

Annual Performance Report & Accounts for year 2019

Department of Pensions

Vote – 253

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1.1. Introduction

The history of the Department of Pensions, which had been established officially as a Department of Grade A under the Ministry of Public Administration on 23 December 1970, goes back to year 1900. This Public Services Pension Scheme, which can be identified as a giant social security programme introduced for the benefit of Public Servants during the British era, makes huge relief to the widows and orphans, who become vulnerable with the demise of the Public Servant. The Pension Process, which is bound by the legal framework i.e. Widow's and Orphans' Pension Fund Ordinance No 01 of 1898 and Pensions Minute issued on 05 February 1934, has been established as a Government Law.

The payment of pension is carried out subject to the revisions made from time to time to Pensions Minute from year 1934 and the revisions made on 05 May 1972. However the benefits and services of the scheme have been further extended as per Widow's and Orphans' Pension Fund Ordinance No 01 of 1898, Widowers' and Orphans' Pension Act No 24 of 1983 and Widows' and Orphans' Pension Fund (Amendment) Act No 44 of 1981, under which Disabled Pension Scheme is implemented. In the meantime Public Service Provident Fund implemented as per Public Service Provident Fund Ordinance No 18 of 1942 ensures assistance to the Citizens, who are in public service, concurrently to the Pension Scheme.

The Department of Pensions, which shoulders to a tremendous role by the end of year 2019 providing benefits including the pension to a pensioners' community of nearly 639984, has launched number of strategic approaches with a view to develop the processes of the institution aiming at the enhancement of the quality of service whilst focusing the management process of the institution towards the Pensioner.

Therefore the Department of Pensions, which is blessed with a staff committed to deliver an efficient and effective service to ensure the protection of the Public Servants, who provided their service to our motherland from the past up to now and their family members, who face helpless situation with the demise of contributor, can be introduced as an institution, which performs an exemplary social service in the country.

1.2 Vision, Mission and Objectives of the Institution



Vision

A Pensioners' community highly satisfied in economic and social aspects.

Mission

Offering legal benefits to pensioners of Public Services and their beneficiaries, ensuring satisfaction of both recipients as well as service providers at an excellent level intertwining public sector with private sector through applications of modern technology and sustainable management techniques

Objectives

- Monitoring the process for granting pensions benefits of Public Servants in consistent with Pensions Minute, Widowers' and Orphans' Fund Act and Widows' and Orphans' Fund Act and imposing other relevant provisions.
- Granting the pensions of retired public servants in consistent with the legal frameworks, rules and policy decisions pertaining to the pension.
- Payment of monthly pension benefits without interruption and awarding the benefit correctly, which makes once and for all.
- Monitoring Public Service Provident Fund Scheme and awarding benefits.
- Collecting contributions to Widows' and Orphans' Fund on behalf of the Government and collecting and managing other revenues.
- Payment of pension to the members of Three Armed Forces.
- Payment of compensation pension and allowances to the members of Three Armed Forces and the Police who become disable or demise whilst in active service.
- Assisting to formulate policies on modern social security systems by way of studying the global trends on social security.
- To be accountable for the preparation of annual budget and its progress.
- Holding the National Pensioners' Day celebration.

- ✓ Facilities are provided for the following services by the Department of Pensions in addition to the payment of pension.
 - Engaging pensioners in employments.
 - Making facilities for pensioners to get their free tickets reserved directly from railway stations.
 - Introduction of concessionary telephone packages to enhance interconnections.
 - Assisting to provide insurance facilities to ensure the protection of pensioners.
 - Providing facilities to pensioners to collect information required by them using telephone apps.
 - Maintenance and promotion of a productive link with pension units and bank and payment network, which intervene in the payment of pension.
 - Inviting contribution of private and non-government sectors to identify and implement programmes required for the economic and social welfare of the whole pension community.
 - Making pensioners contributed to regional development by way of obtaining active participation of civil society centered with Pensioners' Associations.
 - Ensuring the contribution as the pioneer to build the links among different generations.

1.3. Main Functions

The role of the Department of Pensions is performed through four processes.

1.3.1. Registration

I. Registration of Pension

- Civil

Registration of public servants, private teachers, teachers of private schools, those who retired before 02.01.2006, those who are sent on retirement on general inefficiency, those who are sent on retirement on disciplinary grounds, for the pension

- Armed Services

Registration of the officers in armed services at the end of their service for pension, registration for special compensations and compensation pension, registration for the death gratuity paid to the heirs when the contributor demises whilst on duty.

II. Registration of widows' and orphans' pension or widowers' and orphans' pension

Registration for the payment of widows' and orphans' pension or widowers' and orphans' pension after the demise of a public servant or pensioner, granting death gratuity number for public servants who demise whilst on duty and public servants who demise due to terrorist activities.

III. Registration in public service provident fund

Registration of persons holding non-pensionable appointments in public service for ensuring benefits at the end of the service.

1.3.2. Regulating the payments

Regulating accurately the functions i.e. monthly payments such as pension, widows' widowers' and orphans and disabled pension, payment of benefits of public service provident fund, returning the contributions of widows' and orphans' fund, payment of pension gratuity, payment of death gratuity, preparation of service gratuity and civil service gratuity of the officers of armed forces, who leave the service without having the entitlement to the pension, payment of special compensation, payment of widows' and orphans' pension, payment of pension of the retired officers living abroad.

1.3.3. Regulating the receipts

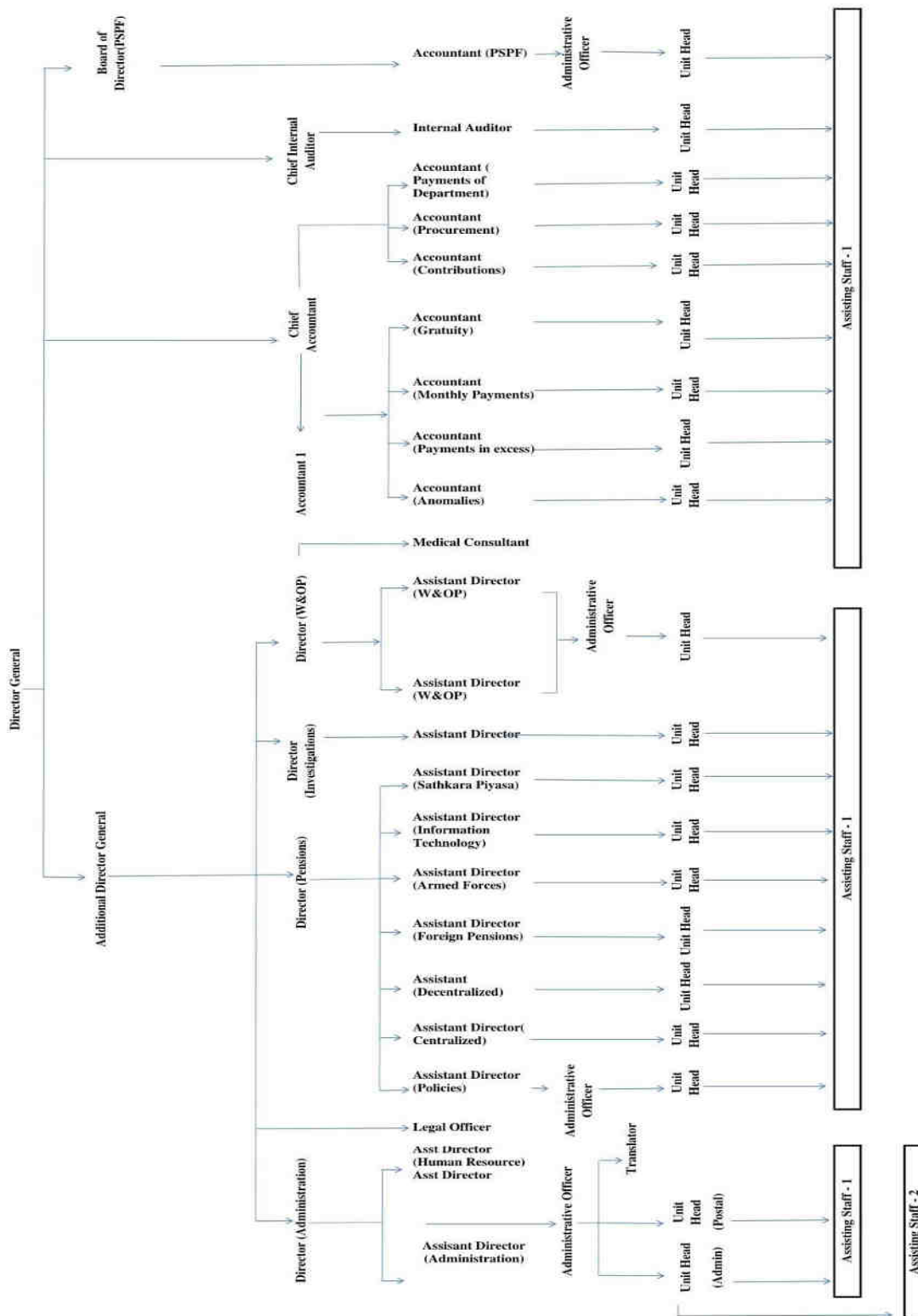
Regulating the receipts of widows' widowers' and orphans' fund, receipts of public service provident fund, receipts of local government institutions, building rent and the income from holiday resorts.

1.3.4. Development approach

Carrying out the development activities of the Department through four dimensions i.e. human resource development, information technology development, subject development, and physical resource development.

1.4. Organization Chart

Organization Chart



• Approved cadre of the Department of Pensions – As at 31.12.2019.

Nature of the post	Post	Service applicable	Salary scheme	Total approved carder	Number of the existing staff	Number of posts fallen vacant
Senior Level	Director General of Pensions	SLAS (Special)	SL-3-2016	1	1	0
	Additional Director General of Pensions	SLAS (Special)	SL-3-2016	1	1	0
	Medical Officer	Primary Grade	SL-2-2016	1	0	1
	Director of Pensions	SLAS (Class I)	SL-1-2016	4	2	2
	Chief Accountant	SLAcS(Class I)	SL-1-2016	1	1	0
	Chief Internal Auditor	SLAcS(Class I)	SL-1-2016	1	1	0
	Deputy Director/ Assistant Director	SLAS(Class II or III)	SL-1-2016	10	8	2
	Accountant	SLAcS(Class I)	SL-1-2016	1	1	0
	Accountant	SLAcS(Class II or III)	SL-1-2016	9	8	1
	Deputy Director/ Assistant Director	SLITS(Class II or III)	SL-1-2016	1	1	0
	Legal Officer	Dept	SL-1-2016	1	1	0
	Software Developer	Dept	Contract	3	1	2
				34	26	8
Tertiary Level	Administrative Officer	PMAS (Supra)	MN-7-2016	4	2	2
	Translator Sinhala- English 01 Sinhala- Tamil 01	TS	MN-6-2016	2	2*	0
	Information and Communication Technology Officer	SLICTS	MN-6-2016	5	1	4
				11	5	6
Secondary Level	Technical Officer	SLTS	MN-3-2016	1	0	1
	Budget Assistant	RS	MN-4-2016	1	1	0
	Pension Officer	Dept.	MN-4-2016	340	233	107
	Development Officer	DOS	MN-4-2016	398	397	1
	Public Management Assistant	PMAS	MN-2-2016	190	175	15
	Information and Communication Technology Assistant	SLICTS	MT-1-2016	5	3	2
	Documentation Assistant	Dept.	MN-1-2016	141	122	19
	Help Desk Operator	Dept.	Contract	2	0	2
				1078	931	147
Primary Level	Bungalow Keeper	Dept.	PL-1-2016	2	1	1
	Chef / Garden Labourers	Dept.	PL-1-2016	4	3	1
	Driver	DS	PL-3-2016	12	12	0
	Electrician	Dept.	PL-3-2016	1	0	1
	Karyala Karya Sahayaka	OES	PL-1-2016	56	55	01
				75	71	04
Total				1198	1033	165

*Translator – Number of officers serving at present:- Sinhala- English - 01
English-Tamil - 01

1.5. Main Divisions of the Department

I. Administration Division

The functions such as maintenance of the personal files of all the officers of the Department, administration activities of all officers, construction and maintenance of all the buildings of the Department, provision of necessary services to the Department and making relevant payments, maintenance, periodical services, and repairing of all the vehicles of the Department, repairing machinery and equipment of the Department and their periodical services, providing training opportunities to the officers of the Department, performance of duties fallen under Rights to Information Act, are carried out by this division.

Training programmes are organized by the Administration Division for the development of human resources. Under this, subject centered programmes for the enhancement of the knowledge of officers in the Department on subjects and updating on new trends, attitude and skill development programmes are organized as internal and external training programmes. Accordingly these training programmes are conducted obtaining services of various resource providers and institutions. Further training programmes are also organized under the scope of this Division with the utilization of human resources of the Department as resource persons to make other institutions aware of the pension scheme. .

- Action has been taken during year 2019 to conduct various training programmes covering all the officers of the hierarchy from top to bottom identifying the training needs of the officers of Department and with a view to maintain an effective service with higher quality. Programmes for the motivation of employees, programmes on office systems and office correspondence and promotion of productivity out of these programmes are among the priority works.
- Programmes were conducted to make all Divisional Secretaries and Accountants aware of the removal of pension anomalies as per 14/2019 and officers in charge of the subject of pension were also trained concurrently to the above.
- Department Of Pensions as one of the government institutions, which ensures a services with higher quality, has provided resource persons for training and making the awareness of over 1000 officers in year 2019 in order to maintain the payment process of pension with international standards.
- Accordingly two awareness programmes on the payment process of pension were conducted at Development and Training Institute of Southern Province for the benefit of officers of Southern provincial public service. Further Accountants serving in Jaffna, Killinochchi, Mannar, Mullativu and Vavuniya districts have been trained and public officers were informed regarding the payment process of pension covering Eastern province, Southern Province and North Central Province. In the meantime Medical Officers, Dental Surgeons and public officers in Central Province were made aware of expediting their pension.

- Various measures such as modification of the office environment, enhancement of sanitary facilities, different welfare programmes including opportunity for officers to participate in various games i.e. Cricket, Carom etc. identifying talented persons, organization of new year celebration have been taken in order to maintain a sound mental condition for the enhancement of human resource.
- Further new intercom system has been established with a view to ensure an efficient and effective communication within the Department and further hotline 1970, which was so far inactive, has also been reactivated to provide quick answers for the enquiries made by Pensioners. Separate officers of the Department have been engaged to perform these duties and this measure has removed the difficulties observed previously ensuring prompt replies to the issues of the Pensioners.
- With a view to ensure Pensioner the direct access to the relevant staff officer to get solutions for the issues, Public Day Programme is conducted on every Wednesday and participation over 500 Pensioners is observed in Public Day Programme on such days. Prompt solutions are provided for the issues raised by Pensioners at the Public Day Programme and further arrangements have been made to address the issues of Pensioners on other days except Wednesdays by way of engaging a staff officer in the duties at 'Front Help Desk'.
- Department of Pensions implements from year 2017 the provisions of the Right to information act no 12 of 2016. Accordingly answers have been given to all the issues raised by Pensioners in 2019 and 192 requests have been made during this year. In terms of the provisions of the Right to information act, answers to the inquiries made by pension issues of individuals are sent within 14 days. However no answers are made for the inquiries made regarding the pensions or information of others or due to lack of awareness. In case where the writer is not satisfied with the answer of the Department, answers are made to such person through the officer nominated to deal with appeals. Any writer, who is not satisfied further with that answer, has the opportunity to make an appeal to the Right to Information Commission. Accordingly the Department appears before the Commission at any given appointment. During year 2019, the Department had twice appeared before the Commission.
- Further answers have been made during 2019 to 1176 issues raised by Pensioners under the programme 'Tell to President'. 280 issues of Pensioners are in process and 141 issues have been referred to other institutions.
- Salary conversions of all the officers of the Department (1025) relevant to year 2020 have been concluded by the end of year 2019.
- Approval of the Public Services Commission has been granted in 2019 to the Scheme of Recruitment relevant to the post of Bungalow Keeper, for which action has been initiated in 2014 to get the approval.

- Efficiency bar examinations have been held for the employees in class III of Drivers' and Office Employees' services.
- Spaces of the building of the Department, which are not utilized by the Department, have been provided to other institutions on rental basis and an income is collected monthly in this way. The value of the receipts on building rental in 2019 is Rs.27,656,955. Further income is generated monthly from the Holiday Resorts maintained by the Department for the benefit of Pensioners' Community and the whole general public, whilst managing them properly.
- Civil Record Room has been established at the 5th floor of the building with a view to ensure easy access to them and further to ensure their long term safety. Files have been kept there under the categories such as files of Public Services Provident Fund, files of pensioners living abroad, civil pension files and files of Local Government Services Pension. At present nearly 100,000 files have been kept in the Record Room.

II. Civil Pension Division

▪ Decentralized Pension Division

Tasks such as issuing pension number to the public officers and officers in armed forces scattered all over the Island after sending them on retirement at the end of their service period and registering them on verification of their applications for the payment of pension and gratuity, commencing the first payment promptly with the inclusion of Pensioner in the pension data base, making facilities to offer social security benefits including subsistence allowance of police, special compensations, compensation pensions are performed by the Decentralized Pension Division of the Department of Pension.

More than 35,000 public servants are sent on retirement annually and the number of applications submitted to the Decentralized Pension Division of the Department in year 2019 is 30,143. The number of the applications, out of the applications received, which were referred for calling retired officers for the compulsory interview held once and for all at Sathkara Piyasa, is 26,386. Nearly 30% from the applications received in 2019 had to be returned and rejected due to weaknesses such as the difference in the names in National Identity Card, application, and annexes, non-calculation of service period accurately, non-inclusion of permanent and temporary service periods in the prescribed places, contradictions between salary conversion letter and online system, annexes, which are not clear, non-submission of the certificate for the recovery of contributions to Widows' and orphans' pension fund etc.

Payment of the pension

Month	Payment of pension online	Civil - Source Document	Armed forces - Source Document	Compensation on pension - Source Document	Allowances of the dependents of police	Special Compensation
January	631	12	5	3	22	56
February	2495	6	15	1	19	
March	2444	8	12	0	13	
April	3079	6	45	1	17	
May	1041	5	6	2	23	
June	2170	8	1	2	27	
July	2053	2	0	2	24	
August	2110	4	0	2	32	
September	1891	4	1	1	2	
October	2289	4	0	0	13	
November	2237	9	0	1	11	
December	3510	6	1	1	4	
Total	25950	74	86	16	207	56

- **Centralized Pension Division**

Payment of all the pensions, which are non-centralized pensions and for which authority has been granted to Head of Institutions as per P.A.Circular No 16/1999 and 02/2008, granting approval for all centralized and non-centralized revised pensions and payment of gratuity and pensions in arrears of the officers, who demised before receiving their pension are performed by this Division.

First payment includes the selection of correct persons entitled to pension benefits from male and female officers retired from public service, and all the tasks commencing from the awarding of pension after registering their entitlement to pension up to the calculation and payment of pension. First payment of the pension is made by Form General 55.

The revisions, which were to be made during the service of the male and female officers, who are receiving at present their pension, are made under revision of pension after retirement. In case where the retired male/female officer demises before receiving pension benefits, those benefits are paid to heirs under 2 and 39.

- First payment of the pension under form general 55 and payment to heirs under 2 and 39- 2019

	Balance as at 31.12.2018	Number of the applications received	Number of the applications for which payments were made	Number of the applications returned	Number of the applications, which are to be maintained further
Form General 55	351	365	710	15	06
Payment for heirs	90	70	146	08	06

- Number of the applications for which revised payments were made (PD6) - 2019

Month	Number of the applications received	Number of the applications for which payments were made	Number of the applications returned	Number of the applications, which are to be maintained further
Balance as at 31.12.2018	477			
January	803	591	339	
February	568	375	183	
March	657	405	246	
April	391	246	170	
May	759	439	268	
June	554	355	202	
July	558	312	208	
August	491	368	214	
September	466	306	244	
October	744	356	262	
November	429	281	237	
December	553	281	188	
Total	7450	4315	2761	

▪ **Policy Division**

Main role of this Division is to make interpretations on policy matters provided for the payment of pension to the pension community of public service, revise such policy matters depending on the situations and make new policy decisions. Further it is the responsibility of this Division to make the background required for the maintenance of the pension of retired officers from public service at a fair level.

In the meantime issuance of circulars, letters of instructions and Gazette Notifications of the Department relevant to the statutory revisions and making clarifications/instructions for the issues raised personally by pensioners as well as all institutions are also fallen under the tasks performed by the Policy Division.

Circulars and letters of instructions issued during year 2019

	Number of the circular	Matter
1	3/2015 (III)	Granting pension benefits at the date of retirement
2	1/2019	Adjustment of pension as per Public Administration Circular No 3/2016 following budget proposals 2019.
3	1/2019 (I)	Adjustment of pension as per Public Administration Circular No 3/2016 following budget proposals 2019- Common instructions
4	1/2019 (II)	Adjustment of pension as per Public Administration Circular No 3/2016 following budget proposals 2019- Officers of three armed forces
5	1/2019 (III)	Adjustment of pension as per Public Administration Circular No 3/2016 following budget proposals 2019- Common instructions
6	1/2019 (IV)	Adjustment of pension as per Public Administration Circular No 3/2016 following budget proposals 2019
7	2/2019	Payment of pension in year 2020
8	3/2019	Payment of disabled pension to the officers in Police
9	Approval of the Ministry of Public Administration has so far not been granted.	Agreement on the appointment of a guardian at the occasion, where a pensioner faces difficulty in receiving pension
10		Granting permanent appointments to those who have been recruited on temporary, casual, substitute, contract or relief basis
11		Payment of 'Ranawiru Surekum' allowance to the widows of the veterans of the Police, who demised due to terrorist activities whilst in operation areas and veterans of Police, who have been sent on retirement on medical grounds as a result of being disabled due to terrorist activities.

- Approval could be obtained for the payment of pension to the officers of the Department of Samurdhi Development after making a settlement to the legal issues and it could be shown as a remarkable event of the year.

	Letters of instructions	Matter
1	1/2019	Activation of pension
2	2/2019	Issuance of a formal letter of retirement at the time of the retirement of a public officer
3	3/2019	Payment of gratuity at the revision of pension
4	4/2019	Adding a special allowance of Rs. 25,000 to the pension of the Secretaries of Ministries, whose service have ceased to hold office before 01.01.2018.
5	4/2019 (I)	Adding a special allowance of Rs. 25,000 to the pension of the officers, who served obtaining the same level salaries received by the Secretaries of Ministries, whose service have ceased to hold office before 01.01.2018.
6	4/2019 (II)	Adding a special allowance of Rs. 25,000 to the pension of the Secretaries of Ministries, whose service have ceased to hold office before 01.01.2018.
7	5/2019	Non recovery of contributions to Widows'/ widowers' and orphans' pension in the proper manner.
8	6/2019	Directions for the revisions of Pension Circular No 9/2008 (revision II) issued on 17.07.2018 under the title 'Payment of pension combining both Armed services and disabled pension'.
9	7/2019	Providing access to the system for scanning pension files
10	9/2019	Revision of online application 'PD 3'
11	10/2019	Directing to a medical board once in 5 years to make the entitlement for disabled pension, when the person is not disabled at birth.
12	11/2019	Reactivating the disabled pension suspended due to not directing the retired officers, who were receiving disabled pension, to the Medical Board.
13	12/2019	Issuance of Life Certificates for 2020 to retired officers staying abroad

III. Widows' and orphans' pension division

Widows' and orphans' pension division pays a monthly pension to the spouse, orphans and disabled orphans of a male / female officer holding a pensionable post, when such officer demises.

It is compulsory for all public servants to register under Widows' and orphans' pension scheme or widowers' and orphans' pension scheme with their appointment to public service. Facilities have been made available for the institution, where the officer concerned serves, to obtain W&OP number online by way of entering the pension management data base. Further the process for registration for the payment of widows'/widowers' and orphans' pension after the demise of a public servant or a pensioner and process for the issuance of death gratuity numbers to the officers, who demise whilst on duty or due to terrorist activities are also carried out by Widows' and orphans' pension division.

- 71,085 applications have been received in year 2019 for registration of widows' and orphans' pension numbers and accordingly widows' and orphans' pension numbers have been issued for 66,715 applications. 4370 applications have been rejected due to the weaknesses found in applications.
- 309 applications have been received during year 2019 for orphans' pension and 63 applications have been rejected due to the weaknesses found in applications.
- 8042 applications have been received in year 2019 for widows' and orphans' pension and payments have been made for 7154 applications. However 888 applications were rejected and returned due to the weaknesses found in applications.
- 1919 applications have been received during year 2019 for death gratuity and payments have been made for 978 out of the above. However 941 applications were rejected and returned due to the weaknesses found in applications.

Record Room of Widows' and orphans' pension has been established at the 3rd floor of the building with a view to ensure easy access to them and further to ensure their long term safety. 1,294,700 files pertaining to widows' and orphans' pension of Local Government Services, widows' and orphans' pension of Pirivena teachers, teachers of private schools are being kept in this record room. Scanning of nearly 850,000 files out of the above has been completed.

IV. Accounts Division

Accounts Division is dedicated to ensure the efficient and effective utilization of state resources and money and maintain a finance control with accountability and transparency following government laws and rules for the progress of the nation.

- **Monthly payment division**

This Division regulates the payment of monthly pension of the pensioners living within and outside the country. Accordingly all the tasks pertaining to the payment of pension on due date to Pensioners are performed efficiently through state and private banking system, post office system, rural banks and cooperative societies.

- **Gratuity Payment Division**

Only the payment of pension gratuity, out of the payments, which are made once and for all, is made by gratuity payment division. In case where an amount is due to be recovered from the pensioner, the balance after the recovery of dues is credited directly to the bank account of the Pensioner.

- **Anomalies Division**

This Division makes payments relating to arrears connecting to anomalies under 2/2006, 5/2015, arrears incurred due to various salary revisions and arrears less than .5 million. All these payment of arrears are made by AR and the AR applications referred from the Divisional Secretariat are examined properly and then sent for the payment certifying the arrears by Accountant.

Payment of arrears is made by Anomalies Division from the middle of year 2019 regarding Unreduced, Outstanding payment, Disable Allowances, Unpaid Pension Arrears, Allowance Arrears, 55 WOP Revision, Salary Revision WOP (From and Application), Widow/ Orphan Salary Increase. Further arrears of Secretaries Special Allowances 2019, SL – 4 Special Allowances 2019, Political Victimization, Incorrect Basic Pension, 10 years Completed medical Board ,which have been introduced newly for 2019, are also paid by the Anomalies Division.

- **Widows’ and Orphans’ Contribution Division.**

The tasks such as collection of the contributions to Widows’/Widowers’ and orphans’ pension fund from public servants and returning such contribution to the public servant at the time of termination of service, if no beneficiaries with the entitlement to Widows’/widowers’ and orphans’ pension are available or returning the contribution to his/her heirs if public servant has demised, are performed by Widows’ and Orphans’ Contribution Division.

Contributions are returned by this Division to civil public officers based on Widows’ and orphans’ pension Ordinance No 01 of 1981, and applicable amendments and Widowers’ and orphans’ pensions act no 24 of 1983 and applicable amendments. In the meantime contributions are returned to officers in armed forces based on Widows’ and orphans’ pension act no 18 of 1971 and Widowers’ and orphans’ pensions act no 60 of 1998. Main tasks of the Widows’ and Orphans’ Contribution Division are the collection and returning of contributions.

Returning contributions

	Before 01/01/2015	After 01/01/2015	Online after 16/10/2016	Armed forces
Balance as at 01.01.2019	29	64	21	44
Receipts	141	439	1381	1465
Payments	118	349	722	1475
return	05	96	588	34
Balance as at 31.12.2019.	47	58	92	0

- **Supplies Division**

This Division performs the duties such as purchase of office equipment, stationaries, preparation of agreements connecting to information technology systems and appointment of procurement committees depending on the requirements of the Divisions of the Department.

The store of supplies division has been established properly in the fourth floor and necessary items can be ordered by the Stores Management System considering the requirement of the Divisions and facilities have been made to obtain necessary items promptly without storing items in the store.

▪ **Excess Payment Recovery Division**

Recovery of the excess payments made to the Pensioners and deductions, which are to be recovered from the pension as informed by other institutions (Balances of Advance B account, salaries paid in excess, amounts to be recovered for the errors and inadvertencies occurred during the period of service) are remitted to the relevant institutions by this Division on recovery of them from the pension.

Remittances made during 2019 to relevant institutions by recovering them for other institutions are Rs.7,209,717 and the balance of the recoveries to be made further is Rs.23,881,806 Recoveries, which were made during this year relevant to the Department, are Rs. 266,794,997 The summary in the recovery of the losses by the Department in 2019 is as follows.

Description	Amount (Rs.)
Balance as at 01.01.2019	578,774,907
<u>Add</u>	
Damages reported in 2019	<u>256,413,367</u>
	835,188,274
<u>Less</u>	
Damages recovered in 2019	266,794,997
Balance as at 31.12.2019	568,393,277

V. Public Services Provident Fund Division

Public Services Provident Fund has been commenced on 01.04.1942 in order to ensure end service financial benefits to the permanent Public Servants, who receive monthly non pensionable salaries, under Public Services Provident Fund No 18 of 1942. The objectives and goals of the fund have been further expanded by the Amendment Act No 17 of 2003. This fund is managed by a Board of Management consists of five members including Additional Solicitor General, Commissioner of Labor, Postmaster General and a member from the fund and chaired by the Director General of Pensions.

Objective of the fund is to establish a provident fund system for the benefit of Public Servants, who receive non pensionable monthly salary. Benefits of the fund have been extended to all public servants, who do not receive a pension and any social security from 01.01 2003.

In terms of the Public Services Providence Fund, contribution of 8% deducted from the members of the fund and the amount of 12% paid by the institute, where the employee serves, are credited to Public Services Provident Fund. All the money except the amount, which is required to refund the funds, is invested in Treasury Bills, Treasury Bonds and Fixed Deposits and the interest generated from these investments is distributed among the members as benefits. Accordingly the annual interest rates paid to contributors in 2017, 2018 and 2019 are 13%, 12.61% and 10.71%. This Division regulates the receipts of Public Services Provident Fund.

The aggregate of the receipts of compulsory contribution of 8% and the 12% share of the Government is Rs.887,091,009 The payments made from the Fund during the year id Rs.395,788,303.

- **Receipts and payments of the Public Services Provident Fund**

Month	Receipts (Rs.)	Payments (Rs.)
January	64,588,466	23,786,925
February	54,032,633	26,387,192
March	74,105,702	27,575,262
April	54,465,166	20,972,715
May	73,924,642	38,339,792
June	79,663,331	23,392,525
July	80,667,171	23,327,934
August	72,862,739	33,158,406
September	76,646,676	36,946,687
October	105,100,362	47,229,265
November	82,983,029	35,432,289
December	68,051,091	59,239,312
Total	887,091,009	395,788,303

- The number of members joined newly to the Public Services Provident Fund and removed from the Fund.

Month	Paid (Members removed)	Members newly joined
January	347	581
February	224	571
March	305	641
April	208	407
May	557	571
June	336	920
July	312	1013
August	483	1133
September	546	824
October	541	652
November	956	639
December	262	541
Total	5,077	8,593

- Receipt of applications and payments made during year 2019

Month	Number of the applications received	Number of the applications, to which payments were made	Applications rejected	Remaining applications
Balance as at 31.12.2018.	582			
January	230	347	0	
February	510	224	0	
March	447	305	72	
April	470	208	0	
May	562	557	0	
June	483	336	0	
July	783	312	79	
August	611	483	0	
September	789	546	0	
October	680	541	195	
November	422	956	78	
December	448	255	0	
Total	7017	5070	424	1523

VI. Internal Audit Division

Internal Audit Division carries out continuous and independent evaluation on the consistency and regularity of the internal inspection applied to avoid and reveal errors and frauds by way of studying the internal control system of the Department on financial affairs.

11 Divisional Secretariats, out of 15 Divisional Secretariats, which were planned to be audited in 2019, have been audited. Four meetings of the Audit Management Committee have been held for 4 quarters. Further the number of files received during the year under review and number of files examined are as follows.

	Number of the files received	Number of the files examined
Payment of arrears of pensions over one million	425	390
Divisional Secretariats	366	335
By the Divisions of the Department	85	60
By other institutions	01	01
Total	877	786

VII. Legal Division

Legal Division has been established in order to settle the legal issues arisen in the performance of the role of the Department of Pensions, coordination of all connected institutions, submission of observations following the existing laws and regulations in respect of the cases filed at the Court naming the Department as Respondent.

Role of the Legal Division

- Ensuring the coordination with the Department of Legal Draftsman regarding all the legal issues connected to the Department.
- Providing answers for the petitions submitted by Human Rights Commission and Ombudsman's Office and appearing for the inquiries.
- Appearing for the inquiries conducted by the Commission for investigation in to allegations on bribery and corruption and preparation of required reports.
- Provision of legal advices regarding the issues of Pensioners, which are referred to the Legal Division.
- Preparation of agreements made by the Department with various public and private institutions.

Number of participations in consultations with and other relevant institutions and observations made pertaining to above tasks are nearly 400 and the number of the agreements made with public and private institutions is 21.

VIII. Foreign Pension Division

Foreign Pension Division deals with the matters such as payment of pension to the Pensioners, who stay abroad for more than two years and who are dual citizens, and coordination, control and supervision of the matters connected with the pension files. Number of the Pensioners, who were paid pension whilst staying abroad by the end of 2019, is 9678.

Month	Number of the Pensioners	Amount paid
January	9089	207,732,663
February	9162	217,444,563
March	9227	216,289,219
April	9276	225,048,298
May	9373	226,765,954
June	9436	240,325,376
July	9492	227,708,651
August	9591	247,106,699
September	9643	237,882,224
October	9682	236,168,601
November	9730	240,047,288
December	9768	238,657,104
Total		2,761,176,640

IX. Armed Services Pension Division

Making payments whilst ensuring coordination, control and supervision of the activities connected to matters such as disabled service pension, commuted gratuity, service gratuity, disabled pension, allowance paid to dependents, death gratuity, special compensation, revisions of services etc. is carried out by Armed Services Division.

Following measures have been taken during year 2019 in order to settle the issues pertaining to the payment of disabled services pension.

- Issuance of Pension Circular 9/2008 Revision 11. (Issue on the restriction of disabled pension at 50/60.)
- Special letter of pension 6/2019 (Letter issued to make the awareness of officers in Divisional Secretariats regarding the Circular No.9/2008 (11))
- Issuance of the special letter No pension 11/2019 revising pension circular No 9/2010 in respect of the disabled officers in armed forces ,who were not sent to the Medical Board

- **Cases of pension added to central data system**

Type of the pension	Amount paid
Payment of service pension (Less than 10/12)	365
First payment of disabled pension	647
Armed services revisions	2692
Revisions	275
Death gratuity	150
Service gratuity	1025
Subsistence allowance	231
Revisions (Less than 10/12)	22
Armed services revisions (Serving again)	129
Total	5536

- **Payment of pension with the coordination of Divisional Secretariats**

Type of the pension	Amount paid
Disabled pension	513
Armed Services (Revised and before 01/01/2014)	145
Subsistence allowance	20
Safety allowance	455
Total	1133

X. Information Technology Division

This Division ensures the direct coordination of pensioners' community, Divisional Secretariats and public institutions with Department of Pensions introducing constantly new information technology systems in order to maintain pension payment process efficiently and accurately.

XI. Media Unit

Main task of the Media Division is to collect all information pertaining to the subject of pension referring all newspapers and bringing this news to the attention of the Management. Further Media Unit of the Department ensures communication of information applying modern technological strategies stepping with the development in the field of information technology. Under this process, Media Unit updates information with the help of the media tools such as official website, official face book page, official YouTube channel, web magazine and 'Pension Radio' whilst providing information to outside media institutions.

➤ **Highlights of the year 2019**

▪ **New introductions**

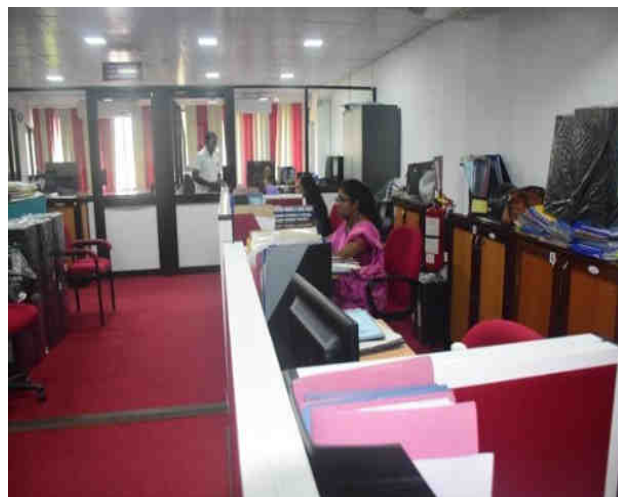
During year 2019 action was taken to improve the pension process by way of enhancing the existing methods, processes and conditions in the Department of Pensions.

• **Physical Improvements**

With a view to obtain more productive service from the officers, modifications were made in the office to ensure sound environment facilitating them to deliver their services with satisfaction.

Under this programme following changes were made,

- Shifting the Divisions such as Foreign Pension, Legal, Policy, and Armed Forces to another place modified in the 3rd floor.



- Modification of Internal Audit Division and Government Audit Division under 3 phases.



- Modification of the Administration Division, which had limited space, expanding space and facilities in the 3rd floor. Expansion of the cafeteria ensuring facilities for 100 officers including staff officers to enjoy their meals at a time.



- Modification of the Accounts Division in 4th floor.



- Making a new auditorium with seating capacity for 40, officer room for Additional Director General, and space for the staff attached to A.D.G's room by way of modifying the Policy and Foreign Pension Divisions.



- Modifying the auditorium at the ground floor ensuring seating capacity for 120.
- Establishing proper layout in the Record Room in 5th floor and color washing and updating its electrical system.



Progress

- Scanning of over 8.5 lakhs files of Widows' and orphans' pension kept in the record room has been completed.
- Action was taken to eliminate the obstacles in the application of information technology for service delivery by way of distributing computers among Divisional Secretariats. Ensuring proper working environment by way of supplying furniture and other equipment for the use of officers attached to Divisional Secretariat by Department of Pensions.
- With the help of the modern technology, facilities were established to obtain Life Certificate in Biometric method, which has so far been obtained annually in the process of payment by the Department of Pensions from the Pensioner in order to confirm that the person is still living.



▪ Annual programmes

• National Pensioners’ Day Celebrations

With a view to appreciate proudly the service rendered by the Pensioners’ Community of Sri Lanka during their office life, and further to felicitate these citizens for their commendable service, National Pensioners’ Day is celebrated on 08th October every year. Accordingly the Celebration of this year was also held in the proud manner at Nelum Pokuna, Mahinda Rajapaksa Theatre on 08 October 2019 under the direction of Mr. J.J.Rathnasiri, Secretary of the Ministry of Public Administration, Disaster Management, and Livestock Development, under the auspices of Hon. Ranjith Madduma Bandara, Minister of Public Administration, Disaster Management, and Livestock Development and with the participation of Hon. Ranil Wickramasingha, Prime Minister of the Democratic Socialist Republic of Sri Lanka. Accordingly this year celebration was held under the theme ‘Dawn to the life after retirement’.



Lectures delivered by professionals, certain pensioners representing pensioners' community, musical and dancing items staged by Army Band, short comedy play staged by veteran actor Rodney Warnakula and his team added much color to this event.

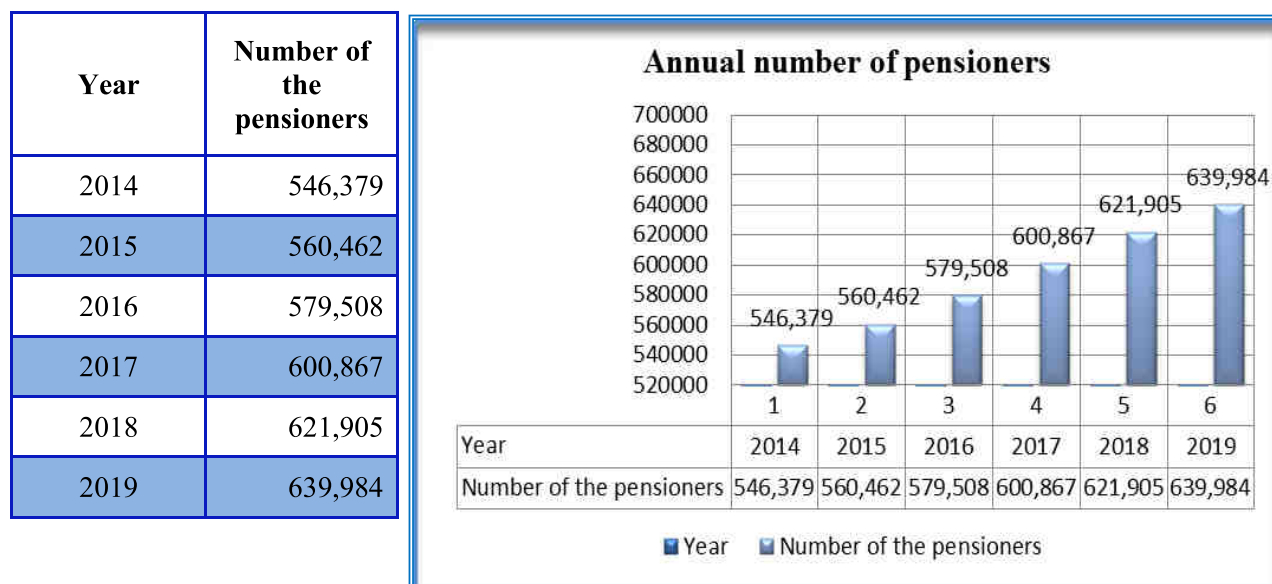


Further another special event was marked with the introduction of Sri Lanka Pensions App by Dialog Asista Company facilitating pensioners to collect useful information. In the meantime various presents were awarded with the assistance of institutions in private sector to the pensioners participated in the National Pensioners' Day Celebration this year, which was highly attractive with fascinating items.



➤ Payment of pension (Tables and charts)

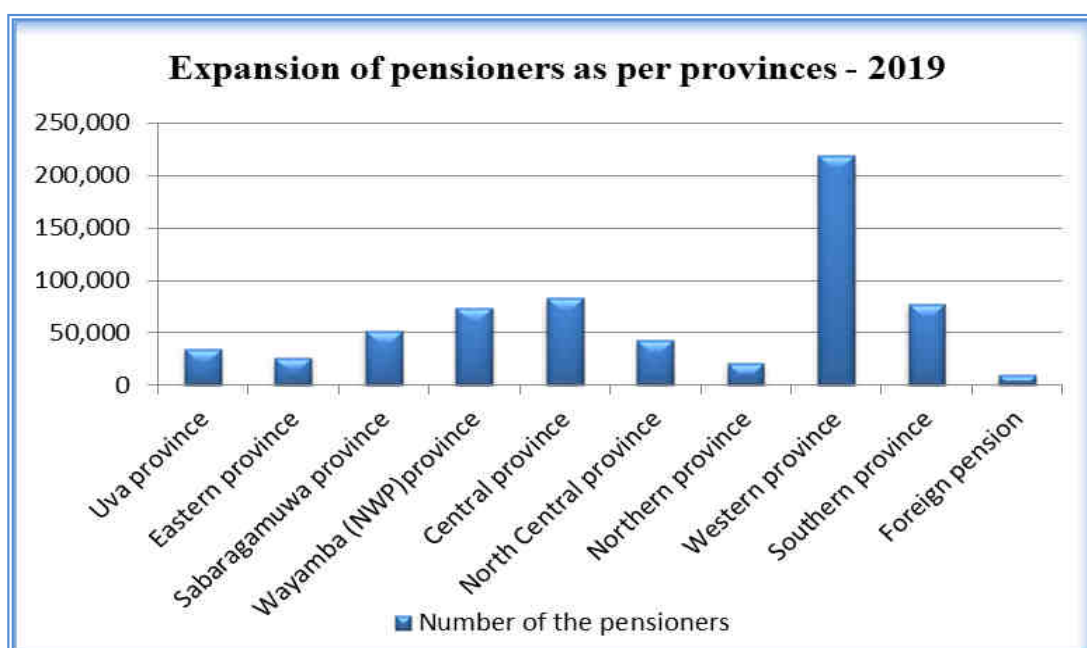
• Annual number of pensioners



Source : Accounts Division

• Expansion of pensioners as per provinces – 2019

Province	Number of the pensioners	Amount
Uva province	34,875	984,862,554
Eastern province	26,445	750,549,807
Sabaragamuwa province	51,894	1,550,169,605
Wayamba (NWP) province	74,017	2,199,409,129
Central province	82,975	2,453,696,430
North Central province	42,664	1,251,462,999
Northern province	21,040	601,974,812
Western province	218,909	6,565,949,332
Southern province	77,397	2,315,072,740
Foreign pension	9,768	238,657,104
Total	639,984	18,911,804,512

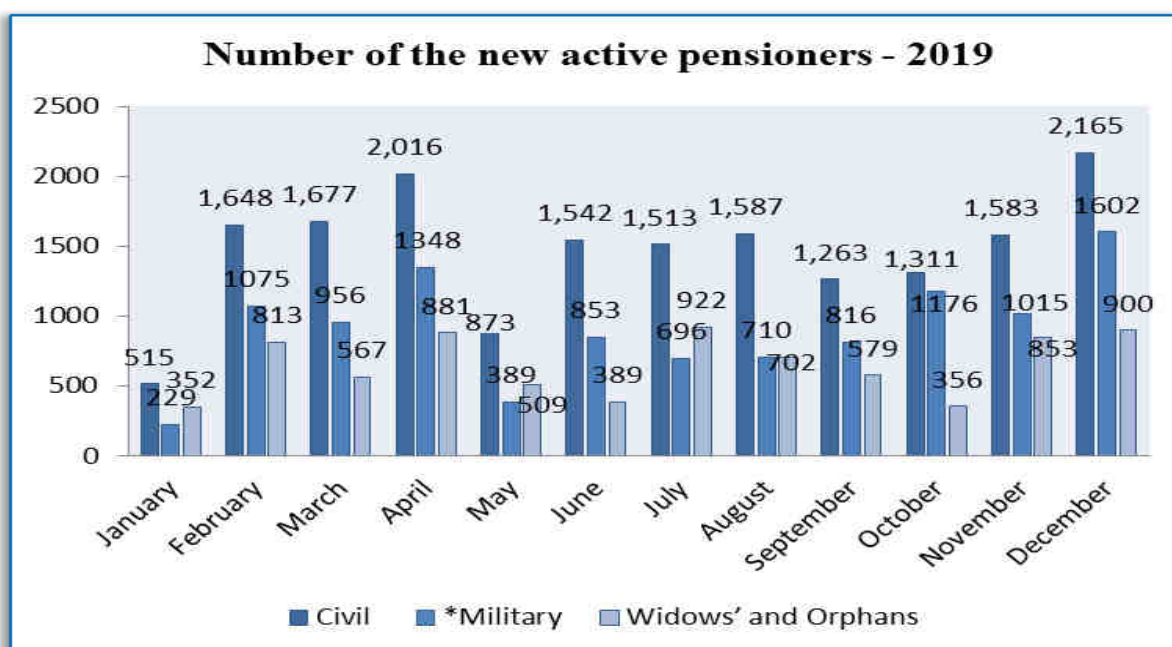


Source : Accounts Division

- **Summary of the monthly payment of pension**

Month	Total number of active pensioners		
	Civil and Armed Forces	Widows' and Orphans	Total
January	429,489	192,027	621,516
February	431,199	192,218	623,417
March	433,015	192,314	625,329
April	435,272	192,657	627,929
May	435,520	192,504	628,024
June	436,733	192,338	629,071
July	436,921	191,935	628,856
August	438,874	192,379	631,253
September	440,258	192,600	632,858
October	442,212	192,606	634,818
November	443,792	192,956	636,748
December	446,653	193,331	639,984

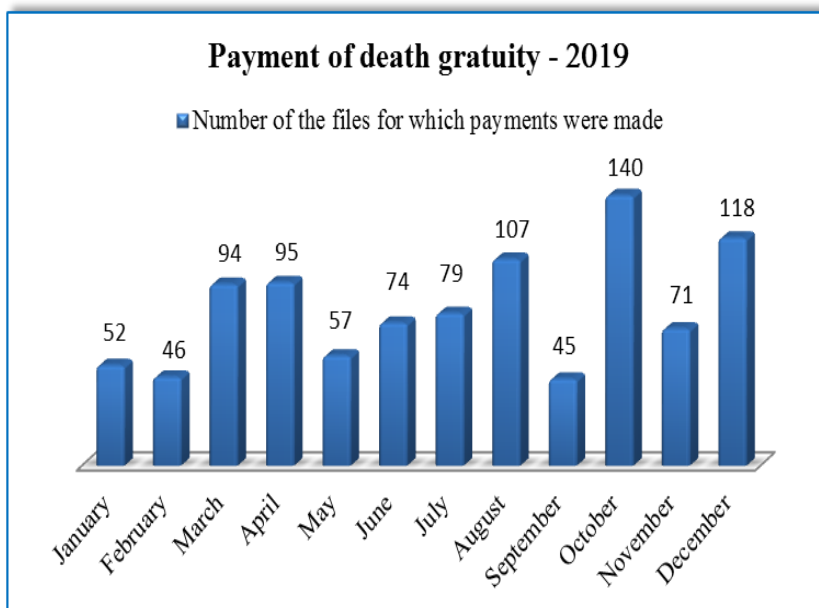
Month	Number of the newly joined pensioners 2019			
	Civil	*Military	Widows' and Orphans	Total
January	515	229	352	1,096
February	1,648	1075	813	3,536
March	1,677	956	567	3,200
April	2,016	1348	881	4,245
May	873	389	509	1,771
June	1,542	853	389	2,784
July	1,513	696	922	3,131
August	1,587	710	702	2,999
September	1,263	816	579	2,658
October	1,311	1176	356	2,843
November	1,583	1015	853	3,451
December	2,165	1602	900	4,667
Total	17,693	10,865	7,823	36,381



Source : Accounts Division

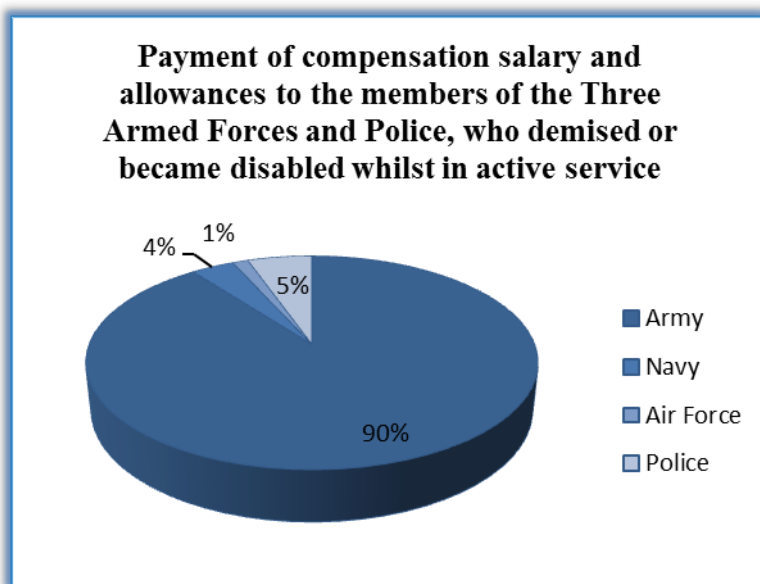
• **Payment of death gratuity – 2019**

Month	Number of the files for which payments were made
January	52
February	46
March	94
April	95
May	57
June	74
July	79
August	107
September	45
October	140
November	71
December	118
Total	978



• **Payment of compensation salary and allowances to the members of the Three Armed Forces and Police, who demised or became disabled whilst in active service.**

Institution	Up to December 2019	
	Amount	Amount paid. Rs. Billion
Army	36886	29.90
Navy	1490	1.27
Air Force	539	0.48
Police	2234	1.98
Total	41,149	33.63

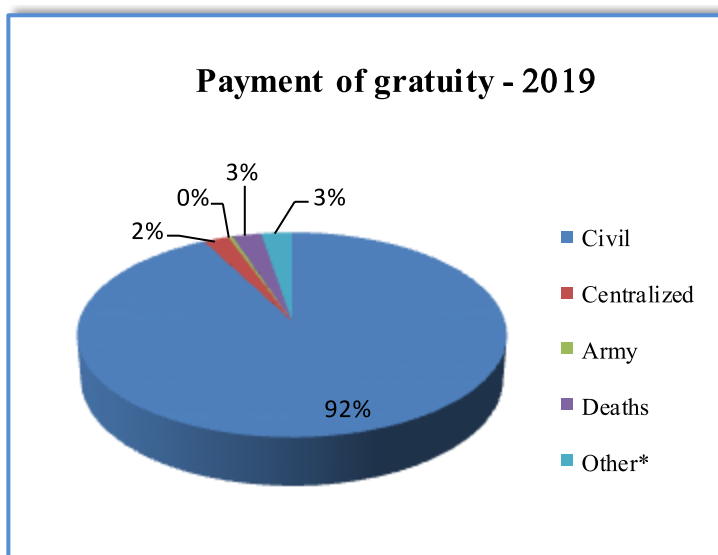


- Payment of compensation salary and allowances to the members of the Three Armed Forces and Police, who demised or became disabled whilst in active service - annually

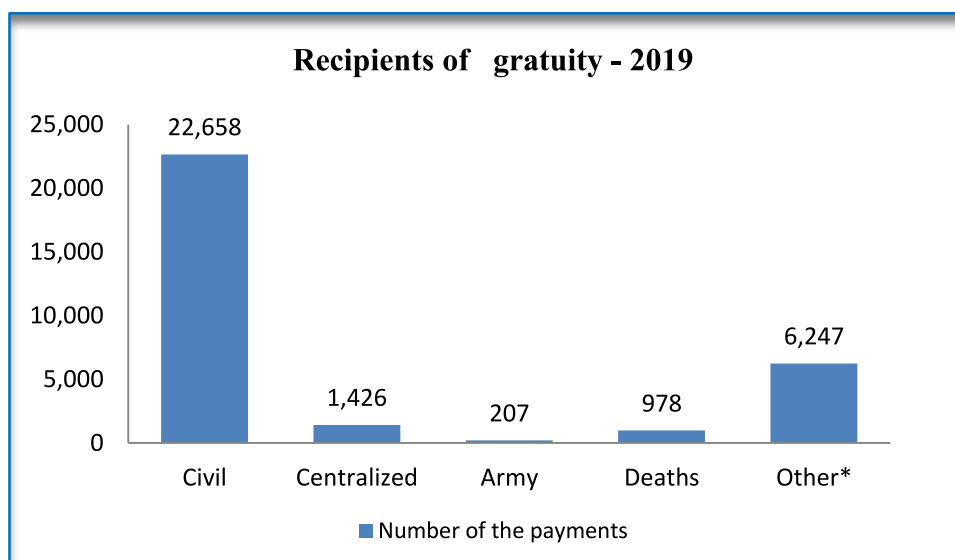
	2015		2016		2017		2018		2019	
	Number of the persons	Expenditure (Rs.)	Number of the persons	Expenditure (Rs.)	Number of the persons	Expenditure (Rs.)	Number of the persons	Expenditure (Rs.)	Number of the persons	Expenditure (Rs.)
Sri Lanka Army	30,115	20,516	34,756	23,682	35,599	24,717	36,895	26,959	36,886	29,897
Sri Lanka Navy	1,445	1,042	1,415	1,037	1,385	982	1,486	1,139	1,490	1,271
Sri Lanka Air Force	575	405	560	410	534	404	564	427	539	486
Department of Police, Sri Lanka	2,611	1,470	2,503	1,551	2,471	1,704	2,234	1,834	2,234	1,983
Total amount	34,746	23,433	39,234	26,679	39,989	27,808	41,179	30,359	41,149	33,637

▪ Payment of gratuity – 2019

Type of the gratuity	Number of persons to whom the payment was made	Amount paid (Rs.)
Civil	22,658	23,826,294,186
Centralized	1,426	569,905,539
Army	207	86,298,818
Deaths	978	641,158,406
Other*	6,247	678,477,355
Total	31,516	25,802,134,304



* Service gratuity (09), revised gratuity Special gratuity (10 and Civil), Deaths (17)



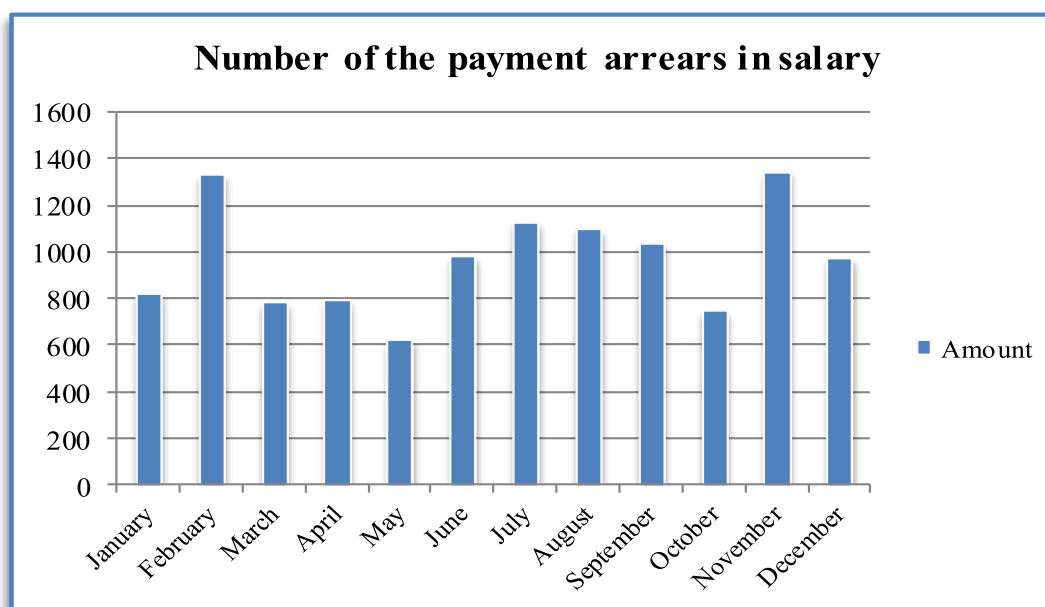
- **Payment of installments and interest as per Banks - 2019**

Month	Capital	Interest	Installment
January	338,730,783	606,799,628	945,530,410
February	339,198,873	611,066,701	950,265,574
March	339,198,873	548,887,834	888,086,707
April	339,196,623	594,008,879	933,205,502
May	339,196,623	583,708,214	922,904,837
June	339,196,623	599,681,302	938,877,925
July	339,196,623	577,429,975	916,626,598
August	339,196,623	593,604,240	932,800,864
September	339,196,623	590,405,655	929,602,278
October	339,196,623	568,076,381	907,273,004
November	339,196,623	584,716,052	923,912,676
December	339,196,623	561,816,550	901,013,173
Total	4,069,898,137	7,020,201,410	11,090,099,548

Source : Accounts Division

▪ Payment of the salaries in arrears - 2019

Month	Amount	Monthly expenditure
January	822	7,277,926
February	1333	48,066,941
March	784	36,492,817
April	796	35,092,043
May	622	34,638,876
June	981	50,541,041
July	1130	80,978,478
August	1101	55,098,733
September	1040	63,054,390
October	748	42,431,921
November	1347	70,940,303
December	976	55,472,161
Total	11,680	580,085,631



2. Progress and future vision

The scope of Department of Pensions has been divided in to sub scopes with a view to ensure the effectiveness of the whole process by way of regulating all the receipts and payments fallen under the purview of the Department and during year 2019 many services rendered by various Divisions have been restructured.

- ✓ The first phase of the process of Department of Pensions applicable to a retirement of a public servant is the registration of such officer in the pension payment process and in year 2019 several services were amalgamated naming the Pension Registration Division as Decentralized Pension Division.
- ✓ The coordination among the Division has been enhanced with the entrusting of functions previously carried out under Sathkara Piyasa, with a view to expedite and formalize the payment of pension ensuring its efficiency and productivity.
- ✓ Further Queue Management System has been introduced from December 2019 for the management of the functions of Sathkaraka Piyasa and it has made way to provide prompt services to the Pensioners, who come for interviews.
- ✓ During 2019, granting of pension gratuity to the pensioner by way of confirming the identity of pensioner at the interview held for activating pension has been commenced from 01.01.2019 revising the existed process followed to pay pension gratuity. This method helps to verify the identity of the receiver and further it has enhanced the security measures of the system.
- ✓ With the restructuring of computing division as Centralized Pension Division, application for revision of pensions, which were so far made under decentralized system, has also been brought under centralized pension division. This year online registration of first pension has also been commenced as per the revisions in Pension Circular No 03/2015 and further payments have also commenced online from July 2019.
- ✓ A large number of changes were made in 2019 at Foreign Pension Division, which carries out the tasks such as payment of pension to pensioners staying abroad, coordination, control and supervision of activities connected with pension files, and accordingly it has become possible to reduce inquiries made on foreign pension files by 50% comparing with the previous year.
- ✓ Payment of nearly 55% of pensions, of which the payments were suspended through High Commissioners' offices in 2018, has again been commenced in 2019 through bank accounts maintained under the guidance of Foreign Pension Division. Accordingly all the arrears over .5 and one million, of which the documents have been submitted properly, have been already settled.

- ✓ In terms of the Circular No 14/2019 implemented from 01 July 2019, anomalies of the pension of nearly 2500 pensioners staying abroad , who have correct life certificate and national identity card, have been rectified.
- ✓ During 2019 the Department could minimize the issues observed in the payment process of pension by way of ensuring proper coordination with Embassies/ Officers of High Commissioners, Ministry of Foreign Affairs and banks and further it has become possible to pay pensions without any delay.
- ✓ During this year a large number of positive changes such as introduction of a verification register for avoiding delays occur due to the defects of the applications, maintaining a proper record room for minimizing the misplacing of files and making foundations for receiving applications and life certificates online etc. have been made.
- ✓ Collection and payment of contributions are the main tasks of Widows' and Orphans' Pension division, which carries out the works such as provision of monthly pension to the spouse, orphans and disabled orphans of a pensionable male/female officer when the officers demises. Online system has been introduced in 2019 in order to enhance the effectiveness of the process followed to return contributions and expedite the process and accordingly it has been transformed to an accelerated and efficient process.
- ✓ Further a form has been included in the application PD03 with a view to verify whether contributions have been recovered to Widows' and orphans' pension fund for the total period of service.
- ✓ Online system has been introduced as per Public Administration Circular No 03/2016 , by which salaries of public service have been revised, for the revision of pension of all public officers retired on or before 01.01.2017 and accordingly benefits could be provided to over 90% of the total number of pensioners.
- ✓ Conversion of the pension of all public officers and officers of armed forces retired up to 31.12.2016 and pension of their widows has been made from July 2019 parallel to the salary structures of the public service as per the budget 2019 and Department has introduced new software on information technology by way of enhancing the centralized data system on salary adjustments. This has facilitated to perform the revision process of pensions through Divisional Secretariats all over the Island online with transparency, efficiency and promptly.
- ✓ Improvement of the basic programmes applied in the payment process to obtain life certificate, which is called from the pensioner each year to verify that the person is living, so as to collect it in biometric system applying modern technologies, and the modification of such programmes enabling the implementation in 2020, have been concluded in year 2019.

❑ Future path of the Department of Pensions

- ✓ With a view to enhance further the quality of the service delivery provided by the Department for the benefit of the whole pensioners community by way of continuing the excellent transformation process took place at the Department of Pensions in 2019 and improving and standardizing the centralized information technology system and institutional management structure, Department has initiated actions to make a revolutionary transformation in the field applying information technology in 2020.
- ✓ Recording of finger marks of pensioners for the process of issuing life certificate will be commenced in year 2020 and facilities have already been made to issue life certificate applying finger mark system to the pensioners, who have retired after 01.01.2016 and registered online. For this purpose, action will be taken in 2020 to make required facilities at all state and private banks.
- ✓ Further Department has initiated action to issue circular instruction letters required to settle practical issues forwarded by the institutions, which they face in the issuance of the certificate relevant to the recovery of contributions to W&OP in relation to the whole period of service of the pensioner (Misplacing destruction of documents etc.)
- ✓ With a view to minimize the number of applications rejected due to the defects, specially differences in names, in the documents submitted at the interview, Department will take action in 2020 to issue letters of instructions to make institutions aware of the issues to be settled before sending the officer on retirement.
- ✓ Applications are submitted with wrong W&OP numbers and therefore it has to check again W&OP files and issue new numbers when it is found at the interview. Accordingly it becomes a process which demands a long time and with a view to minimize this situation, attention has now been paid to include only the online re-registered W&OP number in PMS system and then commence future activities in the system.
- ✓ Certain data in PMS such as the wrong W&OP numbers are revised at the interview but pension awarding certificate is obtained from the institutions before the interview. Therefore it is identified that certain issues are arisen due to non-inclusion of such revisions in the awarding certificate as it is issued before the interview. Therefore measures have now been taken to arrange the system to obtain awarding certificate by PMS only after the activation of pension at the interview.
- ✓ Further attention has now been paid to inform through the pensioner regarding the returning of contributions online in year 2020 and further to pay attention on the possibility for the inclusion of information to data system enabling the institution to be informed regarding the payments.

- ✓ In the meantime attention has been paid to make a proper study on the existing information technology system and introduce appropriate methodology in 2020 for the removal of anomalies in pension under 14/2019 by way of including the number of the passport of the pensioners staying abroad in the data system, who has no National identity card.
- ✓ Further action will be taken in the coming year to make facility for the Sri Lankan pensioners staying abroad to include online the life certificate in the pension data system.
- ✓ Mani challenge of year 2020 is the creation of PMS 2.0 by way of combining pension payment system, DS portal and pension management system.
- ✓ Attention has been paid to make the awareness further by way of organizing training programmes. It is expected this way to minimize a large number of inadvertencies and weaknesses observed at present.






Director General of Pensions

3.2. Statement of Financial Position

		ACA - P	
Statement Of Financial Position			
As At 31st December 2019			
	Note	Actual 2019 Rs.	Actual 2018 Rs.
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA - 6	2,022,113,280	2,009,824,699
<u>Financial Assets</u>			
Advance Accounts	ACA - 5	161,170,739	150,720,879
Cash & Cash Equivalents	ACA - 3	0	-
Total Assets		2,183,284,019	2,160,545,578
<u>Net Assets / Equity</u>			
<u>Net Worth to Treasury</u>			
Property, Plant & Equipment Reserve		152,636,858	142,363,776
		2,022,113,280	2,009,824,699
<u>Current Liabilities</u>			
Deposits Accounts	ACA - 4	8,533,881	8,357,104
Imprest Balance	ACA - 3	0	-
Total Liabilities		2,183,284,019	2,160,545,578

Detail Accounting Statements in ACA format Nos. 1 to 6 presented in pages from 01 to 29 and Notes to accounts presented in pages from 30 to 55 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	Accounting Officer	Chief Accountant
Name :	Name :	Name :
Designation :	Designation :	Date : 26.02.2020
Date :	Date :	
S. Hettiarachchi Secretary Ministry of Public Administration, Home Affairs, Provincial Council and Local Government	A. Jagath D. Dias Director General Department of Pensions Colombo 10.	A.D.T.N. ABEYSINGHE Chief Accountant Department of Pensions Maligawatta, Colombo 10.

3.3. Statement of Cash Flow

ACA - C

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

	Actual	
	2019 Rs.	2018 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	
Fees, Fines, Penalties and Licenses		
Profit	-	
Non Revenue Receipts	10,528,144,946	217,865,934,904
Revenue Collected for the Other Heads	44,020,374,397	
Imprest Received	224,191,545,265	
Total Cash generated from Operations (a)	278,740,064,608	217,865,934,904
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	548,991,644	498,360,720
Subsidies & Transfer Payments	234,875,558,306	190,672,098,328
Expenditure on Other Heads	43,232,156,011	
Imprest Settlement to Treasury	203	42,105,071
Total Cash disbursed for Operations (b)	278,656,706,164	191,212,564,119
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(a)-(b)	83,358,444	26,653,370,785
Cash Flows from Investing Activities		
Interest		-
Dividends		-
Divestiture Proceeds & Sale of Physical Assets		-
Recoveries from On Lending		-
Recoveries from Advance	4,337,373	
Total Cash generated from Investing Activities (d)	4,337,373	-
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of	37,469,355	39,867,285
Advance Payments	50,974,581	
Total Cash disbursed for Investing Activities (e)	88,443,936	39,867,285
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(d)-e	(84,106,563)	(39,867,285)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c) + (f)	(748,119)	26,613,503,499
Cash Flows from Financing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	6,894,473	
Total Cash generated from Financing Activities (h)	6,894,473	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Deposit Payments	6,146,354	
Deposit & Other a/cs	-	60,194,770
8098 & 8186		26,553,308,729
Total Cash disbursed for Financing Activities (i)	6,146,354	26,613,503,499
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	748,119	(26,613,503,499)
Net Movement in Cash (k) = (g) -(j)	0	0
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4. Notes to the Financial Statement

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2019.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost and historical cost of some assets have been revalued. Preparation of accounts are made based upon the modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of taxable period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2019.

3.5. Performance of the Revenue collection

Rs. ,000

Revenue code	Description of revenue code	Revenue Estimate		Collected revenue	
		First Estimate	Final Estimate	Amount (Rs.)	As a percentage of the final estimate %
	Contributions of social security				
2004.1	Central Government	19,000,000	19,000,000	18,958,921	99.78%
2004.2	Provincial Councils	11,000,000	11,000,000	10,025,932	91.14%
2002.01.01	Revenue on rental	36,435	36,472	31,209	85.57%
	Provincial councils funds				
8186	Teachers widows' and orphans' pension fund	323,440	323,440	387,707	119.87%
-	Local Government Service widowers' and orphans' pension fund	-	-	22	-
-	widows' and orphans' pension fund	-	-	352	-
-	Local Government Service pension fund	-	-	208,885	-

3.6. Performance of the Utilization of Allocation

Rs. ,000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	254,834,000	274,632,574	272,952,071	99.4%
Capital	64,000	69,201	58,628	84.7%

**3.7. In the terms of F.R.208 grant of allocations for expenditure to this Department/
District secretariat/ Provincial council as an agent of the other Ministers / Department.**

Rs. ,000

Serial No	Allocation received from which Ministry/ Department	Purpose of the allocation	Allocation		Actual Expenditure	Allocation Utilization as a% of Final Allocation
			Original	Final		
01	Ministry Of National Policies and Economic Affairs (104)	DO Trainee Salary	960	960	870	91%
02	Department of Building (309)	Rental	3,117	3,117	3,117	100%

3.8. Performance of the Reporting of Non-Financial Assets.

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2019	Balance as per financial position report as at 31.12.2019	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	581,259	581,259	-	100%
9152	Machinery and Equipment	242,449	242,449	-	100%
9153	Land	1,198,405	1,198,405	-	100%
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.9. Auditor General's Report

My No: L.E.W/ D/DOP/02/20/13

14 July 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements of the Department of Pensions for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Pensions 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, 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. My comments and observations on these financial statements, which are submitted to the Department of Pensions as per section 11(1) of National Audit Act No 19 of 2018, are included in this report. My report, which should be submitted as per section 10 of National Audit Act No 19 of 2018 to be read in conjunction with the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, will be tabled in the Parliament in due course.

In my opinion, except for the effects of the matters described in the para 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Department of Pensions as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with commonly accepted Accounting Standards.

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 Accounting Officer on for the Financial Statements

Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with commonly accepted Accounting Standards and the provisions of the Public Accounts Circular No 271/2019 dated 03 December 2019 and for determining such internal control which 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, Department of Pensions 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.

Further the Accounting Officer is responsible to assure that a productive internal control system is prepared and maintained for the financial control of the Department of Pensions as per sub section 38 (1) (c) of National Audit Act and that the changes required are made in order to maintain system productively carrying out reviews from time to time.

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 Company'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 Accounting Officer 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 Requirements

I hereby state the following facts as per section 6 (d) of National Audit Act No 19 of 2018.

- The financial statements of the Department comply with previous year.
- Recommendations, which have made regarding the financial statements of the previous year, have been implemented.

1.6. Comments on financial statements

1.6.1. Statement of financial position

1.6.1.1. When the statement of financial performance was prepared by the Department, an income of Rs.43,437,572,433, which was the income collected under Public Services Provident Fund and Teachers' widows' and orphans' pension fund and payment of Rs.43,255,697,553 made during the year had been included under other receipts and other payments. However it was observed that financial statements were prepared separately for these two funds and submitted to the Auditor General.

It is observed that the review should be made again regarding the necessity to implement these funds as per statutory requirement and include in the financial statements of the Department.

As per the answer made to me by the Director General regarding the draft of the report it has been indicated that a proposal has been made by the special committee appointed to review the non-statutory funds to close the Acts relevant to Teachers' widows' and orphans' pension fund after making amendments but required actions have not been taken accordingly.

1.6.2. Cash flow statement

Following observations are made in this regard.

1.6.2.1. Cash flows generated by operational activities

(a) As per the trial balance, the value of non-income receipts for the year is Rs.10,182,139,721 but the same is shown in cash flow statement as Rs.10,528,144,946. Accordingly non-income receipts of cash flow statement has been overstated by Rs.346,005,225.

(b) Even though the amount collected for other titles as per trial balance is Rs.44,253,207,827 the income collected on other titles is shown as Rs.44,020,374,397 in the preparation of cash flow statement. Therefore an understatement has been made by Rs.232,833,430.

Due to the changes in (a) and (b) above, the receipts in the cash flow generated from operational activities have been understated by Rs.113,171,796.

(c) Even though the expenditure made by the Department during the year for salaries and wages and operational expenses as per trial balance and ACA 2 (ii) is Rs.598,352,726, it has been understated by Rs.49,361,082 as a result of showing that value as Rs.548,991,644 as per cash flow statement.

(d) Even though the Department has spent Rs.234,75,971,320 during the year under review for subsidiaries and transfers as per trial balance and ACA 2 (ii), it has been overstated by Rs.159,586,986 as the value included in the cash flow statement is 234,875,558,306.

(e) Even though the expenses made for other titles is Rs.43,262,955,585 as per trial balance, it has been understated by Rs.30,799,574 as that value has been indicated in the cash flow statement as Rs.43,232,156,011.

1.6.2.2. Cash flow generated from investment activities

(a) (i) Even though the recoveries under Advance B account is Rs.40,062,582 during the year as per trial balance, the value included in the cash flow statement is Rs.4,337,373. Therefore the value of the receipt on advances which has been understated is Rs.35,725,209. Further as per the ACA 5 declaration, the receipt of advances in cash and the receipts as per treasury print outs are Rs.4,329,724 and Rs.40,073,878 respectively. Therefore it is observed that these figures are contradictory.

(ii) Even though the payments under Advance B account during the year is Rs.50,983,977 as per trial balance, these payments have been included as per cash flow statement as Rs.50,974,581. Therefore an understatement by Rs.9,396 is observed due to such situation. Further since these values are Rs.50,977,977 and Rs.51,343,912 as per ACA 5 declaration and Treasury printouts respectively, it is observed these figures are contradictory.

(b) Even though the value of the construction or purchase of physical assets and acquisition of other investments is Rs.40,569,912 as per the trial balance, it is indicated in cash flow statement as Rs.37,469,355. Accordingly construction or purchase of physical assets has been understated by Rs.3,100,499 in cash flow statement.

1.6.2.3. Cash flows generated from financial activities

Even though the value of the receipts from deposits is Rs.8,798,384 during the year as per trial balance and Treasury printouts, it has been understated in cash flow statement by Rs.1,903,911 indicating it as Rs.6,894,473.

Further payment of deposits is Rs.8,621,606 as per trial balance and Treasury print outs, but it has been understated by 2,475,252 indicating it as Rs.6,146,354.

As per the answer given to me by the Director General for the draft of the report, the cause for these differences is the calculation of cash flows removing the receipts and payments by cross entries in the preparation of cash flow.

2- Financial review

2.1. Revenue management

(a) Revenue code no 20:04:01:00 (Central Government)

Following observations are made in this regard.

I. Rs.42,736,960 has been refunded from the revenue during the year under review and debit notices have not been called from relevant institutions as per section 1 (a) of Pension Circular No 15 January 2001 in order to confirm an amount of Rs.41,310,201 out of the above payments.

II. Department of Pensions has not taken action to maintain a data base connecting to the officers contributed to social security fund under revenue accounts and Central Government. Therefore particulars of the members , who are to be benefitted from social security scheme, are not available and as a result of such situation, it has become impossible to verify within the Department whether the contributions were received continuously and correctly when entitlement to the benefits such as refunding the widows'/widower' and orphans' pension and contributions , is granted.

As per the answer given to me by the Director General for the draft of the report, an online programme has been introduced from October 2017 for basic information of all public officers. However this programme has not been properly implemented due to lack of cooperation from other Government institutions.

(b) Revenue code No 20:04:02:00- Contribution to social security fund (Provincial Councils)

Following observations are made in this regard.

I. No appropriate data system has been prepared in order to identify specifically the receipt of contributions to social security scheme and the arrears of contributions as per institution, and further the contributions remitted by Local Government Institutions and the values reported by Local Government Institutions have been accounted as revenue and revenue in arrears respectively. As a result of this, it has become impossible to verify the

accuracy of the revenue in arrears of Rs.808,293,002 for this title during the year under review. Further these values could not be separated as per the contributor.

II. Action should be taken to call recoveries of every month before 15th of the next month if one cheque is issued by Provincial Councils for the contributions of all the offices as per section 2.2 of the circular No 1/2001 dated 15 January 2001 issued by Director General of Pensions. However delays from 14 days up to 94 days were observed during the year under review for sending such cheques.

As per the answers given to me by Director General as per the draft of the report, it has been informed that time up to 20 days has been given to send contributions and Department of Treasury Operations, Finance Commission have been informed regarding this delay and further it is the responsibility of all public institutions to send contributions to the Department properly.

III. 07 cheques to the value of Rs.756,996, which have been sent by 05 institutions sending directly their contributions by cheques, have been returned due to various reasons during the period from 24 May 2019 up to 10 October 2019. However even though more than one year has lapsed by 14 May 2019, such contributions have not been sent and they have not been shown at the end of the year as revenue in arrears.

2.2. Expenditure management

Following observations are made in this regard.

(a) The balance pertaining to 04 recurrent votes and 06 capital votes are Rs.7,684,757 and Rs.10,032,998 respectively. Since it was between the ranges from 11% to 91 from net allocation it was observed that these allocations were not utilized at the optimum level.

(b) In addition to the allocation of Rs.46,859,000, which has been made for 04 votes in the year under review, an allocation of Rs.8,006,579 remained unspent after transferring an allocation of Rs.16,365,000 under F.R. 66/99.

2.3. Entering into liabilities and obligations

Since the balance of Vote No 253-1-1-1002 and Vote No 253-1-2-1502 were Rs.180,904 and Rs.1,648,675,880 respectively and the values of liabilities were Rs.207,948 and Rs.2,424,690,280 respectively, the value of the liabilities, which exceeded the allocations, has amounted to Rs.776,041,400.

2.3. Certifications to be made by Accounting Officer

Even though the Accounting Officer should make certifications regarding the following matters as per the provisions of the section 38 of National Audit Act No 10 of 2018, no action has been taken adhering to the said provisions.

The Accounting Officer should be responsible that a productive internal control system is prepared and maintained for the financial control of the Department, and further necessary changes should also be made to the system reviewing from time to time the effectiveness

of the system. Further the reviews should be made in writing and a copy of the review should be sent to Auditor General. However the statements to the effect that such review has been conducted, has not been submitted to the audit.

2.4. Non-compliance to laws” rules and regulations

Observations

Non- compliance to laws, rules and regulations	Value Rs.	Non-compliance
Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 371 (b)	142,000	Even though the imprest issued should be settled as soon as the relevant task is completed, it was observed at the sample test that interim imprests, which have been obtained at three occasions to the value of Rs.142,000, have been settled with a delay of which the range goes between 09-52 days.
Establishments Code of the Democratic Socialist Republic of Sri Lanka (i) Section 2 of chapter XIV		When considering the travel on duty, starting point should either be the place of work or the place of residence, whichever is closer to destination. However three instances were observed where combined allowances have been obtained starting travel on duty from a place distant from the destination.
(ii) Section 4 of chapter XIV		The minimum distance of travelling for the purpose of paying combined allowance is 11 k.m. (more than 07 miles). However instances were observed where payments have been made in contrary to this provision.
(iii) Section 28.6 of chapter XIV		Even though payments should be made for the vouchers for travelling, which are submitted with a delay, deducting the amount as per the provisions of Establishments Code, such deductions have not been made.
(c) Pensions Circulars		

(i) Pensions (Revision) Circular No. 01/2011 dated 07 April 2014		It is compulsory for every Divisional Secretariat to maintain a control account in the proper manner in order to formalize the payment process of pensions. However it was revealed at the sample tests that the Divisional Secretariats of Colombo, Pannala and Narammala have not maintained such control account.
(ii) Pensions Circular No. 01/2009 dated 07 January 2009		The supervision of the payment of pensions to orphans should be totally entrusted to the Grama Niladhari. Accordingly the relevant Grama Niladhari should ensure that the orphan child is under proper care and protection and further a report should be filed once in three months in this regard. However it was revealed at the sample test that the Divisional Secretariat, Colombo has not followed that requirement.
(d) Public Administration Circular No 2/2019 dated 30 May 2019		In term of the order no 292 of the manual containing regulations prepared by the Department of Registrar General, it is required to report immediately the death of a person receiving a pension from the Government to the District Registrar or Additional District Registrar, and registrar General in case of Medical Registrars in Colombo city, in accordance with form B 73. Even though the Divisional Secretary should instruct the Registrars and Medical Registrars working under the control of Divisional Secretary to send a copy of such form B 73 once a week, it was revealed at the sample test that this provision has not been followed by the Divisional Secretariats of Narammala, Kurunegala, Yatinuwara, and Korale.

2.5. Issuance and settlement of advances

Following observations are made in this regard.

(a) As per the reconciliation statement of the advance account of public officers, which has been submitted for the audit, the balance, which is in arrears for more than 5 years and to be recovered from 12 officers, who have been interdicted, have vacated their posts and transferred, is Rs.718,350. However these balances were not settled by 31 December 2019.

(b) A difference of Rs.315, 758 has been observed between the summary of individual balances classification and control account regarding the balance of the advance of public officers as at 31 December 2019 between and an amount of Rs.85,877 included in the above difference is older than 7 years. However this amount has not been settled even during the year under review.

3. Operational review and performance

The audit observations, which are made in relation to the operational review, sustainable development, good governance and human resources development pertaining to revenues, expenditures, assets, liabilities indicated in financial statements submitted, are included in the report, which is submitted as per section 10 of the National Audit Act No 19 of 2018, mentioned in para 1.1 above.

T.G.I.Padmini
Assistant Auditor General
For the Auditor General

My No: L.E.W/ D/DOP/02/20/14

31 July 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Local Government Services Widowers' and Orphans' Pensions Fund for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Local Government Services Widowers' and Orphans' Pensions Fund for the year ended 31 December 2019 comprising the balance sheet, statement of income and expenditure, cash flow statement and notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and provisions of the National Audit Act No. 19 of 2018 read in conjunction with order non 6 of the Local Government Services Widowers' and Orphans' Pensions Fund of 1986 imposed under section 23 of Local Government Services Act No 16 of 1974. My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in the Basis for qualified opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2019, 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) Only Rs. 22,194 out of the contributions received during the year under review relevant to previous years has been accounted on cash basis deviating from Sri Lanka Public Sector Accounting Standards 01 and no action has been taken further to adjust the contributions in arrears.

(b) This fund has been established in terms of the section 14 of the Local Government Services Act No 10 of 1985 with the objective of paying pensions to the widowers and orphans of the pensionable members belonging to local government service. However the officers recruited to provincial public service after the establishment of provincial public

service in 1993 were also made entitled to the pension and widowers' and orphans' pension entitled to public officers and therefore new members have not joined after 03 September 1993 to this fund.

Since no sufficient money has been remitted to the fund for the payment of pension to the widowers and children of the members, who have demised after the above date, expenses of the fund have been made by way of making budget allocations under the vote of the Department of Pensions. Accordingly the expenditure made during the current year was Rs. 65,329,870. However no disclosure has been made by account entries for the fund being inactive.

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 management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which 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 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 intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

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

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 fund'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 Company'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. However, future events or conditions may cause the fund 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 Requirements

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

- In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have been included in the financial statements, which were submitted.

W.P.C. Wickramaratne
Auditor General

My No: LEW/D/DOP/02/20/2015

24 August 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Local Government Services Pensions Fund for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Local Government Services Pensions Fund for the year ended 31 December 2019 comprising the balance sheet, statement of income and expenditure, Cash flow statement, notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and provisions of the National Audit Act No. 19 of 2018 read in conjunction with section 62 (Chapter 264) of Local Government Services Ordinance (1). My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in the Basis for qualified opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2019, 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) Even though the Fund should make accounts on accrued basis as per the standard No 01 of Sri Lanka Public Sector Accounting Standards, the contributions, which were received during the year under review in relation to the previous years and the year under review, have been remitted to the General Treasury on cash basis.

(b) This fund has been established with a view to pay the pension to the pensionable members of Local Government Service as per the section 15 of Local Government Services Act No 16 of 1974. However no new member has joined with this fund after 03 September 1993 as the officers of Provincial Public Service, who were recruited with the establishment of Provincial Public Service in year 1993, were also given entitlement to the pension benefits granted to the officers in public service.

Since sufficient amount was not collected to the fund for the payment of pension to the retired officers of Local Government Service after year 2011, expenses of the fund have been

made making budgetary allocations under the vote of the Department of Pensions. Accordingly the expenditure made in the current year was Rs. 1,054,552,738. However no revelation has been made by accounts entries regarding the fund being inactive.

(c) The contributions, which were to be received from 287 Local Government Institutions as per Financial Statements as at 31 December 2019, were Rs. 1,148,538,339. No contribution out of the Rs. 463,770,831, which was due from 81 Local Government Institutions as per the finance registers of contributions to pension submitted pertaining to the above mentioned balance, has been received during the year under review.

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 management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which 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 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 intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

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

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 fund'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 Company'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. However, future events or conditions may cause the fund 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 Requirements

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

- In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have been included in the financial statements, which were submitted.

W.P.C. Wickramaratne
Auditor General

My No: L.E.W/ D/DOP/02/19

31 July 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Local Government Services Widows' and Orphans' Pensions Fund for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Local Government Services Widows' and Orphans' Pensions Fund for the year ended 31 December 2019 comprising the balance sheet, statement of income and expenditure, cash flow statement and notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of the provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and provisions of the National Audit Act No. 19 of 2018 to be read with the order no 6 of Local Government Services Widows' and Orphans' Pensions Fund of 1985 imposed under section 23 of Local Government Services Act No 16 of 1974. My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in the basis for qualified opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2019, 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) Even though the accounts of the fund should be prepared on accrued basis as per Sri Lanka Public Sector Accounting Standard No 01, an amount of Rs. 174,558, which is the contribution received during the year under review as the contributions for previous year, has been remitted on cash basis and further no action has been taken to adjust the contribution in arrears.

(b) In terms of the section 16 of Local Government Services Act No 16 of 1974, this fund has been established with a view to pay pensions to the widows and orphans of the pensionable members of the Local Government Service. However the officers recruited to Provincial Public Service after 1993 with the establishment of the aforesaid service has been made

entitled to the pension and benefits of widows' and orphans' pension of the officers in public service, new members have not joined with this fund after 03 September 1993.

Since no sufficient amount has been accumulated in the fund for the payment of pensions to the widows and orphans of the members, who demised after the aforesaid date, the expenses of the fund have been made making budget provisions under the vote of the Department of Pensions, and accordingly the total expenditure made during the year under review is Rs.922,080,202. No disclosure has been made by accounts entries regarding the account for being inactive.

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 management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which 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 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 intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

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

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 fund'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 Company'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. However, future events or conditions may cause the fund 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 Requirements

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

- In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have not been included in the financial statements, which were submitted.

W.P.C. Wickramaratne
Auditor General

My No: L.E.W/ D/DOP/02/20/20

31 July 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Teachers' Widows' and Orphans' Pensions Fund for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Teachers' Widows' and Orphans' Pensions Fund for the year ended 31 December 2019 comprising the balance sheet, statement of income and expenditure, notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka and provisions of the National Audit Act No. 19 of 2018 read in conjunction with section 6 (1), of the regulations imposed as per section 5 and 9 of the School Teachers' Pension Ordinance No 44 of 1953. My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in the Basis for qualified opinion, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2019, 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 terms of the order No 04 of School Teachers' Pension Ordinance No 44 of 1953, teachers widows' and orphans' fund should be raised from the contributions of teachers and payment of teachers' widows and orphans' pension should be paid from the aforesaid fund. However no separate bank account has been maintained for the fund for collection of contributions and making the payments but the contributions have been collected in the bank account maintained under Directors General of Pensions and further aforesaid expenses have been paid under the vote of the Department of Pensions. Under such circumstance no revelation has been made regarding the value of contributions to widows' and orphans' pension and the reasons for the fund being inactive.

(b) Even though the account of the Deputy Secretary of General Treasury has been maintained in the final account in order to collect contributions as well as other income and to

refund the contributions, it was observed that the balance of Rs. 1,039,177,078 shown in the balance sheet as at 31 December 2019 was just a nominal balance.

(c) An amount of 6% should be remitted to the Department of Pensions whilst remitting another amount of 6% monthly from the teachers of Pirivenas and Private/Assisted schools as the contributions to Widows'/Widowers' and Orphans' Fund and contributory Pension respectively under two objectives. However it was not possible to identify from whom and for what purpose the amount of Rs. 137,818,157, has been credited by the Ministry of Education for three provincial councils during year 2019, by accounts summaries.

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 management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which 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 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 intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

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

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 fund'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 Company'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. However, future events or conditions may cause the fund 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 Requirements

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

- In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have not been included in the financial statements, which were submitted.

W.P.C. Wickramaratne
Auditor General

My No: LEW/D/DOP/02/20/21

11.September 2020

Director General of Pensions
Department of Pensions

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Public Services Provident Fund for the year ended 31 December 2019 as per Section 11(1) of National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Disclaimer of opinion

The audit of the financial statements of the Public Services Provident Fund for the year ended 31 December 2019 comprising the balance sheet, statement of income and expenditure, Cash flow statement, notes on financial statements, for the year then ended, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with section 24 (1) of Public Services Provident Fund Ordinance No 18 of 1942 (Chapter 621). My report will be tabled in the Parliament in due course, in terms of the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

I do not express an opinion on the financial statements of the fund. I could not find sufficient and appropriate evidences to provide an audit opinion on the financial statements due to the importance of the matters discussed in the part for the basis for disclaimer of opinion.

1.2 Basis for disclaimer of opinion

(a) Even though the income and expenditure should be accounted as per para 07 of Public Sector Accounts Standard 01, it has been revealed that the money received to the fund under accounting policies 2.4. (c) (ii) included in the annual accounts were being accounted on cash basis.

(b) The balances, which have not been identified from the debits and credits made to the bank account of the fund by government institutions by monthly accounts summaries, have been included in an adjustment account until they were settled. Even though the debit balance of the account as at 31 December 2019 was Rs. 29,807,958, the balance as per the relevant schedule was 24,517,312 and therefore a difference of Rs. 5,290,646 was observed.

(c) Even though an online system has been introduced in order to maintain the individual account of the contributors of the fund, it was not possible to conduct an observation at satisfactory level at the audit in respect of the balance of Rs. 26,748,086,766 of compulsory

contribution account, balance of Rs. 41,481,802 of voluntary contribution account and balance of Rs. 41,456,600,115 of the government contribution account as the online system was not operated properly.

1.3 Responsibilities of the management and the parties entrusted with administration on the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for determining such internal control which 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 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 intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the fund are responsible for overseeing the financial reporting process of the fund.

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

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

It is my responsibility to issue the report of the audit on the financial statements of the fund based on the audit conducted in compliance with Sri Lanka Audit Standards. However I was unable to find audit evidences sufficient and appropriate to make a base for an audit opinion on these financial statements due to the matters described in the part for the basis for disclaimer of opinion.

2. Report on Other Legal Requirements

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

- In terms of the requirement prescribed in the section 6 (I) (d) (iii) of the National Audit Act No 19 of 2018 the financial statements of the fund comply with previous year.
- Recommendations, which have been made by me during the previous year in terms of the requirement prescribed in the section 6 (I) (d) (iv) of the National Audit Act No 19 of 2018, have been included in the financial statements, which were submitted.

3. Operational Review

3.1. Non compliance with rules, laws, regulations and decisions of the management.

Reference to rules, laws and regulations	Non compliance
Public Services Provident Fund No 18 of 1942 (Chapter 621)	
(1) Section 16 (1) (b) and 20 (b)	When a contributor of the fund is dismissed from the service due to inefficiency or misconduct or appointed to a pensionable post of public service, the bonus credited by the Government to the account of the contributor along with the interest should be remitted again to the consolidated fund by the fund. However the bonus and the interest of Rs. 318,660,995, which have not paid in the above manner relevant to year 2019, remained as an accrued expense.
(11) Section 25	Even though the balances of the members' accounts as at 31 December should be informed to the contributors by the Director General of Pensions at the end of the each financial year, no such action has been taken.

3.2. Performance

The number of the applications, for which payments have not been paid, is 592 as at 01 January 2019 and the number of the applications submitted during the year by the members of the fund for the claims of benefits is 6,435. However Rs. 708,893,693 has been paid by 31 December of the year under review for 5070 applications out of the above and further 434 applications have been rejected.

W.P.C. Wickramaratne
Auditor General

4. Performance Indicators

4.1. Performance Indicators of the institution (Based on the action plan)

Activity	Sub activity	Performance Indicators	Actual output as a percentage of expected output (%)		
			100% - 90%	75% - 89%	50% - 74%
Awarding new pensions	Awarding pensions	Number of the pensioners, who received new pension awards	-	89.03%	-
	Awarding widows' and orphans pension		-	83.68%	-
Revised payments	Revision of pension	Number of the payment of revised pensions	-	-	31.31%
Gratuity and other payments	Death Gratuity		-	88.90%	-
	Disabled pensions		-	-	62.84%
	Sathkara piyasa	Number of persons called for the interview	-	89.03%	-
Monthly pension	Monthly pension-civil	Number of pensioners, who received monthly benefits	100%	-	-
	Payment of gratuity and loan installment	Number of pensioners, who received monthly benefits	96%	-	-
Social welfare	Three Armed Forces and Police	Number of persons, who received monthly benefits	96.39%	-	-
Widows' and Orphans' Pension	Payment of Widows' and Orphans' Pension	Number of persons, who received monthly benefits	100%		
Income from widows' and orphans' contributions: collection of income	Central Government	Monthly income	99.78%	-	-
	Provincial Councils	Monthly income	91.14%	-	-
	Teachers' widows' and orphans'	Monthly income	147.4%	-	-

Activity	Sub activity	Performance Indicators	Actual output as a percentage of expected output (%)		
			100% - 90%	75% - 89%	50% - 74%
Refunding the contributions of widows' and orphans' fund	Civil	Number of the beneficiaries	-	76.53%	-
	Armed Forces	Number of the beneficiaries	122.91%	-	-
	Teachers' widows' and orphans'	Number of the beneficiaries	100%	-	-
Public Service Provident Fund	Number of the members of PSPF	New members annually	143.1%	-	-
	Payment of contributions	Number of the beneficiaries	-	-	70.38%
	Receipt of contributions	Monthly contributions 8% and 12%	122%	-	-
Capacity Development	File management	Updating files	100%	-	-
	Conducting Friday Forum	Conducting one programme per month	-	-	50%
Productivity	Conducting training programmes for the development activities	Training the officers of the Department	-	75%	-
	Conducting training sessions required for the productivity	Development Officers	-	75%	-
System development activities	Maintenance of PMS	Accurate functioning of PMS	100%	-	-
	Purchase of scanners	Number of the scanners	100%	-	-
	Updating Firewall agreement	Final contract	100%	-	-

Activity	Sub activity	Performance Indicators	Actual output as a percentage of expected output (%)		
			100% - 90%	75% - 89%	50% - 74%
System development activities	Collecting information for a new information system for the armed forces division	New information system	100%	-	-
	Providing information on the requirement of a new information system for widows' and orphans' division	New information system	100%	-	-
Enhancement of the office environment	Modification of the office space of the Administration Division in third floor	Completion of all the projects in year 2019	100%	-	-
	Expansion of the space and modification of the cafeteria in third floor		100%	-	-
Payment of the pension in arrears	Civil	Number of the pensioners	-	76%	-
	Armed Forces		-	-	32%
	Anomalies		-	-	39%
Payment of foreign pension	Civil pension	Number of the pensioners and widows	*179%	-	-
	Widows' and orphans' pension		104.76%	-	-
	Revision of pension		**840%	-	-
	Payment of the pension in arrears		100.7%	-	-

*As a result of the commencement of payment of pensions, which have been suspended by High Commissioners' Offices, by local banks, the number of the annual beneficiaries estimated for the year, which is 300, has marked an increase up to 538. It is 179% as a percentage.

**Since action has been taken as per Public Administration Circular No 14/2019 to remove the anomalies in the pension of the pensioners staying abroad, the number of the annual beneficiaries estimated for the year, which is 250, has marked an increase up to 2100. It is 840% as a percentage.

- In terms of the Public Administration Circular No 14/2019 dated 31.05.2019 issued on the revision of the pension of officers retired on or before 01.01.2017 as per budget proposals 2019, Pension Circular No 01/2019, and Circulars issued revising above, anomalies in the pensions have been revised. Accordingly anomalies of 450,358 pensioners out of those who are entitled to pension before 01.01.2017 have been revised and Rs. 5,539,578,593 has been spent for the purpose.

5. Human Resources Profile

5.1. Cadre Management

	Approved Cadre	Present staff	Vacancies (Cadre in excess) **
Senior	34	26	08
Tertiary	11	05	06
Secondary	1078	931	147
Primary	75	71	04

5.2. Human Resources Development

Name of the programme	Number of employees trained	Duration of the training programme	Total investment (Rs)		Nature of the programme (Overseas/ Local)	Output/ Knowledge acquired *
			Local	Overseas		
Safety driving	2	1			Local	
Awareness programme on the concern of citizens	2	1				
Awareness Programme for the Public Sector Officers	2	1				
Productivity	50	1				
Motivation of staff	50	1				
Office system and preparation of letters	70	1				
Productivity	50	1				
Motivation of staff	40	1				
Office system and preparation of letters	42	1				
Diploma in Diplomacy & World Affairs (1 Year)	2	1 Year				
Master's in Public Administration (1 Year)	1	1 Year				

6. Report on compliance

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with , clarification in brief	Action for rectifying such cases of in compliance
1.	Following financial statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance account of public officers	Complied		
1.3	Business and production account (Commercial advance account)	Not relevant		
1.4	Stores advance account			
1.5	Special advance account			
1.6	Other			
2.	Maintain of books and documents (F.R 445)			
2.1	Maintenance of fixed assets register with updating as per Public Administration circular No 267/2018	Complied		
2.2	Maintenance of personal emoluments and wages register/cards with updating	Complied		
2.3	Maintenance of audit queries register with updating	Complied		
2.4	Maintenance of register on internal audit reports with updating	Complied		
2.5	Preparation of all monthly accounts summaries and submission to General Treasury on due date. (CIGAS)	Complied		
2.6	Maintenance of cheques and money register with updating	Complied		
2.7	Maintenance of inventory with updating	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of non-compliance
2.8	Maintenance of stock register with updating	Complied		
2.9	Maintenance of losses and damages register with updating	Complied		
2.10	Maintenance of liability register with updating	Complied		
2.11	Maintenance of counterfoil register with updating (GA – N20)	Complied		
03	Delegation of tasks for finance control (F.R. 135)			
3.1	Vesting of authorities for finance control within the institution.	Complied		
3.2	Awareness within the institution on the vesting of authority for finance control	Complied		
3.3	Vesting of authority for carrying out every transaction with the approval of two or more officers	Complied		
3.4	Taking action subject to the control of Accountant in the application of the software on government salaries as per Public Accounts Circular No 171/2004 dated 11.05.2014.	Complied		
4	Preparation of annual accounts			
4.1	Preparation of annual action plan	Complied		
4.2	Preparation of annual procurement plan	Complied		
4.3	Preparation of annual audit plan	Complied		
4.4	Preparation of annual estimate and submission of the same to the Department of National Budget on due date	Complied		
4.5	Submission of the annual cash flow statement to General Treasury on due date.	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of non-compliance
5	Audit queries			
5.1	Making answers to all the audit queries raised by the Auditor General on due date.	Not complied	* 31 audit queries have been received and answers have not been given to 5 out of the above	
6	Internal audit			
6.1	Preparation of annual audit plan having discussed relevant matters with Auditor General at the beginning of the year as per Financial Regulations 134 (2) DMA/1-2019	Complied		
6.2	Providing answers to every internal audit report within a period of one month	Not complied		*Taking action to call answers promptly by way of informing relevant officers.
6.3	Submission of the copies of every report on internal audit to the Department of Management Audit as per sub section 40 (4) of the National Audit Act No 19 of 2018	Complied		
6.4	Submission of the copies of every report on internal audit to the Auditor General as per Financial Regulation No 134(3)	Complied		
7	Audit and management committee			
7.1	Conducting of at least 04 meeting of the Audit and Management Committee as per DMA circular 1-2019	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of non-compliance
8	Asset management			
8.1	Submission of the information on the purchase and disposal of assets to the Office of the Control General as per chapter 07 of Assets Management Circular No 01/2017	Complied		
8.2	Appointment of a suitable officer for the coordination the implementation of the provision laid down in the chapter 13 of above circular and reporting the particulars of the officer to the Office of the Control General.	Nor complied	*An officer has not been appointed	
8.3	Conducting board of surveys as per Public Finance Circular No 05/2016 and submission of the relevant reports to Auditor General on due date.	Not complied	* Board of survey has been conducted. Action is being taken to submit relevant reports	
8.4	Submission of surpluses deficits revealed in the board of survey and making other recommendations within the timeframe prescribed in the circular.	Complied		
8.5	Disposal of unserviceable items as per F.R. 772	Complied (Disposal of items found in the annual board of survey of 2018 has been completed)		
9.	Management of vehicles			
9.1	Preparation and submission of daily running charts and monthly summaries on due date.	Complied		
9.2	Disposal of vehicles less than six months from the date of removal from usage.	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of non-compliance
9.3	Maintenance of log books of vehicles with necessary updating	Complied		
9.4	Taking action as per Financial Regulation No 103, 104, 109 and 110 on every accident occur to vehicles	Complied		
9.5	Re checking of fuel consumption of vehicles as per the provisions indicated in para 3.1 of Public Administration Circular No 30/2016 dated 29.12. 2016.	Complied		
9.6	Transfer of ownership of the log books of leased vehicles at the end of the period of lease.	Complied		
10	Management of bank accounts			
10.1	Preparation of bank reconciliation statements and their submission on due date for auditing	Complied		
10.2	Settling inactive bank accounts, which were brought forward since the year under review or previous years	Complied		
10.3	Taking action as per relevant financial regulations regarding the balances ,which were reveled and of which the adjustments were to be made, and settling the balances within a period of one month	Complied		
11	Utilization of allocations			
11.1	Making expense so as not to exceed the limits of allocations	Complied		
11.2	Making liabilities so as not to exceed the limit of the remaining balances at the end of the year after utilization of allocations as per F.R 94 (1)	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of non-compliance
12	Advance B account of Public Officers			
12.1	Complied with the limits	Complied		
12.2	Making of a time analysis on the balances of the loans in arrears.	Complied		
12.3	Settling the balances of the loans in arrears for more than one year.	Not complied	*Loan balances in arrears of 4 officers interdicted, 2 officers of whom disciplinary inquiries have not been concluded, 2 officers without sufficient, one officer, who has vacated his post, 7 officers transferred, have not been settled. information,	
13	General Deposit Account			
13.1	Taking action on deposits, of which the time has expired, as per F.R. 571.	Complied		
13.2	Maintenance of the control account on general deposits with updating	Complied		
14	Imprest Account			
14.1	Remittance of the balance of the cash register to the Department of Treasury Operations at the end of the year under review.	Complied		
14.2	Settling the interim imprest issued as per F.R. 371 within one month from the completion of the said task.	Not complied		
14.3	Issuance of interim imprest as per F.R. 371 so as not to exceed the approved limit	Complied		

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of in compliance
14.4	Reconciling monthly the balance of the imprest account with the treasury books	Complied		
15	Revenue Account			
15.1	Making refunds from the collected income in compliance with the relevant regulations	Complied		
15.2	Crediting directly the collected income to the revenue without crediting it to the deposit account	Complied		
15.3	Submission of the reports on income in arrears to Auditor General as per F.R. 176	Complied		
16	Human Resources Management			
16.1	Maintenance of the staff within the approved limit	Complied		
16.2	Issuance of duty lists in writing to every member of the staff	Complied		
16.3	Submission of all the reports to the Department of Management Services as per MSD circular No 04/2017 dated 20.09.2017.	Complied		
17	Providing information to General Public			
17.1	Appointment of an Information Officer as per the Right to information act and other regulations and maintenance of a register for giving information with necessary updating.	Complied		
17.2	Information of the institution are made available in the website and facilities have been made for General Public to express their commendations or criticisms through the website or other alternative ways.	Complied		
17.3	Submission of annual or biannual reports as per the provisions in section 08 and 10 of Right to information act.	Not complied	*Biannual report has been sent	

Serial No	Requirement to which it should be made applicable	Nature of compliance (Complied/ Not complied)	In case where it is not complied with, clarification in brief	Action for rectifying such cases of incompliance
18	Implementation of the citizen charter			
18.1	Formulation and implementation of a citizen/ client charter as per the public administration circulars No by 05/2008 and 05/2018(1)	Not complied	* It is being prepared for year 2020	
18.2	Preparation of a methodology by the institution for the supervision of the formulation and implementation of citizen / client charter as per para 2.3 of the aforesaid circular.	Not complied		
19	Preparation of Human Resources Plan			
19.1	Preparation of a human resources plan in accordance with the annexed form 02 of Public Administration Circular No 02/2018 dated 24.01.2018.	Complied		
19.2	Ensuring a training opportunity of at least not less than 12 hours in every year for each member of the staff in the above mentioned human resources plan.	Complied		
19.3	Signing the annual performance agreements with the whole staff based on the specimen indicated in the annex 1 of the aforesaid circular.	Complied		
19.4	Appointment of a senior officer in the institution entrusting the responsibilities on the development of human resources and implementation of skill development programmes as per para 6.5 of aforesaid circular.	Complied		
20	Making responses to audit paras			
20.1	Rectification of the weaknesses pointed out in the audit paras for previous years, which have been issued by the Auditor General	Complied		