

Revenue and Expenditure Returns

Public Service Provident Fund
Department of Pensions,
Maligawatta Secretariat,
Colombo 10.
25th July, 2002.

Chairman and to the Members of
The Board of Management of the
Public Service Provident Fund

PUBLIC SERVICE PROVIDENT FUND

Annual Accounts 2001

IN accordance with Section 24 of the Public Service Provident Fund Act No. 18 of 1942, the above-mentioned Accounts have been prepared and are ready for submission to the Auditor General.

02. Amount of interest earned during the year under review was Rs. 688,323,740, as compared to Rs. 609,101,876 last year, which is an increase of 13%. In accordance with section 10 of the P. S. P. F. ordinance, after setting off the administration expenses of the Fund amounting to Rs. 3,295,007 the amount available for appropriation as interest to the contributors in terms of Section 11(3) of the P. S. P. F. ordinance is Rs. 685,028,733. The percentage of interest thus available is 11.21% when compared with the percentage of interest 11.66% during the previous year. The reasons for the decline in the rate of interest earned, is due to decline in the rate of interest from the Government securities, such as Treasury Bonds, Treasury Bills & Rupee Loans. We expect this trend will continue in the year 2002 too. However the percentage of interest rounded up to the nearest quarter being 11.25% was amounted to Rs. 687,608,594 and is shown below. The deficit amounting to Rs. 2,579,861 was transferred from the General Reserve.

Rs.		
1. Compulsory	-	277,800,461
2. Voluntary	-	708,663
3. Govt. Contribution	-	409,099,470
		<hr/>
		687,608,594
		=====

03. The approval of the Board of Management is solicited for the investments and other transactions up to 31.12.2001

T. O. R. WANIGARATNE,
Secretary & Accountant
Board of Management P. S. P. F.

Board of Management

Approval

Name

Signature

1. Director of Pensions
2. Solicitor General
3. Commissioner of Labour
4. Deputy Director of Irrigation
5. Mr. J. A. Marambe (Member)

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

PUBLIC SERVICE PROVIDENT FUND

ANNUAL ACCOUNTS FOR THE YEAR 2001

REVIEW OF THE BOARD OF MANAGEMENT

(1) **Objective**

The Objective and the purpose of the Fund, is to afford Provident Fund benefits to those public servants who are not pensionable.

(2) **Functions**

The main functions of the P. S. P. F. are,

- (a) To recover and credit the Fund by an amount equivalent to 8% of the monthly salaries of those who are non-pensionable and are serving in the various departments of the Island and in the foreign missions abroad.
- (b) To receive the contributions and to store, such contributions in a methodical manner.
- (c) To process and maintain individual accounts of such contributors to enable the contributors to be notified of the amount lying to their credit at the end of each financial year, and refund the benefits at the end of contributor's service.
- (d) To invest the excess money of the Fund in "Government securities" to enable the contributors to secure a higher interest and appropriate such interest at the end of every financial year.

(3) **Financial Results**

The amount received as Compulsory contribution & Government Bonus during the year under review was Rs. 151,506,382 and Rs. 226,650,700 respectively, while the contributions received during the year 2000 was Rs. 146,530,648 and Rs. 254,415,430 respectively. The total income from investment of the Fund was Rs. 688,323,740 as compared with Rs. 609,101,876 last year, which is an increase of 13%. After providing for administrative expenses of the Fund amounting to Rs. 3,295,007, a sum of Rs. 685,028,733 was available for appropriation as interest to the contributors. The percentage of interest thus available was 11.21% as compared with the percentage of interest of 11.66% during the previous year. However, the percentage of interest rounded up to the nearest quarter being 11.25% amounting to Rs. 687,608,594 was appropriated and the deficit amounting to Rs. 2,579,861 was transferred from the General reserve.

(4) **Accounting Policies**

(a) **Basis of Accounting**

The financial statements are prepared in accordance with generally accepted accounting principals and the provision of the Public Service Provident Fund ordinance No. 18 of 1942.

(b) **Rent Electricity and Water Supply**

The Board of Management of the Public Service Provident Fund decided to bear the expenses of Rent, Electricity and Water Supply from the Fund commencing from the year 1993. The expenses already incurred by the Director of Pensions have been provided in the accounts on the following basis.

<i>Expense</i>	<i>Basis</i>
Rent & Electricity	Floor area
Water Supply	No of employees

(c) Fixed Assets and Depreciation

- (i) The cost of fixed assets is stated at their purchase price.
- (ii) No depreciation is charged in the year of purchase and is provided in the year of disposal.
- (iii) Depreciation is provided at the following rates on reducing balance method.

	Percentage
Furniture & Fittings	10
Office Equipment	10
Computer Equipment	15

(d) Revenue Recognition – Interest Income

Interest receivable is generally recognised on an accrued basis.

(e) Investment

Investment are stated in the Balance Sheet at cost.

(5) Notes to the Accounts

(1) Interest Income	2001 Rs.	2000 Rs.
Interest received during the year	631,181,855	576,030,661
<i>Less</i>		
Interest receivable as at 1st Jan.	227,909,465	190,616,394
Adjustment	—	4,221,856
Interest received for the year	403,272,390	381,192,411
<i>Add</i>		
Interest receivable as at 31st December 2001,		
Rupee Loan	172,450,974	152,587,054
Treasury Bills	66,514,591	34,341,836
Treasury Bonds	46,085,785	40,980,575
Interest for the year	688,323,740	609,101,876

(2) Fixed Assets

	Furniture & Fitting	Office Equipment	Computer Equipment	Total Value
Cost				
As at 01.01.2001	21,375	450,462	161,095	632,932
Additions	—	—	21,651	21,651
As at 31.12.2001	21,375	450,462	182,746	654,583
Accumulated Depreciation				
As at 01.01.2001	15,258	175,779	95,765	286,802
Charge for the Year	612	27,468	9,800	37,880
As at 31.12.2001	15,870	203,247	105,565	324,682
Net book value				
As at 31.12.2001	5,506	247,215	77,181	329,902
Net book value				
As at 31.12.2000	6,117	274,683	65,330	346,130

(3) Investment :

The purchase price of the Investments with the Central Bank was Rs. 5,516 million and the market value of it was Rs. 5,380 million.

(4) Adjustment Accounts :

This account represents the net result of the erroneous debits and credits raised by the various departments. The balance in this account gets adjusted when the erroneous debits and credits are, adjusted by such departments.

(5) Accumulated Fund :

This account represents the amount lying to the credit of the contributors being the share of contributions of the contributors and the interest thereon together with the Government contributions with interest.

(6) General Reserve :

The balance in this account is the amount after appropriation of interest to the nearest quarter percent. A sum of Rs. 2,579,861 was transferred from this account for the purpose of appropriation to the nearest quarter percent.

(7) Accrued Expenses :

This represents the expenses charged from the consolidated fund during the year under review, including Rs. 124,401 paid by the Department of Pensions as electricity and water.

	2001	2000
Electricity & Water	124,401	82,401
Administration	2,894,511	2,875,481
	<hr/>	<hr/>
	3,018,912	2,957,882
	=====	=====

(8) Govt. Contribution Payable

This represents the Government Contribution obtained from the Consolidated Fund in excess of the 12% on the compulsory contribution of the contributors, which is 8%. This will be adjusted in the next financial year.

(9) Creditors

This represents Fixed Assets purchased from voted expenditure provided for the year under review. This amount will be finally charged to the fund in the subsequent year.

T. O. R. WANIGARATNE,
Secretary and Accountant
Board of Management
Public Service Provident Fund
25th July, 2002.

VICTOR SAMARAWEEERA,
Director of Pensions & Chairman
, Board of Management,
Public Service Provident Fund
26th July, 2002.

**Public Service Provident Fund
Receipts and Payments Account for the
year ended 31.12.2001**

	2001	2000
	Rs.	Rs.
Balance with D. S. T's a/c as at 1st January	962,710,249	620,692,179
Receipts		
Compulsory Contribution	151,506,382	146,530,648
Government Contribution	226,650,700	254,415,430
Interest Income	631,181,855	519,430,661
Erroneous	8,396	217,671
Investments Realised	<u>1,463,639,062</u>	<u>1,010,722,542</u>
	2,472,986,395	1,931,316,952
Less :		
Payments		
Compulsory Contribution	40,605,180	26,294,670
Government Contribution	22,026,238	14,736,760
Voluntary Contribution	-	54,488
Unpaid Govt. Contribution Transferred to Consolidated fund	34,095,582	19,726,876
Administration expenses	2,961,329	2,875,881
Audit fees	-	350,000
Erroneous	1,583,048	1,024,154
Investments	<u>2,076,375,073</u>	<u>1,524,236,053</u>
	295,339,945	342,018,070
Balance with D. S. T's a/c as at 31st December	<u>1,258,050,194</u>	<u>962,710,249</u>
	=====	=====

P. S. P. F. Annual Accounts 2001

**Public Service Provident Fund
Balance Sheet as at 31st December 2001**

	Note	2001	2000
		Rs.	Rs.
Assets			
Non Current Assets	2		
Furniture & Fittings		5,506	6,117
Office Equipment		247,215	274,683
Computer Equipment		77,181	65,330
		329,902	346,130
Investment at cost	3	5,516,268,584	4,903,532,573
Current Assets			
Interest receivable		285,051,350	227,909,465
Adjustment a/c	4	6,420,771	4,847,181
Balance with D.S.T's a/c		1,258,050,194	962,710,249
		1,549,522,315	1,195,466,895
Total Assets		<u>7,066,120,801</u>	<u>6,099,345,598</u>
		=====	=====

Equity and Liabilities**Accumulated Fund**

5

Compulsory contribution	2,807,299,894		2,418,599,293	
Voluntary contribution	7,693,557		6,984,894	
Government contribution (Bonus)	4,244,219,761	7,059,213,212	3,663,984,132	6,089,568,319

Reserves

Capital reserve	3,790		3,790	
General reserve	2,936,679	2,940,469	5,516,539	5,520,329

Current Liabilities

Accrued Audit fees	438,623		200,407	
Accrued expenses	3,018,912		2,961,329	
Govt. Contribution payable	402,107		1,009,386	
Creditors	107,478	3,967,120	85,828	4,256,950

Total Equity and Liabilities

7,066,120,801
=====

6,099,345,598
=====

T. O. R. WANIGARATNE
Secretary & Accountant,
Board of Management
Public Service Provident Fund.
25th July, 2002.

VICTOR SAMARAWEEA,
Director of Pensions and
Chairman, Board of Management
Public Service Provident Fund.
26th July, 2002.

P. S. P. F. Annual Accounts 2001

Public Service Provident Fund**Income & Expenditure Account for the year ended 31.12.2001**

Note	2001 Rs.	2000 Rs.
Income		
Interest Income 1	688,323,740	609,101,876
Less : Expenditure		
Electricity	93,824	70,707
Water	30,577	11,694
Personal Emoluments	2,663,996	2,581,873
Travelling	23,275	31,216
Stationary & Office		
Requisites	54,004	49,652
Repairs & Maintenance	17,399	29,130
Transportation, Communication & Holiday Warrants	120,625	172,351
Audit Fees	238,216	238,216
Depreciation	37,880	31,932
Uniforms	2,906	3,157
Other recurrent expenditure	12,305	8,102
	3,295,007	3,228,030
Income Over Expenditure	685,028,733	605,873,846

Income Available for Appropriation	685,028,733	605,873,846
Appropriation of Interest to the Contributors		
Compulsory Contribution	277,800,461	247,335,729
Voluntary Contribution	708,663	740,159
Government Contribution	409,099,470	362,317,533
	687,608,594	610,393,421
Balance Transferred From General Reserve	(2,579,861)	(4,519,575)
	=====	=====

P. S. P. F. Annual Accounts 2001

Public Service Provident Fund

Cash Flow Statement for the year Ended 31st December 2001

	2001 Rs.	2000 Rs.
Cash Flow from operating Activities		
Compulsory Contribution receipts	151,506,382	146,530,648
Government Bonus receipts	226,650,700	254,415,430
Erroneous Contribution receipts	8,396	217,671
	378,165,478	401,163,749
Compulsory Contribution paid	(40,605,180)	(26,294,670)
Government Contribution paid	(22,026,238)	(14,736,760)
Voluntary Contribution paid	-	(54,488)
Unpaid Govt. Contribution Transferred to Consolidated fund	(34,095,582)	(19,726,768)
Erroneous Contribution paid	(1,583,048)	(1,024,154)
Cash generated from operations	279,855,430	339,316,801
Administration expenses paid	(2,961,329)	(2,875,881)
Audit fees paid	-	(350,000)
Cash flow before other Income	276,894,101	336,100,926
Net cash generated from operating activities	276,894,101	336,100,926
Cash flow from investing activities		
Interest Income received	631,181,855	576,030,661
Investment realised	1,463,639,062	1,210,539,542
Investment	(2,076,375,073)	(1,780,653,053)
	18,445,844	5,917,150
Net cash used in investing activities	295,339,945	342,018,070
Net increased in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	962,710,249	620,692,179
	=====	=====
Note 1	1,258,050,194	962,710,249
	=====	=====
Note 1		
Cash in hand	-	-
Cash at Bank	-	-
Cash with D. S. T's A/c	1,258,050,194	962,710,249
	=====	=====
	1,258,050,194	962,710,249
	=====	=====

P. S. P. F. Annual Accounts 2001

AUDITOR-GENERALS' DEPARTMENT

Report of the Auditor General on the Accounts of the Public Service Provident Funds the year ended 31 December 2001

THE audit of accounts of the Public Service Provident fund for the year ended 31 December 2001 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 read in conjunction with section 24 (1) of the Public Service Provident Fund Ordinance (Cap. 621).

1 : 2 Scope of Audit

Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with the Sri Lanka Auditing Standards, methods and practices to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examination of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles and significant estimates and judgements made in the preparation of financial statements, evaluation of their overall presentation and determining whether accounting policies adopted were appropriate, consistently applied and adequately disclosed.

2. Accounts

2 : 1 Rendition of Accounts

In terms of Treasury Circular, No. 836 of 16 August 1977, the annual accounts relating to Funds should be furnished for audit before 30th April of the year following the relevant year. However, the accounts of the Fund for the year ended 31 December 2001 were furnished for audit only on 29 July 2002.

2:2 Audit Opinion

Except for the effects of the adjustments arising from the matters referred to in paragraph 2:5 of this report, I am of opinion that the financial statements have been satisfactorily prepared to present fairly in all materials respects, the financial position of the fund as at 31 December 2001 and the results of its operations for the year then ended in accordance with Sri Lanka Accounting Standards and the stated accounting policies as set out in Notes 01 to 09 to the financial statements.

2 : 3 Financial Results

According to the accounts presented, the activities of the Fund for the year ended 31 December 2001 had resulted in a deficit of Rs. 2,579,861 as compared with the deficit of Rs. 4,519,575 for the previous year. The income and expenditure for the year under review as compared with those for the preceding year are given below.

	Year ended 31 December			
	2001		2000	
	Rs.	Rs.	Rs.	Rs.
<i>Incom</i>				
Interest on investments		688,323,740		609,101,876
<i>Expenditure</i>				
Interest on Compulsory Contribution	277,800,461		247,335,729	
Interest on Voluntary Contribution	708,663		740,159	
Interest on Bonus	409,099,470		362,317,533	
Electricity	93,824		70,707	
Water	30,577		11,694	
Personal Emoluments	2,663,996		2,581,873	
Travelling Expenses	23,275		31,216	
Stationery and Office Equipment	54,004		49,652	

<i>Year ended 31 December</i>				
	<i>2001</i>		<i>2000</i>	
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Repairs and Maintenance	17,399		29,130	
Holiday Railway Warrants	120,625		172,351	
Audit Fees	238,216		238,216	
Depreciation on Fixed Assets	37,880		31,932	
Uniforms	2,906		3,157	
Other Services Expenditure	12,305	690,903,601	8,102	613,621,451
Surplus/ (Deficit) for the year		(2,579,861)		(4,519,575)
Balance brought forward		5,516,540		10,036,115
Balance carried forward		2,936,679		5,516,540
		=====		=====

2:4 Financial Structure

According to the accounts presented, the financial structure of the Fund as at 31 December 2001 as compared with that as at 31 December 2000 is given below.

<i>As at 31 December</i>		
	<i>2001</i>	<i>2000</i>
	<i>Rs.</i>	<i>Rs.</i>
<i>Resources</i>		
Contribution	7,059,213,212	6,089,568,319
Capital Reserve	3,790	3,790
General Reserve	2,936,679	5,516,539
	7,062,153,681	6,095,088,648
	=====	=====
<i>Utilization</i>		
Fixed Assets	329,902	346,130
Investments	5,516,268,584	4,903,532,573
Net Current Assets	1,545,555,195	1,191,209,945
	7,062,153,681	6,095,088,648
	=====	=====

2:5 Comments on Accounts

2:5:1 Unexplained Differences

Following unexplained differences between the Treasury Printouts and the accounts of the Fund were observed.

<i>Particulars</i>	<i>According to the Treasury Printouts</i>	<i>According to the Accounts</i>	<i>Difference</i>
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Opening Balance in the Treasury Account	962,610,249	962,710,249	100,000
Closing Balance in the Treasury Account	1,257,950,194	1,258,050,194	100,000

2:5:2 Accounts Receivable and Payable

A Sum of Rs. 6,509,823 receivable from Government Departments and Ministries and a sum of Rs. 89,052 payable to Government Departments and Ministries remaining over several years had been set off against each other and the net balance of Rs. 6,420,771 had been shown in the accounts as an adjustment Account under the current assets. However, action had not been taken for the recovery of the receivables and the settlements of the payables. Schedules in respect of these balances had not been furnished.

2:5:3 Lack of Evidence for Audit

Vouchers in support of refund of contributions aggregating Rs. 1,732,557 had not been furnished for audit.

2:5:4 Non – compliance with Laws, Rules, Regulations and Management Decisions

Following instances of non – compliance were observed in audit.

<i>Reference to Laws, Rules, Regulations, etc.</i>	<i>Particulars</i>
(a) Public Service Provident Fund Ordinance (Cap. 621) Section 25	The balance of each contributor as at the end of each year to be notified to the contributor had not been notified.
(b) Treasury Circular No. 836 of 16 August 1977 Paragraph 4	A budget had not been prepared for the year under review
(c) Circular No. 57 of the Department of Pensions dated 30 November 1979 (Public Service Provident) Fund Circular No. 3) A4 – B 79039	Abatement Registers in respect of each year to be obtained from the relevant Departments before 31 January of the year following, had not been obtained in respect of the year under review.

3. Financial and operating Review*3:1 Financial Results*

The financial result for the year under review had been a deficit of Rs. 2,579, 861 as compared with the deficit of Rs. 4,519,575 for the preceding year thus showing an improvement of Rs. 1,939,714 in the financial result for the year under review as compared with the preceding years. It can be analysed as follows.

	<i>Variance</i>		<i>Rs.</i>
	<i>Favourable Rs.</i>	<i>Adverse Rs.</i>	
<i>Income</i>			
Interest on Investments	79,221,864	-	
	<hr/>	<hr/>	
	79,221,864	-	79,221,864
	=====	=====	

	Variance		
	Favourable Rs.	Adverse Rs.	Rs.
Expenditure			
Interest paid on Compulsory Contributions	-	30,464,732	
Interest paid on Voluntary Contributions	31,496	-	
Interest paid on Bonus	-	46,781,937	
Electricity	-	23,117	
Water	-	18,883	
Personal Emoluments	-	82,123	
Travelling Expenses	7,941	-	
Stationery and office Equipment	-	4,352	
Repairs and Maintenance	11,731	-	
Transportation, Communications and Holiday			
Railway Warrants	51,726	-	
Depreciation on Fixed Assets	-	5,948	
Uniforms	251	-	
Other Services Expenditure	-	4,203	
	<hr/>	<hr/>	<hr/>
	103,145	77,385,295	77,282,150
	<hr/>	<hr/>	<hr/>
Net improvement in the financial results			1,939,714
			<hr/>

3:2 Interest and Bonus

The Percentage of annual interest paid on contributions and the interest and bonus paid as a percentage of the total receipt of contributions for the year under review and the preceding 05 years are given below.

<i>Year</i>	<i>Percentage of interest</i>	<i>interest and Bonus paid as a percentage of the total receipt of Contributions.</i>
1996	14%	60.74%
1997	13.25%	62.47%
1998	12.5%	65.54%
1999	12%	61.71%
2000	11.75%	62.45%
2001	11.25%	68.12%

3:3 Performance

Particulars of performance in regard to contributions and investments are given below.

3:3:1 Contributions

According to the Receipts and Payments Account for the year under review furnished by the Fund, the compulsory contribution amounted to Rs. 151,506,382 and the Government Contribution amounted to Rs. 226,654,700. The compulsory contribution and the Government contribution for the previous year amounted to Rs. 146,530,648 and Rs. 254,415,430 respectively thus disclosing an increase of Rs. 4,975,734 in the compulsory contribution and a decrease of Rs. 27,764,730 in the Government contribution. Their percentages had been 3.4 and 10.91 respectively.

3:3:2 Investments

Interest (Return) amounting to Rs. 688,323,740 had been received on investments for the year under review. This if expressed as a percentage of the balance of investments as at end of the year under review would amount to 12.48%. Investments made in the Central Bank of Sri Lanka and the Bank of Ceylon amounted to Rs. 5,516,268,584 at cost, which was made up of Sri Lanka Government Rupee Loans amounting to Rs. 4,290,779,155 Treasury Bills amounting to Rs. 588,139,560 and Treasury Bonds in the Bank of Ceylon amounting to Rs. 637,349,869.

3:3:3 Budgetary control

Attention had not been paid to prepare a budget for the fund and to make use of it as an effective instrument of management control.

4. Systems and controls

Special attention should be drawn to obtain the Abatement Registers and the paid vouchers from the relevant Departments.

S. C. MAYADUNNE,
Auditor General.

12-212/2

**OBSERVATIONS OF THE BOARD OF MANAGEMENT ON THE REPORT OF THE AUDITOR
GENERAL IN RESPECT OF THE ACCOUNTS OF THE PUBLIC SERVICE PROVIDENT FUND
FOR THE YEAR ENDED 31.12.2001**

2.1 Rendition of accounts

The delay in the rendition of accounts on the due date was due to the delay in receiving the Treasury print outs (end of December)

*2.5 Opinion about the accounts:-**2.5.1 Unexplained differences*

I agree with the observation. The amount of Rs. 100,000 deposited but not accounted for is a continuation from the year 1987. Action will be taken to write off this amount with the approval of the Board of management in the year next.

2.5.2 Receivable and payable account

This account represents amounts erroneously credited to the fund by various ministries and departments. Although the respective departments have been notified to rectify these erroneous debits and credits no suitable action has so far been taken by the relevant institutions. Therefore it is expected to visit these institutions and to discuss on this issue. A schedule giving the details of erroneous credits and debits is annexed herewith. Most of the erroneous debits and credits have been cleared up to 31.12.2002. The balance has been reduced to Rs. 2,618,553.00.

2.5.3 Non-availability of evidence for Audit

Although the vouchers relating to the refund of contributions to the contributors in the public service provident fund are expected to be received by me from the various Departments, Ministries and the Divisional secretariats within 15 days from the date of such payment certain institutions are not complying to this request. Letters are being sent to the respective institutions in this regard. While officers are being sent to these institutions to obtain vouchers. The vouchers due to be received for the year 2001 and the vouchers received to date are as under. Accordingly the vouchers due to be received to date amounts to Rs. 144,733.

	Rs.
Ministry of Samudhi and Rural Development	55,910.25
Railway Department	356,562.60
Survey Department	7,171.71
Ministry of Public Administration	64,418.97
Police Department	870,903.92
Ministry of Transport and Highways	37,944.48
Ministry of Judicial and legal Reforms	4,925.92
Ministry of Commerce and Cosumptions	111,627.82
Irrigation Department	22,638.09
Ministry of Highways	29,036.13
Ministry of Rehabilitation and Settlement	26,684.07

2.5.4. Not agreeable to rules regulation and observations of the management

- (a) Observations are correct
As most of the abatement registers have been received in respect of the year 1999 the balances could be shown for the end of the year only.
Notification of computerized balances for all the contributors up to the end of 31.12.1999 has been done.
- (b) Observations are correct.
Action will be taken to prepare and forward a budget commencing from the year 2002.
- (c) Instructions have been issued to Ministries and Departments by circulars to obtain the abatement registers for a particular year before the 31st January of the following year. In several instances these abatement registers have been obtained by sending officers to such institutions.

However some of the institutions do not show any interest in this regard.

Chief Accountant.
For Director of pensions
Department of pensions.

Schedule

Erroneous debits

	Rs.
1. Postal Department	42,820.61
2. Irrigation Department	15,663.09
3. Telecommunication Department	205,859.16
4. Survey Department	11,781.40
5. Railway Department	6,955.20
6. Land Commissioners Department	28.98
7. Pensions Department	2,244.56
8. Agriculture Department	7,074.00
9. Police Department	2,105,968.00
10. Department of Transport and Highways	166,608.00
11. Ministry of Foreign Affairs	3,220.21
12. Ministry of Education and Higher Education	1,590,590.00
13. Ministry of Defence	2,228,562.36
14. Ministry of Fisheries and Aquatic Resources	34,913.20
15. Divisional Secretariat – Homagama	86,381.38
16. General Treasury	600.00
17. Ministry of Port and Telecommunication	.80
18. Ministry of Fisheries & Aquatic Resources	252.37
	6,509,823.32
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Erroneous Credits

Rs.

1. Department of Private Owner Buses	1,838.00
2. Food Department	79.20
3. Local Government	25,000.00
4. Agriculture Department	48.33
5. Attorney General Department	22,443.50
6. Department of Agrarian Services	13,524.81
7. Irrigation Department	10,080.00
8. Department of National Archivist	2,846.60
9. Land Commissioners Department	3,357.00
10. Pensions Department	50.00
11. Ministry of Cooperatives	120.00
12. Department of internal International Activities	388.85
13. Integrated Rural Development Project	294.48
14. Public Service Mutual Provident Association	37.86
15. Divisional Secretariat - Harispattuwa	214.15
16. Divisional Secretariat - Anuradhapura	5,840.00
17. Divisional Secretariat - Nuwwagam Palatha	1,826.85
18. Deputy Director of Family Health	477.00
19. District Secretary - Kandy	615.00
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	89,051.98
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Miscellaneous Departmental Notices**THE STATE MORTGAGE AND INVESTMENT BANK**

**Resolution adopted by the Board of Directors under
Section 50 of the State Mortgage and Investment Bank
Law, No. 13 of 1975 as amended by Act, No. 62 of 1981 and
by Act, No. 29 of 1984**

Loan Reference No. : K/5/4952/KN1/198.

AT the meeting held on 06.08.2004 the Board of Directors of the State Mortgage and Investment Bank resolved specially and unanimously that—

1. whereas Moragolle Gedera Sunil Karunathilake and Thenne Aluth Gedera Gunawathie of Rattota have made default in the payment due on Mortgage Bond No. 34679 dated 21.09.2001 attested by C. B. Dehigama, Notary Public of Matale and a sum of Rupees Sixty-two Thousand Six Hundred and Seventy-six and Cents Seventy-one (Rs. 62,676.71) is due on account of Principal and Interest as at 18.07.2004 together with further interest thereafter at Rupees Twenty-four and Cents Sixty-five (Rs. 24.65) per day till date of full and final settlement, in terms of Mortgage Bond No. 34679 aforesaid. (less any payments made on thereafter).

2. That in terms of Section 50 of the State Mortgage and Investment Bank Law, No. 13 of 1975 and the amendments thereto R. S. Mahanama, Licensed Auctioneer of Mahanama Drive, No. 474, Pita Kotte, Kotte be authorised and empowered to sell by

Public Auction the property mortgaged to the State Mortgage and Investment Bank described in the Schedule hereunto for the recovery of the said sum as mentioned in paragraph one of this notice together with costs and monies recoverable under Section 57 of the said Law.

SCHEDULE

All that divided and defined allotment of land marked No. 29 depicted in Plan No. 03/3172 dated August 1961 — January 1962 and made by Surveyor General of the land called Opalgala Watta situated in the Village of Hunuketegama Grama Sevaka Division, Narangolla Ambanganga D.R.O.'s Division, Matale District and containing in extent 0A., 2R., 10P. together with everything standing thereon together with the right of ways.

Which said land now depicted in recent Plan as Lot 01 in Plan No. 1838 dated 20.06.2001 made by E. V. Sirisumana, Licensed Surveyor.

Together with the right of ways shown from Northern and Eastern sides in the said Plan.

W. D. MENDIS,
Acting General Manager.

No. 269, Galle Road,
Colombo 03,
25th November, 2004.

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