

CEYLON TRANSPORT BOARD



DMH

Appropriate Technology Services
121, POINT-PL. FO FOAD
NALLUR, JAFFNA
No. _____

STATEMENT OF ACCOUNTS & STATISTICS AND REPORTS OF THE AUDITOR-GENERAL AND CHAIRMAN OF THE BOARD

1964

Prepared under Section 34 of the Motor Transport Act, No. 48 of 1957

Price: ~~15/-~~

Appropriate Technology Services
121, POINT-TO-POINT ROAD
NALLUR, JAFFNA
No.

CEYLON TRANSPORT BOARD

Statement of Accounts & Statistics
and Reports of the
Auditor - General
and
Chairman of the Board

Balance Sheet as at

1963		LIABILITIES				1964		
Rs.	Cts.		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
		Capital Liability						
112,726,806	05	Ceylon Government Loan	...	...			112,998,778	69
		Donations: (Note 2)						
317,025	04	Government of Czechoslovakia	...	...	317,025	04		
15,372	80	Izuzu Motor Co., Japan	...	...	15,372	80		
2,640	50	Others	...	...	1,565	50	333,963	34
		Reserves:						
156,358	34	Capital	...	...	156,358	34		
108,717	69	Workmen's Compensation	...	...	114,294	10		
145,041	29	Insurance	...	...	184,094	78		
1,156,986	62	Customs Duty (Note 3)	...	...	1,280,107	21	1,734,854	43
		Compensation Payable to Omnibus Companies:						
		(Note 4A)	...	...	31,611,092	62		
		Less : Amount Paid	...	...	18,175,932	16		
					13,435,160	46		
5,642,303	37	Less : Recoverable (Note 4B)	...	...	8,511,164	25	4,923,996	21
		Current Liabilities & Provisions:						
6,444,205	49	Sundry Creditors	...	...	7,586,073	95		
535,943	91	Stock Excesses Suspense	...	...	1,418,248	36		
—		Plant & Machinery Excesses			—			
		Government Departments —						
		Heavy Oil Motor Vehicles						
27,687,305	44	Tax (Note 5)	...	34,245,414	91			
		Interest on Government						
16,045,881	43	loans	...	20,564,696	64			
1,457,630	76	Other Charges	...	1,513,460	79	56,323,572	34	
3,345,010	24	Accrued Charges	...	...	7,757,912	61		
—		Bills Payable	...	...	—	
57,177	94	Tender Deposits	...	...	50,416	84		
733,613	91	Security Deposits	...	...	987,889	88		
542,856	98	Staff Welfare & Fines	...	...	777,977	53	74,902,091	51
1,460,896	44	Stores Adjustment Account (Note 6)					1 883,907	49
		Letters of credit opened and firm orders placed for Rs. 2,687,518.71 as at 31.12.64 for purchase of Assets.						
		No provision has been made for repayment of the Government Loan pending a decision by the Ministry on the Board's representations.						
178,581,774	24						196,777,591	67
			Carried Over					

Carried Over

31st December, 1964

1963		ASSETS				1964			
Rs.	Cts.		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	
		Fixed Assets at Cost:							
18,444,791	96	Land & Buildings (Note 1)	...	...	19,582,724	83			
		Passenger shelters, and other							
464,553	88	Constructions	...	...	790,945	98			
4,980,035	76	Plant & Machinery	...	...	5,396,317	55			
26,852	19	Electrical Equipment	...	...	28,551	81			
525,080	71	Tools and Implements	...	...	—		
5,091,591	65	Furniture, Fixtures & Equipment	...	...	5,275,545	54	31,074,085	71	
		Vehicles at Cost:							
		Buses	...	149,171,240	10				
131,556,538	89	Less: Scrapped	...	1,925,374	66	147,245,865	44		
		Vans, Lorries and other							
		Vehicles	...	1,274,047	60				
1,220,423	96	Less: Scrapped	...	1,132	00	1,272,915	60		
		Cars, Motor Cycles, Cycles,							
		etc.	...	420,322	40				
356,002	23	Less: Scrapped	...	—		420,322	40	148,939,103	44
162,665,871	23							180,013,189	15
85,941,795	15	Less: Reserve for Depreciation						102,363,026	16
76,724,076	08							77,650,162	99
50,675	00	Unserviceable Buses to be Scrapped						50,675	00
		Disposal Account:							
165,697	77	Buses	...	...	292,377	51			
1,999	00	Other Vehicles	...	...	2,202	00	294,579	51	
216	10	Payments in Advance for Buses	...				659,756	44	
1,584,166	92	Payments in Advance for Lands	...				1,825,405	63	
		Work in Progress:							
647,852	30	Buildings	...	...	1,387,916	86			
3,456,297	71	Vehicles	...	...	2,015,026	68	3,402,943	54	
		Current Assets:							
		Motor Spares Stock	...	35,869,984	43				
		Less: Provision for							
		Redundant Stock	...	4,081,368	00				
30,795,405	54			31,788,616	43				
113,426,386	42	Carried Over		31,788,616	43		83,883,523	11	

Appropriate Technology Services
121, POINT-PECCO ROAD
NALLUR, JAFFNA
No.

1963		LIABILITIES		1964	
Rs.	Cts.			Rs.	Cts.
178,581,774	24	Brought Forward		196,777,591	67
		Fixed Assets at Cost:			
		Land & Buildings (Note 1)	149,171,240	10	
		Plant & Machinery	1,922,324	66	
		Construction	1,214,047	60	
		Plant & Machinery	1,132	00	
		Tools and Implements	430,322	40	
		Furniture, Fixtures & Equipment	—		
		Less: Scraped	—		
		Less: Reserve for Depreciation	—		
		Unrecoverable Buses to be Scraped	—		
		Disposal Account:			
		Buses	16,697	77	
		Other Vehicles	1,999	00	
		Payments in Advance for Buses	216	10	
		Payments in Advance for Lands	1,264,166	92	
		Work in Progress:			
		Buildings	647,822	20	
		Vehicles	7,436,397	71	
		Current Assets:			
		Motor Spares Stock	32,869,284	42	
		Less: Provision for Redundant Stock	4,087,368	00	
			31,788,616	42	
178,581,774	24			196,777,591	67

NOTE: 1. Land & Buildings: Rs. 19,582,724.83 — The value of vested land and buildings as shown in the accounts for 1963 has since been revised to Rs. 4,477,067.74. The Board is at present in occupation of land to the value of Rs. 1.825 M, the title to which has not yet passed to the Board. The value of this land is not included in the fixed assets, but shown as "Payments in Advance for Lands."

31st December, 1964

1963		ASSETS				1964			
Rs.	Cts.		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	
113,426,386	42	Brought Forward	31,788,616	43			83,883,523	11	
13,964,194	78	Materials & Stores in Stock	13,832,586	55					
6,121,357	44	Chassis Stock	1,020,357	16					
7,588,327	95	Materials & Stores in Un-							
389,711	30	opened cases & in Transit	2,971,202	26					
570,599	85	Payments in advance	610,742	77					
239,631	34	Deposits	470,477	30					
200,000	00	Investments—Security Deposits	240,071	84					
50,406	89	Investments—Insurance Fund	200,000	00					
2,993,468	36	Bank of Ceylon do	84,777	38					
348,170	41	Sundry Debtors	2,842,264	42					
852,855	79	Director of Education	—						
—		Stock Shortages—Suspense	2,418,434	21					
1,149,441	14	Plant & Machinery Shortages	—						
		Advances to Employees	7,304,201	15	63,783,731	47			
		Cash:							
—		Fixed Deposits	25,000,000	00					
8,607,217	56	At Banks	11,408,324	18					
38,691	83	In Transit	2,673	53					
1,641,256	87	In Hand—Depots & Head							
		Office	5,820,853	80	42,231,851	51	106,015,582	98	
		Profit & Loss Account:							
		Loss brought forward ... ..	...	...	20,400,056	31		
20,400,056	31	Less: Profit for the year ... ..	...	...	13,521,570	73	6,878,485	58
<u>178,581,774</u>	<u>24</u>						<u>196,777,591</u>	<u>67</u>	

2. **Donations — Rs. 333,963.34:** (a) Government of Czechoslovakia — In pursuance of Treaty Series No. 3 of 1956, an agreement was entered into in August 1957 between the Ceylon Government and a Czechoslovak State Corporation for the gift of an “Auto-Repair Shop Machinery and Equipment for Current Repair of Motor Cars” valued at £23,131 — free of charge c.i.f., Colombo. The value of equipment supplied as at 31.12.64 is Rs. 317,025.04.

(b) The Government of the Federal Republic of Germany has provided the necessary equipment for a training workshop to train skilled workers in the practice and theory of omnibus repair work in Ceylon, under an agreement entered into between the 2 Governments. A director, teaching and technical staff were also provided for 3 years under the same agreement. All articles supplied by the Government of the Federal Republic should have become the property of the Government of Ceylon at the end of three years but the Ministry has directed that the assets be taken over only when the Director Teaching and Technical Staff, finally leave. This equipment has therefore not been taken into the “Assets” side of the Balance Sheet. The value of the equipment so far provided amounts to approximately Rs. 629,735/-. The Ceylon Transport Board has provided, at its own expense, the land and buildings required for the Training Workshop and these are shown in the Balance Sheet.

(c) Gift chassis from Izuzu Motor Co., Japan, valued at Rs. 15,372.80.

(d) Others Rs. 1,565.50.

3. **Customs Duty Reserve — Rs. 1,280,107.21:** (a) Rs. 1,198,957.61 — The Board was informed by Treasury letter No. 1004 F. 275/567 CA of 29.7.63 that the Board was exempted from customs duty on capital goods, and the Treasury directed that the rebate on duty should be reflected in the Balance Sheet.

(b) Rs. 81,149.60 — The equipment referred to in Note 2(a) above was passed duty free in terms of the agreement.

4. (A) **Compensation payable to Omnibus Companies — Rs. 31,611,092.62:** The awards made by the Compensation Tribunal on account of property taken over from former bus operators and others amount to Rs. 31,451,092.62 made up as follows: —

					Rs.	Cts.
Buses	...	...	...	...	26,161,979	14
Land & Buildings	...	...	...	...	4,506,439	48
Plant & Machinery	...	...	...	...	608,529	00
Vehicles other than buses	...	...	...	...	174,145	00
					<u>31,451,092</u>	<u>62</u>

To this must be added a sum of Rs. 160,000.00 being assessed value of land and buildings on which awards have not yet been made. Awards in respect of buses, plant and machinery and vehicles other than buses have been completed. Claims under Section 52(1)(a) of the Motor Transport Act No. 48 of 1957, as amended by the Motor Transport (Amendment) Act No. 22 of 1961, to be recovered from compensation amounts to approximately Rs. 25.5 M. In the case of 30 bus companies the compensation awarded is insufficient to meet the claims, the total amount of deficit being Rs. 5.373 M. approximately. Of this a sum of Rs. .995 M. has been withheld in terms of Section 52(2)(a) of the Motor Transport Act from compensation awarded to owners of property obtained by them by disposition of deficit bus companies, mortgages and finance companies as security to meet the deficits, in full or part, of 18 bus companies. Action in terms of Section 52 B has to be filed in Court against these 18 companies before the above sum withheld as security is appropriated to meet the deficits. A proposal to amend Section 52 B has not been approved. Action has to be taken under the Section as it stands, and will be taken as soon as the deficits are definitely ascertained after claims of former employees of bus companies are finally determined.

The sum of Rs. 18,175,932.16 shown as paid represents payments up to 31.12.64. Interest paid has been charged to the provision made for this purpose out of revenue.

(B) **Amount recoverable Rs. 8,511,164.25:** This represents payments out of Board's Funds on account of dues from the Bus Companies and is made up as follows: —

	Rs.	Cts.
(a) Wages for December 1957 paid in 1958 to certain employees of previous operators	1,326,132	96
(b) Part payment of gratuity to a large number of the employees now serving the Board	6,119,446	24
(c) The security furnished to previous operators by employees now serving the Board	1,060,490	72
(d) Arrears of licence duty etc. in respect of period prior to January 1958	5,094	33
Total	8,511,164	25

5. **Heavy Oil Motor Vehicles Tax — Rs. 34,245,414.91:** This amount represents the tax payable from 1958 to 1964. Rs. 27,697,305.44 was paid on 8.2.1965, and Rs. 6,548,109.47 was paid on 17.2.1966.

6. **Stores Adjustment Account — Rs. 1,883,907.49:** This amount represents the credit balance of Rs. 1,460,896.44 shown under the above account in the Balance Sheet for 1963 and the difference of Rs. 423,011.05 between the actual purchase price and issue price on standard rates.

(Sgd.) **K. Somasunderam,**
Chief Accounting Officer,
Ceylon Transport Board.

(Sgd.) **R. T. de Silva,**
Chairman,
Ceylon Transport Board.

15th June, 1966.

The above Balance Sheet of the Ceylon Transport Board as at December 31, 1964 and the connected statements of accounts have been examined by me and my Report thereon in terms of Section 34(4) of the Motor Transport Act No. 48 of 1957 has been furnished to the Chairman on July 31, 1966.

(Sgd.) **B. L. W. Fernando,**
Auditor General.

Audit Office,
Colombo 7, 31 July, 1966.

Profit and Loss Account for the

1963			1964		
Rs.	Cts.		Rs.	Cts.	
Administration:					
		To Board Expenses:—			
		Remuneration ...	45,760	25	
		Travelling and other expenses ...	13,822	75	
			59,583	00	
32,103	24	Less: Amount capitalised	—		59,583 00
8,088,946	78	„ Salaries — Headquarters & Regional Offices	9,245,971	05	
4,147	62	„ Pensionary Contribution — Govt. Officers	—		
		Board's Contribution to Provident Fund: 3,244,802 98			
		Less: Amount Charged to Working Account			
450,092	73	2,783,030 38	461,772	60	9,707,743 65
405,800	78	Travelling ...			478,368 89
138,555	59	„ Rents, Rates, Lighting & Power Headquarters & Regional Offices			279,722 36
167,277	44	„ Postage, Telephone & Telegrams — Headquarters & Regional Offices			226,603 01
481,678	38	„ Printing & Stationery			453,756 38
62,862	15	„ Advertising & Publicity			106,996 43
25,555	00	„ Licences on Vans, Lorries, Board cars etc.			19,430 00
407,558	72	„ Fuel & Oil etc. for Vans, Lorries, Board cars etc.			304,735 22
					11,636,938 94
Maintenance and Repairs:					
12,788	95	To Buildings & Installations			194,211 87
20,670	39	„ Furniture, Fixtures & other Equipment			56,711 28
226,025	65	„ Vans, Lorries, Board Cars etc.			302,692 72
					553,615 87
Insurance:					
15,936	62	To Vans, Lorries, Board Cars etc.			26,815 02
19,385	27	„ Cash in Transit and in safe			17,296 47
26,432	96	„ Mails			44,679 32
—		„ Fidelity Guarantee			—
899	45	„ Fire			899 45
					89,690 26
10,586,717	72	Carried Over			12,280,245 07

Year ended 31st December, 1964

1963

1964

	Rs.	Cts.		Rs.	Cts.
22,389,843	62	By Working Profit brought forward	35,309,750	70	
180,038	96	" Advertisements	157,417	92	
31,839	03	" Interest	435,425	43	
955,693	82	" Sundry Income	500,078	73	
		To Legal Aid to Drivers & Conductors	91,387	97	
		Medical Aid	70,963	69	
		Recreational Facilities	18,794	33	
		Uniforms	25,381	21	
		Scholarship on Cadets	7,652	16	
		Ten Allowance	34,958	43	
		Other Expenses	13,823	88	
		Incentive to Staff	—	—	
		Financial and Other Expenses :			
		To Legal Expenses	44,726	08	
		Bank Charges, Bank Debit Tax &	31,734	27	
		Money Order Commission	28,730	81	
		Newspapers, Books & Periodicals	25,381	67	
		Audit Fees & Expenses	23,061	61	
		Commission to Advertisement Conveyancers	12,821	04	
		Sundry Expenses	1,816,033	64	
		Write Off	902,931	00	
		Provision for Redundant Stores			
		To Rates Board	504	52	
		Compensation Tribunal	20,308	16	
		Labor Tribunal	14,518	54	
		Consultative Committee Expenses	832	75	
		Interest and Other Charges			
		To Credit Purchases & Bank Overdrafts	72,636	22	
		Compensation	4,218,812	21	
		Treasury Loans	78,024	28	
		Less : Amount Capitalised	4,440,760	93	
		Depreciation of Assets (Revenue) :			
		To Buildings	12,925	68	
		Fuel Vehicles	40,324	21	
		Furniture, Fixtures & Equipment	250,387	46	
		Less : Amount Capitalised	225,064	27	
23,557,415	43	Carried Over	36,402,672	78	

(9)

Profit and Loss Account for the

1963				1964				
Rs.	Cts.			Rs.	Cts.	Rs.	Cts.	
10,586,717	72	To Brought Forward	...	...	...	12,280,245	07
Staff Welfare:								
91,287	97	To Legal Aid to Drivers & Conductors	...	120,775	86			
76,963	69	„ Medical Aid	...	93,422	37			
18,794	33	„ Recreational Facilities	...	16,137	40			
57,381	21	„ Uniforms	...	285,995	31			
7,655	16	„ Subsidy on Canteen	...	16,290	75			
34,958	42	„ Tea Allowance	...	37,987	19			
13,822	88	„ Other Expenses	...	81,440	41	652,049	29	
—		Incentive to Staff				3,414,420	00	
Financial and Other Expenses :								
44,726	08	To Legal Expenses	...	28,976	09			
		„ Bank Charges, Bank Debits Tax & Money Order Commission	...	313,378	41			
317,347	27	„ Newspapers, Books & Periodicals	...	11,482	70			
38,230	81	„ Audit Fees & Expenses	...	235,415	22			
253,381	07	„ Commission to Advertisement Canvassers	...	16,988	48			
22,061	61	„ Sundry Expenses	...	929,135	53			
12,821	04	„ Write Off	...	462,979	74			
1,816,053	64	„ Provision for Redundant Stores	...	185,512	00	2,183,868	17	
962,993	00							
504	55	Fares Board	...	...	...	—
26,508	15	Compensation Tribunal	...	...	...	22,995	87
14,528	54	Labour Tribunals	...	...	...	25,983	87
855	75	Consultative Committee Expenses	...	...	...	1,322	00
Interest and Other Charges:								
—		To Credit Purchases & Bank Overdrafts	...	—				
72,686	22	„ Compensation	...	36,789	37			
		„ Treasury Loans	4,518,815	21				
		Less: Amount Capitalised						
4,264,324	43		78,054	28	4,440,760	93	4,477,550	30
Depreciation of Assets (Reserve):								
15,955	68	To Buildings	...	12,955	00			
40,324	21	„ Pool Vehicles	...	136,879	00			
		„ Furniture, Fixtures & Equipment	230,347	44				
256,598	30	Less: Amount Capitalised	4,683	27	225,664	17	375,498	17
19,047,481	73	Carried Over				23,433,93	74	

Year ended 31st December, 1964

1964

Rs. Cts.

36,402,672 78

36,402,672 78

Profit and Loss Account for the

1963				1964			
Rs.	Cts.			Rs.	Cts.	Rs.	Cts.
19,047,481	73	To	Brought Forward			23,433,932	74
Buses, Lorries etc. Scrapped:							
24,876	32	To	Buses	506	00		
—		„	Lorries etc.	—			
98,243	90	„	Buildings	—		506	00
19,170,601	95					23,434,438	74
456,704	47	Less:	Amount Capitalised ... ..	...	...	646,289	40
18,713,897	48					22,788,149	34
4,843,517	95	„	Net Profit carried down ... ..	...	...	13,614,523	44
23,557,415	43					36,402,672	78

25,243,574	26	To Balance brought forward from					
—	—	previous year	...	...	20,400,056	31	
		Add: Net under provision made in 1963			92,952	71	20,493,009 02
25,243,574	26						20,493,009 02

Year ended 31st December, 1964

[illegible]

Working Account for the

1963				1964				
Rs.	Cts.			Rs.	Cts.		Rs.	Cts.
To Salaries Wages & Allowances (including overtime) of Operation & Traffic Staff								
Wages Board Staff								
32,480,847	97	Crews ...	37,772,902	07				
3,591,114	29	Other Staff ...	3,607,031	31	41,379,933	38		
5,046,355	45	Depot & District Office Staff ...			5,541,110	34	46,921,043	72
,, Salaries & Wages (including overtime) of Garage & Workshop Staff:								
Wages Board Staff ...								
10,855,699	73	Less: Amount Capitalised ...			13,894,566	10	12,735,527	16
436,149	23	,, Travelling ...					415,529	00
1,689,903	40	,, Licence duty on buses ...			1,810,551	24		
3,995	00	,, ,, ,, vans & lorries ...			280	00	1,810,831	24
,, Insurance:								
Claims met ...								
Add: Excess of Third Party & Passenger risk Reserve ...								
156,000	00		267,326	51				
Buses Premia Re-Insurance & Fire risks ...								
316,746	15	Workmen's Compensation (Reserve) ...			235,963	16	564,618	22
31,706	67				30,775	06		
14,725,083	15	Depreciation on Buses (Reserve) ...			15,496,244	58		
,, ,, plant & Machinery ...								
233,576	82	Less: Amount capitalised ...	517,277	26				
Depreciation on Tools Equipment & Ticket Machines ...								
1,045,878	29	,, On Depots & Workshop Buildings ...	385,305	07	715,931	09		
337,402	20	Less: Amount capitalised ...	31,221	71	354,083	36	17,036,703	73
,, Repairs to and Maintenance of Buses ...								
Less: Wages included under item Salaries & Wages of Garage & Workshop Staff ...								
27,093,699	09				43,213,787	12	30,478,259	96
,, Board's Contribution to Provident Fund								
Less: Amount charged to Profit & Loss Account ...								
3,322,857 26								
461,772 60								
98,044,157	44	Carried Over					109,962,513	03

Year ended 31st December, 1964

1964[illegible]

Carried Over

(15)

Working Account for the

1963			1964			
Rs.	Cts.		Rs.	Cts.	Rs.	Cts.
98,044,157	44	To Brought Forward	2,861,084	66	109,962,513	03
2,429,651	83	Less: Amount Capitalised ...	78,054	28	2,783,030	38
857,916	97	„ Maintenance of Garages, Depots, Plant & Machinery etc. ...	...	...	981,046	06
12,917,330	86	„ Fuel including Tax: Fuel ...	14,053,858	16		
5,576,267	53	„ Heavy Oil Motor Vehicles Tax ...	6,558,109	47	20,611,967	63
568,314	28	„ Tickets, Waybills & Traffic Forms ...	...	...	699,750	50
785,022	10	„ Rent, Rates, Lighting & Power Insurance on Buildings etc. ...	...	...	737,408	09
128,515	11	„ Postage, Telegrams & Telephones ...	...	...	154,236	58
24,519	96	„ Transport Charges ...	...	...	12,360	54
253,536	50	„ Miscellaneous Expenses ...	...	...	155,047	75
121,585,232	58				136,097,360	56
627,327	27	„ Less: Amount Capitalised ...	...	...	379,343	78
120,957,905	31				135,718,016	78
22,389,843	62	„ Gross Profit Carried to Profit & Loss A/c. ...	...	...	35,309,750	70

143,347,748 93

171,027,767 48

Year ended 31st December, 1964

1963

1964

Rs. Cts.

Rs. Cts.

143,347,748 93

By Brought Forward

171,027,767 48

2,799,437 16

2,799,437 16

2,946,365 26

2,946,365 26

2,946,365 26

2,946,365 26

1,787,750 64

1,787,750 64

1,231,408 48

1,231,408 48

64,287 81

64,287 81

12,827 57

12,827 57

100,719 53

100,719 53

642,878 13

642,878 13

3,214 39

3,214 39

64,287 81

64,287 81

46,431 75

46,431 75

9,683 27

9,683 27

100,719 53

100,719 53

64,287 81

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171,027,767 48

Central Workshop Work Done Account for the

				Capital		Revenue		Total	
				Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Work in Progress as on 1.1.64:									
102 Chassis with part bodies	...	...	...	2,795,042	82	661,254	89	3,456,297	71
Allocation in Previous year adjusted	...	...	...	+ 4,394	34	— 4,394	34	—	
				<u>2,799,437</u>	<u>16</u>	<u>656,860</u>	<u>55</u>	<u>3,456,297</u>	<u>71</u>
Direct Materials:									
241 Chassis — Buses	...	...	...	6,322,578	85	—			
Materials	...	...	...	3,311,959	46	5,946,365	26		
				<u>9,634,538</u>	<u>31</u>	<u>5,946,365</u>	<u>26</u>	15,580,903	57
Direct Wages	...	...	...	862,432	70	1,787,750	64	2,650,183	34
Overheads:									
Salaries & Wages of Supervisory Staff	...	...	...	593,212	49	1,221,468	46		
Electricity	...	...	...	31,221	71	64,287	81		
Stationery	...	...	...	6,244	33	12,857	57		
Board's contribution to Prov. Fund	...	...	...	78,054	28	160,719	53		
Share of Head Office & Other Divisional Expenses	...	...	...	312,217	11	642,878	13		
Workmen's Compensation	...	...	...	1,561	08	3,214	39		
Depreciation:									
Buildings	...	...	...	31,221	71	64,287	81		
Plant & Machinery	...	...	...	46,832	56	96,431	72		
Furniture	...	...	...	4,683	27	9,643	17		
Interest on Capital Assets	...	...	...	78,054	28	160,719	53		
Insurance	...	...	...	3,122	17	6,428	78		
Maintenance:									
Buildings	...	...	...	31,221	71	64,287	81		
Shops	...	...	...	312,217	11	642,878	13		
Plant & Machinery	...	...	...	31,221	71	64,287	81		
				<u>1,561,085</u>	<u>52</u>	<u>3,214,390</u>	<u>65</u>	4,775,476	17
Less: Overhead Variance	...	...	...	71,100	83	31,168	61	26,462,860	79
								102,269	44
								<u>26,360,591</u>	<u>35</u>
Less: Work-in-Progress as on 31.12.64									
15 Chassis with part bodies	...	...	...	1,138,142	66	876,884	02	2,015,026	68
								<u>24,345,564</u>	<u>67</u>

Year ended 31st December, 1964

			Rs.	Cts.	Rs.	Cts.
CAPITAL WORKS —						
New Vehicle Body Building:						
330 Buses	...	...	13,413,516	57		
Other Vehicles (Conversion)	...	...	36,078	64		
			13,449,595	21		
Adjustment in Respect of Body Building in previous Year	...		193	54	13,449,401	67
Landing Charges — Double Deck buses	...	...			1,224	15
Manufacture:						
Materials & Stores for Stock	...	...	154,991	98		
Furniture, Fixtures & Equipment	...	...	42,632	40	197,624	38
REVENUE WORKS —						
Repairs & Maintenance:						
Buses	...	...	8,976,253	92		
Other Vehicles	...	...	136,330	04		
Plant, Machinery, Shops etc.	...	...	1,526,863	78		
Furniture, Fixtures & Equipment	...	...	17,474	92	10,656,922	66
Office Requisites & other Consumables	...	...			39,342	97
Work Done for Outside Parties	...	...			1,048	84
					24,345,564	67

STATEMENT SHOWING THE VALUES OF STOCK HOLDINGS OF

Control A/c. No.	Description	Value of Stock at 31.12.64
W 1	Stationery, Printed Forms, Office Requisites, Uniforms	591,643.74
W 2	Small Tools & Machinery Spares	1,391,873.62
W 3, 17, 19	Bus body building material	3,571,737.13
W 4	B. M. C. Spares	1,605,475.93
W 5	Leyland & Albion Spares	4,232,209.60
W 6	Mercedes Benz Spares	3,312,218.87
W 7	Perkins Engine Spares	663,844.58
W 8	Fuel Injection and Filter Spares	1,120,809.40
W 9	Tyres, Tubes and Accessories	2,730,636.74
W 10	Batteries and Acids	97,631.65
W 11	Oils, Lubricants and Fluids	403,711.53
W 12	Medical Supplies	65,160.23
W 13	Tickets, Waybills and Traffic Equipments	340,716.47
W 18	Units and Sub Units	1,074,432.58
W 20	Electrical Spares (Household & Automobile)	1,576,689.54
W 21	Brake Service Spares	2,364,506.93
W 22	Spring and Shock Absorbers	870,420.27
W 23	Ball & Roller Bearing	1,371,352.71
W 24	Chevrolet, Bedford, Ford, Dodge, International Commer Spare Parts	1,211,284.88
W 25	Dennis, Guy and Gardner Spares	296,977.09
W 26	A. E. C. and Daimler Spares	2,630,737.68
W 27	Fiat, Ikarus, Magirus Deutz	210,891.11
W 28	Hino and Isuzu Spares	338,964.23
W 29	Miscellaneous Automobile Spares	124,516.32
W 32	Civil Engineering Stores	262,773.50
		<u>32,461,216.33</u>

CENTRAL AND WORKSHOP STORES—30-9-65

<i>Value of Stock at 30.9.65</i>	<i>Receipts during 1964</i>	<i>Issues during 1964</i>	<i>Receipts during 1965</i>	<i>Issues during 1965</i>
<i>Rs. Cts.</i>	<i>Rs. Cts.</i>	<i>Rs. Cts.</i>	<i>Rs. Cts.</i>	<i>Rs. Cts.</i>
366,379.57	1,029,452.05	902,414.91	569,895.81	795,159.98
1,205,959.72	1,019,283.69	659,882.51	375,293.14	561,207.04
3,355,012.15	5,639,564.82	5,196,995.65	6,857,975.76	7,074,700.74
1,794,315.32	818,581.11	1,009,136.91	1,463,093.26	1,274,253.87
4,882,784.74	3,898,688.87	4,433,002.53	4,171,616.27	3,521,041.13
2,934,027.94	2,903,956.58	2,389,853.90	1,716,487.51	2,094,678.44
682,572.06	40,821.77	101,460.55	124,038.33	105,310.85
1,178,603.40	829,809.49	749,044.94	784,772.18	726,978.18
3,195,543.97	11,369,999.53	13,157,249.65	12,432,274.30	11,967,367.07
85,584.27	304,605.31	484,948.06	353,242.77	365,290.15
1,489,843.62	2,978,001.96	2,783,827.01	4,119,285.59	3,033,153.50
38,881.05	89,366.13	80,598.82	59,920.86	86,200.04
289,100.95	347,780.66	868,405.63	782,444.69	834,060.21
1,039,625.94	2,681,337.90	2,655,558.92	1,056,846.44	1,091,653.08
1,138,100.94	1,518,594.08	1,475,130.84	1,093,920.11	1,532,508.71
2,389,985.63	1,782,521.30	1,462,982.89	1,610,774.92	1,585,296.22
624,318.97	694,984.47	390,621.85	238,214.59	484,315.89
1,058,395.09	568,571.98	486,497.78	348,740.57	661,698.19
1,195,839.81	74,083.38	124,817.82	39,374.34	54,819.41
313,889.54	4,299.69	17,602.10	34,438.26	17,525.81
2,251,446.75	1,428,858.69	915,483.12	354,661.54	733,952.47
205,677.92	149,176.44	251,102.22	446,774.29	451,987.48
184,465.24	106,824.23	74,517.15	26,789.75	181,288.74
301,130.86	62,229.14	47,602.89	240,543.75	63,929.21
488,559.62	560,860.43	298,086.93	686,992.84	461,206.72
<u>32,690,045.07</u>	<u>40,902,253.70</u>	<u>41,016,825.58</u>	<u>39,988,411.87</u>	<u>39,759,583.13</u>

**REPORT OF THE AUDITOR GENERAL
ON THE ACCOUNTS OF THE CEYLON
TRANSPORT BOARD FOR THE YEAR
ENDED DECEMBER 31, 1964.**

CHAIRMAN'S REPLY

(All figures in this report have been rounded off to the nearest Rupee)

The accounts of the Ceylon Transport Board for the year ended December 31, 1964, have been audited under my direction in pursuance of Section 34(2) of the Motor Transport Act No. 48 of 1957. I have obtained all the information and explanations required by me. Subject to the observations contained in this report, I am of opinion that the Balance Sheet as at December 31, 1964, and the connected statements of accounts have been properly drawn up so as to exhibit (together with the notes thereon) a true and fair view of the affairs of the Board as at that date and the results of its operation for the year then ended.

2. Matters, which in my opinion, may be of interest to the Senate and the House of Representatives in the examination of the activities and accounts of the Board, are given in the paragraphs that follow.

3.

Audit Arrangements.

In paragraph 3 of my report on the accounts of the Board for 1963, reference was made to the inclusion in the Auditor General's programme of audit, of certain measures to meet the lack of an effective internal audit in the Board. These measures involved the employment of professional auditors for the audit of the various regional accounting units and their gradual replacement by officers of the Board working under the direction and supervision of the Auditor General. These officers after they had obtained adequate experience and had satisfied the Auditor General that they could be relied upon to carry out the necessary checks, were to be released to form the internal audit of the Board. It was also stated that officers of three regional accounting units had been released up to January 1963 to function as the Board's internal audit and that the audit staff of the remaining regional accounting units would be released to function as the Board's internal audit staff as and when they satisfactorily completed their training under the Auditor General.

Reference was also made to the ineffectiveness of the work done by the Internal Audit at one of the three accounting units and to my inability

One of the Officers whose work was commented on as unsatisfactory has now been transferred to a smaller Region. More intensive supervision is being carried out by Headquarters staff over the work of the three Regional Audit Units which are functioning under the Internal Audit. In pursuance of the Board decision to establish a separate Internal Audit Division to function directly under the Chairman as stated in reply to paragraph 187 of Parliamentary Series No. 1 of 1965, applications for the Chief Internal Auditor have closed and the appointment will be made early. The position will then be reviewed.

to release any further audit staff until improvement was shown in the Internal Audit of the regions already functioning under the Board. There had been no further release of such staff up to June 30, 1966.

4.

Preparation and Audit of Accounts.

The annual accounts of the Board for the year 1962 and 1963 and the Auditor General's reports thereon, furnished to the Chairman in August 1964 and August 1965 respectively had not been tabled in the Senate and the House of Representatives up to June 30, 1966.

In paragraph 4 of my report on the accounts of the Board for 1963, I referred to the delay by the Board in rendering the annual accounts for audit and to the following observations of the Public Accounts Committee made in paragraph 22 of their report published as Parliamentary Series No. 8 of 1961:

"Your committee trust . . . that steps will be taken by the Board to re-organise their accounting branch so that the final accounts for any year could be prepared and submitted for audit in an acceptable form within four months of the close of the Financial Year."

These observations were reiterated by the Public Accounts Committee in paragraph 22 of their report published as Parliamentary Series No. 4 of 1966.

However, the annual accounts for 1964 were rendered for audit only on December 17, 1965. These accounts were incomplete and contained a number of errors.

When the omissions and errors were pointed out to the Chief Accounting Officer, he withdrew these accounts and rendered a fresh set of accounts on June 18, 1966.

5.

Outcome of Accounts.

According to the accounts rendered the revenue for the year 1964 amounted to Rs. 171,027,767 which was in excess of the revenue of the previous year by Rs. 27,680,018. The working expenses which amounted to Rs. 135,718,016 showed an increase of Rs. 14,760,112 over the previous year. The Gross Profit for the year was Rs. 35,309,751. After the administrative and other financial expenses were met the accounts

The delay was due to the delay in printing. Accounts for 1962 were sent to the Ministry on 13.8.66 to be tabled in the Senate and the House of Representatives. Accounts for 1963 is still in print.

It was explained to the Public Accounts Committee at the last meeting in connection with the Accounts for 1963 that the delay was due to a large number of vacancies in the cadre, as a result of the paucity of recruitment since 1962. This position has not been fully rectified and accounting is being done yet with a large number of casual clerks. It has therefore not been possible to make any appreciable improvement. The Accounts for 1965 up to end of September 1965 have been rendered to audit on 30.11.66. The fact that accounts for 1964 were rendered on June 18, 1966, and accounts for 1965 had to be taken in hand only after this has also to be appreciated. All possible effort is being made to close the Accounts for 1965/66 early.

Action has been taken to avoid errors in the future Accounts. This is one reason for the delay in rendering the Accounts for 1965 as a complete check had to be made.

This is an informatory paragraph. No comments.

showed a net profit of Rs. 13,614,523 as compared with a net profit of Rs. 4,843,518 for the previous year.

The accumulated loss which stood at Rs. 20,400,056 as at December 31, 1963, was increased by Rs. 92,953 to Rs. 20,493,009 as a result of certain adjustments in respect of the previous year. After setting off the profit of Rs. 13,614,523 for the year under review, the accumulated loss was Rs. 6,878,486 at December 31, 1964.

6.

Balance Sheet:

		Rs.
Land & Buildings ...	...	19,582,725
Passenger shelters and other constructions ...	...	790,946
Plant & Machinery ...	...	5,396,318
Electrical Equipment ...	...	28,552
Furniture, Fixtures and Equipment ...	...	5,275,545
		<u>31,074,086</u>
(a) Lands & Buildings ...	...	19,582,725
Passenger Shelters and other constructions ...	...	790,946
		<u>20,373,671</u>

The existence of these assets had not been verified by Boards of Survey nor had proper registers of assets been maintained. In arriving at the cost of buildings, passenger shelters and other constructions in 1964, 2/3rd of the expenditure of the Civil Engineering Division for that year amounting to Rs. 484,757 has been included as overhead. Similar procedure was followed during the previous years as well although in December 1962 I had suggested to the Chief Accounting Officer that these overheads should be allocated on the basis of verifiable data.

		Rs.
(b) Plant and Machinery ...	...	5,396,318
Electrical Equipment ...	...	28,552
Furniture, Fixtures and Equipment ...	...	5,275,545
		<u>10,700,415</u>

Assets registers had been maintained in 1964 in respect of these items but a complete verifica-

(a) It has not been the practice to have the Land and Buildings verified by Boards of Survey. Action is being taken to have certificates furnished in regard to the assets from the occupiers.

An Assets Register, property-wise, is being maintained. Another register showing the buildings, block by block in detail and their cost is being prepared. Although a certain amount of work has been done, it was not possible to cover the entire Island. To expedite the work, Accountants are being sent out to obtain all the details, so that the detailed register may be posted up and maintained from now onwards. As assistance of Engineers is wanted, the work will take about 6 months more to complete.

Instructions have also been issued to the Heads of Divisions and Regional Managers to maintain records of all properties under their charge and to ensure that there is no encroachment or damage to any property.

Passenger shelters were last verified in 1963. It is proposed to carry out a survey once in three years. Regional Managers have already been requested to carry out a verification in October 1966.

(b) Attempts made in 1964 and 1965 to carry out a complete verification failed, in that sufficient number of Engineers could not be released. By the time one year's survey was carried out, the next year's survey was due, and the results of the survey could not be relied upon, as the assets have moved, and some have got verified twice and some not even once. Simultaneous verification is being carried out all over the Island now, and the results of the Survey will be incorporated in the accounts for 1965/66.

tion of these assets as at December 31, 1964; was not carried out. A partial verification disclosed discrepancies but no action had been taken by the Board thereon.

(c) In the circumstances it could not be verified in audit that Rs. 31,074,086 correctly represented the value of these assets as at December 31, 1964.

7.

Idle Equipment.

In paragraph 7(c) of my report on the accounts of the Board for 1963 reference was made to the detection in audit in September 1963, of plant, machinery and equipment to the value of Rs. 104,588 lying idle for periods ranging from 1 to 6 years. It was also stated that a complete list of all idle plant, machinery and equipment, in all the stores of the Board, together with their values had been called for. The Chief Accounting Officer stated in April 1966, that the Engineering Division had finalised a survey of all items of plant, machinery and equipment and that action would be taken to dispose of all items declared redundant.

A complete list has been furnished to the Audit in regard to stores at Werahera. Equipment which is not wanted has been disposed of, and other items are being held in the Stores for issue as buildings are completed.

In regard to Depots a list compiled in 1962 was furnished to the Audit. The prices were not available in regard to 5 items and an attempt is being made to trace the original documents to fix the prices. As this list was compiled in 1962, the Chief Mechanical Engineer issued instructions in November 1965 to Depot Superintendents for fresh lists to be compiled. Lists in regard to 12 Depots have been received, and action is being taken to obtain the balance lists.

The Board has also decided to create a separate organisation with an Equipment Manager to deal with all items of Plant, Machinery, Furniture, Equipment etc. as the existing organisation was found unequal to the task, and was inadequate in view of the size of the organisation. With the appointment of an Equipment Manager and creation of an Office, better progress will be made.

8.

Buses at Cost — Rs. 147,245,865:

Number

3385

Buses taken-over from Operators ... 26,161,979

Loss on scrapping of 76 double
deck buses ... 7,600

26,154,379

Engines imported and fitted to some
of the above buses replacing the
original engines ... 809,678

26,964,057

1487 Buses scrapped up to
December 31, 1963: ... 5,070,186

In 1964 ... 5,788 5,075,974

51 Buses converted to Lorries ... 301,256

11 Buses condemned and waiting to be

		scrapped	...	...	...	50,675		
Less:								
1748		199	Buses authorised to be scrapped but					
1637			not yet scrapped	...	...	1,219,614	6,647,519	20,316,538
			Buses Purchased by the Board:					
		384	New Buses	...	...		22,154,733	
	<i>Less</i>	3	Buses scrapped upto					
			December 31,					
			1963:	...	195,843			
			In 1964:	...	Nil	195,843		
375	<i>Less</i>	6	Buses converted into Lorries	...		80,715	276,558	21,878,175
		538	Second-hand buses purchased	...			13,248,976	
	<i>Less</i>	8	Buses scrapped upto					
			December 31, 1963:	...	140,059			
			In 1964:	...	Nil	140,059		
	<i>Less</i>	13	Buses authorised to be scrapped					
			but not yet scrapped	...	...	242,106	382,165	
517								12,866,811
			Buses Assembled Locally:					
800			Imported chassis and bodies assem-					
			bled at Central Workshop —					
			Werahera	...	...			34,525,837
		1548	Imported Chassis fitted with bodies					
			built at C.W.W.	...	...		57,189,840	
	<i>Add</i>	1	Gifted chassis duty — Body at					
			C.W.W.	...	...		36,655	
		1549					57,226,495	
	<i>Less</i>	2	Buses converted into Lorries	...		29,302		
	<i>Less</i>	1	Bus scrapped in 1962	...	...	24,675	53,977	
1546								57,172,518
			Conversion of 76 Double Deck					
			Bodies into Single Deck Bodies ...					485,986
<u>4875</u>								<u>147,245,865</u>

Reference was made in paragraph 8(b)(ii) of my report on the accounts of the Board for 1963 to 11 buses verified by Boards of Survey but the value of which had been excluded from the accounts of the Board. The Chief Accounting officer stated in June 1965 that 5 of the 11 buses did not belong to the Board and in regard to the 6 other buses the matter was being looked into.

An examination of the Boards of Survey reports for 1964 revealed that of the 6 buses referred to above, one had been verified at Werahera, one converted to a lorry, and another used as a Break-down Van at Ratnapura. These buses had, however, not been included in the Register of assets and consequently their value excluded from the accounts for 1964.

The depreciated value of the bus fleet is only Rs. 53,668,690. The figure of Rs. 147,245,865 includes reinvestment of provision for depreciation

Of the six buses referred to as not accounted for:

- two are conversions and the asset cards show them under the old numbers. They have been included in the accounts for 1964.
- one had been converted into a lorry, and the asset card appears under "other vehicles account."
- two had not been taken into account as they do not belong to the Board, and
- the value of one bus will be included in the accounts for 1965/66.

(a) *Depreciation on Buses:* In paragraph 9(a) of my report on the accounts for 1963, it was stated that the Chief Accounting Officer had undertaken to provide depreciation for buses in accordance with the recommendation of the H. E. Peiris Committee, viz: to classify the entire fleet into a number of types based on their life expectancy and to provide depreciation on the reducing instalment method.

The Board has since reconsidered the matter and decided in December 1965 to continue the existing practice of providing depreciation of 25% on reducing instalment method.

(b) *Depreciation on Buildings* As in the previous years depreciation for 1964 on buildings (new buildings put up by the Board as well as old buildings taken over from the previous bus operators) was provided at 2 1/2% of cost.

In paragraph 9(c) of my report on the accounts for 1963 it was stated that provision for depreciation in respect of both new and old buildings at a flat rate of 2 1/2% was unrealistic and that the residual life of the buildings should also be taken into account in determining depreciation. The Chief Accounting Officer has since taken action to assess the residual life of the old buildings taken over with a view to providing depreciation on a realistic basis with effect from 1965.

(a) The decision to provide depreciation at 25% on reducing balance method was made not because of existing practice, but because, under this method, a bus costing Rs. 40,000/- will get reduced, on its normal life expectancy of 12 years, to Rs. 1,200/- which will be the actual scrap value in normal market.

(b) On the advice of the Engineers of the Board, provision for depreciation on buildings taken over from previous bus operators is being charged at 5% of the cost commencing from 1965.

Disposal Account.

	Rs.
(a) Buses	292,378
(b) Other vehicles	2,202
	<u>294,580</u>

This information has since been furnished to Audit.

Of the 636 buses and other vehicles scrapped during 1962, 1963 and 1964, 417 had been disposed of leaving a balance of 219 at December 31, 1964. The above sum represents the book value of these 219 buses and other vehicles. The value of buses and other vehicles scrapped prior to 1962 but not disposed of has been omitted.

I requested the Chairman in April 1965 to furnish me with a list of vehicles scrapped prior to 1962 and awaiting disposal but a reply had not been received up to June 30, 1966.

11.

Payments in Advance — Lands — Rs. 1,825,406.

Rs. 1,382,619 of the above figures relates to advances paid for acquisition of lands as far back as from 1958 to 1962 as per particulars below:—

Year	Amount Rs.
1958	135,000
1959	103,278
1960	214,713
1961	743,365
1962	186,263
	<u>1,382,619</u>

These advances remained unadjusted up to December 31, 1964.

The process of land acquisition is long drawn out. It is necessary for the title to be vested in the Board before the payment is brought into the Asset Account though the Board is actually in occupation of the land. Until this is done, payment made is allowed to remain as "payments in advance," though actually there is no advance payment for land.

12. Motor Spares, Materials and stores in stock — Rs. 49,702,570:

- (i) The sum of Rs. 49,702,570 is made up as follows:—

	Rs.
Stores and fuel, lubricants, tyres, tubes etc. at Central Stores, Werahera	32,461,216
Stores at the various Districts	9,901,095
Fuel, lubricants, tyres, tubes etc. in the District Stores	7,340,259
	<u>49,702,570</u>

- (i) This is an informatory paragraph. No comments.

- (ii) As stated in paragraph 11 of my report on the accounts for 1963 the stores accounting procedure laid down by the Board in 1960 is as follows:—

- In the financial accounts of the Head Office, stores purchased are debited at cost and issues made during the year and the balance stock at the end of the year are valued at standard prices and credited. The balance of this account which represents the difference between the purchase prices and standard prices is transferred to a "Stores Adjustment Account."
- A memorandum account where both purchases and issues are shown at standard prices, is maintained at the Finance Division, Werahera.
- The stores are subject to continuous verification and the verified stores

- (ii) The prescribed Stores Accounting procedure could not be followed in 1964 as the Stock Control Cards and even some of the Bin Cards were always in arrears, and at one time the balances according to the cards were far from reality. Continuous Verification which was necessary for compliance with the procedure laid down, could not be carried out satisfactorily due to the large number of vacancies that remained unfilled, in addition to the cards being in arrears. Therefore, a complete verification of the Central Stores was commenced in 1964 and finalised in 1965. Immediately after this, complete verification was carried out in all District and Imprest Stores. As each item was verified a new Bin Card and a new Stock Control Card were opened, showing the verified balance as the commencing balance. Continuous verification is now being satisfactorily carried out.

in hand are valued at standard prices and the total value reconciled with the balance in the memorandum account. In order to effect this reconciliation any discrepancies observed at the verification requires adjustment with due authority both in the memorandum account and in the stock cards. The reconciled balance is regarded as the value of stock in hand for preparation of the final accounts.

(iii) Stores at Central Stores,	
Werahera	32,461,216
Stores at the District Stores	9,901,095
	<hr/>
	42,362,311

(a) The Stores at Werahera and at the districts were subject to continuous verification up to October 1964 only. However, the verified balances were not compared with the stock control card balances and the value of Discrepancies ascertained for purposes of reconciling the value of the verified balances with the balances in the memorandum account. According to the Board this reconciliation could not be effected as the Stock Control Accounts had fallen very badly into arrears and did not reflect a true picture of the actual stock position. In the circumstances the Board decided that a complete verification of all items of stores should be carried out and accordingly the verification commenced in November 1964 but could not be finalised before the end of the year. Therefore the procedure outlined at paragraph (ii)(c) was not followed and the balances of the memorandum account as at December 31, 1964, viz: Rs. 32,461,216 and Rs. 9,901,095 have been shown as the value of stores at the Central Stores, Werahera and at the districts as at December 31, 1964.

In the above circumstances I am unable to satisfy myself in audit that Rs. 32,461,216 and Rs. 9,901,095 correctly represented the value of stores at the Central Stores, Werahera and at the districts as at December 31, 1964.

(b) Rs. 32,461,216 shown as value of stores at Werahera, did not include

(iii) As regards Central Stores at Werahera, when the results of the physical verification are incorporated in the accounts for 1965, the book balance is Rs. 33,818,186.05, and the value according to the Stock Control Cards which commenced with the physical verified balance and which were subsequently subject to continuous verification is Rs. 32,690,045.07 representing a difference of Rs. 1,128,140.98. The balances in the memorandum account are being re-checked and at the moment it is not possible to say whether the above difference is due to error in posting or pricing.

A statement of physical shortages and, excesses as between Stock Control Card balances and verified balances revealed at the complete verification in 1964/1965 has been drawn up. This shows shortages amounting to Rs. 2,096/33 and excesses amount to Rs. 1,387,548/62 resulting in a net shortage of Rs. 708,634/01. These shortages and excesses cannot be said to be real as some of the stock control cards tested revealed that certain transactions have not been posted. In order to eliminate posting errors, items in which there are differences of over Rs. 100/- are being re-checked. This check is expected to be completed in about 3 months' time.

In regard to District Stores, a complete verification was carried out, and verified stocks as at 30.9.1965 amount to Rs. 7,885,331.84 as against the Ledger balance of Rs. 7,810,485/97. The difference is Rs. 74,845.87. This difference is also being investigated. As against the difference of Rs. 74,845/87 mentioned above, physical shortages and excesses compared to Bin Cards amount to Rs. 242,463/63 and Rs. 253,099/53 respectively, showing a net excess of Rs. 10,635/90. These shortages and excesses could not be checked against the Central Record Cards maintained at Werahera, as the system has completely broken down and no comparison is possible.

The stores work has been decentralised and central records have been established at each

Rs. 41,928 being the cost of motor spares which the Chief Supplies Officer of the Board proposed to return to the foreign suppliers. These items had not been returned up to April 30, 1966. I requested the Chairman in March 1966 to let me know the terms on which these items were to be returned to the suppliers and the reasons for their return. His reply is awaited.

(iv) **Fuel, lubricants, tyres, tubes etc. in the District Stores — Rs. 7,340,259:**

Apart from the general items of stores which are subject to continuous verification items such as fuel, lubricants, tyres, tubes etc. in stock at the district stores are verified at the end of each year.

These items were verified at December 31, 1964, and valued at Rs. 7,340,259 which figure is included in the Balance Sheet figure of Rs. 49,702,570. The value of these items of stores according to the financial books, was however Rs. 8,023,534. The difference of Rs. 683,275 represented shortages to the value of Rs. 1,565,579 and excesses to the value of Rs. 882,304. Pending investigation these 2 figures have been included in Rs. 2,418,434 and Rs. 1,418,248 shown in the Balance Sheet against "Shortages Suspense Account" and "Excesses Suspense Account" respectively.

Region, and a Regional Supplies Assistant has been appointed with effect from 1.9.66. The maintenance of Regional Control Cards and Bin Cards should be satisfactory under their close supervision.

(iv) The shortages amounting to Rs. 1,565,579/- has been investigated and vouchers for consumption to the value of Rs. 1,168,627/85 have since been brought to account in the Accounts for 1964 as an adjustment to the Profit & Loss Account for 1965. In the course of this verification, it was found that some of the articles were wrongly priced. As the work is now being decentralised, more effective checks over the prices and documentation will be exercised. The excess of Rs. 882,304 has arisen in connection with the accounting of tyres. A partly used tyre is sometimes removed for technical reasons, and kept in the Stores to be re-issued on a suitable occasion at a subsequent time. Investigations revealed that the tyres have been priced and charged to the account every time they were issued, resulting in debits being made more than once. This sum is being brought into account as adjustment in the Profit & Loss Account for 1965. Instructions have been issued that when partly used tyres are issued out, the issue document should be stamped with the words "Used Not to be priced."

13.

Stock Shortages Suspense — Rs. 2,418,434

Stock Excesses Suspense — Rs. 1,418,248.

The shortages and excesses observed at the annual and continuous verifications are transferred to "Stock Shortages Suspense" and "Stock Excesses Suspense" accounts respectively pending investigation. The above figures include shortages totalling Rs. 852,856 and excesses totalling Rs. 535,944 observed for the years 1961 to 1963:

Year	Shortages	Excesses
1961 ...	325,923 ...	187,204
1962 ...	440,589 ...	239,794
1963 ...	86,344 ...	108,946
	<u>852,856</u>	<u>535,944</u>

The figures include shortages and excesses in 1964 already dealt with in para 10(iv). The balance to be dealt with are Rs. 852,856 as shortages and Rs. 535,944 as excesses as shown in the latter part of this paragraph. In the course of investigation, further posting and costing errors accounting for Rs. 82,951 against shortages and Rs. 23,348 against excesses were detected and are being adjusted. A sum of Rs. 280,276 representing the balance net shortage has been written off.

Commencing from 1966/67 continuous verification is being carried out, and each discrepancy report will be immediately followed up and prompt action taken.

It was stated in paragraph 13(ii) of my report on the accounts for 1963 that unless shortages and excesses of a particular year were investigated and action finalised at least during the succeeding year, large sums might have to be disposed of without investigation for want of documentary evidence and that it was desirable that shortages and excesses detected by the verifiers in a year should be dealt with in the Profit and Loss Account of that year.

Included in the Stock Shortages Suspense Account is Rs. 83,123 being the value of stores short received from suppliers abroad.

14.

Redundant and slow Moving Stores:

It was stated in paragraph 5(ii) of my report on the accounts for 1963 that a provision of Rs. 3,895,856 was made in respect of redundant and slow moving stores in that year's accounts. This provision has been increased in 1964 by Rs. 185,512 to Rs. 4,081,368.

Value of stores received short from Suppliers abroad amounts to Rs. 88,467. This is being investigated.

After the last complete verification, redundant and slow moving items have been marked in the lists and separately totalled to show the value under redundant and slow moving stores in various stores separately. These lists have since been handed over to Audit. As at end of September, 1965 total value of redundant spares is Rs. 3,661,280 including stores to the value of Rs. 1,131,004 physically transferred to the selling point at Ratmalana. The value of slow moving stores is Rs. 6,386,765. Provision made for redundant and slow moving stores, and 5% on other stores as at 30.9.65 totals Rs. 8,117,288.

15.

Materials and Stores in Unopened cases and in Transit Rs. 2,971,202:

Included in the above figures are the following purchases which were made from abroad as far back as from 1959 and not accounted for in the stores records but continued to be shown as "Materials and Stores in unopened cases and in Transit."

Of the payments made for foreign purchases during the period 1959 to 1964, there is no evidence of receipt of goods for payments amounting to Rs. 35,133.42, made up as follows:

Year of Purchase		Value of Purchases	
		Rs.	
1959	5,923
1960	3,094
1962	12,503
1963	8,249

Year of Payment		Amount	
		Rs.	Cts.
1959	...	...	5,923.27
1960	...	...	1,787.60
1961	...	...	1,306.27
1962	...	...	12,503.30
1963	...	...	8,979.45
1964	...	...	4,633.53
		35,133.42	

The need to clear these amounts has been pointed out to the Chief Accounting Officer.

* As stated in paragraph 13(iii) of my report on the accounts for 1963, these two figures represent the shortages and excesses at only two sectional stores at Werahera. The shortages and excesses at the balance 10 sectional stores at Werahera and at the 21 district stores were not brought to account.

As it has not been possible to trace the documents in respect of these consignments in order to ascertain how the goods were cleared and to whom they were handed over, authority has been granted by the Board at its meeting held on 27.10.66 to charge the sum of Rs. 35,133.42 to the vote for losses, and to clear the debits in the "Purchases Suspense Accounts." (These losses are over a period of 6 years and represent about .0003 of the total annual foreign purchases.

16. Deposits — Rs. 470,477.

This sum is made up as follows: —

	Rs.
Deposits with Principal Collector of Customs ...	35,021
Deposits on Franking Machine ...	3,814
Other deposits ...	431,642
	<u>470,477</u>

Registers of deposits have been maintained but receipts in support of the deposits made or confirmations from the parties concerned had not been made available for audit though called for.

Receipts for these deposits have been annexed to the Vouchers.

17. Advances to Employees — Rs. 7,304,201.

This sum represented the total of the main ledger balances of the following five advance accounts:

	Rs.
(i) Festival Advances ...	699,476
(ii) Salary Advances ...	365,684
(iii) Travelling Advances ...	78,526
(iv) Transport Advances ...	81,911
(v) Debt Redemption Scheme ...	6,078,604
	<u>7,304,201</u>

The totals of the individual accounts in the register of advances except the Transport Account had not been correctly reconciled with the main ledger balances. Reconciliation statements were prepared by the Board's officers but these contained a number of errors and omissions.

Due to incorrect postings, the ledger showed that in respect of certain advances the recoveries made exceeded the amounts advanced.

Advances paid and recovered have to be reconciled with records in 49 Depots, 10 Regional Offices and 2 Headquarter payment offices. The accounts relating to most of them have been reconciled, and about 8 more Depots accounts have to be completed. This is being done and is expected to be completed within the next 2 months.

18. Sundry Debtors — Rs. 2,842,264.

(a) Included in the above figures are the following losses: —

- (i) Rs. 10,485 being the balance due out of the sum of Rs. 18,005 misappropriated by the Regional Accounts Officer, Negombo in 1961.
- (ii) Rs. 4,259 being the value of season tickets lost at Ja-ela Depot.

- (a) (i) The balance outstanding as at 31.8.66 is Rs. 7,779.98. Instalments are being received regularly.
- (ii) The position remains the same as indicated in my reply to the 1963 Audit Report. Action will have to await completion of the Court Case.

(iii) Rs. 8,886 misappropriated by a clerk in Gampola depot in September 1962.

(iv) Rs. 5,337 being the value of 11 tyres lost at Anuradhapura unit in February and March 1963.

(v) Rs. 10,331 stolen from Peliyagoda depot in November, 1964.

(vi) Rs. 5,160 lost at Maharagama Depot in January 1964.

(vii) Rs. 1,000 stolen from Kandy North Depot in April 1964.

(viii) Rs. 373 being the value of season tickets revenue misappropriated in 1962 at Negombo Depot.

(ix) Rs. 750 being the value of spare parts lost at Kegalle in January 1963.

(iii) The persons directly responsible for the fraud have been dismissed from service, and charges of negligence framed against the Assistant Regional Manager (Accounts) are now being inquired into.

(iv) The loss took place on two different occasions. The value of two tyres (Rs. 837.44) is being recovered from the officer responsible.

As regards the balance 9 tyres, action is being pursued.

(v) The Depot Inspector on cashiering duty was suspended from service for 6 months and half-pay for the period of interdiction was not paid. The explanation of the two graded officers who entrusted cashiering duties to an unsecured Depot Inspector from whose custody the amount was lost has been called for, with a view to fix responsibility.

(vi) Disciplinary inquiry was held against the three officers responsible for the loss and one officer was dismissed from the Board's service and other was suspended from service for 3 months and the third was fined. The officer who was dismissed from service has appealed against the order which is still pending.

A claim also has been sent to the Insurance Corporation and the matter is being pursued.

(vii) Officer directly responsible for the loss has been dismissed from the Board's service. As this officer has not furnished any security, action is being taken to fix responsibility entrusted on unsecured officer with cashiering duties.

(viii) The position remains the same as indicated in my reply to the 1963 Audit Report. Action will have to await completion of the Court Case.

(ix) Watcher responsible for the loss had been dismissed from the Board's service on another incident. The matter is being pursued further.

- (x) Rs. 1,057 being the value of a "Camp" ticket machine damaged at Kegalle in August 1963.

(b) the above figure also includes:

- (i) Rs. 196,699 being the value of materials and stores given on loan to private parties and remaining unrecovered as at December 31, 1964 according to the Main Ledger. This figure included the value of materials loaned as far back as 1959.

- (ii) Rs. 18,088 being the balance recoverable out of Rs. 20,985 overpaid to garage and workshop staff at Ratmalana from 1960 up to end of December 1962.

- (iii) Rs. 172,356 which according to the Board's Main Ledger was the balance as at December 31, 1964 of the advance payment made to the Principal Collector of Customs, to cover customs duty, clearance charges etc. The subsidiary records maintained at Werahera however showed the balance of this account as Rs. 10,372/-. When this difference of Rs. 161,984 was pointed out to the Chief Accounting Officer in March 1966 he stated that steps were being taken to effect a reconciliation.

- (x) Authority has since been granted to write off the loss. The Conductor responsible was fined Rs. 500/- after the inquiry.

- (b) (i) Of the sum of Rs. 196,699.20 outstanding as at 31.12.64 sums aggregating to Rs. 77,249.22 have been settled up to 30.9.65, leaving a balance of Rs. 119,449.98. Most of the items making up the balance are in respect of materials issued to be returned to suppliers. Some of these materials have been already despatched and remittances from the suppliers are awaited. In the case of some others, the necessary Export Control and Exchange Control permits are awaited. In the case of few others arrangements are being made for the necessary freight. The progress in regard to these and the other outstanding items is being closely watched.

- (ii) This overpayment has occurred as a result of a wrong conversion of wages. The Board decided that the overpayment should be recovered from the workers at the rate of Rs. 5/- per month and recoveries were being made accordingly. Subsequently, the recoveries were withheld on representation made by the employees. The matter was placed before the Board at its meeting held on 14.3.66 and the Board confirmed its original decision that the overpayment should be recovered in instalments of Rs. 5/- per month. The recoveries are being continued from the wages of the employees concerned from April '66.

- (iii) The account has since been reconciled and the necessary adjustments made.

(a) According to the books of the Board the loans obtained from Government up to December 31, 1964 totalled Rs. 112,998,779 whereas the figure according to the Treasury books was Rs. 114,305,299. The difference of Rs. 1,306,520 is attributed by the Chief Accounting Officer to incorrect debits by the Treasury. The Board is in correspondence with the Treasury on the matter.

(b) The loans were obtained from the Government under the provision of Section 28(2) of the Motor Transport Act and were received from the Treasury in instalments from time to time and carry interest at 4% per annum. Interest due from the Board up to December 31, 1964, amounted to Rs. 21,846,681. Rs. 1,281,984 being the interest due up to January 31, 1959, was appropriated by the Treasury from loans paid to the Board in 1958 and 1959. Rs. 20,564,697 appearing against the item "Interest on Government Loan" under "Current Liabilities and Provisions" represents the balance interest due to the Treasury for the years 1960 to 1964.

The interest for 1964 which amounted to Rs. 4,518,816 has been provided for in the Profit and Loss Account under "Interest and other charges — Treasury Loans."

(c) In June 1962 the Treasury informed the Ministry of Labour and Nationalized Services, that the loans granted to the Board were repayable in 10 equal instalments commencing after one year from the date of each payment of the principal sum and requested that the Board be directed to make provision for such payments in its accounts. In terms of Section 33(1)(d) of the Motor Transport Act, the repayment of the principal of any government loan constitutes a charge on the revenue of the Board. In regard to the repayment of this loan by the Board, no provision has been made in the accounts.

(a) The difference of Rs. 1,306,526 has since been reconciled and is found to be due to an incorrect debit in the Treasury.

(b) & (c) The same question was raised in paragraph 190 of Parliamentary Series No. 1 of 1965. Although the Board has made a profit in 1964 the accumulated losses got covered only in 1965/66. The Board has been utilising the Government loan allotted to it for development purposes. It has not been able to set apart any money in the General Reserve for its Development Programme, as the accumulated deficits of the earlier years have not been covered. The Board has prepared a 10 year Development Programme for the essential development and expansion of the services to provide a satisfactory service to the Public. This Development Programme has to be self-financed, as borrowing from Banks not only will involve a high interest but the Banks require a Government Guarantee for repayment, as repayment cannot commence immediately and will necessarily have to be spread over a long period.

The money reserved for interest has been invested in Capital Development and stock-holding as the sum of Rs. 18 M. originally allocated for stock holding was found insufficient.

The position in regard to repayment of loans and determination of the financial relationship of the CTB with the Central Government, vis-a-vis the question of fixed fares and capital required for essential development to meet increasing traffic demands, has been placed before the Ministry on 14th February, 1966 and no decision has been made as yet.

The above figure represents the Board's Main ledger balance. The balance according to the Register of Tender Deposits maintained at Werahera was Rs. 54,107. The difference of Rs. 3,691 was brought to the notice of the Chief Accounting Officer who undertook to have this difference reconciled. The reconciliation had not been done up to June 30, 1966.

A reconciliation up to 30.9.65 has since been effected.

Expenditure on Staff Welfare in 1964 was met from three different sources as shown below:

- (a) Funds provided in the Board's Budget.
- (b) Fines Fund.
- & (c) Staff Welfare Fund.

In the previous years welfare expenditure was met from two sources, viz: Funds provided in the annual Budgets and Fines Fund.

In paragraphs 17 and 20 of my reports on the accounts for 1962 and 1963 respectively, it was stated that incurring expenditure on welfare from two sources was not conducive to satisfactory control of finance and that the Chief Accounting Officer who was requested to place the matter before the Board for a decision had not done so. However, expenditure on welfare was financed from a third source as well, viz: Staff Welfare Fund in 1964.

22. Central Workshop — Work Done Account for the year ended December 31, 1964.

	Rs.
Direct Wages: (a) Capital ...	862,433
(b) Maintenance ...	1,787,751
	<hr/>
	2,650,184

(i) The wages abstracts for the year totalled Rs. 3,747,896. Rs. 2,650,184 only had been charged to jobs direct and the balance Rs. 1,097,712 was regarded as overheads and apportioned on a percentage basis among the jobs.

This sum of Rs. 1,097,712 comprised the following:

(a) Holiday pay and arrears of wages etc. ...	694,807
(b) Booked idle time ...	102,190
(c) Unbooked time ...	300,715
	<hr/>
	1,097,712

(ii) The value of booked idle time during the year was Rs. 102,190 as against Rs. 13,000 for the previous year. According to the Chief Accounting Officer the increase was due to breakdown in machinery, hold up of jobs for want of materials and improvements in recording idle time. He has agreed to a suggestion made in audit that reasons for idle time be noted in the job cards in the future.

The scope of the activities to be financed from each of the sources mentioned in this paragraph have been clearly defined in the Rules approved by the Board at its meeting held on 31st January 1966.

This is an informative paragraph. No comments.

(iii) The value of unbooked time amounting to Rs. 300,715 was explained by the Chief Accounting Officer as follows:—

“Some of the Labour Reports got lost in the course of the year and records were compiled from information available. In this process, it was not possible to ascertain details of labour cost amounting to about Rs. 150,000. In regard to the balance sum of Rs. 150,715 not booked on jobs, it is found that the Supervisory Staff in the Workshop has yet to come to a stage of perfection to ensure that all Attendance Time is booked on some job or the other, or all the idle time is booked against the Idle Time Job Number. However, the percentage has been considerably brought down through the years.”

		Rs.
23.	Materials: (a) Capital	... 3,311,959
	(b) Maintenance	... 5,946,365
		<u>9,258,324</u>

This represents the total cost of materials charged to jobs.

A control account for the materials drawn by the various workshops was not maintained. A reconciliation of the total cost of materials shown as consumed in the job cards with the control account balance was, therefore, not possible.

The Chief Accounting Officer, to whom this was pointed out in March 1966 agreed to maintain the necessary cost ledgers, and control accounts commencing from 1967.

This is an informative paragraph. No comments.

		Rs.
24.	Overhead Charges: (a) Capital	... 1,561,085
	(b) Maintenance	3,214,391
		<u>4,775,476</u>

The rates of overheads charged in 1964 was Rs. 1.26 per hour for jobs done in the first quarter and Rs. 1.53 per hour, for jobs done in the subsequent three quarters. In the previous year the rate of overheads did not exceed Rs. 1.19. In explaining the increase in the rate of overheads

This is an informative paragraph. No comments.

for 1964 and especially the last three quarters of the year the Chief Accounting Officer stated:

“Some of the man hours which should have been booked on jobs to the value of Rs. 150,000 were not so booked as some of the labour reports got lost and this had effected a double increase in that the man hours over which the overhead was distributed had been reduced, whilst the cost of such man hours had been added to overheads.”

25.

Cost of Production.

Quarterly production cost statements showing month to month fluctuations in the cost of jobs which had been maintained during the previous years was discontinued in 1964; instead an annual production cost statement was prepared. The month to month fluctuations in the cost of jobs for 1964 could not therefore be ascertained.

A standing works order is issued for each type of repair job for the whole year except in the case of bus body construction. It is not possible to ascertain the cost of materials and labour in repairing each unit, and preparation of a Quarterly Statement showing cost of the jobs on the basis of total expenditure divided by the total number of units completed during the quarter will give no indication of the trend in costs. The question of at least reducing the works order to a batch and ascertaining the cost of the batch has been under discussion with the Engineers for the last one year. Due to difficulties in the stores in issuing these materials in such manner, it was not possible to implement this idea. At the time this idea was discussed, the Engineers stated that, for example, the engines are stripped and all parts so stripped are aggregated, usable parts are sorted out, and requisitions are placed for the balance items. In this process it is not possible to ascertain what the cost of materials consumed or labour consumed in repairing each engine will be. This matter is still being further examined. The Board has made an application to the British Government for a Costing Expert to be loaned, and this question will be further examined by the expert, for a suitable system to be introduced.

26.

Cost Accounts.

(i) The following shortcomings in the costing system of the Board in 1964 were observed:

- (a) Incorrect booking of labour;
- (b) Incorrect recording of materials;
- (c) Errors in computing cost of labour and materials;
- (d) Absence of standard lists of materials and man hours required for each type of bus body building;
- (e) Ineffectiveness of internal control.

(i) Incorrect booking of labour and incorrect recording of material still occurs although there has been improvement, compared to the past. Building up of cost-consciousness in the workshop staff has been discussed with the Engineers repeatedly. It is a problem that is being tackled, but unfortunately improvement in this direction is slow. This cost-consciousness has necessarily to be gradually built up.

Errors in computing cost of labour and materials have been substantially improved by systematic checks.

These shortcomings were pointed out in the previous audit reports as well.

(ii) Although the Chairman stated in February 1965 that standard lists of materials and man hours required for each type of bus body building would be prepared, this had not been done up to June 30, 1966. At a conference the Chief Accounting Officer had with the Engineers of the Board in April 1965 the latter agreed to prepare standard lists of materials and man hours required for reconditioning units such as engines etc. but this too had not been done up to June 30, 1966.

(iii) It was stated in paragraph 23 of my report on the accounts for 1963 that a committee appointed in 1961 to investigate and remedy the defects in the costing system made their recommendations in June 1963 and that the Chairman had informed me in February 1965 that action had been taken to implement their recommendations, and that a further reply would be furnished to audit. Up to June 30, 1966, I have not been informed of the action taken.

Working Account for the Year Ended December 31, 1964.

27.

Salaries, Wages and Allowances (Including Overtime) of Operation and Traffic Staff — Rs. 46,921,044.

(a) Of this amount, Rs. 12,478,118 constituted expenditure on overtime. The overtime paid to the Operation and Traffic Staff in the previous year was Rs. 9,810,790.

(b) As in the previous years this year too, there were instances where bus crews had been paid wages for days on which they were on no-pay leave and overtime for days on which they were absent. The leave registers had not been maintained correctly. There were also a number of errors in posting, computing and totalling the pay rolls resulting in overpayments.

The Chief Accounting Officer issued instructions to his staff in April 1965 that the pay roll should be checked before or immediately after payments were made. According to information furnished to me by the Regional Audit Officer, such checks had not been exercised up to April 1966.

(ii) Standard lists for each make and model have been prepared but a certain amount of difficulty is being experienced in arranging for the issue of the materials for one batch at one time from the Stores. This problem is being examined.

(iii) In regard to man hours an estimate is made based on previous experience. What is ideal is to work out man hours for each process or separate jobs for each different make and model. This is being kept in mind, but this will take time to be fully implemented.

(a) This is an informative paragraph. No comments.

(b) Pay records in respect of bus crews are compiled from a statement called the Variation Statement which is prepared by the Depots showing variations from prescribed duty rosters and schedules. This system was adopted from the London Transport Board as it gives a better control for the Operations to know the rate of absenteeism, breakdown of buses, etc. Unfortunately as against the 5% variations in the London Transport Board, variations here run in the region of 40% to 50%. Due to lack of sufficiently trained staff, and shortage of staff in Depots, errors have been made in Variation Statements, and it has not been possible to eliminate these errors. Six Internal Checking Officers were recruited and trained for this purpose, and there has been marked improvement in the Regions to which they were assigned. Due to paucity of recruitment from 1962 to 1964, the balance staff required for checking purposes has not been made available, and have not yet been appointed. When Staff is recruited, a closer check will be done.

As a further measure of improvement, the Board has decided to install punching clocks for the crews so that there will be no possibility of absentees being paid, but this will be subject to availability of foreign exchange.

Another problem was that the last day's variation statement reaches the Paying Unit on the 3rd or the 4th, and the Pay Sheet has to be made available at the Depot on the 7th morning for examination by the crews. This gives practically no time for the Pay Clerks to check their computations as they are compelled to work round the clock to have the pay sheets ready in time. To overcome this problem it has been decided to introduce a new system. In this first month when the system is introduced, payment of a standard amount will be made. This "standard amount" will be computed from the rostered duties for the month. Having made this payment, actual earnings will be computed, checked and re-checked throughout the month and adjusted in the next pay sheet, again adding a standard amount in respect of the month.

(c) The payment in Ratnapura depot referred to was an exceptional case where payment has been made purely on the rosters, completely ignoring the Variation Statements. In this case there has been negligence. The clerk concerned has been dismissed. Overpayments are being recovered.

(c) Test Audit checks on the pay rolls of Ratnapura depot for two days in each of the first three months of 1965 revealed overpayments totalling Rs. 2,500/-. These overpayments were pointed out to the Chief Accounting Officer in February 1966 with the suggestion that the pay rolls be completely re-checked. The re-checking brought to light the following overpayments.

Month		Amount overpaid Rs. Cts.
January 1965	...	8,867.66
February "	...	5,977.11
March "	...	3,751.98
April "	...	1,978.18
May "	...	3,760.37
June "	...	970.94
		<u>25,306.24</u>

The matter is under correspondence with the Chief Accounting Officer.

28. Salaries and Wages (Including Overtime) of Garage and Workshop Staff — Rs. 12,735,527.

Out of the amount paid to Garage and Workshop Staff, Rs. 2,258,743 was in respect of overtime. The overtime paid to the Garage and Workshop Staff during the previous year was Rs. 2,019,400.

This is an informative paragraph. No comments.

29. **Licence Duty on Buses — Rs. 1,810,551.**

In the year under review the Board failed to give notice of non-user to the Registrar of Motor Vehicles in respect of buses that were garaged for repairs, for periods ranging from 3 to 12 months and consequently did not get a refund of licence duty amounting to Rs. 58,828.

Due to similar failure in the previous years the losses sustained by the Board were as follows:

1961	...	Rs. 22,601
1962	...	" 47,000
1963	...	" 13,599

A memorandum setting out clearly why and how amendment to the Act was necessary has been sent to the Ministry.

30. **Repairs to and Maintenance of Buses — Rs. 30,478,260.**

(a) This sum represented the value of motor spares and other materials issued for repairs to and maintenance of buses, computed at standard rates fixed in relation to the last purchase prices of the previous year.

(b) (i) As in the previous years there was delay in the despatch of spares and materials from the Central Stores to the regional garages and consequently it became necessary for officers from these garages to call over at the Central Stores, frequently, with lorries, to collect the spares or to resort to local purchases at higher rates.

(a) & (b) (i) Delay in despatch of spares and materials from the Central Stores to the Regional Stores is due to the fact that the transport fleet is depleted due to breakdowns, as most of these vehicles are conversions of buses removed from the fleet as unfit for passenger transport and are more often in the garage than on the road. In these circumstances, Depot lorries called for materials at Werahera but in the majority of the cases, they brought loads of used tyres, units for repairs etc. and did not run empty one way, Local purchases could not be avoided. Orders have been placed for 20 new lorry chassis, and as soon as these vehicles are put on the road there will be no delay in transport of the stocks. A limit has been placed on the amount of local purchases at each Depot having regard to the size and condition of the fleet and the location of the Depot. Local purchases too will be reduced once the new lorries come on the road.

(ii) Delays in repairs to Fiat Tigrotto Buses.

Audit test examinations of the vehicles records at the undermentioned depots revealed that Fiat Tigrotto Buses were off the road for considerable length of time for want of spares, units, sub-units etc.

(ii) This was due to premature failure of gear boxes when this model of buses was put into operation. To remedy this, a modification had to be done by the manufacturers, and the modified gearbox kit had to be manufactured and supplied. Modified gear box kits have since been supplied by manufacturers free of charge, and fitted.

Region	No. of Buses	Number of days off the road
Ratnapura	12	27 days to 72 days
Kandy South	10	18 days to 146 "
Kandy North	4	30 days to 72 "

These delays were pointed out to the Chief Accounting Officer in December 1965 and in March 1966. A reply is awaited.

(c) Motor Spares and materials were issued to garages and workshops in units of barrels, sets, kits, etc. and accounted for as consumed in the Head Office books although the entire quantities issued in such units had not, in fact, been consumed. A record of the unused balances had not been maintained. Similar defects in the previous year were commented on in paragraph 27(b) of my report on that year's accounts.

The Chief Accounting Officer informed me in December 1965 that arrangements had been made to hold parts of kits, sets, etc. as separate stock items and to issue only those parts of the kits, sets etc. that were actually required.

(d) Control of consumption of stores

The following defects in the control of consumption of stores which existed in the previous year continued in the year under review as well:

- (i) used motor spares at garages were not kept in secured places so as to prevent their being surrendered over and over again for obtaining new parts.
- (ii) failure to prepare bills of quantities and maintain job cards for repairs and overhauls carried out at depot garages.
- (iii) spares and materials for repairs at depot garages were drawn at the discretion of the Depot Engineering Assistants who were also in charge of such repairs.
- (iv) motor spares and materials drawn from time to time for consumption, at depot garages and accounted for in the books as consumed had been kept unused with unserviceable spares.

The Chief Accounting Officer informed me in December 1965 that necessary instructions for remedying these defects had been issued.

(e) Batteries:

(i) Proper records had not been maintained to ascertain whether batteries served at least the periods guaranteed by the manufacturers who had agreed to grant rebates on premature failures. In the absence of these records rebates were not obtained in a number of cases where batteries failed prematurely.

(ii) The instructions issued by the Board require that defective batteries removed from

(c) It has since been decided that part numbers should be given on the kits for all the components so that even if a kit has to be drawn when a single component is not available, unused components can be recorded in a Register and accounted for.

(d) Instructions have been issued on 16th June 1966 that the used motor spares should be marked or labelled with the number of the bus from which it was removed and the date on which it was removed, and kept locked up, without making them accessible to anyone.

Instructions have been issued that Job Cards should be opened for every job. It is not possible or necessary to prepare Bills of Quantity for every minor repair job. Instructions have therefore been issued that where the estimated cost is over Rs. 5,000 a proper estimate should be made, and approval of a superior engineering officer should be obtained. The Depot Engineering Assistant is the highest officer available at the Depot and is an officer of Staff Grade, and if he is not allowed the discretion to draw the necessary spares and materials, and if, for every job, he has to go to the Regional Office and obtain the approval of the Assistant Regional Manager (Engineering), the entire working will come to a standstill.

Motor spares and materials drawn for repairs and being kept with unserviceable spares is fraud, and whenever such cases are detected action is taken. When action under (a) to (d) above is taken, this should not occur.

(e) A circular was issued by the Chief Mechanical Engineer that all used batteries without cards should be returned to Werahera before 10.1.66. Between 1st January and 30th September 1966 a total of 3,766 used batteries both without cards and with cards have been received. Claims for premature failure have been raised wherever possible.

Instructions have also been issued that no batteries without cards should be found in Depots in future.

vehicles should be sent to Werahera within three weeks of such removal. These instructions were not complied with by several depots.

(iii) Audit Inspections of certain depots revealed that the batteries in these depots fell short of the quantities shown in the battery records.

The Chief Accounting Officer informed me in December 1965 that a committee had been appointed to draft procedures for effective and better control of batteries.

(f) Premature failure of batteries.

(i) In paragraph 27(d)(iv) of my report on the accounts for 1963 I referred to the rejection by the local agents of a claim made by the Board for rebate for 1981 service months lost consequent on premature failure of batteries purchased through them. The agents had informed the Board that rebate was not payable by them as the batteries became defective due to "the callous and irresponsible handling by the users." The matter was considered by the Tender Board on November 18, 1965, and the reasons given by the agents for the rejection of the Board's claim for rebate were not accepted. "As the purchase of batteries had since been limited to local suppliers and there being no prospects of any imports of this make of batteries" the Tender Board decided that "no purpose would be served in pursuing this matter."

(ii) On a general directive from the Ministry of Labour and Nationalised Services the Board obtained 1600 batteries during 1962 and 1963 from the People's Republic of China under the Economic Aid agreement. Rs. 103,431 was paid by the Board to the Treasury as cost of these batteries exclusive of expenditure on customs duty, landing charges etc. incurred by the Board. According to the Board some of these batteries failed prematurely. A guarantee in regard to the period of service of these batteries was also not obtained. When a suggestion in regard to obtaining of such a guarantee was made by the Board to the Treasury in 1962, the latter had expressed the view that it would be difficult to make such a request since the aid came in the form of an outright gift to the Government of Ceylon.

(g) Tyres.

(i) In paragraph 27(e) of my report on the accounts for 1963 reference was made to a sum of Rs. 243,087 remaining to be recovered from tyre rebuilding contractors out of the total sum

(f) This is an informatory paragraph. No comments.

(i) Out of the sum of Rs. 243,087 outstanding as at end of 1963, recoveries made up to 1.9.66 is Rs. 86,898, leaving a balance of Rs. 156,189 still to be settled. The claim involved

of Rs. 328,200 due to the Board as rebate on tyres rebuilt that had prematurely worn out during the six years ended December 31, 1963.

The Chief Accounting Officer informed me in May 1966 that the rebate remaining unrecovered, as at April 30, 1966, was Rs. 51,577 after setting off all monies due to the contractors and that as these contractors had no further tyre rebuilding contracts with the Board, legal opinion was being sought to effect the recovery.

(ii) In paragraph 27(h) of my report on the accounts for 1963 reference was made to inadequate records at the Supplies Division of the Board for the issue of tyres to depots and their return, after use.

It was also mentioned that 4078 tyres had been issued to depots without surrender of old or used tyres. The Chief Supplies Officer explained in November 1964 that these issues had been made to meet urgent requirements and that no further issues would be made unless all the tyres accountable by the depots were returned.

The Chief Accounting Officer informed me in November 1965 that in respect of the 4078 tyres issued without surrender of old tyres referred to above, 3393 old tyres had since been received from depots and that the rule "tyre for a tyre" could not be adhered to even during 1965. He further stated "it is proposed to issue a fixed float stock to every depot and to adhere strictly to the rule of a 'tyre for a tyre' in making replenishment in future.

(h) Tool Kits.

In paragraph 27(f) of my report on the accounts for 1963 reference was made to the issue of 6000 sets of tool kits purchased in 1963 to the drivers to enable them to attend to minor repairs "en route." It was also mentioned that the drivers did not usually carry the tool kits in the buses and an instance was cited where a joint inspection carried out by my staff and a Deputy Chief Accounting Officer of the Board in May 1965 revealed that 3 of the 9 drivers questioned at a bus stand with their buses could not produce the tool kits. The Chief Accounting Officer informed me in December 1965 that the Chief Operations Manager was taking measures to ensure that tool kits were carried in the buses and that minor repairs, if any, en route were attended to by drivers.

2,209 tyres out of which claims for 500 tyres have been withdrawn after representations and further examination, and claims in respect of 541 tyres had to be abandoned due to the defacement of the serial numbers and consequent difficulties in establishing the identity. The matter is being pursued. The sum of Rs. 51,577 referred to is the sum due from four firms with which the Board has no further contracts. Legal opinion has been sought on the matter.

(ii) Instructions were issued to Depot Superintendents to send back to Werahera all used tyres before 28th February, 1966, even though no Tyre Cards were available for them. They were also warned that there should be no tyres found in their possession after this date without a card. 2,600 tyres have been received in response. Action is being taken to recover the other tyres which are recoverable from the Depots.

In regard to the proposal to fix a float stock for every Depot, and to adhere strictly to the rule of "a tyre for tyre" float levels have since been fixed for each Depot and instructions issued for the maintenance of float levels accordingly.

(h) As the Tool Kits were issued personally to the Drivers, some of them have failed to carry them in the buses, pleading that there are no lockers in the buses for them to keep these tools. The Chief Operations Manager is issuing instructions that the tool kits should be carried by the drivers.

(i) Stores Accounting irregularities in Depots.

Audit inspections of depots revealed the following irregularities in accounting for stores.

(i) At Balangoda sub-depot spares and stores consumed in 1964 were not priced and brought to account in that year. 176 requisitions in respect of spares and stores consumed in 1964 were raised only in 1965. Consequently the consumption of spares and stores for 1964 has been understated.

(ii) 1027 requisitions on which materials had been drawn in 1964 for consumption at district garages had not been sent to Werahera to be priced and accounted for. This was brought to the notice of the Chief Accounting Officer who obtained certified copies of 772 of these requisitions and had their value brought to account. The value of the balance 225 requisitions remained unaccounted and as a result the consumption of spares and stores for 1964 has been understated.

(iii) In Negombo district store, the Store-keeper overstated issues in the stock cards. The differences between the quantities shown as issued in the stock cards and the actual issues as evidenced by the original issue documents (such as requisitions and transfer orders) were not satisfactorily explained. The copies of the issue documents retained by the Storekeeper had been altered to agree with the issues recorded in the Stock cards. I brought this to the notice of the Chief Accounting Officer in August 1965 and suggested that an examination of the stock records and a complete verification of the stocks at this district store be carried out.

The results of the examination and verification had not been communicated to me up to June 30, 1966.

(iv) Motor spares transferred from time to time from Jaffna district store to Kurunegala district store were taken delivery of by a Depot Engineering Assistant of Kurunegala at Jaffna but the spares were not brought to account at Kurunegala district store. When I pointed this out to the Chief Accounting Officer he had an investigation carried out and reported in March 1966 that spares to the value of Rs. 5,000/- (approximately) had been misappropriated by the Depot Engineering Assistant concerned and that the matter was being further looked into.

(i) The Balangoda Sub-depot was closed in 1964. The requirements of this sub-depot were met from an Imprest issued from Ratnapura District Stores. The sub-depot had not raised requisitions for the items consumed. This was detected in 1965 and the matter rectified.

(ii) A check on requisitions is maintained now. The missing requisitions had already been noticed and action was being taken while the Audit also pointed it out. All the outstanding requisitions have now been obtained and brought into account in 1965 as adjustment to the Profit and Loss Account of 1964. Regional Supplies Units have since been established, and all documents for materials issued for consumption are being promptly followed up, and this situation will not occur in future.

(iii) Verification has been carried out and disciplinary action is being taken against the Store-keeper. Under the new Regional Supplies Unit set-up and the introduction of the line and balance methods, the postings in the Bin Cards and Stock Control Cards would be agreed after every posting and such errors will not occur in future.

(iv) This matter has been handed over to the C.I.D. Under the new Regional Supplies set up the procedure has been amended, and a more rigid control will be exercised when materials are transferred from one unit to another.

(a) The above figure did not include Rs. 194,869 being the value of fuel issued by certain depots to vehicles of other depots. Consequently the value of fuel consumed had been understated by a similar amount.

(b) The fuel stocks in storage tanks on December 31, 1964 were measured by taking dip readings and compared with the respective stock book balances. In some cases the measurements so taken exceeded the stocks shown in the books and in some other cases they were less. The total value of excesses amounting to Rs. 52,089 is included in the sum of Rs. 1,418,248 shown under "Stocks Excesses Suspense" and the value of the total shortages amounting to Rs. 18,635 included in the sum of Rs. 2,418,434 shown under "Stock Shortages Suspense" in the Balance Sheet.

(c) The average mileage performance per gallon during 1964 according to the Chief Mechanical Engineer of the Board was 10.40 for single decker diesel driven vehicles, 8.32 for double decker diesel driven vehicles and 7 for single decker petrol driven vehicles. The Chief Engineer's figures were based on the records of mileage performances maintained by the depots and he has stated that the average performances indicated above were reasonable.

Test audit examination of these mileage records showed that in many cases fuel consumption had been understated and mileage operated overstated and vice-versa. The weekly average mileage performed by each vehicle showed wide fluctuations not only among vehicles of the same make but also among the same vehicles at different period in the same area.

As the previous instructions of the Board in regard to accounting for fuel consumption had not been complied with by the depot officers, the Chief Accounting Officer issued a fresh set of instructions in March 1966 with a view to tightening the control over issue of fuel and its consumption and providing for better supervision.

32.

Profit and Loss Account for the Year Ended December 31, 1964.

Salaries — Headquarters and Regional Offices — Rs. 9,245,971.

(a) Included in the above figures are —

(i) Rs. 3,530 being overpayment of salary to a Government Officer released for service under the Board

(a) Out of the fuel valued at Rs. 194,869 referred to, issues to the value of Rs. 126,230 has been traced and brought to account. The matter is being further investigated.

(b) According to the Oil Companies, dip-readings were meant only to show the vacuum and the need for ordering a re-fill, and are not accurate enough for accounting purposes. However, as this is the only method of ascertaining stocks, this has been adopted. In these circumstances, the dip-readings are bound to show small shortages and excesses. If there are undue shortages or excesses, the matter is investigated and action taken.

(c) At a joint inspection carried out by Audit and the Deputy Chief Accounting Officer in May, 1965, it was found that the records were incorrectly maintained. Instructions have since been issued that (a) the Officer-in-charge of the Log Sheets should extract information regarding fuel obtained from other Depots, (b) Depot Superintendents should maintain separate registers in regard to local purchases, (c) the Operations Section of the Depot should daily supply the information in regard to mileages performed by each bus to the Clerk in charge of the Fuel Performance Records, and his records checked by the Depot Superintendents and Depot Engineering Assistants, (d) the Assistant Regional Managers (Engineering) should also check these records on their visits, (e) the standard performance fixed in respect of vehicles should be reviewed and brought up to date and any difference between standard performance and actual performance should be investigated.

(a) (i) The overpayment was made as the letter of appointment had failed to recognise the fact that he was a

for the period April 5 to December 31, 1964.

Government Officer seconded for service, and the salary payable to employees directly recruited by the Board had been paid. The officer was written requesting that the overpayment be refunded. As no reply was received from him, the Permanent Secretary of his Department was addressed through the Permanent Secretary to the Ministry of Nationalised Services with a view of recovering this sum. No reply has been received yet. The matter is being pursued.

(ii) Rs. 1,500 being the salary paid to an officer of the Board for the period July to December 1964 during which she was released for work in the office of Ministry of Communications.

(ii) This matter is being pursued.

(b) Deductions made from salaries of certain officers on account of income tax, bank loans and housing loans had been refunded to them instead of being remitted to the appropriate authorities. I brought these irregular refunds to the notice of the Chief Accounting Officer in December 1965. He admitted that the refunds were irregular and stated that the refunds had been recovered and remitted to the proper authorities.

(b) This is an informatory paragraph. No comments.

33.

Maintenance and Repairs — Vans, Lorries, Board Cars, Etc. Rs. 302,693.

An examination of the running charts of the cars and motor cycles attached to the Head Office of the Board revealed the following shortcomings:

All officers in charge of Board Vehicles have been informed of the shortcomings and requested to observe the rules carefully. The form of the Mileage Log Book has also been amended. Whenever instances of private journeys being performed by Board vehicles have been observed, action has been taken.

(a) In a number of cases, journeys performed had not been authorised by any officer; in one instance, the driver himself had authorised a journey totalling 1065 miles.

(b) In some cases details of journeys had not been recorded.

(c) Where there had been deviations from authorised journeys, such deviations had not been subsequently approved.

(d) The purpose of journeys had not been noted.

- (e) Although use of Board cars for private journeys are prohibited in terms of Board rules, certain officers had used them for private journeys.

These were brought to the notice of the General Manager in June 1965.

34. **Subsidy on Canteen — Rs. 16,291.**

According to the Income and Expenditure Account of the Ratmalana Canteen for 1964 furnished for audit, the excess of expenditure over income which represents the subsidy by the Board was Rs. 15,749 but Rs. 16,291 had been shown in the accounts as subsidy. The difference of Rs. 542 has not been explained.

The Income and Expenditure Account of the Canteen for 1963 showed a subsidy of Rs. 10,382, but the accounts of the Board showed Rs. 7,655 as subsidy. This difference of Rs. 2,727 had not been adjusted up to June 30, 1966.

The differences pointed out are being investigated into and a very early reply will be sent to audit.

35. **Incentive Bonus to Staff — Rs. 3,414,420.**

The above figure represents the bonus paid to the Board's staff notwithstanding the Cabinet decision of May 1962 that "No Public Corporation, except banking Corporations should pay a bonus which is a percentage of the profit of the Corporation."

Covering approval has already been granted by the Cabinet at its meeting held on 22.2.66.

The payment of this bonus was commented on in paragraph 215 of my report on the accounts for 1963/64 (Parliamentary Series No. 1 of 1965) and the Public Accounts Committee in paragraph 32 of their report (Parliamentary Series No. 4 of 1966) recommended that "action be taken to regularise this payment by obtaining cabinet approval with retrospective effect without further delay."

Cabinet approval for this payment had not been obtained up to June 30, 1966.

36. **Write-off — Rs. 462,980.**

All sub offices and depots are required to furnish to the Head Office monthly statements of Losses and Shortages. These have to be investigated and action taken to recover their values or to write off as the case may be. A register is maintained in the Head Office to note particulars of losses and shortages, the value of which is recoverable or written off. At the end of the year a summary of the losses and shortages is extracted from the register referred to above and furnished for audit.

The omissions were due to the fact that some of the Regional Managers and Heads of Divisions have not furnished accurate information at the time the statement was prepared. The omissions have now been rectified. Registers have been brought up to date, and an amended statement will be rendered along with the 1965/66 accounts.

An examination in audit of the records referred to above revealed the following defects:

- (a) In a number of cases the value of stores and tickets lost had not been shown.
- (b) Some of the amounts shown as written off in the register of losses and the annual statement of losses furnished for audit were not included in the above figure of Rs. 462,980.
- (c) Reference to documents authorising write offs have not been given in the register of losses or the annual statement sent to audit.

I brought these defects to the notice of the Chief Accounting Officer in May 1966.

Other Matters Detected in Audit

37. Purchase of Second Hand Tourist Coaches from the London Transport Board.

Quotation was obtained in July 1964 from London Transport Board for the supply of 10 second-hand Tourist Coaches.

The General Manager of the Board arranged with the Manager, Engineering Department of Air Ceylon Ltd., who was in England in August 1964 to examine these second-hand coaches and furnish a report.

In his report dated August 24, 1964, the Manager, Engineering Department of Air Ceylon Ltd. stated that these coaches were 13 years old, the mileage claimed to have been done by them could not be verified due to absence of milometers, the engines, gear boxes transmission suspension etc. might have to be repaired or overhauled in the not too distant future; the basic price of £750 (excluding port dues and without springs and tyres) quoted by the London Transport Board was excessive and that an offer of £600 each would be fair and reasonable unless the Ceylon Transport Board was committed to obtain its requirements from the London Transport Board and were hard pressed for vehicles.

The report of the Manager, Engineering Department, Air Ceylon Ltd. also stated as continuation of the portion of the report that is quoted in this paragraph, that "if, on the other hand, that Ceylon Transport Board is to obtain its requirements from the London Transport Board and are hard pressed for vehicles, I would recommend their purchase at a price of £750 each." In view of the fact that there was pressure for the supply of these luxury coaches urgently by Foreign and Internal Travel Agencies, it appears that part of the recommendation quoted above has been acted upon without going back to the Board.

In regard to spares, although the Manufacturers were unable to supply spare parts catalogues, the London Transport Board and the A.E.C. have furnished a list of 270 items required for these coaches. The items were then ordered and some have since been received.

In regard to the public address system equipment, it is now found that no check lists had been prepared by the Engineer who received these vehicles, who unfortunately is now dead, and therefore, there is no record of the equipment being received for all the 10 vehicles. Besides the 4 found by the Audit, a further 4 sets have since been found in the Electrical Workshop, Werahera. A search is being made for the other 2 sets.

The approval of the Board for this purchase was obtained on August 20, 1964, before the receipt of the report referred to above. The contents of this report do not appear to have been placed before the Board for a fresh decision. An order however was placed on October 28, 1964, for the supply of the 10 coaches at the price quoted by the London Transport Board notwithstanding the observations contained in the report referred to above. These coaches were received in February 1965.

According to the Chief Supplies Officer of the Board "consideration has not been given to the requirement of spare parts and accessories and spare units and sub-units" in placing the order for the purchase of these coaches. With a view to importing such spares etc. the Chief Supplies Officer requested the London Transport Board in March 1965 to obtain for him a spare parts catalogue. The London Transport Board informed him in the same month that only 15 coaches of this type were designed for London Transport's particular requirements and introduced in 1951 and that the manufacturers were unable to supply a spare parts catalogue.

One of the conditions laid down by the General Manager in placing the order for these 10 coaches was that they should be fitted with public address systems in working order. An Audit inspection of a few of these vehicles in November 1965 revealed that such public address systems were not fitted.

The Board's Chief Supplies Officer has reported that the engine fitted to one of these coaches was different from the one specified in the quotation.

I brought these matters to the notice of the Chairman in December 1965 and called for his observations. I have not had a reply up to June 30, 1966.

38.

Conductors' Shortages.

In paragraph 31(c) of my report on the accounts of the Board for 1963 reference was made to short-remittances by conductors. Particulars of such short-remittances and recoveries made during the years 1958 to 1964 are as follows:

Year	Balance brought forward	Shortages during the year	Total	Amount recovered during the year	Amount written off with appropriate authority	Balance outstanding
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1958	—	429,497	429,497	338,030	—	91,467
1959	91,467	534,192	625,659	544,053	—	81,606
1960	81,606	389,128	470,734	403,751	357	66,626
1961	66,626	381,087	447,713	385,091	22,358	40,264
1962	40,264	483,159	523,423	457,694	12,800	52,929
1963	52,929	491,657	544,586	432,040	21,661	90,885
1964	90,885	423,421	514,735	378,464	20,332	115,938

This is an informatory paragraph. No comments.

Ticket Machines.

(i) In paragraph 31(b) of my report on the accounts for 1963 it was stated that 3,000 ticket machines had been introduced in 24 depots. 135 ticket machines were purchased in 1965 and distributed among some of these depots. According to the Board, further 3,000 machines would be required for the balance 28 depots, and arrangements were being made for their purchase.

(ii) **Use of Defective Ticket Machines in Buses:** Audit inspection of Matugama and Avissawella depots revealed that defective ticket machines were being used in buses. At Matugama some ticket machines printed incorrect serial numbers on the tickets and at Avissawella the value of the tickets were not printed clearly. I brought these to the notice of the Chief Accounting Officer in August and October 1965. He informed me in April 1966 that defective ticket machines should not have been issued under any circumstance and that precautionary measures had since been taken not to issue defective ticket machines.

40. (a) **Customs duty at Preferential Rates:**

Customs duty at preferential rates is payable on goods produced or manufactured in and consigned from Commonwealth Countries, provided that documents in proof thereof are produced to the Principal Collector of Customs.

It was observed at a test audit that in respect of 40 Leyland Chassis costing Rs. 766,400 customs duty had been paid at ordinary rates and not at preferential rates.

Similar payments of customs duty in the previous years were brought to the notice of the Chief Accounting Officer. He informed me in December 1965 that he was in correspondence with the Crown Agents to obtain the documents required by the Principal Collector of Customs.

(b) **Overpayment of Import Licence Duty.**

Import Licences are obtained by the Board on C.I.F. values estimated by its officials. A test examination in audit, of the Import Licence

(i) It was found that though the ticket machines were considered to be fool-proof, so many conductors have interfered with the working of the machines, that certain modifications were necessary to avoid such manipulation. After considering all the defects, world-wide tenders were called for and the tenderers were called up to discuss the modifications necessary to avoid such manipulation. It is now found that there is no foreign exchange, and no further ticket machines can be imported until the foreign exchange position improves. Even the existing machines are breaking down and more and more ticket books and pre-printed tickets are being used.

(ii) This is an informatory paragraph. No comments.

A register of Customs Entries at preferential rates is now being maintained up-to-date. The Crown Agents were informed that unlike in the case of Government Departments who have not to pay any duty, this Board is treated as a private concern for the purpose of Customs Duty, and therefore Certificates of Origin from the Suppliers is essential. As there has not been much improvement in the situation, this question was specifically discussed by the Chairman and Chief Supplies Officer on their recent visit to the United Kingdom with officials of the Crown Agents, and the position is expected to improve in future.

In regard to the 40 Leyland chassis on which duty has been paid at ordinary rates, a refund of Rs. 39,024/76 has already been obtained in September, 1966, and the refund of the duty on the other shipment is being pursued with the Customs Officials.

(b) The exact value of the imports is not always available as sometimes orders have to be placed before obtaining proforma invoices. In the case of purchase of buses and bus chassis,

duties paid in 1964 and the connected suppliers' invoices revealed that due to over-estimation of values there had been overpayments of duty totalling Rs. 13,770/- in respect of 13 licences. I pointed these out to the Chief Accounting Officer in December 1965, and requested him to have all invoices for 1964 and 1965 examined with a view to ascertaining whether there had been any other overpayments of licence duties. A reply is awaited.

freight payment cannot be accurately determined, Even when purchases are made on C & F. basis, the condition of purchase is that actual freight will be charged by the Suppliers. In these circumstances it is not possible to determine the exact amount for which a licence has to be obtained. It is unfortunate that whilst the Board has to pay additional duty when the value increases, the Import Control regulations have no provision for refund when value decreases. To a great extent this situation is being remedied by obtaining block licence for spares.

A reply has since been sent after examination of all the invoices for 1964 and 1965.

41.

Double Warehouse Rent etc.

Owing to the Board's delay in clearing cargo from the Harbour, Rs. 48,087 was paid in 1964 as "Double Warehouse Rent and Second Harbour Dues." Similar payments of Rs. 50,168 in 1962 and Rs. 211,475 in 1963 were referred to in my reports on the accounts of those years.

Double warehouse Rent and Second Harbour Dues become payable mainly due to the following causes:

- (a) Lack of sufficient transport.
- (b) Difficulty in obtaining import control permit for clearing the cargo when goods indented for in one year arrive in a subsequent year.
- (c) Delay in receipt of shipping documents.
- (d) Difficulty in locating cargo in the Warehouses due to cargo belonging to several consignees being landed together, and packages having to be traced in various warehouses in the Port.

The position however has since improved, and as against an average of Rs. 30,000/- per month in 1965, the figure has been brought down to Rs. 9,300/- per month in 1966, up-to-date.

42.

Refund of Unclaimed Emoluments.

The pages of the register of unclaimed salaries and wages for 1964 had not been serially numbered and one folio was missing.

Rs. 478 being part of the emoluments due to an officer was credited in August 1964 to the unclaimed salaries and wages account as the officer had not called for it.

According to the Shroff's Petty Cash Book this sum was refunded to the officer on September 17, 1965 on voucher No. 6516. The folio in

Instructions have been issued that separate registers of unclaimed emoluments should be maintained by each Clerk involved in the preparation of Pay Sheets, and that such books, registers, documents, etc. should always be kept under lock and key. The Clerk will be held personally responsible for the safe custody of these documents. In the absence of the Accountant who deals with the payment vouchers, such vouchers are now put up to the Deputy for his signature. A register is also now maintained in the Shroff's Office where the Shroff will identify the Payee, obtain his signature, and then only make payment.

the register of unclaimed salaries and wages in which this refund is supposed to have been recorded and the voucher on which the refund is stated to have been made are missing.

I brought this to the notice of the Chief Accounting Officer in October 1965. He stated that the matter had been investigated and it was found that "the payment had been made to a fictitious person."

This has been a solitary instance.

Appropriate Technology Services
121, POINT-BLANK ROAD
NALLUR, CHENNAI
No. 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tickets. When this was brought to the notice of the Regional Manager he stated that he was satisfied that "it was purely an omission." Inspections of the same depot by internal audit officers of the Board in January 1965 revealed that Rs. 2,771 out of the sale proceeds of season tickets for the period June to December 1965 had not been accounted for.

should be reconciled, the Depot Superintendent should ensure that the account is correct, and the amount realised has been correctly banked. Charges have been framed against the Depot Superintendent who failed to do this. The Regional Manager has also been informed that he should act with more sense of responsibility in such matters.

The employee responsible has been dismissed from service and a sum of Rs. 2,450/- has already been recovered. The balance Rs. 375/- has been noted for recovery against money due to him. Fresh instructions have been issued tightening up the procedure.

46.

Cancellation of Scheduled Bus Trips.

Audit Inspection of the Regional Accounting Office Jaffna in August 1965 revealed that some of the scheduled bus trips had been cancelled as conductors did not have an adequate supply of tickets and waybills. The Regional Manager explained that "nothing could be done as it was not possible to foresee rush of traffic and there was also an instance where the conductor was not aware of the fare stages etc." I referred this explanation to the Chief Accounting Officer for comments in December 1965. He had not replied up to June 30, 1966.

Scheduled trips had been cancelled on certain rare occasions due to the following reasons:

(a) When conductors had run short of tickets due to deviation of buses on new routes in order to clear sudden unexpected rush of traffic, where the consumption of tickets has necessarily been very heavy.

and (b) where newly recruited conductors were unaware of the fare stages of the routes operated by the respective depots. This has happened only in Jaffna. This was explained in detail by the Regional Manager at a Conference held on 23rd August, 1965.

A reply has since been furnished.

47.

General — Non-Utilisation of Lands Acquired.

Audit test examinations revealed that certain blocks of land acquired as far back as 1962 and 1963 by the Board had not been put to use up to March 1965.

When these were pointed out to the Chairman in March 1965 the Chief Accounting Officer explained in July 1965 that the time lag between acquisition of lands and developing them for the purposes for which they were acquired was due to —

(i) lack of provision in the capital expenditure budget for construction work in certain cases, and

(ii) change of priorities for establishment of depots, bus stands etc.

A list of lands acquired by the C.T.B. up to end of December 1963 has been compiled and information in regard to the use of these lands is being collected, and a reply will be sent early.

I have requested the Chief Accounting Officer to furnish me with a complete list of lands acquired up to December 31, 1963 but had not been put to use up to the end of 1965.

48.

Route Costing.

The H. E. Peiris Committee which inquired into the working of the Board expressed disappointment over the failure on the part of the Board to maintain reliable data of the costs and revenue of individual routes and recommended that operational costs should be maintained on a route by route basis. (Paragraph 170 of Sessional Paper IX of 1962).

I invited in July 1964 the Chairman's attention to the above report and inquired whether route costing would be undertaken by the Board. I have not had a reply up to June 30, 1966.

Although the H. E. Peiris Committee recommended route costing, the Board has not made any decision that these proposals should be implemented immediately. Compilation of Operational cost for each route involves a tremendous amount of work in collecting the data. Further linking of routes, and over-lapping of routes in this process which is very common in most of the City services makes compilation of routes more difficult. A start has been made in the preparation of operational results depot by depot. It is proposed to go through the next step of preparing the route costs after sometime when the preparation of operational cost depot by depot gets stabilised.

49.

Vouchers.

13 vouchers relating to payments made during 1964 amounting to Rs. 669,992 had not been rendered for audit up to June 30, 1966.

Of the thirteen vouchers 6 have been traced and produced to audit and 1 has been taken over by the Security Officer for production in a case. Other 6 vouchers appear to have been misplaced in the offices. A thorough check is being made to trace these vouchers and action would be taken to make available to the satisfaction of audit evidence in support of the expenditure incurred in the event of the vouchers not being traceable.

50.

Outstanding Audit Letters and Reference Notes.

The following letters to the Chief Accounting Officer and Reference Notes to the various Regional Managers remained unreplyed at June 30, 1966.

		1962	1963	1964
Letters	...	8	14	40
Reference Notes	...	—	—	103

The present position in regard to the outstanding letters and reference notes referred to is as follows:

1962: Replies have been furnished to all letters

1963: Replies are still due to 7 letters

1964: Replies are still due to 14 letters and 56 reference notes.

Every effort is being made to furnish replies very early.

(Sgd.) R. T. de Silva
Chairman,

CEYLON TRANSPORT BOARD.

(Sgd.) B. L. W. Fernando,
Auditor General.

Audit Office, Colombo 7,
31st July, 1966.

200, Kirula Road,
Colombo 5.
January, 1967.

ANNUAL STATEMENT OF STATISTICS — 1964

	1961		1962		1963		1964	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
I—CAPITAL EMPLOYED	69,534,218.00		74,185,981.00		76,478,064.00		77,187,120.00	
II—WORKING EXPENSES								
A. OPERATING								
1. Running:								
(a) Wages, Clothing & Provident Fund of Drivers and Conductors	34,488,410.45		34,619,953.57		33,972,721.00		39,693,102.34	
(b) Fuel, Oil & Lubricants	15,600,835.58		14,585,255.09		12,917,330.86		14,053,858.16	
(c) Heavy Oil Motor Vehicle Tax	4,919,499.31		5,339,384.82		5,576,267.53		6,558,109.47	
(d) Tyres & Tubes... ..	9,856,281.62		10,709,454.73		11,902,732.12		13,451,523.54	
2. Traffic:								
(a) Wages, Clothing & Provident Fund of Road Staff	3,702,331.62		3,492,550.12		3,784,695.08		3,770,451.79	
(b) Licence & Taxes (Buses)	1,558,291.57		1,702,496.09		1,689,903.40		1,810,551.24	
(c) Tickets & Way Bills	578,221.05		804,851.79		568,314.28		699,750.50	
	70,703,871.20		71,253,946.21		70,411,964.27		80,037,347.04	
B. ENGINEERING								
1. Civil Engineering:								
(a) Maintenance of buildings etc. (Depots & Garages)	172,476.25		568,898.56		100,839.53		250,761.11	
2. Mechanical Engineering:								
(a) Buses	25,985,379.35		26,122,719.28		26,576,844.70		30,502,537.75	
(b) Other vehicles	163,137.81		153,109.55		226,025.65		302,692.72	
(c) Plant, Machinery & Equipment	389,069.71		414,984.60		372,214.12		356,419.85	
TOTAL MAINTENANCE	26,710,063.12		27,259,711.99		27,275,924.00		31,412,411.43	
C. GENERAL EXPENSES								
1. Salaries, Provident Fund and Office Expenses (Depots & Garages)	4,675,104.98		6,212,048.70		6,465,301.05		7,101,857.72	
2. Licences (Lorries, Vans etc.)	13,172.44		5,657.10		3,995.00		280.00	
3. Compensation (Workmen)	29,754.66		30,632.11		30,423.78		29,213.98	
4. Insurance and Claims (Depots, Garages & Buses)	338,982.00		400,610.69		468,897.50		533,843.16	
5. Depreciation (Depots, Garages & Buses)	14,403,980.32		15,628,993.73		16,341,940.46		17,036,703.73	
6. Miscellaneous	116,206.01		97,251.08		253,536.50		155,047.75	
TOTAL GENERAL EXPENSES	19,577,200.41		22,375,193.41		23,564,094.29		24,856,946.34	
GRAND TOTAL OF WORKING EXPENSES	116,991,134.73		120,888,851.61		121,251,982.56		136,306,704.81	

	1961		1962		1963		1964	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
III—ADMINISTRATIVE EXPENSES								
1. Salaries, Provident Fund & Office Expenses ...	7,948,725.72		8,573,747.81		9,729,456.81		10,895,444.82	
(a) Regional ...	—		—		—		—	
(b) Head Office ...	—		—		—		—	
2. Training of Staff ...	—		—		—		—	
3. Licences & Taxes ...	9,251.67		19,285.50		25,555.00		19,430.00	
4. Maintenance of Buildings, Office Equipment etc. (Head Quarters, Regional Offices) ...	28,366.33		23,338.28		12,788.95		219,701.44	
5. Insurance (Head Quarters, Regional Office & Pool Vehicles) ...	67,285.09		77,893.13		62,654.30		89,690.26	
6. Medical ...	155,492.16		227,475.04		243,482.45		3,780,473.98	
7. Staff Welfare ...								
8. Legal ...								
9. Financial ...	4,529,102.91		4,966,383.15		6,841,632.17		6,661,418.47	
10. Commercial ...	60,002.13		75,693.93		62,862.15		106,996.43	
11. Depreciation & Provisions ...	1,014,140.00		626,871.49		1,398,991.41		376,004.17	
12. Tribunals, Committees & Commissions... ..	72,864.98		40,670.80		42,396.99		50,301.74	
TOTAL ADMINISTRATIVE EXPENSES	13,885,230.99		14,631,359.13		18,419,820.23		22,199,461.31	
GRAND TOTAL OF ALL EXPENSES	130,876,365.72		135,520,210.74		139,671,802.79		158,506,166.12	

IV—REVENUE

1. Passenger Fares ...	125,726,416.13	137,674,082.00	141,743,704.58	169,146,818.82
2. Luggage receipts ...	526,831.68	494,928.40	440,317.36	516,533.15
3. Special Hires & Excursions ...	327,916.69	302,588.61	282,847.03	519,283.11
4. Transport of Mails & Newspapers ...	502,998.82	589,401.44	880,879.96	845,132.40
5. Miscellaneous ...	939,829.24	956,703.99	1,167,571.81	500,078.73
	128,023,992.56	140,017,704.44	144,515,320.74	171,527,846.21

V—FINANCIAL RESULTS

A. Analysis of Revenue

1. Passenger fares per bus mile ...	cts.	104.21	112.36	118.68	122.21
2. Other revenue per —do— ...	cts.	1.90	1.91	2.32	1.72
3. Total revenue —do— ...	cts.	106.11	114.27	121.00	123.93
4. Revenue per passenger mile ...	cts.	3.75	3.72	3.75	3.79
5. Revenue per seat mile ...	cts.	2.11	2.24	2.35	2.39

B. Analysis of Expenses

1. Operating

(a) Wages, Clothing, & Provident Fund of Drivers & Conductors per bus mile ...	cts.	28.588	28.254	28.446	28.678
(b) Fuel, Oil & Lubricants per mile ...	cts.	12.932	11.903	10.816	10.154
(c) Heavy Oil Motor Vehicles Tax per bus mile ...	cts.	4.078	4.358	4.669	4.738
(d) Tyres & Tubes per bus mile ...	cts.	8.170	8.740	9.966	9.718

			1961	1962	1963	1964
2. Traffic						
(a) Wages, Clothing & Provident Fund of Road Staff per bus mile ...	cts.		3.069	2.850	3.169	2.724
(b) Licence and Taxes (buses) per bus mile ...	cts.		1.292	1.389	1.415	1.308
(c) Tickets & Way Bills per bus mile ...	cts.		.479	.657	.476	.506
3. Engineering						
(a) Civil Engineering per bus mile ...	cts.		.143	.464	.084	.181
(b) Mechanical Engineering per bus mile ...	cts.		21.997	21.783	22.754	22.514
4. General working expenses per bus mile ...	cts.		16.228	18.261	19.731	17.959
TOTAL WORKING EXPENSES PER BUS MILE			96.976	98.659	101.526	98.480
5. Administrative Expenses						
(a) Salaries, Clothing & Provident Fund per bus mile ...	cts.		6.589	6.997	8.147	7.872
(b) Depreciation & provision per bus mile ...	cts.		.841	.512	1.171	.272
(c) Other Expenses per bus mile ...	cts.		4.080	4.432	6.105	7.895
TOTAL EXPENSES PER BUS MILE			108.486	110.600	116.949	114.519
C. Loss per bus mile ...	cts.		2.364	3.670*	4.051*	9.411*
D. Total Expenses per passenger mile...	cts.		3.836	3.651	3.692	3.503
E. Total Expenses per seat mile ...	cts.		2.156	2.202	2.313	2.212

VI—FINANCIAL OBSERVATIONS

1. Percentage of working expenses to Revenue ...		91.38	86.33	83.90	79.46
2. Percentage of administrative salaries to revenue		6.21	6.12	6.73	6.35
3. Percentage of Financial, Legal and Other Administrative Expenses to Revenue ...		3.84	4.59	6.01	6.59
4. Percentage of Revenue to Capital employed ...		184.12	188.73	188.96	222.22
5. Percentage of working expenses to Capital employed ...		168.25	162.95	158.54	176.59
6. Percentage of Administrative and financial expenses to Capital employed ...		18.51	18.88	21.67	28.76
7. Percentage of loss to Capital employed ...		4.10	6.06*	6.3*	16.87*
8. Percentage of cost of operation and traffic staff (other than administrative staff) to total expenditure ...		30.19	30.43	30.46	30.49
9. Percentage of cost of engineering staff (other than administrative staff) to total expenditure ...		8.60	8.87	8.89	8.91
10. Percentage of total cost of Administrative Staff to total expenditure ...		6.07	6.33	6.34	6.36
11. Cost of repairs and maintenance per bus per year	Rs.	9,494.28	10,004.32	7,396.58	6,251.95
12. Cost of stores consumption per bus per year	„	6,586.28	6,945.06	3,489.30	3,492.66

* Profit

		1961	1962	1963	1964
13. Closing stock of stores per bus ...	Rs.	10,131.25	11,906.42	15,354.56	7,357.94
14. Percentage of closing stock to consumption	"	153.82	173.44	179.36	210.67
15. Emoluments to Staff:					
(a) Salaries ...	"	11,714,377.68	12,210,066.24	12,408,212.50	12,735,527.16
(b) Wages ...	"	47,563,765.58	48,334,844.14	46,974,826.51	46,921,043.73
(c) Provident Fund ...	"	2,812,295.24	2,873,420.39	2,879,744.56	2,783,030.38
TOTAL	"	62,090,438.50	63,418,330.77	62,262,783.57	62,439,602.27
16. Insurance Premia paid ...	"	188,982.00	240,539.69	316,746.15	235,963.16
17. Claims paid out by the Insurers ...	"	—	—	—	—
18. Claims met from the Insurance Reserve	"	102,115.30	211,297.89	218,753.90	297,880.00

VII—OPERATIONAL STATISTICS

1. Average scheduled speed in miles per hour:					
(a) City Services ...	...	11.32	11.36	11.39	11.41
(b) Long Distance Services ...	...	17.69	17.78	17.79	17.82
(c) Other Services					
(i) Low Country ...	...	14.29	14.44	14.46	14.48
(ii) Up Country ...	...	12.48	12.82	12.85	12.86
2. Average scheduled miles in service per vehicle per day:					
(a) City Services ...	...	116.3	117.1	118.1	119.0
(b) Long Distance Services ...	...	189.2	191.4	194.6	196.2
(c) Other Services:					
(i) Low Country ...	...	138.6	147.7	149.7	151.6
(ii) Up Country ...	...	118.3	119.1	119.8	120.0
3. Number of scheduled crew duties per day:					
(i) Monday to Friday ...	...	3,736	3,766	3,884	4,220
(ii) Saturday ...	...	3,722	3,753	3,883	4,188
(iii) Sunday ...	...	3,463	3,502	3,661	4,012
4. Average scheduled miles per crew per duty	...	97	97	98	99
5. Average scheduled miles worked per crew per duty	...	88	89	84	90
6. (a) Average Stand Time ...	...	Hrs. 1 Mins. 38	Hrs. 1 Mins. 36	Hrs. 1 Mins. 36	Hrs. 1 Mins. 32
(b) Average Reporting Time (Booking on and off) ...	...	26	26	25	27
(c) Average Steering Time ...	...	7 23	7 27	7 36	7 45
(d) Average Lay-over Time ...	...	20	20	18	17
Average scheduled payable duty time	...	9 47	9 49	9 55	10 01
7. Scheduled Productive Ratio (% of Steering Time to duty time) ...	...	75.5	75.9	76.8	77.4
8. Total scheduled mileage for the year ...	...	130,831,430	133,803,702	139,135,963	152,808,768
9. Total operated mileage for the year ...	...	120,636,509	122,529,145	119,426,355	138,406,268
10. Total lost mileage for the year:					
(a) Operational causes ...	...	4,552,679*	3,367,692	8,573,609*	5,453,789
(b) Engineering causes ...	...	7,168,961	9,744,441	12,884,080	12,894,674

* miles due to strike

	1961	1962	1963	1964
11. Percentage of lost mileage to scheduled mileage for the year:				
(a) Operational Causes ...	3.4†	2.5	6.2†	3.6
(b) Engineering Causes ...	5.4	7.3	9.3	8.4
12. Total Dead Miles for the year	2,288,321	2,228,905	2,159,555	2,059,434
13. Total passenger miles for the year	3,411,600,976	3,711,219,690	3,782,315,163	4,524,840,366
14. Total seat miles for the year	6,068,061,343	6,153,338,494	6,036,789,301	7,164,325,446
15. Average passenger journey in miles	5.5	5.6	5.7	5.7
16. Average earnings per passenger in cents	20.1	20.7	20.7	21.3
17. Average passenger capacity of the buses utilised	50.3	50.2	50.5	51.8
18. Total passenger capacity of the buses utilised	125,197	126,052	123,321	126,781
19. Total number of passengers carried	617,456,145	665,940,386	666,199,639	792,863,080
		*1,295,903	*4,453,516	
20. The capacity availed of expressed as a percentage of the capacity offered	56.3	60.3	62.6	63.2

VIII—FUEL CONSUMPTION

Mileage per gallon:

(1) Diesel				
(a) Double Decker	8.62	8.02	8.39	8.32
(b) Single Decker	11.23	10.82	10.89	10.40
(2) Petrol	8.07	7.61	7.97	7.00

IX—FLEET

1. Fleet owned	4,445	4,672	4,820	4,875
(1) Diesel	—	308	306	455
(a) Double Deckers	—	3,433	3,774	3,922
(b) Single Deckers	—	931	740	498
(2) Petrol	184	249	327	307
(c) Single Deckers	706	760	485	343
2. Less (a) Buses awaiting disposal	3,555	3,663	4,008	4,225
(b) Other buses not fit for operation	219	238	367	302
3. Operating stock of buses	3,336	3,425	3,641	3,923
4. Less: Buses required for reserve	684	812	613	425
5. Effective stock of buses	2,652	2,613	3,028	3,498
6. Less: Buses under repairs	2,632	2,649	3,006	3,222
7. Available effective buses	2,625	2,642	3,006	3,135
8. No. of buses required for scheduled service —	2,423	2,440	2,812	3,013
(a) Monday — Friday	—	2,511	2,442	2,716
(b) Saturday	74.6	73.3	67.1	77.6
(c) Sunday				
9. Average number of buses daily in service				
10. Proportion of average number of buses daily in service to effective stock of buses				

X—STAFF

1. Statistics —

(a) No. of Drivers —				
(i) For scheduled duties	5,036	5,269	5,290	5,991
(b) No. of Conductors —				
(i) For scheduled duties	5,907	5,952	5,829	6,999
(c) No. of Road Staff	1,881	1,375	1,374	1,355

* due to strike

† miles due to strike

	1961	1962	1963	1964
(d) No. of Engineering floor level staff ...	5,599	5,800	7,326	7,756
(e) No. of Clerical and allied staff ...	2,766	2,946	3,386	3,338
(f) No. of Supervisory staff ...	417	510	539	537
(g) No. of Administrative staff ...	114	110	110	113

2. Observations

(a) Average No. of (road) staff per duty ...	.50	.37	.35	.32
(b) Average No. of Engineering floor level staff per bus required for scheduled service	2.13	2.19	2.44	1.84
(c) Average No. of Clerical & allied staff per duty ...	.74	.78	.87	.79
(d) Average No. of Supervisory staff per duty	.11	.14	.14	.13
(e) Average No. of Administrative staff per duty ...	.03	.03	.03	.03

1964	1963	1962	1961	Observations
113	113	110	114	(a) No. of Administrative staff
237	239	210	417	(b) No. of Supervisory staff
3,336	3,386	2,916	2,760	(c) No. of Clerical and allied staff
7,350	7,350	2,800	2,580	(d) No. of Engineering floor level staff
0.3	0.3	0.3	0.3	(e) Average No. of Administrative staff per duty
1.3	1.4	1.4	1.1	(f) Average No. of Supervisory staff per duty
7.9	8.7	7.8	7.4	(g) Average No. of Clerical & allied staff per duty
1.84	2.44	2.19	2.13	(h) Average No. of Engineering floor level staff per duty required for scheduled service
32	32	37	20	(i) Average No. of (road) staff per duty

Appropriate Technology Services

121. POINT: $\frac{CAD}{CAB}$

NALLUR, -A - NA

No. _____

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