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Annual Performance Report (Energy Section)



Ministry of Power and Energy

Annual Performance Report (Energy Section) - 2021

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Contents	Page No.
Chapter 01 - Institutional Profile/Executive Summary	01
1.1 Introduction	01
1.2 Vision, Mission, Objectives of the Institution	03
1.3 Special Priorities	04
1.4 Main objectives and activities of the Ministry	04
1.5 Organization Chart	05
1.6 Institutions and main Divisions of the Ministry	06
1.7 Details of the Foreign Funded Projects	06
Chapter 02 - Progress and the Future Outlook	07
2.1 Introduction	07
2.2 Progress	07
2.3 Future Outlook	21
2.4 Major challenges faced	23
Chapter 03 - Overall Financial Performance for the Year	24
3.1 Statement of Financial Performance	25
3.2 Statement of Financial Position	27
3.3 Statement of Cash Flows	28
3.4 Notes to the Financial Statements	30
3.5 Performance of the Revenue Collection	47
3.6 Performance of the Utilization of Allocation	47
3.7 In terms of F.R.208 grant of allocations for expenditure	48
3.8 Performance of the Reporting of Non-Financial Assets	48
3.9 Auditor General's Report	48
Chapter 04 - Key Performance Indicators	49
4.1 Key performance indicators of the Institute	49
Chapter 05 - Performance of the achieving Sustainable Development Goals (SDG)	50
Chapter 06 - Human Resource Profile	51
6.1 Cadre Management	51
6.2 Impact of shortage or excess in human resources on performance of the institute	52
6.3 Human Resources Development	52
Chapter 07 - Compliance Report	53

Chapter 01

Institutional Profile/Executive Summary

1.1 Introduction

The Ministry of Energy was established vesting the subject scope “ensuring energy security and enhancing the capacity for by products including petroleum and gas thus meeting the national requirement so as to curtail all fuel imports and expanding the storage facilities and distribution and regulating the related standards and efficient maintenance of the related state enterprises”, by Gazette Extraordinary No. 2187/27 dated 09.08.2020, which published the structure of the Cabinet of Ministers, subjects and functions of the Cabinet Ministers and Ministers of State.

Policy based Guidance

This Ministry acts based on the guidance of “Vistas of Prosperity and Splendour” which energy security and self-sufficiency are the main policy based strategic objectives, and based on other national policies that may be implemented by the Government. Among these, the major functions are the assurance of obtaining low cost energy for the overall national energy requirement including sectors of the generation of power, transport, industrial and domestic consumers, formulation of policies relevant to the subject of energy as well as the formulation and implementation of policies, programmes and projects relevant to the Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Limited, Petroleum Development Authority of Sri Lanka which are under the Ministry.

Legal Profile

The institutions coming under the purview of the Ministry operate as per the legal framework mentioned below.

The Ceylon Petroleum Corporation (CPC)

The Ceylon Petroleum Corporation, established to carry out the business activities pertaining to import, export, refine, sell, supply and distribute petroleum products in the island, has been granted the relevant legal provisions to carry out those activities and incidental functions under the exclusive rights through the Ceylon Petroleum Corporation Act, No. 28 of 1961.

The Ceylon Petroleum Storage Terminals Limited (CPSTL)

Even though the exclusivity to import, export, sell, supply and distribute petroleum products has been vested in the Ceylon Petroleum Corporation under the Ceylon Petroleum Corporation Act, No. 28 of 1961, as provisions had been made for qualified competitors also to access those activities in accordance with the Petroleum Products (Special Provisions) Act No 33 of 2002, accordingly, the Lanka Indian Oil Company also became a competitor to carry out those functions. Accordingly, storage and distribution functions that were under the Ceylon Petroleum Corporation were separated, and the Ceylon Petroleum Storage Terminal Limited was established under the Companies Act as a provider of common facilities pertaining to the storage and distribution functions of the Ceylon Petroleum Corporation and the Lanka Indian Oil Company. This is a subsidiary company of the Ceylon Petroleum Corporation, and 2/3 of its shares are owned by the Ceylon Petroleum Corporation, and the balance 1/3 is owned by the Lanka Indian Oil Company. Petroleum Development Authority of Sri Lanka

Petroleum Development Authority of Sri Lanka

The Petroleum Resources Act No 21 of 2021 was approved on 08th October 2021 to establish the Petroleum Development Authority of Sri Lanka, to formulate a national policy about the upstream petroleum industry and to prepare a regulatory and management structure in order to obtain the maximum

economic value of local petroleum resources through modern geological and geophysical exploration, development, production and management practices of Sri Lanka. Accordingly, the Petroleum Development Authority established under the Petroleum Resources Act was vested with the functions hitherto implemented by the Petroleum Resources Development Secretariat in respect of the downstream petroleum industry.

1.2 Vision, Mission, Objectives of the Institution

Vision

“To make Sri Lanka the energy hub of Asia”

Mission

“Enhancing access to low cost energy to meet national needs by management of fuel importation and integration of local new energy sources into the energy mix and ensuring an environmentally friendly sustainable energy supply by regulation of energy related policy enforcement through appropriate laws and regulations”

Objectives

- Be a leading contributor for making Sri Lanka a carbon neutral country by 2050.
- Upgrade quality of Diesel and Gasoline to EURO VI standards by 2023
- Be a partner in the energy self-sufficiency of Sri Lanka by optimizing production of domestic oil and natural gas by 2030.
- Implementation of the National Policy on Natural Gas.
- Meet petroleum product demand of the country through our own processing by 2026.
- Ensure more efficient, effective and safe storage and distribution of fuel throughout the country.
- Ensure the quality and reliability throughout the fuel supply chain.
- Promote efficient and effective use of petroleum products.

1.3. Special Priorities

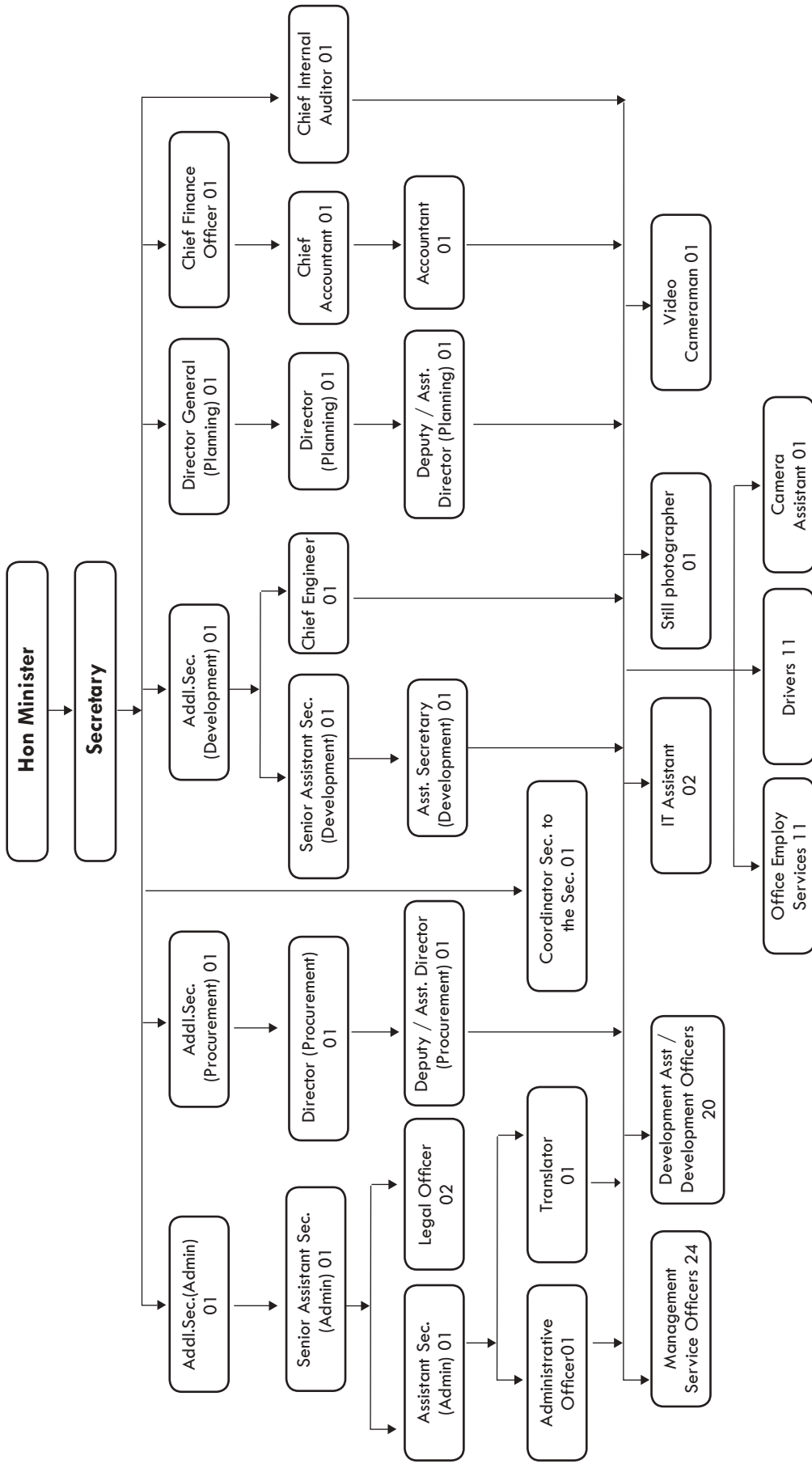
- Developing policy and strategic framework to ensure energy security and self sufficiency in Sri Lanka
- Expediting natural gas exploration
- Modernizing and expanding petroleum refinery capacity
- Rehabilitation and development of oil storage tank in Trincomalee
- Encouraging private sector and entrepreneurs to undertake renewable energy projects
- Encouraging efficient energy generation utilizing industrial waste
- Energy utilization in construction industry by formulation of new policies and laws

1.4 Main objectives and activities of the Ministry

- (i) Formulation of policies pertaining to the subject of Energy in accordance with the stipulated Laws and Acts.
- (ii) Under the guidance of the Minister in charge of the subject, submitting Cabinet Memorandams and Bills relevant to the subject of Energy to the Cabinet of Ministers and the Legislature respectively, and follow up the procedure thereof.

- (iii) In accordance with the national policies and laws accepted by the Government, operation of sectorial policies and plans, utilization of financial provisions to maximum productivity and supervision.
- (iv) Timely updating the Vision, Mission and Objectives of the Ministry within the national policies, focusing the requirements of the people
- (v) Determination of the optimum staff required for implementing the purview of the Ministry and vesting of responsibility in certain manner to the staff attached to the various institutions/ divisions.
- (vi) Guiding and supervising the Corporations and other institutions under the Ministry so that their Vision and Mission are achieved.
- (vii) Ensuring that the administrative functions, accounting procedures and procurement matters of the Ministry and all institutions under it are carried out in accordance with the laid down standards and assisting the audit procedure.
- (viii) Simplifying the regulations, permits and licenses relevant to the energy sector in a people friendly manner and the efficient performance and regulation of people centered functions.

1.5 Organizational Chart (Energy Section)



1.6 Institutions comes under the Ministry

- **The Ceylon Petroleum Corporation (CPC)**

The Ceylon Petroleum Corporation which operates under the Minister of Energy, functions as a state owned enterprise in accordance with the Ceylon Petroleum Corporation Act No. 28 of 1961 and the amendments made to the said Act later. The Ceylon Petroleum Corporation carries out the business activities pertaining to import, export, refine, sell, supply and distribute the petroleum products.

- **The Ceylon Petroleum Storage Terminals Limited (CPSTL)**

The Ceylon Petroleum Storage Terminal Company is a company established under the Companies Act No. 17 of 1982 as a provider of common facilities relevant to the storage and distribution functions. It was empowered

in accordance with Government Gazette No. 1310-8 of 13th October 2003 to function as the provider of common facilities for the facilities of bulk storage of fuel, fuel transporting

- **Petroleum Development Authority of Sri Lanka (PDASL)**

The Petroleum Development Authority of Sri Lanka was established under the Petroleum Resources Act No 21 of 2021, and the functions hitherto performed by the Petroleum Development Secretariat in respect of the downstream petroleum industry are being implemented by the Petroleum Development Authority of Sri Lanka established under the Petroleum Resources Act.

1.7. Details of the Foreign Funded Projects (if any)

There were no foreign funded projects implemented under the Ministry.

Chapter 02

Progress and the Future Outlook

2.1 Introduction

Many functions have been implemented in this year by Ministry of Energy keeping foremost the vision of “making Sri Lanka the energy hub of Asia”. Accordingly, this chapter presents the progress the future outlook of policies, programmes and projects

implemented in the year 2021, meeting the continuous demand for energy in the island, ensuring energy security, fulfilling efficient fuel storage facilities, ensuring quality of the fuel supply chain and its credibility and expediting the exploration of fuel in order to locally fulfill the fuel requirements of the country, the future outlook and challenges.

2.2 Progress

Achievement at glance in the year 2021



2.2.1 Exploration of petroleum and natural gases

Identifying “expediting the exploration of natural gas” as a specific priority sector, this responsibility was vested to our Ministry by gazette extraordinary no 2187/27 dated 09.08.2020 for the vesting of subjects and functions of Ministers and State Ministers. Even though the probability of the presence of petroleum and natural gas associated with the Cauvery, Manaar and Lanka basins has been discovered, so far, it has not been possible to make it a reality due to various obstacles prevalent in the exploration and development of petroleum. Accordingly, action had been taken to remove those obstacles with the objective of attracting investments necessary for the exploration of petroleum, formulation of the new petroleum resources act, establishment of the Petroleum Development Authority, publication of new off shore hydrocarbon exploration land block map, implementation of the national policy on natural gas, as well as the continuous implementation of other investment programmes, including conducting and air borne gravity and magnetic survey took place during the year 2021

(a) Enactment of the Petroleum Resources Act.

Regulation of the development activities of the upstream petroleum industry of Sri Lanka had been done through the Petroleum Resources Act No 26 of 2003, and it was identified that the stand of the Government towards attracting investors towards the industry was not clear due to the insufficiency of the institutional and legal framework contained in this Act. Hence, the Petroleum Resources Act No 21 of 2021 was approved by the Parliament on 08.10.2021, with the objective of establishing a very meaningful institutional structure and a set of rules for the industry, avoiding those shortcomings.

Highlights Introduced by the new Act

- The establishment of the Petroleum Development Authority of Sri Lanka, with specific and independent regulatory powers.
- Vesting of certain regulatory powers to the Petroleum Development Authority of Sri Lanka, decentralizing the regulatory powers held by the Minister.
- Establishment of a national petroleum operator to represent the participatory ownership of the Government of Sri Lanka.
- Establishment of a policy advisory committee regarding the guidance required for the development of petroleum resources in accordance with a strategic plan.
- Making provisions for the state ownership of petroleum resources and petroleum data
- Making provisions for the exploration, development, production and management of the petroleum resources of Sri Lanka.
- Making provisions for the independent, efficient and transparent upstream industry.

(b) Establishment of the Petroleum Development Authority of Sri Lanka

The Petroleum Development Authority was established according to the provisions of





the Petroleum Resources Act, fulfilling the requirement of an independent controller with specific powers, and in order to facilitate reaching the anticipated objectives of the Authority, the Minister even published the minimum qualifications to be appointed to the Board of Directors of the Authority. Accordingly, regulatory functions of the Petroleum Development Authority are ongoing satisfactorily under a Board of Directors comprising veterans qualified in the field.

(c) Establishment of the National Petroleum and Gas Company.

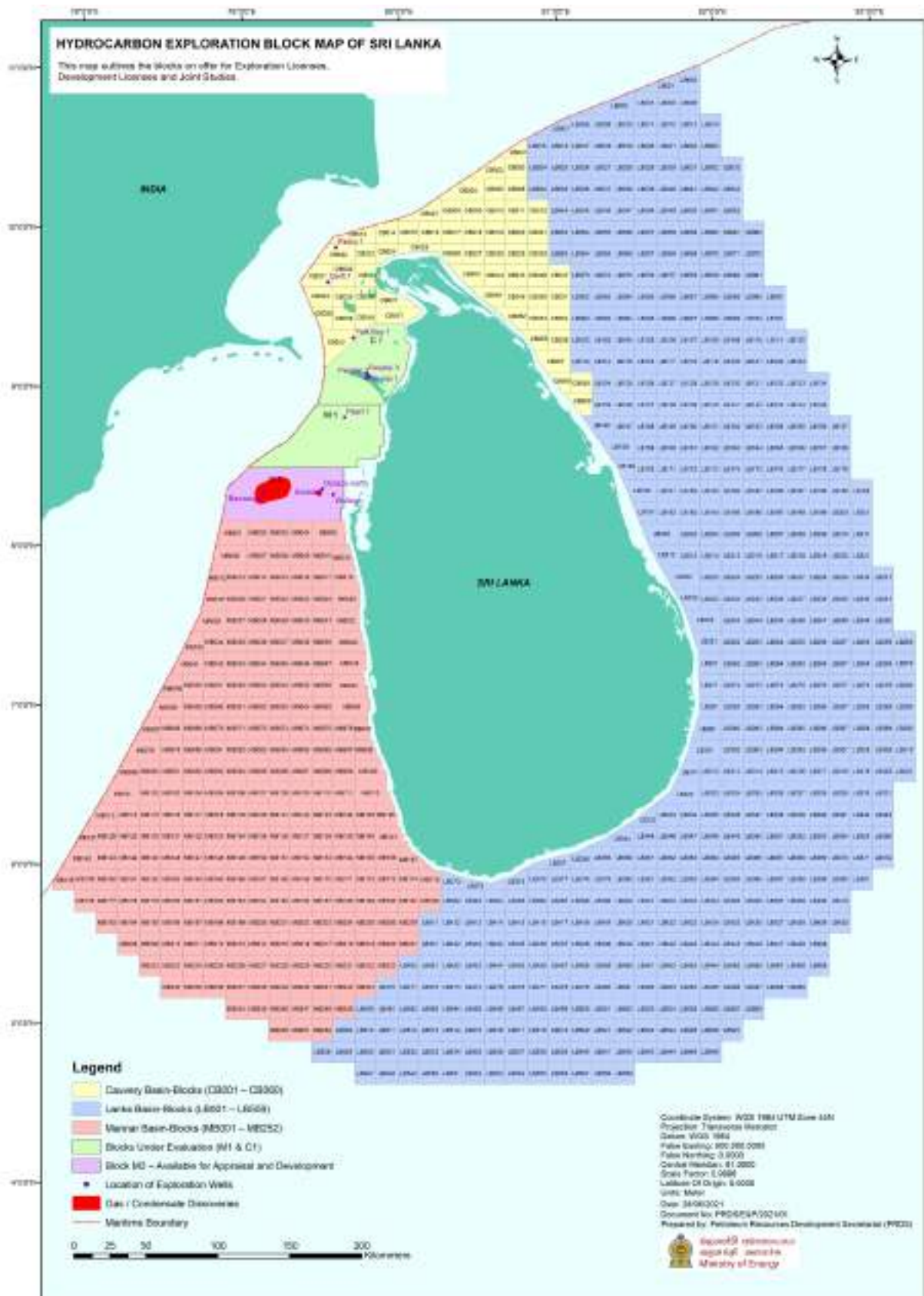
Provision is available under section 25 (1) of the Petroleum Resources Act for the establishment of a statutory entity for the purpose of managing the rights of the Government in respect of all sectors involved in the development of petroleum resources. In accordance with those provisions, a request has been made to the Department of the Registrar of Companies to incorporate the National Oil and Gas Company as an associated subsidiary of the Ceylon Petroleum Corporation. Through this Company, it is expected to earn an additional financial

income for the Government, as well as to develop the local potential in the petroleum exploration field. Another major expectation is to visualize that the National Oil and Gas Company would function in the long term as a giant entity similar to such Companies in countries worldwide.

(d) Publication of the block map relating to the new hydrocarbon exploration in the off shore.

The Petroleum Development Authority, after reviewing the international exploration blocks delimitation process and the current economic and industrial trends, prepared a new off shore map. This map comprises 871 small blocks and three large blocks covering the Manaar, Cauveri and Lanka basins, the map was published by a gazette notification dated 22nd July 2021. The main intention for the preparation of this new block map, was providing an opportunity to select from the map with these small blocks required for the joint study access, and through it increasing investor attraction for exploration activities by minimizing investment risk by completing exploration activities in the short term.

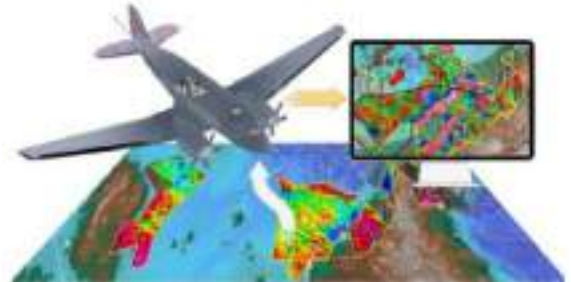




Investment projects implemented in the exploration field during the year 2021

(e) Airborne Gravity and Magnetic Field Survey

In accordance with the agreement related to the acquisition of multi-client Airborne Gravity and Magnetic Survey data, preparation and marketing license between the then Petroleum Resources Development Secretariat and Bell Geospace Company, the air survey was done in August 2021. Through this survey, magnetic data close upon 14000 kilometres gravity lines covering off shore blocks M1, M2, C1 and C2 had been obtained. The Airborne Gravity and Magnetic Survey could not be completed as planned, as a small portion of M1 and a considerable area of C1 are located within Indian air space. Approval has been sought to use the Indian air space for the survey, and it is intended to cover that area also after such approval has been received. The estimated cost of this survey is around 927, 000 US Dollars, and all those expenses were met by Bell Geospace Company without any cost to the Government.



(f) Multi-Client seismic data acquisition, processing/reprocessing, marketing and licensing programs

The subsidiaries of Schlumberger continued execution of multi-Client data acquisition, processing, re-processing, marketing and licensing programs in accordance with the agreements entered into with the government of Sri Lanka from time to time since 2016. They have completed re-processing seismic data line close upon 5100 kilometers data acquired in 2005 and 2009. Through this data modulation process, the available data becomes updated, thereby increasing the reliability of the data.

(g) Exploration and development of M1 and C1 blocks.

International competitive bids were called for in the year 2019 for the exploration and production of oil and gas of Mannar Block M1 and Cauvery Block C1 and the bid evaluation process had been concluded in May 2021. Negotiations had been held by the government of Sri Lanka throughout the year 2021 with Serendive Energy (Pvt) Ltd for separate petroleum resources agreements in respect of M1 and C1 blocks, and about 90% of the negotiations have been concluded. The final petroleum resources agreement is expected to be entered into during the first half of the year 2022.

(h) Accelerating development of the Dorado natural gas deposits in block M2 of the Manaar basin.

Through an exploration programme done in block M2 of the Manaar basin in the year 2011, it became possible to discover successfully two natural gas deposits, named 'Dorado' and 'Barracuda'. Attempts had been made during the period 2017-2019 to attract a suitable investor for the exploration and development of natural gas. However, even during the 2019 licensing round, there was a failure to attract appropriate operators, that is, experienced and competent investors, to develop natural gas deposits in block M2.

Therefore, action was taken to carry out a short study to identify potential development options in September 2021 for the acceleration of the development of the Dorado natural gas deposits. Through this study, it is expected to demonstrate to investors the intention of the government to bring in natural gas discoveries to the market.

(i) International Marketing Programme

During the period September – December 2021, a marketing campaign was launched through the leading market-oriented newspaper source for the global oil and gas industry Upstream, to promote Sri Lanka among major decision makers of the global oil and natural gas exploration and production community

2.2.2 Development of the fuel transport pipe system

While transport of fuel through pipelines is an efficient as well as a low-cost mode, transport of fuel through pipelines is used mainly from a tanker to the main terminal and the refinery and from the refinery to the storage terminal. On a minor scale, fuel is transported to power stations generating electricity.

It has been planned to expand further transport of fuel by pipeline, taking into consideration the advantages of transport of fuel by pipeline. Accordingly, for the transportation of natural gas required for the generation of electricity from the proposed Regassification Unit at Kerawalapitiya to the Kelanitissa Power House, action is ongoing to construct a pipeline system as well as a 10-inch diameter pipe line 22 km in length, parallel to the Colombo Katunayake High Way from Muthurajawela to Katunayake for transportation of Jet A 1 oil.

(a) Development of the fuel transport pipeline from the Colombo port to the Kolonnawa terminal.

Out of the existing pipeline systems, the majority of imported fuel products are unloaded through the old pipeline system from the Colombo port to the Kolonnawa terminal, and transport of fuel was interrupted due to faults in that pipeline system. As the efficiency of the unloading of fuel depends on the capacity and efficiency of the existing pipeline system, renovation of the existing pipeline system from the Colombo port to the Kolonnawa terminal and the construction of new pipelines required for it were done under the undermentioned two phases.

Renovation of the 14-inch diameter pipeline from the Colombo port to the Kolonnawa terminal

The repairs of this pipeline of which the length of the land portion is 5750 meters, commenced in the year 2021 utilizing the labour of the Ceylon Petroleum Storage Terminal Company, and it has been calculated that it would cost about Rs Mn 94. The required funds would be provided by the Ceylon Petroleum Storage Terminal Company and by the end of year 2021, a progress of 5% had been achieved. It has been planned to complete the repair work of the pipeline during year 2022, and after the repair of the pipeline, it would be possible to transport furnace oil more efficiently.

Project for laying fuel pipe lines across the country

Limited competitive proposals were invited for the Cross-Country Pipeline Project by the Ceylon Petroleum Storage Terminals Company for the development of a new underground pipe line system from the Port of Colombo to the Kolonnawa Terminal. After the proposals received were evaluated, subject to finding an appropriate lending institution with recognized financial terms to finance this project through the Department of External Resources, the contract was awarded to M/S China Petroleum Pipeline Engineering Company Limited.

In the meantime, due to development projects such as commencement of the projects related to the liquid natural gas transport pipe lines, the Ceylon Petroleum Corporation planning to construct a new refinery and the Sri Lanka Ports Authority engaged in a project to widen the port, views were expressed that the scope of this project should be substantially changed. Accordingly, after obtaining a new quotation from M/S China Petroleum Pipeline Engineering Company Limited under the amended scope, it was evaluated by a Technical Evaluation Committee. To arrive at a final decision regarding the implementation of the project, procurement action has been commenced to obtain a condition report about the submerged part of the pipeline system.

(b) Conversion of the pipe transporting furnace oil from the Muthurajawela buoy to the Muthurajawela Terminal, for the transport of diesel.

With the objective of utilizing the existing pipeline system with the maximum efficiency, by controlling the transport of furnace oil through the Kolonnawa Terminal, the 18-inch diameter pipeline used for the transport of furnace oil to the Muthurajawela Terminal, was converted so that it could be used for the

transportation of diesel. Due to this conversion diesel and petrol could be unloaded more efficiently, thereby reducing the demurrage charges paid for ships in unloading fuel. (Demurrage charges about 18000 US Dollars)

(c) Construction of a gas transport pipeline system to introduce liquefied natural gas for power generation.

The requirement for a substitute for the generation of power arose due to the high cost that has to be incurred to generate a unit of electricity in the generation of power using fuel, and increased addition of greenhouse gas to the environment. Accordingly, the Ceylon Petroleum Corporation and the Ceylon Electricity Board have jointly planned a project to introduce liquefied natural gas for power generation. This project, for which Cabinet approval has been given, comprises 3 parts, namely, Floating Storage Regassification Unit (FSRU), Mooring System and Pipe line and the Ceylon Electricity Board implements the FSRU and Mooring System parts, The Ceylon Petroleum Corporation will construct the pipe line conveying gas from the Regassification Unit to the Kelanitissa power station under the “Build, Own, Operate and Transfers” (BOOT) business model under the guidance of the Ministry.

Initial agreement of stakeholders constructing the pipe line had been obtained, and on 18.02.2021 project proposals were called to select an investor for the project. The Project Committee has done a technical and financial evaluation of the project proposals received accordingly, and technical negotiations are ongoing with the project proposer. Acquisition work necessary to construct the pipeline has begun, and it has been planned to complete the project during the year 2023. The estimated project cost is 40 million US Dollars, and it has been calculated that about Rs Bn 42 would be saved to the Ceylon Electricity Board annually by implementing the project.

(d) Project for the construction of a pipe line and a new storage complex for the supply of aviation fuel.

The Ceylon Petroleum Corporation is the only aviation fuel supplier in Sri Lanka, and also earns foreign exchange through this business. Through the Bandaranayake International Air Port, Katunayake more and more fuel is supplied to national and international aircraft, and according to the calculations made by Japan Airport Consultants Inc appointed by the Air Port and Aviation Services Company in the year 2014, the daily demand of 1.2 million liters of fuel in the year 2014, is expected to increase to 3 million liters by the year 2027. A contractor has been selected after calling for bids following the international competitive bid invitation procedure for the construction of a tank complex with a total operating capacity of 92000 cubic meters in the Petroleum Storage Terminal, Muthurajawela and a 10 inch diameter pipe line 22 km in length, parallel to the Colombo Katunayake High Way from Muthurajawela to Katunayake, to cater to this increasing demand efficiently. The estimated project cost is USD 46.3 million, and even though at the beginning the Ceylon Petroleum Corporation expected to allocate funds for this, due to the currently prevailing financial situation, now action is being taken to finance it as a loan from a foreign bank.

2.2.3 Programme for strengthening the transport of fuel by train

Transport of fuel by train is comparatively cheaper than transporting fuel by bowsers, and a special audit report submitted by the National Audit Office about the storage and distribution of fuel in Sri Lanka has also pointed out this. According to this report, a higher cost of around 200% has to be incurred in transporting fuel by bowser, compared to transporting fuel by rail wagons. Accordingly, it has been planned to increase up to 60% by 2023 transport of fuel by

rail which generally was 30%. However, in transporting a larger percentage through a single mode, as any breakdown in that mode could directly affect the transport of fuel, taking this into consideration, it has been decided to increase transport of fuel by rail up to 40% only.

By now, transport of fuel by rail has developed up to 38%, and the development of other infra structure facilities required for the targeted transport of 40% fuel by rail is being coordinated with the Ministry of Transport. Accordingly, the Department of Railways has commenced renovation work of the railway system in the Kolonnawa Terminal of the Ceylon Petroleum Storage Terminals Company, and that estimated cost for this is Rs Mn 80.

2.2.4 Projects related to the expansion of the fuel storage capacity.

Fuel storage capacity is a major factor indicating the fuel security of a country. At present, 654,000 metric tons total fuel storage facilities are available at the Kolonnawa Terminal with a capacity of 240,000 metric tons and at Muthurajawela with a capacity of 200,000 metric tons operated by the Ceylon Petroleum Storage Terminals Company, at Sapugaskanda with a capacity of 64,000 metric tons under the operation of the Ceylon Petroleum Corporation and at Trincomalee with a capacity of 150,000 metric tons under the operation of the Lanka Indian Oil Company.

Even though the demand for fuel was gradually increasing, until the next ship bringing stocks ordered relevant to any product comes, the available stocks are sufficient only for a very limited number of days. In case of a delay of the expected ship or rejection of stocks due to low grade products, meeting the demand continuously has become a challenge. As such, in order to be able to maintain the constant fuel supply chain without interruption, it had been

decided expand the storage capacity so that at any time the daily fuel requirement stocks sufficient for 30 days could be maintained. For this purpose, action is being taken along several strategies. That is, the construction of new tanks, renovation of the existing tanks and commencement of basic tasks necessary for utilization of the tank farm at Trincomalee, which hitherto have been under-utilized.

(a) New tank construction project

The construction of 09 new fuel tanks commenced under two stages for the expansion of the existing fuel tank capacity by 93000 cubic meters. These two projects are being implemented under the financial sponsorship and direction of the Ceylon Petroleum Storage Terminals Company, which shoulders the major responsibility of fuel storage.

Project for the construction of 03 tanks with a total capacity of 29000 cubic meters.

During the latter half the year 2020, construction commenced of 03 new tanks with a capacity of 29000 cubic meters in the Kolonnawa Terminal, and this project is due to be completed on 12.07.2022. For the construction of the project, the contract had been awarded for a tax-free sum of Rs 942,474,240.25. The overall progress of the project at 31.12.2021 is 69%. The project is being implemented according to plan.

Project for the construction of 06 tanks with a total capacity of 64000 cubic meters.

Construction work commenced during the latter half of the year 2019 of 06 tanks with a capacity of 64000 cubic meters in the Kolonnawa Terminal, and is due to be completed by 24.02.2023. For the construction of the project, the contract had been awarded for a tax-free sum of Rs. 2,049,245,013.21, under the international competitive procurement process, and due to the poor performance of the contractor, the

contract was suspended on 19.01.2022. The overall progress of the project is 18% as at 31.12.2021.



(b) Existing tank renovation and repair project

In order to maintain the existing storage capacity in a stable manner, it is essential to repair and renovate according to modern technology tanks which are in a very outdated condition, and utilizing the funds of the Ceylon Petroleum Storage Terminals Company, these matters were attended to continuously during the year 2021 too.



Tank Number	TankCapacity (m3)
Tank Number14	1805
Tank Number47	11683
Tank Number46	11856
Tank Number03	12500
Tank Number23	3293

(c) Development of the Trincomalee fuel tank complex

While 99 fuel tanks which could be very easily utilized for the fuel supply chain of the country are located close to the Trincomalee port, this resource is under-utilized. As such, it became possible for the diplomatic negotiations which were started with India for the renovation and effective use of this fuel tank complex, to be successfully concluded during the year 2021.

Accordingly, approval of the Cabinet of Ministers was obtained for the development of 24 tanks in the tank complex by the Ceylon Petroleum Corporation, 14 tanks by the Lanka Indian Oil Company and the balance 61 tanks jointly by the Lanka Indian Oil Company and the Trincomalee Fuel Terminal Company, incorporated as a subsidiary of the Ceylon Petroleum Corporation. (as per Cabinet decision no 21/2285/325/050 dated 2022/01/03). Accordingly, development work of this tank complex is being done under the guidance of the Ceylon Petroleum Corporation, and it is expected that development work would be completed in the next few years.

2.2.5 Construction of a new refinery and the expansion of the existing refinery

At present, the Sapugaskanda refinery supplies about 25% of the local fuel requirements, and the balance 75% has

to be imported as refined fuel, making a heavy impact on foreign exchange. One of our major objectives is the production of the local demand for petroleum products in the country by 2026, and for this, feasibility study for this was completed by the Ceylon Petroleum Corporation in the year 2021 and the following reports were submitted through the feasibility study, construct a new refinery with a capacity of 100000 barrels per day on a Build, Operate and Transfer basis, to modernize the existing refinery to increase its capacity to 45000 barrels per day.

- ◆ Feasibility report
- ◆ Draft RFP document
- ◆ Configuration report
- ◆ Market survey report

Regarding the acquisition of land for the construction of the refinery, the Ceylon Petroleum Corporation conducted a community survey regarding the options of the residents of the lands due to be acquired, and according to the results of the survey about 80% of the residents had given their consent for the acquisition of the land. Accordingly, the process of acquiring additional land required for the construction of the new refinery has been started jointly with the Ministry of Lands, with the approval of the Cabinet of Ministers.

After the construction of the new refinery, capability will be available for the local demand for fuels to be fully refined within the country and supplied. It has been estimated that around 08 USD could be saved per barrel by importing crude oil and refining in lieu of importing refined products. Further, opportunity would be available to supply to the local market fuels of high quality by raising the standards of the new refinery to Euro VI or a higher standard.



2.2.6 Initiating the establishment of a fuel price stabilization fund

The constantly changing international fuel prices are a major factor affecting short term fluctuations in the local fuel prices. As such, the need arose for an instrument allowing the smooth operation of the fuel market in a way fair both to the consumer as well as the government, by maintaining fuel prices in the local market in a stable manner. Accordingly, to make fuel price fluctuations smoother in a manner whereby the impact of fluctuations taking place in the international market could be absorbed, the approval of the Cabinet of Ministers had been obtained in accordance with cabinet decision no 21/1847/325/004-II dated 2021/11/23 to establish a fuel price stabilization fund under the authority of this Ministry.

Accordingly, in order to insert appropriate provisions related to the fuel price stabilization fund being maintained in a transparent manner, subject to proper control, amendments necessary for the Ceylon Petroleum Corporation Act No 28 of

1961 had been drafted and submitted to the Cabinet of Ministers on 17.02.2022 for approval, and other steps required for this fund to be established promptly are being taken. Through the implementation of the fund, it is expected to maintain local fuel prices in a stable manner.

2.2.7 Construction of an aviation fuel hydrant system

The Ceylon Petroleum Corporation commenced this project, concurrent to the development project of the 2nd step of phase 11 of the Bandaranayake International Air Port to expand the Jet A1 aviation fuel storage capacity of the Bandaranayake International Air Port, Katunayake, increasing the efficiency of fuel supplies and ensuring fuel supply in accordance with international standards. The estimated project cost is USD Mn 51.5. The physical progress of the project as at 31.12.2021 was 65%. Even though this work was to be completed during the year 2021, the project period had to be extended up to May 2022, in view of the global impact of the COVID 19 epidemic.





2.2.8 Programme to introduce alternate fuels to the local energy mix

A function vested in the Ministry of Energy is the development of renewable energy sources in Sri Lanka. Keeping also in mind the objective of making Sri Lanka pure carbon emission free by 2050, the energy mix in Sri Lanka is gradually trending towards sources of pure energy from the use of fossil fuels, and in order to expedite it, fields such as new knowledge and new investments have to be developed. Accordingly, steps were taken to introduce green hydrogen and bio fuels to the energy mix.

(a) Project for the introduction of green hydrogen

During the year 2021, the Petroleum Resources Development Authority took preliminary steps in order to introduce green hydrogen to the energy mix of Sri Lanka, under the guidance of the Ministry of Energy. Consequently, Greenstat Hydrogen India, being a subsidiary of Greenstat of Norway, signed a bipartisan agreement on 28.02.22 to do a feasibility

study which could be extended up to a pilot project to generate green hydrogen using a combination of floating solar power and wind. By making this project successful, Sri Lanka would be able to access the developing global green hydrogen market.

(b) Project to introduce bio fuels

During the year 2021, preliminary negotiations necessary took place with the parties to introduce bio fuels to the local energy mix. Through the promotion of bio fuels, it would become possible to produce bio fuels utilizing resources which hitherto had not been productively used within the country and to save foreign exchange in the country.

2.2.9 Procurement of fuel for ensuring a constant energy supply in the country

(a) Procurement of fuel in the year 2021

The Ceylon Petroleum Corporation imports and supplies the largest portion of the petroleum products to fulfill the national fuel requirements. The Ministry and the Ceylon Petroleum Corporation dedicated themselves to ensure a constant fuel supply to the country at a minimum cost, in the midst of the Covid 19 situation in the country and foreign exchange issues. The import of petroleum products is evaluated by a special standing procurement committee and a technical evaluation committee, and implemented under a very meticulous methodology. Imports of petroleum are done through long term contracts, and due to any unpredictable demand or any unexpected situation and when long term contracts cannot be implemented for certain specialized petroleum products, petroleum products are purchased as single cargo. Accordingly, in the year 2021, in order to fulfill the fuel requirement, as 61 cargoes and 39 single cargoes fuel was permitted to be imported by the Ceylon Petroleum Corporation under the long-term contract methodology, as shown below.

Petroleum Product	Quantities (MT)
Crude Oil	1,130,237.000
Petrol (92UNL)	918,458.994
Petrol (95 UNL)	103,127.545
Diesel (0.05% M.S.)	1,287,415.372
Diesel(0.001% M.S.)	67,673.868

(b) Fuel imports of the Ceylon Petroleum Corporation

According to data of the Central Bank of Sri Lanka, during the year 2021, about 3465.1 million US Dollars had been spent for the import of fuel (crude oil and refined fuel) to fulfill the local petroleum requirements, and during the year 2021, the Ceylon Petroleum Corporation had spent about 2393 million US Dollars for the import of 08 major types of fuel and crude oil. Shown in the table below in detail are the quantities of each type of fuel imported by the Ceylon Petroleum Corporation during the year 2021, and the cost thereof.

Petroleum Product	Quantities (MT)	Cost (US\$)
Auto Diesel (500 PPM)	1,495,670.14	754,970,918.50
Super Diesel (10 PPM)	67,673.88	81,388,037.51
Petrol 92	918,459.00	640,302,567.37
Petrol 95	103,127.56	73,980,353.64
Jet A-1	178,099.59	119,982,151.29
Fuel Oil 180 CST (1.8S)	183,525.17	95,311,722.44
Low Sulphur Fuel Oil 180 CST (0.5S)	30,391.28	14,591,036.33
High Sulphur Fuel Oil 180 CST (0.5S)	31,488.81	16,147,569.52
Crude Oil	1,130,237.00	596,945,601.91
Total	-	2,393,619,958.51

Source: Ceylon Petroleum Corporation

According to the above data, the biggest import cost has been for the import of Lanka Auto Diesel. That is, 755 million US Dollars had been spent. It is seen that the next highest cost has been for the import of petrol (Octane 92) and crude oil, for which 640 million US Dollars and 596 million US Dollars had been spent respectively.

(c) Fuel sales of the Ceylon Petroleum Corporation

The Ceylon Petroleum Corporation sells fuel to the transport sector, for generation of electricity, and to the industrial and domestic sectors, and during the year 2021 sales of fuel had been done as follows:

During the year 2021, 2,016,541,380 liters of auto diesel and 1,448,752,995 liters of petrol (Octane 92) being the highest sales had been reported. 610 liters of auto diesel, furnace oil and naphtha had been produced for the production of electricity, and its value had been Rs Mn 60,549.

Petroleum Product	Sales 2021 (Liters)
Petrol - 92 Octane	1,448,752,995
Petrol- 95 Octane	135,091,729
Auto Diesel	2,016,541,380
Super Diesel	77,682,856
Kerosene	235,902,969
Industrial Kerosene	3,695,890
Chemical Naptha	470,243,027
Fuel Oil 800 Sec.	104,784,493
Fuel Oil 1500 Sec.(High Sulpher)	358,908,853
Fuel Oil 1500 Sec.(Low Sulpher)	430,301,108
Jet A-1	282,714,170
Lanka Solvents (Sbp)	3,650,200

Source: Ceylon Petroleum Corporation

2.2.10 Facilitating petroleum related products

During the year 2021, functions such as the granting of licenses to industrialists/ Suppliers

for the regulation of lubricants, bitumen and bunkering oil industry, providing necessary facilities for import functions and introducing standards for products were carried out.

(a) Lubricant industry

The regulation of the lubricant industry is done by the Public Utilities Commission under the supervision of this Ministry. The lubricant oil network operated under 29 brands by 18 entities at the beginning of the year 2021 within Sri Lanka. As a result of the new licensing programme implemented by the Ministry, by April 2022, the number of entities qualified to be engaged in the lubricant market in this country rose up to 27. During the year 2021, the most positive step taken for the benefit of the lubricant market of this country, was the introduction of minimum standards applied internationally for lubricants. Further, from the year 2022, under a proper programme, action has been taken to subject imported lubricants to a mandatory inspection and a special programme has been prepared to inspect fake products and sub-standard products circulating in the local market. The Ministry of Energy is dedicated to ensure the quality and development of the lubricant industry of this country.

Project for the manufacture of hydrocarbon products through re-refining for reuse of lubricants discarded after use in Sri Lanka

The annual lubricant oil consumption in Sri Lanka is about 65000 kilo liters, and lubricants released as waste after proper use cause water pollution through mixing with water sources for a number of years and cause severe environmental damage through mixing with soil harming components of the soil. As such, the Ministry drew its attention towards reusing oil thus released, after a process of re-refining.

Expressions of interest were called from

local investors interested in this to provide an opportunity to manufacture petroleum related products after re-refining waste oil causing minimum environmental and health risk under a proper evaluation and regulatory process. Action would be taken during this year to call for detailed project proposals after evaluating these proposals.

(b) Bitumen Market

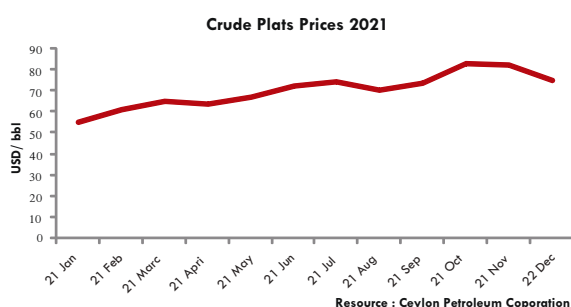
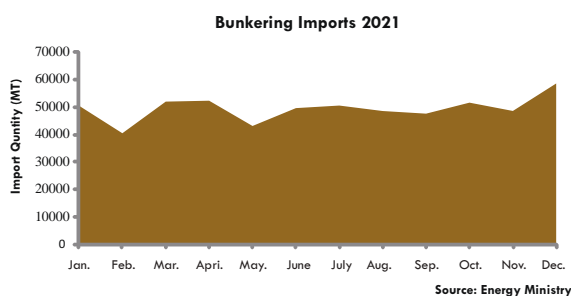
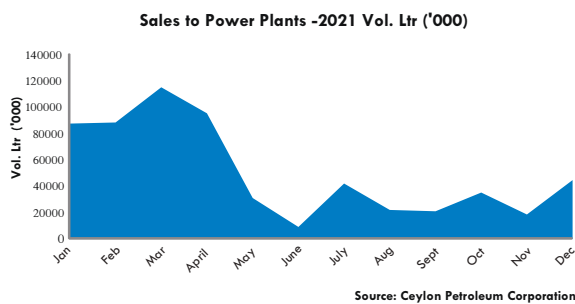
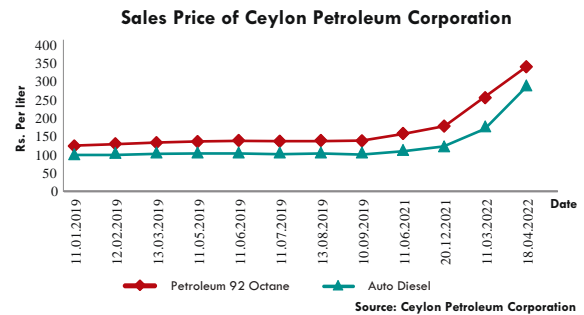
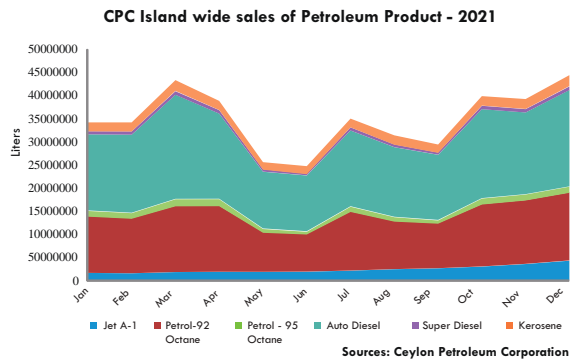
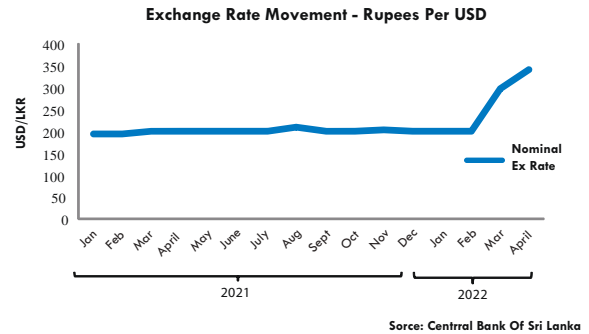
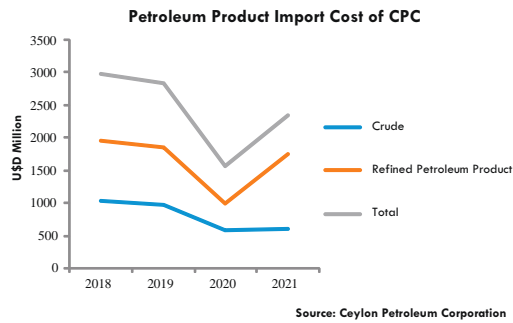
Bitumen is manufactured by the refinery of the Ceylon Petroleum Corporation, and as it is not sufficient to meet the local demand, the private and public sector institutions the Ministry gives permission to import bitumen, based on recognized criteria. Accordingly, 23 entities have been given approval to import 280,500 metric tons of bitumen required for development activities of this country, during the year 2021.

The CPC's bitumen Production Contribution During the year 2021 is shown in below.

Product	Quantity
Bulk Bitumen 80/100	981,460 Kg
Bulk Bitumen 60/70	108 Brl
Drum Bitumen 60/70(bulk)	5,950,220 Kg

(c) Bunkering Market

Bunkering is a major sector which brings foreign exchange to the country, and special attention has been paid to develop this sector. The Ministry grants the authority required to engage in bunkering. Accordingly, during the year 2022, 13 companies have been given approval to import and trade in bunkering oil. Around 594,362.567 metric tons of bunkering oil had been sold during the year 2021, and during the first two month of year 2022, around 231,778.61 metric tons had been sold.



2.3 Future Outlook

In accordance with the Government's Vistas of Prosperity and Splendour programme, making Sri Lanka the energy hub of Asiaforward action would be taken for energy self sufficiency in the country by ensuring energy security, next few years the Ministry has taken following programs are planned to be implemented.

(a) Expedite the exploration of local petroleum and natural gases

All steps necessary to develop natural gas discovered in the Manaar basin enabling to be used for local consumption in the next few years, are being taken by the Ministry. As steps ensuring the legal and institutional framework anticipated by the upstream petroleum industry for a long time, major steps such as the passing of the Petroleum Resources Act no 21 of 2021 in the Parliament, taking initial steps to incorporate the National Fuel and Gas Company, publishing a new exploration block map and drafting new regulations had been taken during the year 2021.

After the relevant regulations are enforced in the future, it is expected to initiate an international marketing campaign to bring the new exploration blocks to the market internationally, to enter into several joint study agreements and to commence explorations in agreed blocks during 2022.

(b) Refining the local petroleum product requirement through local refineries by 2026

The Sapugaskanda refinery with a capacity of 50000 barrels a day was constructed in the year 1969, and at present through it about 25% of the local fuel requirements are refined and sold. Accordingly, a feasibility study was done for the construction of a new refinery with a refining capacity of 100000 barrels a day and the expansion of the existing refinery, with the objective of locally refining the local fuel requirement. By now, steps for the acquisition of the lands required for the construction of the new refinery have been taken, and it is expected that the construction of the new refinery would be completed by the year 2026.

(c) Expansion of the fuel storage capacity.

Action is being taken to maintain at any time a buffer stock of the daily petroleum demand sufficient for 30 days, by expanding the petroleum storage capacity to avoid the risk of being unable to maintain a precise buffer stock due lack of substantial storage facilities.

In order to achieve this objective, it has been planned to complete during the planned schedule the construction of 09 tanks with a capacity of 93000 cubic meters and to repair the existing fuel tanks. Further, opportunity would be provided to utilize that tank complex once again for fuel storage by promptly completing the development work of the Trincomalee fuel tank complex.

(d) Development of the fuel pipe line systems

Transport of fuel through pipelines is not only an efficient mode but also a low cost one, and pipelines are used in Sri Lanka mainly for the transport of fuel from tankers to the main terminal and the refinery, and from the refinery to the storage terminal, and fuel is transported to the electricity generating power houses on a minor scale.

In respect of a tanker with a capacity of 40000 metric tons, it is expected to carry out efficiently fuel unloading activities through the development of the fuel transport pipeline system required to reduce the fuel unloading period to 04 days in the next 03 years and to 02 days in the long term.

Further, by the construction of a pipeline 22 km long from Muthurajawela to the Bandaranayake International Airport, Katunayake for the transport of aviation fuel, and the construction of an aviation fuel storage complex in the Muthurajawela complex, action is being taken to ensure the supply of the increasing aviation fuel demand efficiently. By the year 2024, it is expected to complete under the “Build, Own, Operate and Transfer” (BOOT) business model the natural gas transport pipeline from the proposed Kerawalapitiya regassification unit to the Kelanitissa Power Station to generate electricity.

(e) Introduction of bio fuel and green hydrogen to the local energy mix

Keeping in mind the objective of obtaining fuel, which is a prerequisite for the development of the country, with the minimum adverse environmental impact, attention has been drawn to contribute to the energy mix of Sri Lanka, the energy categories of bio fuel and green hydrogen. By now, steps have already been taken to commence the relevant technical studies.

2.4 Major challenges faced

Keeping foremost the policy guidance and strategic objectives in accordance with the Vistas of Prosperity and Splendour, the Ministry of Energy planned and implemented various programmes and projects in the year 2021. Travel restrictions and import restrictions imposed due to the economic and social impact of the Covid epidemic that prevailed from the beginning of the past year were the major reasons for the development programmes not being implemented as expected

- Inadequacy of the existing legal and institutional frame work to attract investors for the exploration of petroleum
- The existing infra-structure facilities are not sufficient enough to ensure energy security and low cost energy, and getting large investments required for planned infra-structure facilities, was a challenge that had to be faced during the past year.
- The Ceylon Petroleum Corporation has to face financial difficulties due to the sales price of fuel and import duties being decided by the General Treasury and the inability of the Ceylon Petroleum Corporation to determine a sales price proportionate to the cost, covering fuel import costs and other financial costs, including taxes.
- The Dollar debt of the Corporation rising up to 3.7 billion Dollars, due to incurring a heavy foreign exchange cost for the import of fuel and the Ceylon Petroleum Corporation having to obtain Dollar loans in order to maintain the foreign exchange

stability in the country and due to the interest for these.

- It was possible for fuel procurements to be done without interruptions under the payment options of interest free 30 days or 90 and 180 days with interest extended credit facilities, based on substantial participation for bids called under the satisfactory external sector performance that prevailed in Sri Lanka prior to the Covid epidemic. However, for certain bid quotations called for concurrent to the foreign exchange crisis that arose due to the limitation of the inflow of foreign exchange to the country, it developed up to the non-participation of even one bidder for certain bids. The highest phase of this trend had to be faced in respect of the bids called for during the second half of the year 2021. That is, even the limited suppliers submitting bids, did so under conditions extraneous to the conditions stated in the bid register and deviating from the procurement guidelines. They had been induced to submit bids without bid bonds and inserting payment conditions not mentioned in the bid documents and totally extraneous to those. Under this situation, it was a major challenge to fulfill the fuel requirements of the country.



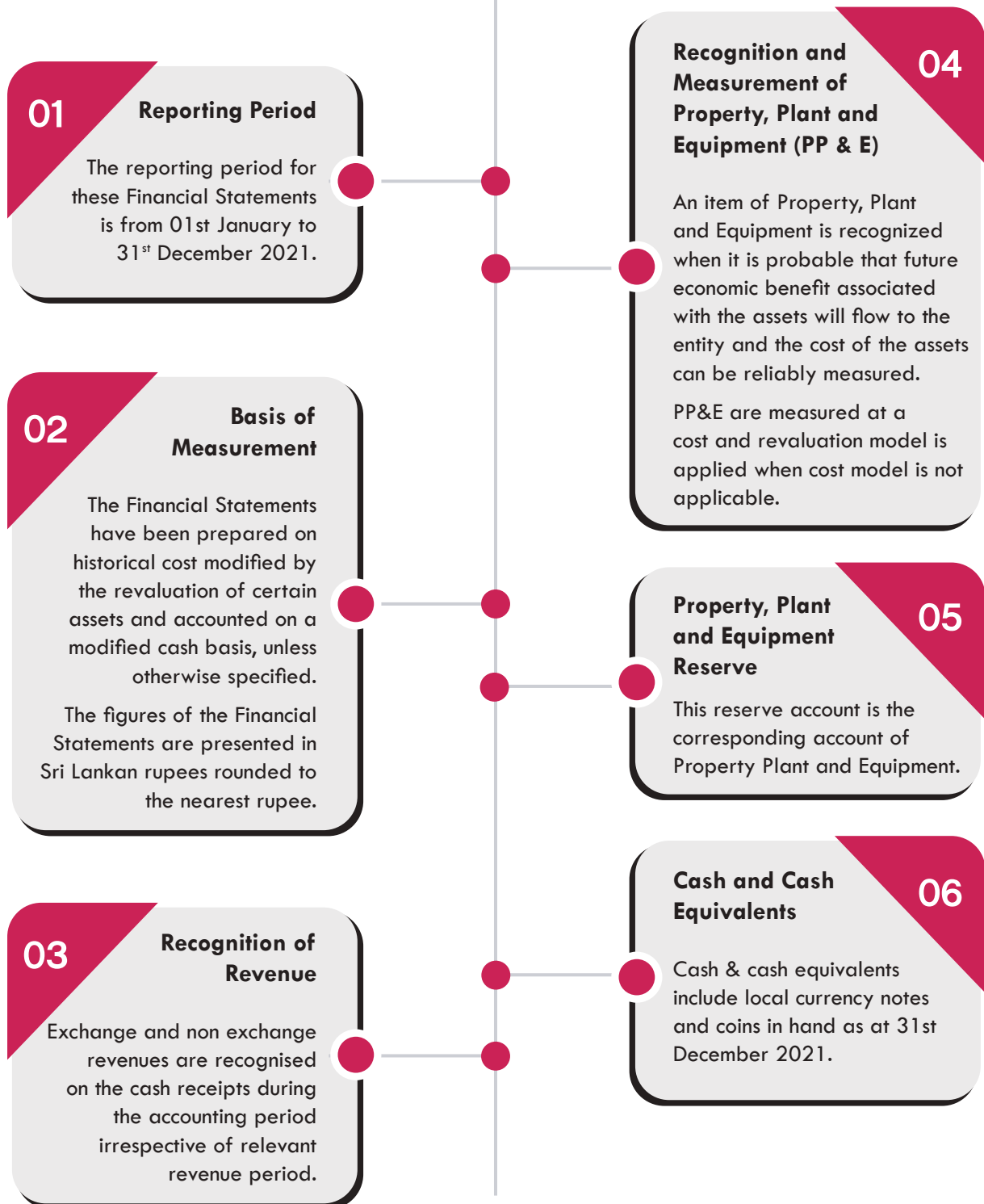
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M P D U K Mapa Pathirana
Secretary/Chief Accounting Officer
Ministry of Power and Energy

M P D U K Mapa Pathirana
Secretary
Ministry of Power & Energy
Sir Ernest De Silva Mawatha,
Colombo 07.

Chapter 03

Overall Financial Performance for the Year ended 31st December 2021

Basis of Reporting



3.1 Statement of Financial Performance

ACA –F

Statement of Financial Performance for the period ended 31st December 2021

Budget (Current Year) 2021		Note	Actual	
			Year Current	Previous Year
162,000,000	Revenue Receipts		225,267,081	113,595,168
-	Income Tax	1	-	-
	Taxes on Domestic Goods & Services	2	-	-
-	Taxes on International Trade	3	-	-
162,000,000	Non Tax Revenue & Others	4	225,267,081	113,595,168
162,000,000	Total Revenue Receipts (A)		225,267,081	113,595,168
	Non Revenue Receipts			
	Treasury Imprests		28,310,000	38,000,000
	Deposits		3,435,250	3,099,851
2,400,000	Advance Accounts		4,911,892	12,796,742
	Other Receipts		-	-
2,400,000	Total Non Revenue Receipts (B)		36,657,142	53,896,593
164,400,000	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		261,924,223	167,491,761
-	Remittances to the Treasury (D)		29,911,362	4,430,716
164,400,000	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		232,012,861	163,061,045
	Less: Expenditure			
	Recurrent Expenditure			
66,561,000	Wages, Salaries & Other Employment Benefits	5	66,259,658	51,290,409
70,579,000	Other Goods & Services	6	68,189,485	47,190,363
72,760,000	Subsidies, Grants and Transfers	7	72,545,678	65,180,537
	Interest Payments	8		
	Other Recurrent Expenditure	9		
209,900,000	Total Recurrent Expenditure (F)		206,994,821	163,661,309
	Capital Expenditure			
18,096,017	Rehabilitation & Improvement of Capital Assets	10	17,437,443	-

3,013,300	Acquisition of Capital Assets	11	2,739,756	1,857,004	ACA-2(ii)
40,000,000	Capital Transfers	12	-	218,000	
-	Acquisition of Financial Assets	13	-	-	
425,000	Capacity Building	14	405,000	552,400	
2,400,000	Other Capital Expenditure	15			
63,934,317	Total Capital Expenditure (G)		20,582,199	2,627,404	
	Deposit Payments		3,727,262	3,038,570	ACA-4
3,000,000	Advance Payments		3,584,157	24,519,548	ACA-5/5(a)
	Main Ledger Expenditure (H)		7,311,419	27,558,118	
	Total Expenditure I= (F+G+H)		234,888,439	193,846,831	
	Balance as at 31' December J =(E-I)		(2,875,578)	(30,785,786)	
	Balance according to the ultimate comparison statement		(2,875,578)	(30,785,786)	ACA-7
	Imprest Balance as at 31' December		-	-	ACA-3

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position As at 31st December-2021

	Note	Actual	
		Current Year Rs 2021	Previous Year Rs 2020
Non Financial Assets			
Property, Plant & Equipment	ACA-6	297,682,316	292,942,595
Financial Assets			
Advance Accounts	ACA-5/5(a)	10,456,425	11,784,160
Cash & Cash Equivalents	ACA-3		
Total Assets		308,138,741	304,726,756
Net Assets / Equity			
Net Worth to Treasury			
Property, Plant & Equipment Reserve		10,453,788	11,489,512
Rent and Work Advance Reserve	ACA-5(b)	297,682,316	292,942,595
Current Liabilities			
Deposits Accounts	ACA-4		
Unsettled Imprest Balance	ACA-3	2,637	294,648
Total Liabilities		308,138,741	304,726,756

we 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.


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Chief Accounting Officer


.....
Accounting Officer


.....
Chief Financial Officer

Name :
Designation :
Date :

Name :
Designation :
Date :

Name :
Designation :
Date :

M P D U K Mapa Pathirana
Secretary
Ministry of Power & Energy
Sir Ernest De Silva Mawatha,
Colombo 07.

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Secretary
Ministry of Power & Energy
Sir Ernest De Silva Mawatha,
Colombo 07.

N. G. Ira Jinasena
Chief Financial Officer
Ministry of Energy
No. 09, Sir Ernest De Silva Mawatha,
Colombo 07.

3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows for the Period ended 31st December – 2021

	Actual	
	Current Year Rs.	Previous Year Rs.
	2021	2020
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	230,096,870	46,856,055
Profit	-	-
Non Revenue Receipts	-	-
Receipts of Revenue Collected for Other Heads	3,089,706	979,406
Imprest Received	28,310,000	38,297,067
Recoveries from Advance	3,113,990	1,824,649
Deposit Receipts	3,435,250	1,853,830
Total Cash generated from Operations (a)	268,045,817	89,811,007
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	139,227,804	49,878,954
Subsidies & Transfer Payments	72,550,956	29,731,379
Expenditure on other heads	-	295,967
Imprest settlement to treasury	29,911,362	4,430,716
Advance payments	2,022,233	1,823,802
Deposit payments	3,727,262	2,055,771
Total cash disbursed for operations (b)	247,439,617	88,216,589
Net cash flow from operating Activities (c)=(a)-(b)	20,606,199	1,594,418
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (d)		
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	20,606,199	1,594,418
Total Cash disbursed for Investing Activities (e)	20,606,199	1,594,418
Net cash flow from investing Activities(f)=(d)-(e)	(20,606,199)	(1,594,418)
Net cash flows from operating & Investment activities (g)=(c) + (f)	-	-
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-

Grants Received	-	-
Total Cash generated from Financing Activities (h)	-	-
<u>Less - Cash disbursed for</u>	-	-
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash Disbursed for Financing Activities (i)	-	-
Net cash flow from financing Activities (j)=(h)-(i)	-	-
Net Movement in Cash (k) = (g) -(j)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-



Statement of Revenue for the period ended 31st December 2021

Revenue Accounting Officer : Secretary

Expenditure Head No : 115

Rs.

Revenue Code	Revenue Title	Revenue Estimate		Revenue Collection			Revenue Refund			Net Revenue	
		Original Estimate	Revised Estimate	Collected by Ministry/ Dept.	Collected by Other Ministry/ Dept. (Table 66)	Total	Collection of Arrears Revenue	By Cash	Error Corrections		Total
		(1)		(2)			(3)	(4)			(5)
			1 (ii)	2 (i)	2 (ii)	2 (iii) = 2 (i) + 2 (ii)	(3)	4 (i)	4 (ii)	4 (iii) = 4 (i) + 4 (ii)	5 = 2 (iii) + (3) - 4 (iii)
2003.02.21	Non - Income Tax Fees relevant to the Ministry of Petroleum Industries	130,000,000	162,000,000	225,267,081		225,267,081		-		-	225,267,081
	Total Revenue	130,000,000	162,000,000	225,267,081	-	225,267,081	-	-	-	-	225,267,081

Statement of Expenditure for the period ended 31st December 2021

Expenditure Head No : 115

Ministry Name : Ministry of Energy

Rs.

Expenditure Code	Finance Code	Provisions				Expenditure			Net Effect		Reasons for Variance
		Annual Budget Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/ Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	
		(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)= (5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
Recurrent Expenditure											
Program 01	11										
01-Minister Office											
NOTE - 5 - OBJECT CODE WISE CLASSIFICATION OF WAGES, SALARIES & OTHER EMPLOYMENT BENEFITS											
Personal Emoluments											
1001 Salaries & Wages		7,800,000.00	-	2,718,000.00	10,518,000.00	10,501,676.28	-	10,501,676.28	16,323.72	0.16	The savings are less than 5% of the total provision.
1002 Overtime & Holiday Payments		2,000,000.00	-	415,000.00	2,415,000.00	2,411,333.36	-	2,411,333.36	3,666.64	0.15	The savings are less than 5% of the total provision.

1302 Plant and machinery	200,000.00	-	(50,000)	150,000.00	148,665.19	-	148,665.19	1,334.81	0.89	The savings are less than 5% of the total provision.
1303 Building and Structures	250,000.00	-	(240,000)	10,000.00	9,988.00	-	9,988.00	12	0.12	The savings are less than 5% of the total provision.
Total (c)	3,950,000.00	200,000.00	1,273,000.00	5,423,000.00	5,420,381.69	-	5,420,381.69	2,618.31	1.03	
Services										
1401 Transport	-	-	-	-	-	-	-	-	-	
1402 Postal & Communication	1,000,000.00	-	400,000.00	1,400,000.00	1,379,526.31	-	1,379,526.31	20,473.69	1.46	The savings are less than 5% of the total provision.
1403 Electricity & Water	1,000,000.00	-	(200,000)	800,000.00	774,050.07	-	774,050.07	25,949.93	3.24	The savings are less than 5% of the total provision.
1404 Rents & Local Taxes	500,000.00	-	3,445,000.00	3,945,000.00	3,944,186.76	-	3,944,186.76	813.24	0.02	The savings are less than 5% of the total provision.
1409 Other	1,200,000.00	-	(270,000)	930,000.00	924,737.10	-	924,737.10	5,262.90	0.57	The savings are less than 5% of the total provision.
Total (d)	3,700,000.00	-	3,375,000.00	7,075,000.00	7,022,500.24	-	7,022,500.24	52,499.76	0.74	
Total Expenditure on Other Goods & Services (a+b+c+d)	30,000,000.00	1,400,000.00	8,031,000.00	39,431,000.00	38,066,910.10	-	38,066,910.10	1,364,089.90	3.46	
NOTE - 7 - OBJECT CODE WISE CLASSIFICATION OF TRANSFERS, GRANTS & SUBSIDIES										

2001 Buildings & Structures		100,000.00	12,984,317.00		13,084,317.00	13,015,498.00	-	13,015,498.00	68,819.00	0.53	The savings are less than 5% of the total provision.
2002 Plant, Machinery & Equipment		-	-	-	-	-	-	-	-	0	The savings are less than 5% of the total provision.
2003 Vehicles		2,000,000.00		-	2,000,000.00	1,410,255.27	-	1,410,255.27	589,744.73	29.49	Note No. 03
Total (a)		2,100,000.00	12,984,317.00	-	15,084,317.00	14,425,753.27	-	14,425,753.27	658,563.73	4.37	
NOTE - 11 Acquisition of Capital Assets											
2101 Vehicles		-	-	-	-	-	-	-	-		
2102 Furniture & Office Equipment		1,400,000.00	-	-	1,400,000.00	1,332,951.20	-	1,332,951.20	67,048.80	4.79	The savings are less than 5% of the total provision.
2103 Plant, Machinery & Equipment		300,000.00			300,000.00	235,000.00		235,000.00	65,000.00	21.67	Note No. 04
Total (b)		1,700,000.00	-	-	1,700,000.00	1,567,951.20	-	1,567,951.20	132,048.80	7.77	
NOTE -12 Capital Transfers											
2202 Development Assistance		-			-	-		-	-		
Total (c)		-	-	-	-	-	-	-	-		
NOTE - 13 Acquisition of Financial Assets											
2301 Equity Contribution		-	-	-	-	-	-	-	-	-	
Total (d)											

Statement of Expenditure for the period ended 31st December 2021

Expenditure Head No : 115

Ministry : Ministry of Energy

Rs.

Expenditure Code	Finance Code	Provisions				Expenditure			Net Effect		Reasons for Variance
		Annual Budget Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/ Dept. Under the FR. 208	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	
Recurrent Expenditure	11	(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)=(5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
Programme (1)											
Project 02 - Administration and Establishment services											
NOTE - 5 - OBJECT CODE WISE CLASSIFICATION OF WAGES, SALARIES & OTHER EMPLOYMENT BENEFITS											
Personal Emoluments											
1001 Salaries & Wages		34,500,000.00	-	2,000,000.00	36,500,000.00	36,441,077.40	-	36,441,077.40	58,922.60	0.16	The savings are less than 5% of the total provision.
1002 Overtime & Holiday Payments		1,800,000.00	-	283,000.00	2,083,000.00	2,078,978.08	-	2,078,978.08	4,021.92	0.19	The savings are less than 5% of the total provision.

1003 Other Allowances		11,100,000.00	-	715,000.00	11,815,000.00	11,576,249.47	21,850.00	11,598,099.47	216,900.53	1.84	The savings are less than 5% of the total provision.
NOTE - 6 - OBJECT CODE WISE CLASSIFICATION OF OTHER GOODS & SERVICES											
Travelling Expenditure											
1101 Domestic		400,000.00		(60,000)	340,000.00	337,300.00	-	337,300.00	2,700.00	0.79	The savings are less than 5% of the total provision.
1102 Foreign		700,000.00	3,300,000.00	563,000.00	4,563,000.00	4,250,378.61	-	4,250,378.61	312,621.39	6.85	Note No. 01
Total (a)		48,500,000.00	3,300,000.00	3,501,000.00	55,301,000.00	54,683,983.56	21,850.00	54,705,833.56	595,166.44	1.08	
Supplies											
1201 Stationery & Office Requisites		4,000,000.00	-	(655,000)	3,345,000.00	3,301,325.38	-	3,301,325.38	43,674.62	1.31	The savings are less than 5% of the total provision.
1202 Fuel		3,250,000.00	-	1,000,000.00	4,250,000.00	3,904,693.97	-	3,904,693.97	345,306.03	8.12	Note No. 02
1203 Diets & Uniforms		200,000.00	-	(100,000)	100,000.00	96,375.00	-	96,375.00	3,625.00	3.63	The savings are less than 5% of the total provision.
1205 Other		1,100,000.00	-	(610,000)	490,000.00	477,713.90	-	477,713.90	12,286.10	2.51	The savings are less than 5% of the total provision.
Total (b)		8,550,000.00	-	(365,000)	8,185,000.00	7,780,108.25	-	7,780,108.25	404,891.75	4.95	

Total (d)		41,200,000.00	-	(11,169,000.00)	30,031,000.00	29,807,072.29	223,927.71	0.75	
Total Expenditure on Other Goods & Services (a+b+c+d)		101,500,000.00	4,300,000.00	(8,091,000)	97,709,000.00	96,360,382.86	1,326,767.14	1.36	
NOTE - 7 - OBJECT CODE WISE CLASSIFICATION OF TRANSFERS, GRANTS & SUBSIDIES									
Transfers									
1502 Retirement Benefits		50,000.00		10,000.00	60,000.00	58,417.20	1,582.80	2.64	The savings are less than 5% of the total provision.
1506 Property Loan Interest to Public Servants		400,000.00		100,000.00	500,000.00	463,353.03	36,646.97	7.91	Note No. 05
Programme (1) & Project 02									
Sub Project -001									
Petroleum Resources Development (PRDS)									
1508 Other		71,250,000.00			71,250,000.00	71,074,641.00	175,359.00	0.25	The savings are less than 5% of the total provision.
Total		71,700,000.00	-	110,000.00	71,810,000.00	71,596,411.23	213,588.77	0.3	The savings are less than 5% of the total provision.

Statement of Deposit Accounts as at 31st December 2021

Expenditure Head No : 115

Ministry Name : Ministry of Energy

Name of Deposit Accounts	Deposit Number	Balance as at 1 st January 2021	Credited during the year	Debited during the year	Balance as at 31 st December 2018	Balance as per Treasury Book as at 31 st December 2018
Temporary withholdings for statutory payments	6000-0-0-18-86	294,648.30	3,435,250.49	3,727,262.05	2,636.74	2,636.74

Advance Accounts as at 31st December 2021

Expenditure Head No : 115

Ministry Name : Ministry of Energy

Name of Advance Account	Advance Account Number	No. of Advance Accounts	Balance as at 1 st January 2021	Maximum Limits of Expenditure Rs 3,000,000.00		Minimum Limits of Receipts Rs. 2,400,000.00	Maximum Limits of Debit Balance Rs. 20,000,000.00	Balance as per Treasury Books as at 31 st December 2021
				Debits during the year				
				In Cash	Through Cross Entries			
(1) Advance to Public Officers	115011	01	11,784,160.17	2,021,515.70	1,562,641.16	3,113,989.96	4=(1)+(2)-(3)	10,456,425.17
(2) Other Advances	-	-	-	-	-	-	-	-
(3) Miscellaneous Advances	-	-	-	-	-	-	-	-

Statement of Non Financial Assets - 2021

Rs.

Leger	Item	Code	Opening Balance	Opening Balance add	Transfers	Purchases	Disposal	Balance as at 31.12.2021
9152-->	Transport Equipment	61121	249,010,000.00	0	0	0	0	249,010,000.00
	Passenger Vehicles	6112101	249,010,000.00	0	0	0	0	249,010,000.00
9152-->	Other Machinery and Equipment	61122	43,932,595.41	1,846,403.64	425,510.00	2,739,756.70	271,950.00	48,672,315.75
	Office Equipment	6112201	8,539,505.26	156,323.76	0	268,224.20	0	8,964,053.22
	Computer Equipment	6112202	19,554,326.95	994,600.00	425,510.00	1,671,876.00	271,950.00	22,374,362.95
	Electrical Equipment	6112203	2,882,652.30	15,269.88	0	34,279.00	0	2,932,201.18
	Communication Equipment	6112204	3,971,386.40	680,210.00	0	573,140.00	0	5,224,736.40
	House Items	6112205	8,920,864.50	0	0	187,987.50	0	9,108,852.00
	Sport Equipment	6112208	0	0	0	4,250.00	0	4,250.00
	Books, Periodicals and Journals	6112210	54,130.00	0	0	0	0	54,130.00
	Industrial and manufacturing equipment	6112212	1,000.00	0	0	0	0	1,000.00
	Construction Equipment	6112213	8,730.00	0	0	0	0	8,730.00

The ultimate comparison statement

Rs.

Revenue Collected by Other Entities on behalf of Reporting Entity	-	
Expenditure incurred by Reporting Entity on behalf of Other Entities	-	
Debits made to Advance "B" Account on behalf of Other Entities	1,558,490	
Credits made to Advance "B" Account by Other Entities	239,412	1,797,902
Less:		
Revenue Collected by Reporting Entity on behalf of Other Entities	3,089,706	
Expenditure incurred by Other Entities on behalf of Reporting Entity	21,850	
Credits made to Advance "B" Account on behalf of Other Entities	1,322,512	
Debits made to Advance "B" Account by Other Entities	239,412	4,673,480
Imprest Adjustment Balance as at 31st December 2021		(2,875,578)

3.5 Performance of the Revenue Collection

Rs.

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate	Amount (Rs.)	As a % of Final Revenue Estimate
2003-0-2-0-21-0	Fees relevant to the Petroleum Industries	130,000,000.00	162,000,000.00	225,267,080.75	139%

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	204,200	209,900	206,994	98.61%
Capital	48,450	63,934	20,582	32.19%

3.7 In terms of F.R.208 grant of allocations for expenditure

Rs.

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
	Deptment of Sri Lnka Railway	Railway Warrant fees	21,850.00	21,850.00	21,850.00	100%

3.8 Performance of the Reporting of Non-Financial Assets

Rs.

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2021	Balance as per financial Position Report as at 31.12.2021	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	297,682,315.75	297,682,315.75	-	100%
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.9 Auditor General's Report**

Note : Auditor General's Report 2021 is given in **attachment – 01**

Chapter 04

Performance Indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators		Target		Actual output as a percentage (%) of the expected output
		2021	2022	2021
KPI	PPI			
1. Energy security of the country	1.1 Policy direction, guidance, inter agency coordination and supervising over the activities of CPC, CPSTL and PDA	100%		100%
2. Robust framework of statutory, regulatory and institutional arrangements to bring about effective behavioral of producers, Suppliers and consumers of Natural Gas	2.1 Preparation and launching of the GUMP	100%		10%
	2.2 Implementation of National Policy of Natural Gas	100%		50%
	2.3 Enacting Petroleum development At	100%		100%
	2.4 Establish a Petroleum Development Authority	75%	25%	100%
3.1 Increasing storage capacity up to 45 days requirement of the country at a given time by 2023	3.1.1 Construction of 1 nos. of 5,000m ³ tank, 4 nos. of 7,000m ³ tanks & 4 nos. of 15,000m ³ Tanks at Kolonnawa Installation	50%	100%	40%
3.2 Increasing penetration of Natural gas in all sectors towards achieving a minimum 30% of the total energy mix by 2030	3.2.1 Enter into a Petroleum Resources Agreement with selected investors	10%	20%	75%
	3.2.2 Start new exploration activities	-	10%	-
3.3 Fulfilling the country's entire demand (150000 barrels per day) from domestically refined products by 2025	3.3.1 Starting the building of New Refinery	-	25%	-
	3.3.2 Expanding existing refinery	-	-	-
4. Zero / Minimal complains with regard to quality of petroleum products and lubricants	4.1 Regular inspection of sales outlets with relevant stakeholder agencies	100%	-	75%

Chapter 05

Performance of the achieving Sustainable Development Goals (SDGs)

Indicate the identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the Achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%-100%
Ensure access to affordable, reliable, sustainable and modern energy for all	Proportion of population with primary reliance on clean fuels and technology	Introducing LNG initially for power generation in Sri Lanka.	05%		
		Formulate legal and regulatory framework for the midstream and downstream Natural Gas market	10%		
		Review and update Sri Lanka Standards for lubricants and greases		50%	
		Review and update Sri Lanka Standards for petroleum product	30%		
		Formulate procedure for detecting adulteration of petrol and diesel with kerosene	10%		

Chapter 06

Human Resource Profile

6.1 Cadre Management

CADRE OF MINISTRY - AS AT 31 DECEMBER 2021			
Position	Approved	Existing	Vacant/(Excess)**
Senior Level			
Secretary	01	01	-
Additional Secretary	03	02	01
Director General (Planning)	01	-	01
Chief Finance Officer	01	01	-
Chief Accountant	01	01	-
Senior Assistant Secretary	02	02	-
Chief Internal Auditor	01	01	-
Director	02	01	01
Chief Engineer	01	-	01
Assistant Secretary	02	01	01
Deputy Director/ Assistant Director	02	01	01
Accountant	01	-	01
Legal Officer	02	01	01
Coordinating Secretary to the Secretary	01	01	-
Total	21	13	08
Secondary Level			
Administrative Officer	01	-	01
Translator	01	-	01
Total	02	-	02
Tertiary Level			
Development Assistant/Officer	20	16	04
Public Management Service Officer	24	16	08
Information Technology Assistant	01	01	-
Still Cameraman	01	-	01
Video Cameraman	01	01	-
Total	47	34	13
Primary Level			
Driver	11	10	01
Camera Helper	01	01	-
KKS	11	09	02
Total	23	20	03
Full Total	93	67	26

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

It is noted that only 13 officers are existing within 21 approved cadre for the senior level and it is only 61% out of total cadre. Further, approved 02 cadre positions of secondary level are vacant while 13 are vacant from 47 approved cadre of tertiary level. Even

in the midst of travel restrictions and staff shortages due to Covid expansion, It is imperative to mention that the existing staff have played a significant role for achieving the expected performance of the Ministry during the year 2021 disregarding the staff scarcity. If all the vacant positions (Especially senior level) had been filled, it would greatly help for achieving a higher level of expected performance.

6.3 Human Resource Development

Name of the Program	No. of staff trained	Duration of the program	Total Investment Rs.		Nature of the Program (Foreign/Local)	Output/ Knowledge Gained*
			Local	Foreign		
Workshop on how to prepare procurement plans	20	02 Days	3,500.00		Local Training	Success
Workshop on how to prepare Advance "B" Account	01	01 Day	5,000.00	-	Local Training	Success
Workshop on Stress Management in the Work Environment	58	01 Day	14,020.00	-	Local Training	Success
Workshop on Current Office Systems and Office Management	01	01 Day	7,000.00	-	Local Training	Success
Workshop on Procurement Process	01	01 Day	5,000'00	-	Local Training	Success
Effective maintenance of a personal file	01	01 Day	5,000.00	-	Local Training	Success
Damage and Inquiry under FR104	01	01 Day	5,000.00	-	Local Training	Success
Preparation of salaries of public officers	01	01 Day	5,000.00		Local Training	Success

** Training programmes are helpful to enhance employees' motivation, knowledge and skills and thereby to bring the performance up to the expected level.

Chapter 07

Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Currently not in practice		
1.4	Stores Advance Accounts	Currently not in practice		
1.5	Special Advance Accounts	Currently not in practice		
1.6	Others	Currently not in practice		
2	Maintenance of books and registers (FR445)/			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		

2.10	Commitment Register has been maintained and update .	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update	Complied		
03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
04	Preparation of Annual Plans			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
05	Audit queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
06	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month	Not Complied	Due to the Covid epidemic in the year 2021, there was a delay in replying to some internal audit reports.	The actions are taken to reply for the internal audit reports within one-month period and actions should be taken to obtain interim reply, if the submission of replies are getting delayed.

6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
07	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Not Complied	As per the letter No DMA/AMC/M/2021/2 and dated 06.09.2021 of Director General of Audit and Management Department, exemption has been granted for holding 04 audit and management committee meetings and it has been informed to hold the fourth quarter meeting. However, 3 meetings were held.	It is expected to hold 4 meetings for the year 2022.
08	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Not Complied	Inability to identify the excess and include them in books	Necessary work is being done to include it in the books

8.5	The disposal of condemn articles had been carried out in terms of FR 772	Not Complied		
09	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	No Dormant Accounts		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		

12.3	The loan balances in arrears for over one year had been settled	Not Complied	One employee has been re-signed without following the formal procedure	This loan amount is relevant to the officer who has vacated the office. As per the instructions of Hon. Attorney General, a case has been filed DRM/5184/2018. Action will be taken accordingly.
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue for ward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		

16.3	All reports have been submitted to MSD in terms of their circular no. 04/2017 dated 20.09.2017	Complied		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate/allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Not Complied		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution interms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter/ Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource Plan			
19.1	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.2	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not Complied		Steps have been taken to obtain advisory services for these forms
19.3	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		

19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

