

Sri Lanka Sustainable Energy Authority - Performance Report 2016

1. 1. A summary of the performance of the organization

- 1.1 Total electricity generation using renewable energy is 1,169. There are 199 projects
- 1.2 Progress of all the projects to which Provisional Approval (PA) and Energy Permit (EP) were issued is monitored quarterly and given assistance in resolving issues.
- 1.3 Studies on Solar, Wind, Mini Hydro, Biomass and Wave Energy, Agricultural Waste and Urban Solid Waste are being carried out with the objective of providing inputs to create a roadmap for renewable energy. In addition to this, resource surveys technical evaluation for emerging technologies such as heat storage systems are carried out.
- 1.4 The SLSEA has intervened into the following projects to enhance the provision of energy services to rural communities, household, small and medium scale industries and agriculture sectors.
- 1.4.1 Provision of electricity for areas that do not have access to the national grid. (Sunithyaloka)
- 1.4.2 Providing Renewable Energy (RE) Solutions for Small and Medium Scale Industries and Rural Industries.
- 1.4.3 Implementation of “Sooryabala Sangramaya” concept in collaboration with CEB and LECO.
- 1.4.4 Evaluation of available technologies for basic energy needs and introduction of Renewable Energy (RE) solutions (provincial bio gas program)
- 1.5 Implementation of two major Renewable Energy (RE) Development Projects funded by Asian Development Bank (ADB).
- 1.5.1 **Solar Rooftop Power Generation Project;**
- Under this project, the SLSEA is implementing solar PV pilot projects in public and private sectors, with the objective of stimulating and popularizing photovoltaic power generation in Sri Lanka. The engineering faculties of universities are targeted particularly for public sector institutions. Activities completed under this project are given below:
- ✓ Installation of 4 Solar PV Systems in the University of Peradeniya, University of Moratuwa, University of Ruhuna and University of Jaffna by adding 200 kWp to the National Grid.

- ✓ Installation of **11** Solar PV Systems in Private Sector Institutions by adding **800** kWp to the National Grid.

1.5.2 Estate Micro Hydro Power Rehabilitation and Re-energizing Project;

Under this project, a 50 kWp micro hydro power project at Strathdon Estate owned by Wattala Plantations PLC was rehabilitated.

UNDP/ GEF/ FAO funded projects under the theme of 'Promotion of Sustainable Biomass Energy Generation and Modern Bio-Energy Technologies' and 'Action Plans for Mitigation of Emissions in generation of power in Sri Lanka' are being implemented and the SLSEA functions as the regulating body.

Specialties of the 2016 Action Plan - Key Activities

- Establishment of an Inter-Ministerial Committee on Renewable Energy with Cabinet approval.
- Identify and formulate important policy decisions to support the biomass energy sector.
- Establishment of biomass energy terminals and satellite supply systems.
- Drafting recommendations on effective policies and incentive schemes for the fuel wood supply industry.
- Continue to establish fuel wood planting models.
- Issue criteria and indicators for sustainable production of fuel wood
- Technology Exhibition Project - Phase II Continued and Completed.
- Conducting training, awareness and media campaigns and making a documentary video on the technology exhibition.

1.5.3 "Project for the Reduction of Greenhouse Gas Emissions in Sri Lanka's Power Generation and Use" (NAMA);

- Cabinet approval has been obtained to this project that can be used as a Monitor, report and verify (MRV) mechanism for Integrated Nationally Determined Contribution (INDCs) and a project financial mechanism to support the writing of funding requirements for project implementation to achieve NDCs. It is envisaged to establish the MRV framework for NDCs in Sri Lanka through a four year project from

2015 to 2018. There will be three types of projects that could be used as pilot projects for the MRV framework: They are,

1. Initially 1,000 units of bio gas in 5 provinces
2. 1,300 high-efficiency motors in tea factories and
3. 150 Solar Power Generating Systems with Battery Storage

1.6 Depending on the temperature and the location of the island in the Indian Ocean, there will be high strong wind flow.

The wind resource assessment project, recently carried out in the Northern Province under ADB funds reported the wind potential in the Mannar region as 375. Poonaryn Zone is another site that has been identified with over 100 potential.

Recent studies of solar potential by the SLSEA have identified 11 sites that the total potential is MV 1,100 in the Mannar, Ampara, Moneragala, Hambantota, Mullaitivu, Batticaloa and Polonnaruwa Districts. Further, the Wind Energy Resources Map compiled by the National Renewable Energy Laboratory (NREL) in 2003 identifies three areas where the wind resources are from good to excellent.

In 2009, the SLSEA first proposed the idea of establishing "energy parks" with a view to promoting planned wind and solar power developments that would benefit public and private sector developers. Infrastructure will be built. Investors are selected through competitive bidding to build their power plants in the last declared areas.

- ✓ In Monaragala, three potential sites were identified for a 100 MW solar power park and a site was selected in Kotiyagala. Preliminary discussions were held on land acquisition and the project staff was selected.
- ✓ A location for Pooneryn Wind Park has been identified and fixed. Resource evaluation was completed.

1.7 Through implementation of Energy Management Activities, energy savings have been achieved as electricity GWh 38, diesel - 11.04 million liters, furnace oil - 14 million liters, liquid petroleum gas (LPG) - 35 tons, fuel timber - 27.2 kt.

1.8 Through the introduction of ISO50001 Energy Management Systems, the Sustainable Energy Authority of Sri Lanka facilitates energy conservation in commercial, industrial and domestic sectors. ISO50001.

1.9 The SLSEA is carrying out various activities to create awareness with the provision of appropriate regulatory interventions to improve and manage energy efficiency in the industrial, domestic and commercial sectors.

1.10 Introduction of Standards and Regulations;

- 1.10.1 Standards for CFL bulbs were amended. Those were declared as Sri Lankan standards.
- 1.10.2 Regulation on making the energy label mandatory was published in gazette.
- 1.10.3 Energy Standards for Air Conditioning have been prepared and sent to the Sri Lanka Standards Institution (SLSI) for further action.
- 1.10.4 Energy Consumption Data in the Refrigerator are being checked. So far, about 15 refrigerators have been tested in various brands and models.
- 1.10.5 Volunteer energy label was introduced for LED bulbs.
- 1.10.6 Energy Standards have been set out for computers.
- 1.10.7 "Sri Lanka Building Code - 2008" was revised. It is expected to be published later this year.
- 1.10.8 "Guidelines for Sustainable Energy Homes in Sri Lanka" were prepared.
- 1.11 The SLSEA provides assistance in terms of consultancy services on energy related issues in industry, commercial and public sector organizations, finding solutions for issues, on-demand awareness programs and participating in ISO 50001 audits.
- 1.12 Energy Management in Industry and Commerce sectors is promoted through the implementation of the Sri Lanka National Energy Efficiency Awards (SLNEEA) Program.
- 1.13 The SLSEA assists in the formulation and implementation of energy management programs at the provincial level.
- 1.14 National Energy Conservation Program ;
 - 1.14.1 Four awareness programs for preschool teachers were conducted.
 - 1.14.2 Six energy conservation programs were conducted for 14,500 scouts.
 - 1.14.3 Nine workshops on renewable energy and energy efficiency were conducted for journalists.
 - 1.14.4 An essay competition was conducted among the Dhamma Schools with the participation of 9000 Dhamma Schools. 100 essays out of 2000 were selected for the final round.
 - 1.14.5 School awareness programmes were conducted.
 - 1.14.6 Public awareness programmes were conducted for public institutions.
 - 1.14.7 Energy Efficiency Pantry program was held for GCE (O / L) students.

- 1.14.8 Motor Rewinding Program was conducted for NVQ Certified Motor Rewinders.
- 1.14.9 NVQ teachers were trained in energy efficiency motor rewinding practices.
- 1.15 A book including Teaching of Lord Buddha on the ‘protection and conservation of the environment’ was published.
- 1.16 Energy Information Analysis ;
- 1.16.1 National Energy Balance 2015 and Main Energy Statistics 2015 were published.
- 1.16.2 Energy Balance Website was updated.
- 1.16.3 Using the carbon footprint as a tool for analyzing sustainability.
- 1.16.4 The first year of the study of food value chain has been completed and the interim report on the study has been submitted by the Faculty of Livestock, Fisheries and Nutrition of the University of Wayamba.
- 1.16.5 The data entry process of the island wide filling station survey which was carried out in 2015 was outsourced and the analysis of the collected data has commenced.
- 1.17 Sustainable Energy Technology Conservation ;
- 1.17.1 The University of Peradeniya, in collaboration with the Department of Engineering, Power and Electronics, successfully completed the first year of two advanced research projects on involvement of large scale solar power technology development.
- Power Supply Security by large scale PV using in Sri Lanka
 - Energy efficient PV consumption through DC micro networks
- 1.17.2 Three research papers were presented at the Asian Clean Energy Conference – 2016.
- Integration of non-conventional renewable energy based generation into the Sri Lankan energy network
 - Effective Demand Side Management for a Single-Island Power System in Sri Lanka through Renewable Energy Sources
 - Intervention in Energy Efficiency Lighting in Sri Lanka
- 1.18 Preparing Energy Education Program under Knowledge Management Program;

- 1.18.1 Energy related knowledge and activities have been introduced to the Science Curriculum from Grade 6 to 10 and it has already been implemented in the public schools under the new syllabus, the same was implemented in Grade 11 and Grade 7 in 2016.
- 1.18.2 Three Funding Programs were conducted covering all provinces of the country to implement the activities of the energy clubs in all the provinces.
- 1.18.3 There have been 3,000 applications received from government schools out of which 2,700 energy clubs have been established. More energy clubs are already being established.
- 1.18.4 Provincial awards of the Energy Education Program were presented at the Future Dreams' exhibition held at 9 provinces.
- 1.18.5 An extensive programme including School Energy clubs, Energy Day Celebration Competition has been launched to engage the Teacher Student Community on Energy Management and Renewable Energy Consumption in their day today life.
- 1.19 Communication Programs;
- 1.19.1 Innovation Awareness Programs including youth exhibition at Sigiriya - Skills development workshops, knowledge dissemination and entertainment were held.

02. Measures taken by the Sustainable Energy Authority of Sri Lanka to rectify the shortcomings indicated in the audit queries and audit reports

Audit Ref. No.	The Matter indicated in the Audit Report 2016	Actions taken in that regard
2.2 2.2.1	(a) Construction of an office building for Sustainable Energy Authority. The land was not separately listed as a leased property in the Statement of Financial Position and action had not been taken to make depreciation for the value of the land until 31 December 2016.	This land has been shown as a leased property in the Financial Statements for the year 2017 and action has been taken to make depreciation.

	<p>(i) Identification of the amount of Rs. 47,000,000 obtained from the Energy Fund as a receipt of revenue and accounting in the financial performance statement in 2015 the excess of that year had been overestimated by Rs. 47,000,000.</p>	<p>This error will be corrected in our next year's financial statements.</p>
	<p>(ii) Although the actual VAT on the land is Rs. 2,698,675, Rs. 5,020,368 was debited to the Energy Fund account and the balance of the account of that Fund as at 31 December had been under estimated by Rs. 2,321,693.</p>	<p>5,020,368.00 had been stated as VAT on the invoice issued by the Urban Development Authority for the relevant land and it has been accounted for. Therefore we are of the opinion that the balance is not under estimated.</p>
	<p>(iii) Although Rs. 3,936,978 being the expenses for planning the above building in 2015 and 2016 had been withdrawn from the Energy Fund Investment account it had not been debited to the Fund account and due to that reason the balance of fund as at 31 December had been over estimated at the same value.</p>	<p>This has been corrected.</p>
	<p>(iv) Although an amount of Rs. 47,000,000 had been removed, the total cost for the land was Rs. 45,856,451 and Rs. ,1 143,549 which was the excess of removed amount was not accounted for as a refundable balance.</p>	<p>Arrangements have been made to account for next year's financial statements.</p>
	<p>(b) The 50 acre land acquired for the Hambantota Solar Park was not assessed in the year under review and was not made available in the financial statements.</p>	<p>The estimated value will be accurately entered for the 2017 financial year and necessary action will be taken.</p>
	<p>(c) Although Rs. 42,144,744 for Program Expenditure out of Rs. 60,000,000 received as public grants from the Treasury during the year under review should be identified</p>	<p>Our assumption is that the amount of Rs. 41,247,949.00 identified as income in the performance statement is correct.</p>

	as income at the financial performance statement only Rs. 41,247,949 had been accounted as income.	
	(d) When the responsibility had not been vested on the Authority for payment of the loan amounted to Rs. 62,560,065 issued under the Renewable Energy Sector Phase 2 Project and the Clean Energy and Network Efficiency Improvement Project implemented under the unpaid ADB loan, it had been stated by the Authority in its financial statement under the non-current assets and liabilities of the Authority.	Since we have been given the controlling power at the relevant stages of the Authority, it has been identified as non-current assets and non-current liabilities.
2.3	(a) As at December 31, 2016, the balance of the Energy Fund was Rs. 293,257,237, and its investment balance was Rs. 306,628,315 and action had not been taken to compare and correct the difference of Rs. 13,371,078.	The balance of the Energy Fund for the year ending 2017 is correctly calculated in the final accounts and explained the reasons for the change.
	(b) Although Treasury Bills and Fixed Deposits Rs. 1,231,353 should be credited to the Guarantee Fund, Rs. 1,136,900 has been debited and an undefined difference of Rs. 94,453 was observed.	The value of Treasury Bills and Fixed Deposits has been correctly calculated and included in the final accounts for the year 2017.
2.4	The Authority had not made any arrangements to pay Rs. 897,025,999 to the Ceylon Electricity Board as at 31 December 2010.	The Department of National Budget has informed us through the Ministry of Power and Energy that the funds needed to settle this amount of Rs. 897,025,999 requested from the Treasury cannot be provided.
2.5	(a) For the Regional Center for Lighting, Rs. 8,033,270 that should be recovered from the CEB had not been recovered until September 27, 2017.	Although a letter dated 09/09/2017 had been sent to the Chairman of the Ceylon Electricity Board to reimburse this sum of Rs. 8,033,270/= to our Authority by the CEB they have not reimburse the said amount yet.

	<p>(b) Action had not been taken until 31st December, 2016 to settle the balance of Rs. 565,688 in receivable accounts relevant to the period of more than one year and less than 4 years at the end of the year under review, the advance of Rs. 3,480,844 given to external parties and advance of Rs. 16,397,978 given for the 4 main projects of the Authority.</p>	<p>Most of these outstanding balances are Refundable Deposits for services from other institutions. Therefore, deposits cannot be obtained until those services are obtained. Most of the remaining balance is the advance paid to the provincial councils for energy education projects. Even though they provided those services some provincial councils had not taken action to mention the relevant expenses and settle them. But the balances of Rs. 20,789,010/= as at 31/12/ 2016 had already been settled.</p>
	<p>(c) Out of the Rs.11,645,917 as accrued expenses at the end of the year under review, Rs. 7,269,482 for more than 05 years and Rs. 352,704 for 04 years had been brought forward and action was taken to settle this money or take another suitable measures until the end of the year under review.</p>	<p>Accrued expenses as at 31/12/2016, amounting to Rs. 11.6 m has been decreased to Rs. 5.9 at present. Of this Rs. 1.36 m is paid as total accrued expenses incurred by the Audit Department from 2012 to 2015.</p>
2.6	<p>Under the 'Switch - Asia' program, Rs. 3,135,202 out of Rs. 7,334,354 received from European Union had been paid for all the officials of the Authority as professional allowances in 2010 and 2011. The order issued by the Secretary of the Ministry on 3 December 2012 to recover this unauthorized payment from the relevant officers or other responsible officers was not fulfilled until 30 September 2017.</p>	<p>The Finance Division has not received a letter issued from the Ministry asking to recover the money paid to employees by the Switch Asia program. However, we have sent a letter dated 29/11/2016 to the DMS to justify this payment and to get it approved by the Treasury and our request has already been sent to the Secretary to the Ministry by the letter dated 08/03/217. According to the letter dated 21/06/2016, the Treasury has informed that it has consulted the National Salaries & Carders Commission.</p>
2.7	<p>(a) A total of Rs. 50,936,978 had been withdrawn from the Fund by the Authority in 2015 and 2016 to purchase a land for construction of an office building for the Sustainable Energy Authority and prepare the plan for the building in contrary to the objective of the Energy Fund.</p>	<p>This land was acquired for the above purpose Sri Lanka Sustainable Energy Fund has paid Rs. 50,936,978.00 on repayment basis.</p>

	(b) A sum of Rs. 2,180,886 had been paid as acting allowances from 2013 to 2016 without approval of the Secretary of the Ministry when the appointment had not been done properly by the authority of appointment.	Approval of the recruitment procedure has already been completed by the Line Ministry, the Salaries and Cadre Commission and the Department of Management Services. Once these activities are completed. These appointments will be formalized as soon as the activities are completed. .
	(c) As at 31 December of the year under review, the Authority had not carried out a survey of items.	At present, the re-valuation of fixed assets is in the process and a separate committee has been appointed and a survey of items has been commenced.
	(d) A fixed asset register for assets totaling Rs. 1,869,975,742 had not been maintained as per the circular.	A fixed asset register has been maintained since the beginning, and this was formalized in 2012. It was re-formalized in 2015.
	(e) A fixed asset register for computers, devices and software worth Rs. 14,885,933 had not been maintained.	Steps will be taken to prepare a fixed asset register for computers, devices and software. The work has already begun.
	(f) The draft Annual Report for the year 2016 had not been submitted to the Auditor General along with the financial statements for the year under review.	A draft of the 2016 report has already been submitted to the Auditor General.
	(g) From 2013 to 2016, six officers who were acting in top posts without the approval of the Board of Directors were paid fuel allowances of Rs. 2,600,000 and in 2015 and 2016 years .Rs. 1,650,000 had been paid to 03 sectional heads as transport allowances.	In addition to the above facts about acting posts, other facilities provided to these officers are also required for those posts. The Authority is obliged to provide the necessary facilities to carry out the duties of such posts. Therefore, there is no moral or administrative capacity to recover these additional costs from those officers.
4 4.1	(a) Since the Sustainable Energy Authority is directly responsible for providing energy efficiency services, the Authority should have expert staff including engineers and technicians and complex measuring equipment. But due to the staff of this	The Sri Lanka Sustainable Energy Authority (SLSEA) did the energy audit at the beginning, but then proceeded to do so through the energy service providers registered with the Sustainable Energy Authority. Auditing is supplied by the

	<p>energy services division was decreased up to one technical officer during the year under review and use of survey equipment purchased in 2008 and 2010 service supply was declined.</p>	<p>Sustainable Energy Authority of Sri Lanka without charge only to the government institutions that cannot afford to spend on audits.</p>
	<p>(b) Even though license had been issued on May 23, 2014 for Western Power (Pvt) Ltd. for a 10 MW power project on a 3.5 acre plot of land in Meetotamulla the relevant project had not been started until 22nd May 2016 at the end of the valid period of license. It has been observed that although such projects should be expedited to address the problem of solid waste disposal, the authority has not adequately supervised after the issuance of permits.</p>	<p>Although the progress was inquired from the relevant party after the issue of the permit for producing electricity from solid waste, it was unable to report us adequate progress due to the influence beyond the control of our institution or the project proposer regarding the Solid Waste Management. Due to the strong objections of the residents, no institution was able to provide land for the construction of the proposed waste power plants. Due to this reason, technology or investment could not be obtained for these projects. No positive progress can be expected until the turmoil in this sector is resolved.</p>
	<p>(c) There has not been insufficient testing of the quality and supply of services quality of the solar power generation systems imported and installed by licensed companies.</p>	<p>No additional conditions have been imposed as the standard of goods is up to our expectation.</p>
	<p>(d) Data had not been obtained continuously in some windmill towers out of the nine windmill towers that have been completed by 2012. Further, the development of wind resource maps and plans using these data has not been finalized.</p>	<p>Steps have been taken to repair the defunct towers. Data collection has been started from windmills in Balangoda, Kalamatiya, Mullipurama, Seetha Eliya and Silawathura areas. Wind resource maps are due to be completed by December 2017.</p>

	<p>(e) In the year 2011, Construction of one windmill tower, which cost Rs. 1,410,250, with Rs. 416,875 of advance payment, equipment cost and processing charges had been stopped halfway through, and as of September 30, 2017, work had not been completed.</p> <p>The audit of further use of equipment purchased six years ago and recovery of processing fees was problematic.</p>	<p>Since the construction work had not been completed by May 2017, their contract was finalized notifying them by a letter and it has been decided to construct this windmill in another area according to a decision taken later. The processing parts prepared for the Kabaragala tower and imported equipment are due to be used for the tower and the wind tower and equipment are safely available with the Sustainable Energy Authority.</p>
4.2	<p>(a) The company had acquired the land on lease for the purpose of constructing a head office. Failure to complete development within two-years due to a lease agreement, without legal advice, there included a condition that the lessee would own the property. Even though two years have passed since September 30, 2017, the design work on the building had not been finalized.</p>	<p>The lease agreement states that the lease agreement will be canceled if it fails to commence development within three months and to complete it within two years. Study on soil quality of the land has been completed and process of building construction has reached the final stage. Since the leaseholder UDA has not finalized the building permit, the authority has requested to ease this condition.</p>
	<p>(b) As adjustment allowance was added by calculating the gratuity payment to a senior manager who retired on December 25, 2016, an amount of Rs. 94,990 had been overpaid.</p>	<p>In consultation with the Additional Auditor General instructions were received to look into the formula for making the gratuity payment correctly calculated including the adjustment allowance. Necessary steps are being taken in that regard.</p>
	<p>(c) According to the investigation report on errors in the conversion of employees' salaries since the beginning of the Sustainable Energy Authority, although the Secretary to the Ministry as the chief Accounting Officer had ordered to recover the overpaid amount of Rs. 2,171,760 as salaries and allowances deviating from the circulars from 01st October 2007 to 30th September 2011 from the relevant officers any steps had not been taken by the</p>	<p>The so-called Investigative Report referred to in this note was prepared by a retired officer at the invitation of the Board of Directors. It was observed at the time that the report was framed with many errors and it was considered useless to take the report as a guide. A comprehensive report in this regard is due to be submitted to the Board of Directors.</p>

	Authority in that regard.	
	(d) According to an agreement signed on September 28, 2007, an amount of Rs. 7,956,800 had been paid to an external party to develop three prototype electric vehicles within 18 months. However, the developer has not been able to develop a single vehicle until September 30, 2017, and even after eight years, no legal action has been taken to develop three vehicles or recover the money paid.	The Attorney General's advice was sought and the officials informed us that arbitration or legal action is a very costly effort compared to the amount spent. Accordingly, the Ministry Secretary has informed the Authority through the contractor to look into the possibility of successfully completing the project. A detailed report has been prepared to introduce alternatives. This report can be submitted to the Ministry within 2 weeks.
4.3	(a) Remaining Rs. 4,548,176 of the funds received under the "Switch Asia" programme in a current account of People's Bank since 2011 and over Rs. 150,000,000 had been deposited in the Savings Account of the National Savings Bank for many years without being used for a proper investment purpose.	A letter containing details of this has been submitted to the Committee on Public Enterprises (COPE) through the Secretary to the Ministry of Environment and Renewable Energy on 02.12.2014 and copies have been sent to the Treasury and the Auditor General. The Secretary to the Ministry of Power and Renewable Energy has sent a letter to the Treasury requesting for approval on 06.12.2016.
	(b) A cab owned by the Authority has been inactive for about 2½ years and no action was taken until 30 September 2017 to repair or dispose this vehicle.	A valuation report was obtained from the Automobile Association of Ceylon on 17.06.2015 which states that it is recommended to dispose the vehicle as it is not economically viable to repair it.
4.4	(a) An approved scheme of recruitment for the Authority had not been prepared and approved in terms of Section 9.3 of the Public Enterprises Circular No. 12 of June 2, 2003.	A revised organizational structure has been forwarded to the Ministry of Power and Renewable Energy to submit for approval from the Department of Management Services.
	(b) As at December 31, 2016, there were 33 vacancies in the staff and there were 3 posts of Director, 4 posts of Sectional Heads and 12 posts of Manager among them.	The recruitment procedure has already been submitted for approval and all the recruitments can be done after it is approved.

	(c) The Chairman of the Authority has made appointments for the above three posts of Directors and 3 out of 4 posts of Sectional Heads on acting basis without the approval of the Board of Directors.	The appointing authority as mentioned in the query shall be corrected as the Board of Directors. The Chairman has made the relevant appointments as the head of the Board on the recommendation of the Director General. Recommendations have been made by Senior Specialist (Human Resources), Deputy Director General (Operations), Director General, etc.
4.5	The officer who holds the post of Head (Technical Promotion) and Acting Director (Strategy) has been released full time to the post of Director (Technical) of the Ministry of Power and Renewable Energy on February 15, 2016 for a period of one year without Cabinet approval and salary of Rs. 1,404,828 had been paid up to the audit day in May, 2017.	Although this officer was attached to the position of Director (Technical) of the Ministry, the responsibilities of the Authority were also performed during that time and the needs of the Authority were fulfilled at a Ministry level faster. The Authority believes that the appointments made on these secondary grounds have great significance for the activities of the Authority.
5 5.1	The statement of accountability of the management of account submission under Section 3 of the Public Enterprise Circular No. PED / 45 dated October 2, 2007 is not included in the financial statements.	Action has been taken to include the responsibility of managing the presentation of financial statements into the financial statements.
5.2	Corporate Plan has been prepared in terms of Section 5.1.2 of the Public Enterprises Circular No. PED / 12 dated 02 nd June 2003.	The draft Energy Policy Bill has already been submitted to the relevant Review Committee and work on the compilation of plan has already been commenced.
5.3	According to the Annual Action Plan, only 40 percent of the funds allocated during the year under review for projects, programs and activities were utilized. Accordingly, the Authority failed to carry out the activities of the action plan efficiently and adequately to achieve the desired objectives.	From the beginning of 2015 to the end of 2016, with the change of the cabinet, the creation of future programs in line with the new government policies took place in early 2016. The 2016 work plan, which had already been prepared, could not be implemented fully.

5.4	Due to the lack of a Chief Internal Auditor in the year under review, sufficient audit was not carried out according to the audit plan.	The Department of Management Services has not been received for the appointment of a Chief Internal Auditor.
6	(a) Rs.3,450,959 being 58% of the capital allocation from the Budget, was not utilized for the relevant purpose. Although provisions had not been allocated from the budget Rs. 4,238,165 had been expended with the remaining funds to improve buildings and lands.	Out of the capital of Rs. 6 million allocated for the management of the institution, the remaining Rs. 3.4 million was spent to acquire the necessary land for building the office. Therefore, no money was left.
	(b) When compared to Budgeted expenditure on recurrent expenditure for the year under review with the actual expenditure, as significant variations of 17% to 161% was observed relevant to 9 expenditure items it was observed that the budget had not been utilized as a productive management control device.	Gratuity payments here are not accurately estimated at the beginning of the year. But as there is a variance because this is payable in accordance with the Gratuity Act. Further, as foreign invitations for tours, training are received in 2016 it cannot be done according to a prior plan. So, it also shows with a difference with the budget.
6	Special attention should be paid on the following systems and control sections. Accounting, financial control, control of debtors, human resource management, project implementation, budgetary control, assets management.	Measures will be taken to pay special attention on the sections shown by the Auditor General and direct those sections to fulfill the relevant objectives and aims and identify and rectify deficiencies.

03. A summary of the medium term measures expected to be taken to improve the performance of the organization

3.1 Updating the Geographical Information System to facilitate the issuance of energy permit.

The Authority's primary objective is to measure the location, timing and scale of renewable energy sources in Sri Lanka and provide investment opportunities to developers. All such data and information provided so far has been incorporated into an online geographic information system for the public to know.

3.2 Declaration of Energy Development Areas

Renewable energy sources in Sri Lanka occur in different areas but cannot be developed them in all areas due to other land use activities. The declaration of energy development areas will enable the use of lands that do not cause issues for renewable energy development.

3.3 Publishing data on energy use in Sri Lanka

The National Energy Account, or Energy Balance, is a document that compiles all the data and information on various sources of energy used in the country since 1971. Sri Lanka Sustainable Energy Authority (SLSEA) has been carrying out this process since the 1990s. The Authority has been able to publish the same document on energy consumption in a year as a web-based database as well as a printed publication.

3.4 Measurement of wind and solar energy and identifying areas where it can be developed.

Solar and wind power are identified as the major renewable energy sources in Sri Lanka, but it is difficult to develop those sources without realizing the variations and time variations. Therefore, a long-standing network of towers will be set up across the country to provide data for developers to quantify the nature of these sources.

3.5 Enactment of Regulations for the Supply of Energy Labels for equipment that are used for energy

Energy Labels for CFL Lamps, have been introduced for the easy communication of the complexity of the quality and efficiency of a particular electrical device. Preliminary arrangements have been made to provide that for ceiling fans with double-walled tubular fluorescent lamps and bulbs.

3.6 Establishment of a Laboratory for Energy Efficiency Measurement.

Several laboratories have been set up to perform various tests to determine the efficiency and other standards of the most commonly used electrical components. These laboratories are operated by universities as well as other government institutions.

3.7 Training of Energy Managers and Energy Auditors.

The training will be carried out to provide the technical services of a number of professionals to Sri Lanka to provide the services required to implement the provisions of the CAA Act.

3.8 Taking steps to appoint Chartered Energy Auditors.

Many of these Chartered Auditors are required to carry out the provisions of the Act for mandatory energy auditing of energy consuming organizations and their training is continued in groups.

3.9 Provision of Alternative Energy Curriculum for Technology Level Studies

It aims to equip future citizens with knowledge on sustainable energy resources and their use in creating an energy conscious nation.

3.10 Introduce energy subject to school syllabus and establish school energy clubs.

It is a program that focuses on the student community to realize the complex aspects of energy use as well as practical experiences.

3.11 Assistance in promoting energy research in universities and research institutes

The objective is to direct the universities and other research institutions operating in Sri Lanka for energy research and development and to prepare them for the national priority in the field.

3.12 Introduce energy related improvement measures to improve the quality of small industries.

The objective of this project is to change the attitude of productivity of SMEs which is considered to be the main stream of economic development in Sri Lanka.

3.13 Development of Energy Education Program.

The progress of the said will be reviewed in 2016 at the zonal, provincial and national levels and the programme implemented in future.