted in the year under review by the Human Resources Division of the Excise Department of Sri Lanka in order to upgrade knowledge, skills and attitudes as well as for the capacity building of its uniformed and combined staff. Accordingly, 05 training courses at the Excise College of Sri Lanka, 24 courses in government approved external training centers, 08 course at the departmental auditorium and 04 foreign training courses were held.

Due to a policy decision of the government, foreign training courses had to be limited. Human resources division has taken action to give at least one officer from each division a chance to participate at least one training course. Specially, a course was conducted at the Excise College under 4 groups in order to upgrade the knowledge of the officers attached to manufactories which generate tax income for the government. Moreover, fire arm training provided to all officers above the rank of Excise Inspector for the self-defense of the officers who are directly involved severe control of illegal alcohol and drugs while carrying out their duties in the field was significant.

Similarly, action was taken to provide a special training for 637 officers of the department to prepare them for an integrated public service absent of any bribery or corruption, under 05 programs held throughout the island in collaboration with Commission to Investigate Allegations of Bribery or Corruption. Further, measures were taken to provide 10 courses for 47 officers at recognized educational institutions of the island with the view of upgrading the IT related knowledge to work in a modern technological environment. And also a course on Drug abuse and law enforcement, and a course for developing management of officers were conducted. Likewise, Human Resources Division could provide training to develop the skills of the officers with the view of making the departmental staff efficient and productive. In addition to the above, HR Division contributed to develop the skills of the officers by making necessary measures to hold a course for preparing the officers for their efficiency bar examination, courses for improving Tamil and English language skills, and also 10 courses for the implementation of the newly introduced Foolproof Sticker System.

*** Impact of the training programs contributed to the performance of the institution**

It is now widely accepted that the human resource is the most valuable asset in the modern world. Accordingly, any institution can thrive by protecting and developing human resources. Human resource development can be done through regular training related to their knowledge and their services as well as constant updating of their soft skills and work skills (Hard Skills).

Excise Department of Sri Lanka conducts regular local and foreign training programs to develop the human resources in order to fulfill the objectives and functions of the Department of Excise of Sri Lanka efficiently and effectively, and these are offered at the Excise Training College and also at the approved external training institutes. Both trained resource persons of the Excise Department as well as the external learned resource persons are deployed for this purpose. 41 local and foreign training courses have been conducted in the year 2019 in order to meet the objectives of the Department. Human resources division has taken action to provide at least one training opportunity for each officer of the excise and combined services.

Excise officers are constantly trained on the laws and regulations for combating trafficking of illicit drugs and liquor as well as on recently recognized illegal drugs and new methodologies to control their spreading out. For this purpose, the resource persons of the Sri Lanka Police and the National Board of Drugs Control Board and their laboratory facilities are deployed. Training programs have also been conducted to update the knowledge of information technology of the officers by the HR Division in the year 2019 while taking necessary action to train the officers for an integrated public service free of bribery and corruption.

Serial No	Name of the Program	No. of staff trained	Duration of the program	Total Investment (Rs'000)		Nature of the Program (Abroad/Local)	Output/Knowledge Gained*
				Local	Foreign		
01	Scientific Training on drugs Identification including new psychoactive substances (NPS) and drugs law enforcement organized by the National Dangerous Drugs Control Board	244	Two Days	343,905.00	-	Local	Formal and extensive technical knowledge on modern drugs including new psychoactive substances and dangerous drugs which are becoming a major threat to the country at present and the prevailing legal provisions in that respect.
02	One day workshop conducted for the Officers in Charge of excise stations for proper management and regulation of office duties	111	One day	60,640.00	-	Local	Updating of office procedures, maintaining office disciplinary activities, maintaining accounts, adapting the S5 concept to offices, attitudes and personality development of officers
03	Program of Mobilizing Officers of the Excise Department of Sri Lanka for an integrated Public Service	637	One day	632,925.50	-	Local	Theoretical and practical training in order to line up for an integrated public service free of bribery and corruption
04	One day training course for Superintendents of Excise	23	One day	18,310.00	-	Local	Method of performing a half yearly inspections by a Superintendent of Excise, role and qualities of a manager to improve the performance of subordinate officers, accurate accounting methods, application of 5s concept for office

05	Program for Excise Officers to regulate the monitoring of the fermented toddy industry .	24	One day	4,682.50	-	Local	Providing knowledge on regulating the monitoring of toddy industry for the Excise Officers working in areas related to the toddy industry.
06	Two Day training workshop for the first efficiency bar examination of the Excise Guards	99	Two Days	Borne by the All island Excise Sergeants' and Guards' Union	-	Local	Providing knowledge on the scope of the first Efficiency Bar Examination for the Excise Guards who were appointed on 14.10.2016. & 14.12.2016
07	One day Training Course on the Establishment Code, Office Systems and the Importance of the Concept of Productivity for day to day duties.	106	One day	77,460.00	-	Local	Knowledge on the Establishment Code for day to day duties of the Public Management Assistants and the Excise Officers and Importance of the Concept of Productivity for Office Management.
08	Training on the Foolproof Sticker Project .	311	One day	69,827.00	-	Local	Making the Excise Officers and the licensees aware of the Foolproof Sticker Project and the basic procedures approved by the Excise Department in respect of the liquor distribution and sale procedures.
09	Training Program on Essential IT skills for Non-IT Officers	06	Two Days	78,000.00	-	Local	Use of word processing tools and applications, entering and saving data, making printouts, Apply communication tools such as email, skype, Viber, WhatsApp, Troubleshooting, Cloud computing, Data communication and network communication. Etc.

10	Certificate Course on Public Procurement Process	02	10 Days	90,000.00	-	Local	Recognition of public procurement and its importance, Process of calling for bids & its role Functions, Knowledge on Public Procurement methods, Types of Bids, Preparation of Bidding Documents, Role of Procurement and Technical Evaluation Committees, Bid Evaluation & awarding , preparing of Contract Agreement
11	Project management with MS project	1	Three days	18,000.00	-	Local	Knowledge about MS project, Create and manage projects using MS project tools.
12	Diploma course on Criminology	7	One year	280,000.00	-	Local	Analytical knowledge of the nature and classification of crimes in Sri Lanka, ability to identify the causes that contribute to the local and global growth of crime, ability to identify the local and global criminal justice systems and its practicality.
13	Diploma Course on Drug Abuse Management	2	One year	150,000.00	-	Local	Providing a good understanding of drug prevention, treatments and rehabilitation
14	Transport Management	1	Two Days	7,000.00	-	Local	New Motor Traffic Laws, Insurance ,Technical information, Road rules, obtaining certificates of fitness, other rules related to motor vehicles, role of transport management, maintenance and repair information

15	Higher certificate course on enforcement of drug related laws	16	03 Months	400,000.00	-	Local	Knowledge on acts and laws, international and regional conventions and regulations which are key components in enforcement of laws for controlling drug supply.
16	Awareness Programme for the Public Sector Officers	2	One day	Free	-	Local	Development of managerial skills in the public sector based on the recommendation of the report of "common competency framework for productive & ethical public service culture" that development by NHRDC through the contribution of expertise people in the field.
17	Training Course on "Lossess, Waive off and write off from books"	1	Two Days	8,500.00	-	Local	Basic rules on waiving off losses, Identifying losses and damages and the actions to be taken in that regard, preliminary and full reports, identifying the authorities in respects of damages, orders to write off from books and identifying the registries for recording damages

18	Three-day workshop on Database management in MS Access	1	Three days	15,000.00	-	Local	Knowledge about Design desktop database using ER diagrams, Constructing Database, Creating and modifying tables, Building relationship, Form preparation and modification, Creating and editing queries, Data Extractions through queries
19	Microsoft Excel - Advanced analysis tools	2	Two Days	34,000.00	-	Local	Knowledge about Multiple worksheets and Workbooks, IF,VLOOKUP, and Power functions, Security and sharing, Database Features, PivotTables, Data Analysis Tools, Creating a simple macro, Running a macro
20	Training for trainers	1	Three days	18,000.00	-	Local	Training Vs Learning, Importance of training cycle, Benefits of training, Andragogy Vs Pedagogy, Training needs assessment, Designing a model training programme, Role of a trainer, Training evaluation
21	Public Accounting Methodology and Accounting of Treasury Transactions	2	Two Days	17,000.00	-	Local	Full knowledge on basic theories of accounting and public accounting systems, Accounting the basic accounts of the office, understanding on the manner of accounting the transactions in the

							CIGAS Program ,and the knowledge to rectify the oversights in public accounting .
22	Advanced MS Excel skills for government officers	1	Two Days	13,000.00	-	Local	Practical knowledge in practical usage of MS Excel
23	Diploma in public procurement and contract administration	1	One year	100,000.00	-	Local	Knowledge about Essence of public procurement, Designing and planning bidding documents, Bid evaluation and documentation, E procurement, Green procurement, Sustainable risk management, Contract administration and evaluation, Contract laws in government, Supply chain management, Negotiation Skills
24	Workshop on maintenance of fixed assets registry on properties and equipment	1	One day	5,000.00	-	Local	Identifying public assets, knowledge on No.7 & 8 of Sri Lanka Accounting Standards , preparing of registries on public assets, accounting of writing off and sale of assets through practical use .
25	Diploma in English for junior Executives	2	For 30 weeks on every Tuesday	150,000.00	-	Local	General conversational skills, Formal letter writing skills, Reading and comprehension skills, Listening and note taking skills, Functional grammar, Vocabulary building activities, Basic report writing skills.
26	File Management , General Office Administration and the Establishment Code	2	Three days	36,000.00	-	Local	Office Management, File Management, Office Communication, Introduction of relevant

							Chapters of the Establishments Code, Public Sector Modernization and Friendly Office Management
27	ICT for management assistants	2	Two Days	26,000.00	-	Local	Basic practical knowledge on computer performance
28	Public Service disciplinary procedures	1	Three days	18,000.00	-	Local	Establishment Code and its relevance for public officers, vesting of power, reporting anomalies, Pre-investigation, Preparing Charge sheets, conducting proper investigations, taking down witness's statements, Punishments and appeals, knowledge on acts and circulations
29	Higher national diploma in network engineering	1	1 Year	200,000.00	-	Local	Provide knowledge and skills required for network engineering fields, prepare a participant to start a career as a network/system engineer, Satisfy the academic criteria required for admission of degree program in network engineering, To obtain membership of professional institutions.
30	Diploma Course in English Language	1	One year	35,000.00	-	Local	Developing the skills of English language Listening ,Spoken, reading and writing
31	Microsoft Application	20	One day	Free	-	Local	Practical knowledge in practical use of MS VISIO, MS OFFICE

							365, MS PROJEC
32	Creating and maintaining wining mind .	3	One day	10,500.00	-	Local	Knowledge of preparing programs and the measures to be taken to make them successful.
33	In service training courses for officers to be attached to manufactories, warehouses and distillery	112	Two Days	218,700.00	-	Local	Knowledge in the fields of administration, legal provisions and regulations on manufactories, warehouses, and distilleries, and maintaining related documents computerized.
34	Training course for Excise drivers on basic mechanics, road rules and environment friendly driving	95	Two Days	153,845.00	-	Local	Training on Maintaining the documents essential for driving duty, knowledge on relevant rules, regulations and responsibilities, Knowledge on Mechanics relevant to vehicle maintenance, training on safe driving, recognizing modern technological accessories in driving modern vehicle to safe guard safety, economical driving methods and tool performance
35	Legislative Workshop of the Excise Department	234	Two Days	280,500.00	-	Local	Reviewing the prevailing laws pertaining to the scope of the Excise Department of Sri Lanka and updating them and formulating laws to suit current social, cultural ,economic conditions
36	Training Course on Court Duties for Excise Officers	505	Two Days	1,050,155.00	-	Local	Understanding of basic arrangements and

	of other ranks						preparing files, knowledge of departmental orders, powers and legal conditions for successful handling of all court cases by providing necessary facts and advice to resolve problems encountered in attending judicial duties.
37	Annual Fire arm training for officers of the Excise Department of Sri Lanka	290	Two Days	667,225.00	-	Local	Providing theoretical and practical training on the use of fire arms to all officers who are authorized to use fire arms including the staff grade officers of the Excise Department of Sri Lanka.
38	Management Capacity Building Program	1	06 Days	-	295,000.00	Foreign	Team building, Understanding the strategic planning, Organizational retooling for execution, leadership track, Stakeholder management
39	Managerial Competency Development Program	2	10 Days	-	590,000.00	Foreign	Develop the knowledge about skills and methodology, necessary to meet the human resource challenges of today's fast paces work environment. Develop a strong foundation in current HR best practices and prepare to lead the strategic deployment of human capital for all sorts of organization, Provide in practical knowledge development relates issues and discourse international

							approaches.
40	International Programme on Applied Criminology and Criminal Justice System in Malaysia	3	07 Days	-	703,500.00	Foreign	Knowledge about Crime prevention and control, Cyber-crimes, Criminal investigation, Criminal psychology, Child protective services, and Rehabilitation of criminals
41	Ministerial Segment of 62 nd session of the commission on Narcotics Drugs	1	Two Days		232,000.00 + \$1380.00	Foreign	Discussion on the implementations made to jointly address and counter the world drug problem, in particular in light of the 2019 target date.

Compliance Report

- 7.1 Compliance Report on the manner of contribution to the departmental performance.

7.1 Compliance Report on the manner of contribution to the departmental performance.

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Applicable	1.This account is not relevant to the EDSL	
1.4	Stores Advance Accounts	Not Applicable	2. This account is not relevant to the EDSL	
1.5	Special Advance Accounts	Not Applicable	3. This account is not relevant to the EDSL	
1.6	Others	Not Applicable	4. This account is not relevant to the EDSL	
2	Maintenance of books and registers (FR445)/			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		

2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Report			
4.1	Preparation of the annual action plan.	Complied		
4.2	Preparation of the annual	Complied		

	procurement report			
4.3	Preparation of the annual audit report.	Complied		
4.4	Preparation and Submission of the annual estimate to the Department of National Budget by the prescribed date	Complied		
4.5	Submission of the annual cash flows to the Department of Treasury Operations by the prescribed date.	Complied		
5	Audit queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1 -2019	Complied		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3).	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has	Complied		

	been held during the year as per the DMA Circular 1 -2019			
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of 13 the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and	Complied		

	submitted to the Auditor General on due date			
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re -tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		

11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Not Complied	By now, loans are being recovered	
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad -hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad -hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		

14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied.		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied. Implemented through the Deputy Commissioner of Excise (Legal)		
17.2	Information about the institution to the public have been provided by Website or alternative measures and	Complied. Implemented through the		

	has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Deputy Commissioner of Excise (Legal)		
17.3	Bi - Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied. Implemented through the Deputy Commissioner of Excise (Legal)		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied for the License Branch		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Not Complied	Taking action to improve the Citizen/Client Charter displayed in the License Branch of the Head Office	Citizen/Client Charter is to be displayed in relevant divisions in the year 2020
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied.		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been	Complied.		

	ensured in the aforesaid Human Resource Plan			
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied.		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied.		
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified.	Complied.		

