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24 August 2022



2018 අංක 19 දරණ ජාතික විගණන පනතේ
14 වන වගන්තිය ප්‍රකාරව පාර්ලිමේන්තුව වෙත
ඉදිරිපත් කරනු ලබන විගණකාධිපති ත්‍රෛවාර්ෂික වාර්තාව

2018 இன் 19 ஆம் இலக்க தேசிய கணக்காய்வு அதிகாரச்சட்டத்தின்
14 ஆவது பிரிவின் பிரகாரம் பாராளுமன்றத்திற்கு சமர்ப்பிக்கப்படுகின்ற
கணக்காய்வாளர் தலைமை அதிபதியின் மூன்றாண்டு அறிக்கை

**Triennial Report of the Auditor General presented in
parliament in terms of Section 14 of
the National Audit Act, No. 19 of 2018**

එකලොස් වන කාණ්ඩය - 01
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දෙපාර්තමේන්තු
திணைக்களங்கள்
Departments

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



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Introduction

This report has been prepared based on eighty seven Government Departments in Sri Lanka. Significant audit observations not settled as at the date of the report and identified separately relating to those institutions for the years 2018, 2019 and 2020, have been included in this report. Moreover, the original provision received through Appropriation Acts in the years 2018, 2019 and 2020 relating to each Head mentioned here (Government Departments), net provision as at the end of the year, actual expenditure of each year and savings as at the end of the year separately as recurrent and capital expenditure and total thereof, and audit opinions expressed for each institution during the said years as well, have been included in the Schedule 1 submitted herewith. The estimated revenue and the actual collected revenue in each year relating to Departments, by which revenue is materially collected, have been indicated in the Schedule 02.

Specially, it was observed that the amount of recurrent provision allocated for these Government Departments had been a vast amount than the capital provision. It was further observed that Government Departments were at a very weak level in respect of planning of advance programmes annually and operating activities therein accordingly and submission of reports by reviewing the progress relating thereto at the end of the year and that activities of certain Departments have not been carried out transparently and that certain Departments are unable to collect data necessary for analyzing information required for auditing. The total net provision made for recurrent and capital expenditure in the years 2018, 2019 and 2020 relating to 87 Government Departments had been Rs.857,767,566,463, Rs. 957,731,330,800 and Rs.1,024,550,986,520 respectively while the total actual expenditure of those years had been Rs. 803,755,301,012, Rs.888,050,615,056 and Rs. 962,335,498,443 respectively. The savings out of total provision as at the end of the years 2018, 2019 and 2020 had been Rs. 54,012,265,441, Rs. 69,680,705,766 and Rs.62,215,488,079 due to non-receipt of money on time or failure in taking action timely by Departments and those values impacted on variations of the entire budget estimate in each year.

Further, due to violation of circular provisions by Ministries conducting their monitoring activities, certain instances where some Departments as well had attempted to violate those provisions were revealed. Even though it was emphasized that all Government institutions should prepare accounts based on Sri Lanka Public Sector Accounting Standards, taking action accordingly was at a very weak level. Moreover, the contribution made towards the taking over of the legal ownership of lands and motor vehicles, used by Departments without a legal Right, and assessing and accounting them, was at a very weak level.

Head 4 - Judges of the Superior Courts

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	2020			
01.	Additional provision amounting to Rs.12,770,000 and Rs. 14,051,000 had been made for the Item Nos 2102 and 2013 of Expenditure respectively comprising sums of Rs.9,570,000 and Rs.11,754,000 allocated respectively through supplementary estimates, and through transfers made in terms of Financial Regulation 66/69 amounting to Rs.3,200,000 and Rs.2,297,000 respectively. Nevertheless, provision amounting to Rs.12,545,288, which was 98 percent and Rs.7,879,482, which was 56 percent had respectively been saved in those Items of Expenditure by the end of the year. As such, additional provision had been made without a plan.	Plans should be prepared properly based on requirements, thus obtaining the additional provision.	It has been agreed that attention will be paid to this in the future.	It has been mentioned that attention will be paid to this. This is a poor financial management situation.
02.	The cheque No. 751867 valued at Rs. 46,600 dated 24 March 2020, had been invalidated and substituted with the cheque No. 752077. Action had not been taken in that connection as per Financial Regulation 392 (a) i, 392 (b) iii, 393 (i) and 393 (2).	The Financial Regulations should be followed.	Action will be taken as per the Financial Regulations in the future.	Action has not been taken as per the Financial Regulations.
03.	Annual performance report had not been prepared in accordance with Guidelines No. 14 issued by the Department of Public Finance in terms of paragraph 10.2 of the Public Finance Circular, No. 2/2020 dated 28 August 2020.	The Circular should be followed.	The preparation of the Annual Performance Report for the year 2020 is in the final stage and I will take action to submit it as soon as possible.	It has not yet been submitted.
04.	Action had not been taken even up to 03 February 2021 to acquire the ownership of a vehicle provided for the superior	Action should be taken in terms of Section 2 (i) of the	Documents related to the transfer of ownership have	The transfer has not yet been completed.

	court by the Ministry of Justice in the year 2013.	Assets Management Circular, No. 02/2017 dated 21 December 2017.	been sent to the Ministry of Justice.	
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Head 22 - Office of the Parliamentary Commissioner for Administration

Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
Even though sums of Rs. 500,000 for the installation of a software system to manage affairs on petitions and Rs. 150,000 for networking of computers in the Office had been estimated in the years 2018 and 2019, the aforementioned activities had not been finalized.	Action should be taken as planned.	Action has been taken to develop the software system with the assistance of the Information and Communication Technology Agency of Sri Lanka (ICTA) and it is expected to network the computers as per the funds received and the priority.	The work has not yet been completed.

Head 201 – Department of Buddhist Affairs

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	<u>Not obtaining the expected benefits</u> (a) Although more than 6 years had passed after handing over of the Dasa Sil Matha Headquarters and Training Institute, constructed at Eriyawetiya of Kelaniya by incurring a sum of Rs.74.96 million, to the Department after completing the construction activities, action had not been taken to conduct training programmes.	Action should be taken to achieve the relevant objective.	Exterior parts of the building were repaired from time to time until 2020, and necessary activities have been initiated to expeditiously start the training programmes from 2020.	Training activities have not yet been commenced.

	(b) Although more than 08 years had passed subsequent to giving the consent of the owner of the land to the Divisional Secretary for transferring the land, where the institution mentioned in the Paragraph stated above had been constructed, activities pertaining to land acquisition had not been finalized and the legal possession had not yet been established.	Action should be taken to transfer the land.	The recommendations of the Ministry of Buddha Sasana, Religious and Cultural Affairs regarding the acquisition of this land have been submitted to the Ministry of Lands on 10 August 2021.	Activities in relation to the transfer have not yet been finalized.
2.	Even though out of the investment interest income received for the period from year 2012 to 2019 for the Buddhasasana Trust and Dasasil Matha Trust established to achieve the objectives of uplifting the educational activities of the monks and Dasasil Mathas, providing assistance to Dhamma Schools and providing reliefs to Buddhist Children, Rs.716,740 and Rs.367,782 respectively could have been spent for achieving objectives, actions had not been taken for that.	The trust funds need to be utilized effectively for the purpose of establishing the trusts.	As the funds provided to the Department from the annual budget are sufficient for the trust purposes, such activities have not been carried out using the interest money of the Trust.	The preparation of annual estimates should be done effectively.
3.	Action had not been taken to recover the loan balances totalling Rs.262,686 outstanding for the period of 01 to 03 years that should be recovered by 31 December 2020 from two officers, who had vacated posts.	Action should be taken to settle loan balances.	Action has been taken to inform the officers, identify the guarantors and seek the advice of the Attorney General.	The loan has not yet been recovered.
4.	The approved staff for the Department was 852 and the number of vacancies as at 31 December 2020 was 88. Forty one (41) posts of Coordinator of Buddhist Affairs and 16 posts of Development Assistant out of these vacancies had remained vacant for several years and action had not been taken to fill those vacancies.	Action should be taken to fill the vacancies of the essential posts.	Taking action to fill the vacancies of the posts of Coordinator from the posts of Development Officer.	Action has not been taken to regularize the required staffs.

Head 202 – Department of Muslim Religious and Cultural Affairs

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	(a) Section 45 of the Wakfs Act No. 33 of 1982 specifies 5 functions that can be performed for the advancement of Muslims and Islam and the total amount received by the fund during the years 2017, 2018 and 2019 was Rs.12,362,590. However, no programme had been implemented to accomplish those tasks.	Functions mentioned in the Act should be performed by utilizing the funds at an optimum level.	As the Wakfs Board had not approved to expense on the functions mentioned in the Act, it was not possible to incur expenses in those years. The Wakfs Board has agreed to spend on the functions mentioned in the Act according to a systematic plan from the year 2021.	Action has not yet been taken as specified in the Act.
	(b) Even though the accounts of the fund should be maintained according to Section 43 (8) of the Wakfs Act and those accounts should be audited by an auditor, the financial statements for the period of 2016 to 2019 had not been prepared.	Action should be taken in terms of the provisions stipulated in the Act.	Accounts have been prepared for the Charities Fund up to 2019 and the accounts from 2016 to 2019 will be audited by a private audit firm and submitted.	The financial statements for the period of 2016 to 2019 have not yet been prepared and submitted for audit.
2.	As per section 43(2) of chapter 4 of Wakfs Act No 33 of 1982, although it is mentioned that 6 per cent of the income of net annual income of a charitable trust of a registered Muslim mosque and 10 per cent of net annual income of a Muslim shrine should be given to the Muslim Charity Fund, no procedure had been identified to check whether such due monies from the relevant Muslim mosques and Muslim shrines are given to the Muslim Charity Fund.	A proper procedure should be identified.	A programme is underway to credit to the Fund, 6 per cent and 10 per cent respectively of the annual income of 2497 registered Muslim mosques and 49 tombs of Saints (Sharyn).	Follow up activities are not being carried out properly.
3.	Upon the Cabinet approval received in 1995 to construct a Muslim Cultural Centre, Even though two storeyed building and 10 storeyed building had	Assets should be utilized to the maximum level.	Although a request had been made to get the land transfered, such	Acquisition of lands and utilization of buildings have not

	<p>been built by the Department in 2003 and 2017 respectively on a block of land in extent of 80 perches belonging to the Department of Railways and no action had been taken to get the land legally transferred even after elapsing of 26 years from the date of receiving the Cabinet approval. Even though only 33699 sq ft in 04 storeys of the 10 storeyed building containing 67250 sq ft had been used since 2017, remaining 33,547 sq ft had not been used even until 05 July 2021 and the Certificate of Conformity had not even been obtained for the building.</p>		<p>transfer has not taken place even to date. Work of 4 storeys of the 10 storied building has been completed and provision has not been received to complete the remaining uncompleted storeys. Further, the Certificate of Conformity cannot be obtained without completing the building.</p>	<p>yet been formalized.</p>
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Head 203 - Department Of Christian Religious Affairs

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	<p><u>Human Resource management</u> (a) Even though the approved cadre of the Department stood at 66, the actual cadre stood at 50, thus resulting in vacancies of 16 officers.</p>	<p>Action should be taken to fill vacancies in essential posts.</p>	<p>The Secretary to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government has been briefed on vacancies.</p>	<p>The vacancies remain the same till now.</p>
	<p>(b) In terms of Section 13.3 of Chapter II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka, an acting appointment should be made as a temporary measure only and until a substantive appointment is made and if the post continues to require the services of a full-time</p>	<p>Action should be taken to make a substantive appointment in terms of provisions of the Establishments Code.</p>	<p>It is kindly informed that as it is a post which needs the approval of the Cabinet of Ministers, filling the vacancy in the post of Director is outside the</p>	<p>The vacancy has not yet been formalized.</p>

	<p>officer, the substantive appointment should be made without delay. However, the Assistant Director of the Department appointed to the vacant post of the Director is continuously serving on the basis of attend to its duties from 01 August 2018 to 08 January 2020 and on acting basis from 09 January 2020 to April 2021 and action had not been taken to make a substantive appointment therefor.</p> <p>(c) Even though the approved cadre in the post of Driver of the Department stood at 02, one was vacant from 28 January 2020. As such, one of two vehicles of the Department had remained idle from that date.</p>	<p>Action should be taken to fill relevant vacancies in the post of Driver.</p>	<p>authority of the Department.</p> <p>According to the Management Services Circular No. 2017/04, the Department of Management Services has been informed by forwarding an updated cadre information end of each quarter that the said post of Driver has been vacant.</p>	<p>The vacancy has not yet been filled.</p>
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Head 204 - Department of Hindu Religious and Cultural Affairs

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	<p>As per guidelines 8.12.2 of the 2006 Procurement Guidelines ,even though a certificate establishing that work is done in conformity with specifications and other rules and conditions, certified payments are complied with the conditions of contract needs to be obtained, the Department had not obtained works completion reports in respect of Rs.7,800,0000 granted to develop 26 Hindu Kovils.</p>	<p>Works completion reports need to be obtained.</p>	<p>All Divisional Secretaries had been informed that the work completion report along with the relevant register be submitted.</p>	<p>The certificates have not been obtained from 08 Kovils so far.</p>

2	Even though every officer who served in one place for 5 years needs to be given change of station transfers, enabling them to serve in some other places in terms of the Public Administration Circular No.18/2001 of 22 August 2001, such change of station transfers had not been given to 85 officers served in a same place the periods ranging from 5 to 31 years in one place.	Act in accordance with circular instructions.	In accordance with the relevant procedure on change of station transfers of officers, annually it was reported to the Director General of Combined Services.	Even though the Director General of Combined Services had been reported annually, no transfers have been made.
3.	Even though the Annual Board of Surveys should be conducted and the relevant reports need to be submitted before 31 March of the following year as per the Paragraphs 3.1.7 of Public Finance Circular No.05/2016 dated 31 March 2016, Board of Survey reports of the years 2019 as well as 2017 and 2018 for library books had not been given even by 10 August 2020.	All goods need to be surveyed annually.	Goods survey is in the final stages.	Those reports have not been submitted for audit up to now.
4.	<u>Property, Plant and Equipment</u> The value of 4 buildings belongs to the Department and catered in various areas had not been assessed and accounted.	All non-financial assets belong to the Department need to be accounted.	Values of 2 buildings had been computed and stated in the financial statements in the year 2019. Necessary steps are being taken to compute the value of remaining 2 buildings, and bring it to account.	Asset accounting is not yet complete.
5.	<u>Human Resources management</u> Even though the approved cadre of the Department stood at 185, the actual cadre stood at 150. Accordingly, 35 vacancies existed in the cadre and no action had been taken to fill those vacancies.	Action should be taken to fill the vacancies for essential posts.	No comments.	At present there are 24 vacancies and the Ministry of Public Services, Provincial Councils and Local Government has been informed to fill the

				vacancies, but the work has not been completed.
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Head 205 - Public Trustee Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	A loss amounting to Rs. 4,410,567 had incurred from 5 estates in the year 2018 and that situation was badly affected in execution of expected objective by entrusting the estates.	The administration activities of the estates should be regularized and estates should be supervised by the management.	Action had been taken to recruit experienced estate superintendents and to obtain the service of a consultant expertise in the field. Accordingly, the actions are being taken through a proper efficient management for the estates which are running at loss to become a profitable position and expect to increase the profits in future.	Although the services of experienced consultants in the field have been obtained, they have not yet become profitable.
2.	A loss amounting to Rs.254,038 had incurred due to a motor vehicle accident caused on 27 January 2007 and after the investigations carried out under Financial Regulation 104 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka a lawsuit had been instituted in the District Courts, Attanagalla to recover the loss from the driver on 07 May 2007. However, the	Action to be taken to recover the loss and damage from the responsible party or to write off from the books.	Action will be taken to obtain the approval from the Ministry of Justice and the General Treasury to write off from the books.	The writing off from the books has not yet taken place.

	case was rejected on, Time Bar due to not taking follow-up actions by the Department.			
3.	<p><u>Management weaknesses</u></p> <p>(a) The responsibility of payment of compensation, salaries and wages etc. receiving through Ministry of Foreign Affairs on behalf of the persons deceased due to various reasons during deploying in foreign employment to their legal owners is entrusted to the Department. Three hundred and thirty five foreign compensation totaling Rs.175.29 million should have been paid by 31 December 2017 while 170 applications of foreign compensation amounting to Rs.417.86 million had been received in the year 2018. But the number of applications released during the year under review had been 113 only and the value of that amounted to Rs.275.92 million. Accordingly, it was observed a delay of releasing compensation applications received by the Department.</p>	Action to be taken to obtain particulars in respect of the Compensation holders through the Government institutions (Foreign Employment Bureau, GramaNiladhari etc.) and action to be taken to release foreign compensation efficiently.	The releasing of applications of compensation was not a delay of the Department. The reasons such as non-availability of particulars of the owners not requesting compensation by the owners, even though they informed, not-receiving information from Ministry of Foreign Affairs and cases filed to find owners and certain owners went abroad had affected for the delay.	A methodology needs to be developed to get things done efficiently.
	(b) (i) Eleven acres and 20.1 perches of the land named “Maththegoda Kumburu Idama”, Moratuwa” which comprised 16 acres 2 roods and 17 perches had been sold to half-share farmers on the permission given by the Colombo District Courts to Public Trustee and 3 acres 1 rood and 30 perches had been acquired by the Government by Extra-ordinary Gazette Notification dated 21 June 1999. Accordingly, a land in extent of	The public Trustee should ensure the physical ownership of the lands belonging to the estate.	Actions will be taken to identify these lands and take further actions.	So far, that situation has not been resolved.

	2 acres 7 perches should have been further remained with the ownership of the Public Trustee but the particulars thereon were not made available for audit.			
(ii)	Out of the above land, a land in extent of 3 acres 1 rood and 30 perches which acquired by the Government had been divided into 5 allotments and a compensation amounting to Rs.885,000 was entitled to lot No. 1,2 and 05 on 19 November 2012. But in addition to the compensation, the interest of 7 per cent amounting to Rs.841,827 which entitled as at 31 August 2018 had not been recovered. Further, the ownership of the Public Trustee was not confirmed for the lot No.3 and 4 and the compensation had not been obtained even by 31 August 2018.	Action should be taken to obtain the compensation and the interest money to the Estate relating to the lands of the estates acquired by the Government.	The compensation money relating to the land portions of 3 and 4 were not received up to now. Legal action will be taken in respect of recovering of compensation and interest money.	So far no compensation has been recovered.
(c)	One acre out of the land named "Maharagama Katuwawala Ambgahapura" in extent of 41 acres 2 roods and 9 perches had been acquired by the Government on 06 December 2006 and the assessment value of that land as at 16 January 2014 amounted to Rs.29 million. Due to the objections of the parties who claimed for compensation, the compensation and the interests could not be obtained as hearing a case relating to this land. Further, action had not been taken to sell the portion of this land of 31 perches and to obtain that money to D.S.W.Samarakoon Trust even by 28 February 2019.	Action should be taken to obtain compensation and interests relating to the estate lands acquired by the Government.	Action will be taken to recover respective compensation immediately after finalizing the court cases.	The case is not over yet.

	<p>(d)(i) Out of 141 acres 2 roods and 9.62 perches of the land called “Regidale Estate” in extent of 134 acres 1 rood and 25.92 perches had been acquired and sold by the Government in several instances. The particulars relating to the action taken on the balance part of 7 acres 01 rood and 23.70 perches had not been furnished to audit.</p>	<p>The Public Trustee should ensure the physical ownership of the lands belonging to the estate and should execute the intention of the estate owner.</p>	<p>On the Court order dated 10 August 2018 the land in extent of 1 rood 2.62 perches had been leased out for a sum of Rs.25,000 monthly under an agreement. Action will be taken in respect of the balance land portions.</p>	<p>So far no action has not been taken and no settlement has been reached.</p>
	<p>(ii) According to the files furnished for the land “Regidalewatta”, it was stated that a sum of Rs.3.83 million had been received for 56 acres, 2 roods, 22.5 perches acquired and sold by the Government. Nevertheless, no particulars whatsoever had been submitted that the money was actually received. Further, a land portion in extent of 01 acre 2 roods 18.46 perches had been given for ownership of others on 02 June 2009 and again handed over to the Department on 23 March 2011 and elapsed 9 years to date. However, the Department had failed to sell the land and to deposit money to the name of the D.S.W.Samarakoon Estate.</p>	<p>The accurate information in respect of Estates should be maintained by the Public Trustee and the responsibility of Public Trustee with the intention of the estate owner should be executed immediately.</p>	<p>The information could not be found from the files maintained to ensure the money was received. The plan of the land given for others ownership was approved only on 29 March 2017. Due to the above delay, the activities of the sale of the land were delayed.</p>	<p>The relevant information to prove that this money was received could not be found in the existing files. 18.46 Acres 1 Rood 2 Perches Land has not been sold yet.</p>
	<p>(e) The Public Trustee of Sri Lanka had been appointed as power-of-attorney in the year 1975 for distributing the moneys earned from sale of immovable and movable property located in Sri Lanka belonging to Mrs. Florence Enid Witham who passed away in Singapore on 11 August 1968, to her heirs/beneficiaries. A sum of</p>	<p>Action should be taken to pay moneys to beneficiaries and to invest funds in an effective way until they are paid.</p>	<p>Moneys had been distributed as per the request of beneficiaries. Moneys available for distribution among beneficiaries,</p>	<p>The proceeds from the sale of the property are invested in year 2019. Distribution is not complete as there are no beneficiary requests.</p>

	<p>Rs.64,645,776 out of moneys obtained from sale of the land of 1 rood and 3.13 perches in extent and the building located at No.19, Havelock Road, Colombo 05, was due to be distributed among heirs/beneficiaries and a sum of Rs.35,880,064 out of that had been distributed among 30 heirs/beneficiaries. A further sum of Rs.28,765,712 should have been paid to 16 beneficiaries. Even though a period over 8 years had elapsed after sale of properties, necessary action had not been taken therefor. Moreover, the court had notified that moneys earned from sale of properties and interest thereon should be distributed among the heirs of the deceased. However, in the distribution of a sum of Rs.24,531,570 among 16 beneficiaries within the period from the year 2010 to the year 2016, those moneys had not been invested in effective purposes until those had been distributed as such, beneficiaries were deprived of moneys on interest entitled to them.</p>		<p>has been invested in the year 2019.</p>	
	<p>(f) The land of 32 perches in extent and the building located on Matara Gabada Veediya of the Weerasinghe Abeynayake Estate had not been managed effectively up to the year 2013 and had been leased out for a monthly rental of Rs.8,000 on 05 February 2013. The aforesaid lease agreement had ended on 31 December 2013. Even though permission of the District Judge of the Colombo District Court had been obtained on 29 September 2016 under Case No. 97/16 for sale of this property,</p>	<p>Action should be taken to sell lands and buildings for which permission for sale had been granted by court and to achieve objectives of the Estate.</p>	<p>No comments have been made.</p>	<p>A person enjoy property by forcibly evicting people who pay a monthly tax of Rs. 10,000, and the department has taken legal action against those who were forcibly evicted. The property had not been sold and credited to the fund.</p>

	instead of selling properties and crediting it to the fund, it had been leased out to the same lessee for a monthly rental of Rs.10,000 without entering into a proper agreement.			
	(g) A stall and a land located in the Elpitiya area of Galle of the D.J.D.J.Abeyssekera Estate had been leased out for over a period of 20 years without entering into agreements. Even though it had been mentioned that the lessees who are enjoying the said stall and land which had been valued at Rs.1,100,000 and Rs.2,300,000 in the years 2013 and 2015 respectively, had agreed to purchase them at the assessment value, a written agreement was not available therefor. Moreover, a lease rental of Rs.227,380 up to May 2018 for the stall and a lease rental of Rs.143,400 for the land from the year 2005 to the year 2015 had been computed as recoverable. However, lease rentals recoverable up to the year 2019 including the said lease rentals had not been recovered.	In granting estate properties to external parties on lease basis, proper agreements should be entered into for ensuring safety of properties and earning a reasonable income therefrom and moreover, legal action should be taken to reacquire properties for which lease had been defaulted.	No comments have been made.	No taxes have been levied. One property has not been sold yet.
	(h) According to financial statements of the years 2019 and 2018 relating to 20 Trusts managed by the Personal Trust Division, total assets and investment income were indicated as Rs.17,402,203 and Rs.16,655,856 and Rs.938,729 and Rs.1,096,900 respectively. However, the objectives of those Trusts were at an inactive level without being achieved.	The Board of Trustees should be notified in writing relating to achievement of objectives.	Objectives could not be achieved due to matters such as inactivity of the Board of Trustees, non-submission of requests to the Board of Trustees and the difficulty in finding beneficiaries.	Objectives have not been achieved as there is no formal administrative system.
	(i) A sum of Rs. 2,629,250 had been spent for legal proceedings relating	Estate properties should be utilized only for the	At the conclusion of	Expenditure had not been

	to opening of 254 unopened last wills and the funds of the D.S.W.Samarakoon Estate had been used therefor. The activities to be carried out relating to the said Estate, had been specifically mentioned by the estate owner and as such, it is observed that incurring of these expenses as contrary to objectives.	achievement of objectives specifically mentioned by estate owners in their last wills.	court proceedings, payments were made from this Estate at the discretion of the Public Trustee on the basis of reimbursement from properties in the said last wills.	reimbursed and the objectives had not been met.
(j)	The Public Trustee had been nominated as the holder of shares on behalf of the Government in vesting of Lakehouse Newspapers in the Government by the Associated Newspapers of Ceylon Limited (Special Provisions) Law No.28 of 1973. Accordingly, 3,050,379 ordinary shares representing 87.5 per cent of the Associated Newspapers of Ceylon Limited shall vest in the Public Trustee on behalf of the Government. However, no disclosures whatsoever had been made in the Trusts/Estate Accounts of the Department relating to the shares and the dividends earned therefrom.	All investments and dividends received therefrom should be disclosed in the consolidated financial statements.	Dividends received annually are remitted to the General Treasury in the month of receipt of dividends itself.	Relevant disclosures should be made in the trust / estate accounts of the department.
(k)	The Department has been assigned with a significant role by various Acts and Orders and accordingly, diverse services are supplied to various parties by the Department. However, the Department had not implemented a proper procedure to make the public aware of the functions discharged by the Department. Even though a web page had been created in the name of the Department, facilities to access it by Sinhala and Tamil	Maintaining the web page in the three languages in an updated manner, providing download facilities relating to instructions and formats on writing a last will, applications on bursaries and medical assistance etc. from the web page and introducing a methodology in	No comments have been made.	Necessary facilities are still not provided to update webpages and to access relevant information in Tamil.

	<p>media had not been provided. Moreover, only the history of the Department, role of the Public Trustee and the functions of each Division had been entered therein and information had not been entered in such a way that the public could gather detailed information and be encouraged to appoint the Public Trustee as the trustee of their properties.</p>	<p>accepting public comments, suggestions and complaints.</p>		
4.	<p><u>Assets management</u></p> <p>(a) Ten estate properties entrusted under various estates are managed by the Public Trustee and out of the revenue from those properties, it is expected to achieve objectives of the establisher. In the examination of revenue received from those properties during 04 preceding years, profits of Rs.3,744,310, Rs.9,336,629 and Rs.3,984,175 earned in the years 2016, 2017 and 2018 respectively and a loss of Rs.6,222,482 occurred in the year 2019 were observed. It was observed that adequate measures had not been taken for achieving objectives of relevant estate owners by taking action to increase revenue from those estates. (154 (6) – 3.1 (a) - 2019)</p>	<p>Preparation of replanting plans, examination of possibility of crop diversification, examination of possibility of obtaining subsidies for replanting and proper supervision of estates.</p>	<p>No Comments have been made.</p>	<p>Necessary steps had not been taken to increase the profitability of the estates.</p>
	<p>(b) Administrative powers had been conferred on the Public Trustee on 10 November 2005 for the establishment of a trust in the name of the estate owner by selling properties belonging to C.E. Wanigasooriya Estate. Even though a period of 14 years had lapsed by December 2019, action had not been taken in terms of the last will to identify lands and buildings located in 07 areas and to protect</p>	<p>Action should be taken to identify relevant lands and buildings and to achieve objectives of the estate owner by confirming the ownership of the Public Trustee.</p>	<p>No Comments have been made.</p>	<p>The work has not been completed even by January 2022.</p>

	<p>them in a manner of confirming the ownership of the Public Trustee and to achieve objectives of the estate owner by selling those properties.</p>			
	<p>(c) Even though action had been taken to transfer the ownership of 03 motor vehicles to the Department, provided in the year 2019 by the Ministry of Justice, values of those vehicles had not been disclosed in the financial statements under non-financial assets.</p>	<p>Values of vehicles owned by the Department should be disclosed in accounts.</p>	<p>Values of those vehicles could not be disclosed in accounts under the non-financial assets due to failure to issue certificates on release of those vehicles by the Ministry of Justice and necessary action will be taken to make disclosures accordingly.</p>	<p>Values have not yet been disclosed in accounts.</p>
5.	<p><u>Human Resource Management</u></p> <p>Even though the approved cadre of the Department stood at 87, the actual cadre stood at 69 as at 31 December 2020 while there were 18 vacancies comprising 01 in the senior level, 01 in the tertiary level, 15 in the secondary level, and 01 in the primary level. (154 (6) – 5 (h) -2020)</p>	<p>Vacancies to be filled expeditiously.</p>	<p>Information on 18 vacancies existed in the Department will be reported online to the Secretary to the Ministry of Justice monthly and to the Department of Management of Services quarterly. Even though it had been reported to the Director General of Combined Services, he stated that</p>	<p>Requests for vacancies in the department are being made online as well as by letter. However, the relevant vacancies have not been filled.</p>

			<p>employees could not be provided until new recruitments are made.</p> <p>Moreover, requests have been made to obtain Graduate trainees and employees in primary level. An officer was recruited for the vacant post of Administrative Officer on contract basis and his service period had expired. However, his service extension was not approved.</p>	
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Head 206- Department of Cultural Affairs

	Audit Observation	AG's Recommendation	Preventive measures taken by the Institution	Present Position
1.	Five buildings, 14 motor vehicles costing Rs.53,400,000, 11 motor vehicles of which its value had not been mentioned and 05 lands, 3.7371 hectares in extent had not been brought to account either to the cost or to the assessed value in terms of Paragraph 8.2 of the Public Accounts Circular No.267/2018 dated 21 November 2018 of the Director General of Public Accounts.	All non- financial assets belonging to the Department should be identified and should be brought to account either on the cost or on the assessed value in terms of the Paragraph 802 of the relevant Circular.	Only the deed of the Walisinghe Harishchandra Cultural Centre remained belonging to the Department and, necessary action remains being taken to acquire the other lands. Obtaining	Any asset whatsoever had not been brought to account up to date.

			<p>information on the Sinhala Dictionary Compilation Institute is being carried out through the Department of Archeology on this Institute remains being existed since 1864. Steps would be taken to valuate after resolving the problems on the buildings being located in the above lands. All the 25 motor vehicles had been valuated and action is being taken to be brought into account.</p>	
2.	<p>A difference amounting to Rs.444,761 between the Debit balance of the Advances to Public Officers B Account and between the Debit Balance as per the Treasury Printout that remains since the year 2004 and, action had not been taken to identify it and to adjust it in the Accounts.</p>	<p>Action should be taken to identify that difference and to adjust it in the Accounts in the instance where a difference has been identified in the balance as per the Advances Control Account and the Treasury Computer Reports.</p>	<p>Errors including the notification errors are being disclosed by examining the other Documents including the CC 10 Register from the year 2001, for the disclosure of the difference, at this moment. Those activities were delayed on some of the Officers being infected with the</p>	<p>The error had not been rectified.</p>

			coronavirus and being subjected to quarantine, with the rise of the covid- 19 pandemic. Action would be taken to identify this difference and to adjust the Accounts in the forthcoming year.	
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Head 207- Department of Archaeology

Major deficiency included in the Audit Report		AG's Recommendation	Preventive measures taken by the Auditee entity	Present Position
01.	Even though it had been indicated by the previous audit reports to take action to acquire the ownership of the land of which the Head Office is located, valued at Rs.911.5 million and the Building valued at Rs.138 million, sufficient attention had not been paid in this connection even in the year under review.	Taking action to acquire the ownership of the property, to the Department.	These values could be brought to account after the acquisition of the legal ownership of the Department of Archeology.	The acquisition and the accounting had not been carried out even up to date.
02.	(a) Even though the total of the Individual balance Classification Summary as at the end of the year under review, of the Advances to Public Officers' Account had been a sum of Rs.96,377,512, action had not been taken to reconcile and settle the difference of Rs.612,296 from over a period of 05 years due to the balance of the Control Account being a sum of Rs.96,989,808.	This balance should be examined and settled in terms of the Reply.	The difference had been a sum of Rs.612,265.85 as at 31 December 2020. Action would be taken to examine and settle this difference.	A sum of Rs.42,292 of this value had been settled. A balance amounting to Rs.570,000 remained to be further settled.
	(b) The total outstanding loan balance payable as at 31	Action should be taken to recover these	Action is being taken to recover this money.	These outstanding loans

	December 2020 from the deceased, retired and interdicted employees and from the employees who vacated from their service, not currently employed in the Department had been a sum of Rs.5,289,100. A total sum of Rs.1,620,953 of that value had been balances that remain recoverable from a period of over 05 years and, action had not been taken to recover those balances.	outstanding loan balances.		had not been recovered.
3.	Utilization of the provisions provided by other Ministries and Departments			
	(a) The money had been reimbursed by submitting the expenditure vouchers to the Central Cultural Fund by executing the project activities as per the Estimates approved by obtaining the approval from the Ministry of Housing Construction and Cultural Affairs from the year 2018. However, even though it had been requested by the Central Cultural Fund to reimburse the total sum of Rs.38,064,351 spent in the years 2019 and 2020, that money had not been reimbursed.	The necessary financial provisions should be collected for continuously carrying out the function planned by this project.	The money requested from 04 December 2019 to 17 December 2020 had not been received up to date. Its value had been a sum of Rs.38,664,351. The exemption of money for this payment of Bills had been delayed on the loss of income received to the Central Cultural Fund.	The settlement of these Bills had not been carried out up to date.
	(b) A total sum of Rs.5,002,431 had been allocated by the Central Cultural Fund on 02 May 2017 for the Pahiyangala Cave Project. This money had been utilized for making the payments to the material suppliers of the other projects initiated under the contribution of the Central Cultural Fund by	The money allocated by the Central Cultural Fund should be utilized for that allocated function.	Those activities were carried out on the money received by the Central Cultural Fund being capable to utilize for the conservation, excavation and maintenance activities.	The allocated money had not been utilized for the relevant function.

	a Journal Entry on 09 October 2020, instead of utilizing for the allocated function.			
	(c) Rajagalatenna Archeological Conservation Functions had been initiated in a manner that they could be initiated within the period from the year 2017 to the year 2022 under the contribution of the American Funds. Even though a financial contribution amounting to Rs.257 million had been received in the year 2020 for this project, the relevant project functions had not been executed in the year under review due to the problematic condition remained in the agreed process, required to be carried out between the University of Sri Jayawardanepura and the Department of Archeology.	These project activities which remained to be completed in the year 2022 should be completed as planned.	The project could not be completed as intended due to the covid- 19 pandemic and due to the lockdowns of the country.	The performance relating to the project remained at a lower level.
	(d) A sum of Rs.1,500,000 had been provided by a State Corporation in the year 2015 for the conservation of the murals and the sculptures of the Kelaniya Rajamaha Viharaya. Even though many years had lapsed by the year 2020, the total balance amounting to Rs.1,494,434 had been credited to the Royalties on 11 December 2020, that had been brought forward to the Deposit Account without executing the functions.	The money received from external Institutions should be utilized for the provided function.	Even though replies had been called upon from the Laboratory Division, replies had not been received and, hereby, I inform that a certain delay has been occurred in the mural and sculpture conservation activities.	The allocated money had not been utilized for the relevant function.
4.	(a) Provisions totalling Rs27,460,458 saved as at 31 December 2020 from the provisions received for the activities of 92 projects within the period from the year 2014	Action should be taken in terms of the Financial Regulations relating to the projects that have obtained the information but, had	The information had been requested from the Regional Assistant Directors and, action would be taken relating to the projects that are	A sum of Rs.12,828,105 had been credited to the Royalties as at 31 December 2021,

	to the year 2018 had not been settled.	not been implemented.	further being implemented.	by inquiring the Assistant Directors on Deposits over 02 years. The remaining money had not been settled.
	(b) The remaining balance totalling Rs.14,463,670 had not been settled and had been retained in the Deposit Account, after the implementation of the project activities as at 31 December 2020, from the funds received mainly from the Government Departments, Statutory Institutions, Private Institutions for the excavation of the archeological sites, conservation and for 14 reconstruction projects.	-do-	The information has been requested and, it would be credited to Royalties in terms of the Financial Regulations.	The settlement activities had not been wound up, up to date.
	(c) Retained money amounting to Rs.2,194,747 of the payments of 17 construction and maintenance contracts of the archeological sites had been retained in the Deposit Account, instead of taking action to settle as at 31 December 2020.	-do-	The information has been requested and, it would be credited to Royalties in terms of the Financial Regulations.	The settlement activities had not been completed even up to date.
5.	The policies and procedures had not been introduced for the issuance of Archeological Excavation Licenses in terms of the provisions of Section 6 of the Antiquities Ordinance, No.09 of 1940 and, action had not been taken to charge the license fees amounting to Rs.363,000 for 121 licenses issued from the year 2006 to the year 2017, contrary to the provisions of Section 10 of the Ordinance. Further, action had not been taken to identify and to acquire them to the Department, on	Action should be taken to issue Excavation Licenses properly by planning the policies and procedures and to acquire the artifacts discovered from the excavations, in terms of the provisions of the Ordinance.	The consent has been given to the audit observations.	Proper steps had not been taken for the relevant activities even up to date.

	the artifacts discovered from the excavations carried out by the licenses provided contrary to the provisions of the Ordinance.			
6.	The artifacts in the land that would be submerged by the Dam, for the Yan Oya Dam Project had been excavated and removed and, it had been informed in the Department of Archeology to propose to construct a Musaeum to safely install those artifacts and to submit the initial plans and Estimates, as per the Damage Assessment Report prepared relating thereto. Those artifacts remained being stored in the Padawiya Regional Office in an unsafe manner on not preparing the initial plans and Estimates relating to the construction of the Musaeum.	Action should be taken accordingly by inquiring on the requirement and the capacity of constructing this Musaeum.	It has been mentioned in a Survey Report submitted in the year 2012 that the artifacts discovered by the Yan Oya Project should be installed in a Musaeum. The artifacts discovered from the excavations remain in the Analysis Division in Anuradhapura and in the Padawiya Archeological Site. It had been planned to construct a Musaeum and it had been handed over to the Irrigation Department and, hereby, I inform that further activities necessary to install the artifacts would be carried out after the construction of that building.	Steps had not been taken to construct the Musaeum up to date.
7.	The approved cadre of the Department had been 4356 and the actual cadre had been 1879, relating to 84 posts, as at 31 December 2020. As such, the number of vacancies had been 2477. Thirty-nine vacancies remained in the Executive Level out of these vacancies and, appointments had been made on the work coverage level. Various hindrances had been occurred towards the recruitment for these vacancies and, it was observed that a hindrance would	Action should be taken to complete expeditiously in terms of the Scheme of Recruitment and of the remaining laws and rules and, based on the requirement of these employment vacancies.	The approval of 1940 new posts had caused in creating a large number of vacancies for the posts. Various hindrances had been occurred towards filling these posts and action is being taken to taken the relevant action to fill these vacancies.	The vacancies had not been filled even up to date.

	occur in executing the intended function on the employee vacancies being remained within the Department.			
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Head 208- Department of National Musaeums

	Major deficiency included in the Audit Report	AG's Recommendation	Preventive measures taken by the Auditee entity	Present Position
1.	The cost had been identified as sums of Rs.10,000,000,000 and Rs.800,000,000 for lands and buildings respectively and had been brought to account based on the Valuation Report carried out in the year 2013. Even though over 07 years had lapsed after evaluating the cost of these properties, action had not been taken to re- evaluate these assets and to account the accurate values.	The land valuation values should be updated.	Action would be taken to valuate by inquiring from the Department of Public Accounts, in the future.	The acquisition of lands and accounting by the valuation had not been carried out.
2.	A building had been handed over to the National Handicrafts Council on lease basis for a period of 10 years from 10 August 2011 to 31 July 2021 by the Department. Its modification activities had been carried out by the Board without the approval of the Department and, action had not been taken by the Board even to take a Decision of the Cabinet of Ministers to extend that period of lease to 35 years without the consent of the Department. The expenses such as assessment fees, water fees for that building had been paid by the Department and, the total of the outstanding lease rent recoverable to the Department as at 31 December 2020 had been a sum of Rs.66,194,051. Action had not been taken by the Department to	Action should be taken to recover the lease rent recoverable for the building and to deploy the building into a proper effective function by safeguarding the building.	Detailed explanations had been given by the Institution. It has been mentioned that action would be taken by inquiring on this matter.	The Lease Agreement that had been entered into, expired on 31 July 2021 and, it had been informed that action is being taken to enter into a fresh Lease Agreement on an Estimated Lease value on a Decision of the Cabinet of Ministers being obtained to extend the period of lease up to 35 years and them, not being withdrawn from

	recover this outstanding income and to manage and secure the assets.			the premises.
3.	The Estimated Value of the Project on the construction of the Water Tank relating to the installation of the Fire Alarm System of the Head Office of the Department without lease had been a sum of Rs.18,676,148. An Agreement had been entered into on 26 September 2016 for this project and, it was scheduled to complete its work on 26 December 2016. The progress of these constructions that had been handed over to the State Engineering Corporation had been 40 per cent even by the end of the year 2020.	Action should be taken to execute the delayed projects as planned.	Accepted.	The construction activities had not been wound up, up to date.
4.	Even though Letters had been exchanged with various Public Institutions to acquire the ownership of the land, 4.6317 hectares in extent, in which the National Musaeum of Colombo is established and of the lands in which other 07 Regional Musaeums are located, to the Department, those lands could not be acquired even by March 2021.	Action should be taken to acquire the lands to the Department.	Not replied.	The land acquisition activities had not been carried out.
5.	The value of the misplaced goods had been a sum of Rs.4.8 million in terms of an Estimate prepared relating to the misplacement of artifacts that occurred on 17 March 2012. It could not be able to obtain these artifacts to the Department on the court proceedings not being wound up and, as such, it could not be able to identify the deficit between the misplaced goods and the goods that have been found and the adjustments necessary to identify its values, by the	Action should be taken on safeguarding these artifacts, retrieval of the artifacts in terms of the Financial Regulations.	Not replied.	The goods that had been misplaced in the Colombo Magistrate's Court on 10.02.2022 but retrieved had been handed over to the Department. Action had not been initiated on the goods that had not been retrieved, in terms of the

	Department. Even a disclosure relating thereto had not been made in the Financial Statements.			Financial Regulations.
6.	The total loan amount recoverable from the officers who had vacated from service as at 31 December 2020 had been a sum of Rs.1,131,500. Action had not been taken by the Management to recover the lapsed loans in terms of Paragraph No.1(e) of the Public Finance Circular No.01/2020 of 08 August 2020.	Action should be taken to recover the outstanding loan balance in terms of the instructions of the Circular.	Action remains being taken to recover the lapsed loans.	The relevant outstanding loans had not been recovered up to date.
7.	One hundred and thirty- seven vacancies relating to 47 types of approved posts remained as at 31 December 2020 and as such, an employee deficit of 29 per cent remained between the approved and the actual number of employees. Action had not been taken by the Management to fill this employee deficit.	Action should be taken to direct towards the objectives of the Institution by filling the employee deficits.	Not replied.	Action remains being taken to attach the Development Officers as appropriate on the new recruitments being defaulted. The vacancies had not been filled.

Head 209 – Department of national Archives

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Institution	Current Position
1.	Non implementation of last year's recommendations It was observed that invaluable heritage assets such as books, registers, ancient agreements and confidential documents owned by the Department of National Archives had not been disclosed in the financial statements and those heritage assets had not been subjected to a proper survey for many years.	A survey should be conducted on these assets and a disclosure thereon should be made in the financial statements.	Nominal value of documents of national importance in the possession of the Department had not been accounted in the financial statements. There are about 700 such record groups and the check lists of which are obtained once in every two years.	Disclosures had not been made in the financial statements even with notes. Proper survey activities had not been carried annually.

2.	(a) As per the reconciliation statement in the Government officers' advance account "B", outstanding loan balance stood at Rs. 17,672,837 as at 31 December 2020 and due to that balance being Rs. 18,114,012 in the statement of financial position as at the above date, a difference of Rs. 441,175 was observed.	Relevant adjustments should be made and noted in financial statements.	Adjustments have not been made and mentioned in the financial report mistakenly.	Corrections have not been made till present time.
	(b) Action had not been taken to settle the outstanding loan balances of Rs. 264,875 which is more than 05 years old, related to 04 officers who had left service as per section (E) of guideline No 01 in the circular No 01/2020 dated 28 August 2020.	Old loan balances should be settled as per instructions in circulars.	Actions are being taken to recover these very old loan balances.	No action has been taken either to recover or to write off.
3.	(a) All non-financial assets including new and old buildings wherein the Head office of the Department is located, building located in Kandy, old canteen building and central air conditioning system installed therein, had not been assessed and accounted in the financial statements under property, plant and equipment.	Properties should be vested and then assessed and brought to account.	A request has been made to the Divisional Secretary for obtaining the ownership of the land. It is expected to assess and account by vesting property.	Activities related to vesting of property and accounting has not been completed.
	(b) The land depicted as Lot No.01 in the P.P.Co. 9582 located in Kurunduwatta Grama Niladhari Division in the Thimbirigasyaya Divisional Secretariat Division where the Head Office building of the Department is located had	The land should be vested and brought to account.	Action is being taken to vest the land wherein the Head Office is located.	Assets have not been vested and brought to account till present time.

	not been vested and assessed and brought to account in the financial statements.			
4.	Even though, it was planned for the notation of about 1700 maps by the end of year 2016 by the map notation machine the number of maps the notation of which was completed was 232 or 13.6 per cent by 30 April 2019.	The need for preparation of a plan to expeditiously complete map numbering activities.	About 34 percent of the maps were numbered. The number of maps, the quality check of which is completed represents 13.6 percent.	Performance activities had not been done in accordance with the plans.
5.	As per the procurement plan 2020, the total budgeted expenditure for purchasing goods and services stood at Rs. 236,823,000 and the actual expenditure incurred for procurement in the year stood at Rs. 26,630,000. Accordingly, the value of procurement activities not carried out in the year stood at Rs. 210,193,000.	Action should be taken to prepare plans considering the level that can be achieved within the year and to revise as per the plan requirement.	It was not possible to achieve the expected targets owing to the Covid pandemic prevailed in the country.	It has been informed that it was not possible to achieve the expected targets due to uncontrollable factors.
6.	The contract of reconstructing the Head Office building of the Department had been awarded to the Central Engineering Consultancy Bureau at a total estimated cost of Rs. 992 million according to recommendations made by standing procurement committees appointed by the Cabinet of Ministers through CP/17/2988/742/050 of 17 January 2018. The following matters were observed at the inspection on the rehabilitation and improvement of the said building (a) Even though the due date for completion of reconstructions was 07 July 2020, the period of	After extending the period, the purpose should be speedily achieved on the due date as problems have arisen in achieving it.	The delay occurred due to Covid pandemic and delays in moving the documents properly to new locations resulted in extending the period.	A Cabinet Memorandum has been sent to the Ministry to obtain the approval of the Cabinet of Ministers for extending the contract period. Constructions have not been completed.

	agreement had been extended up to 18 May 2021. The current physical progress and the financial progress of the building reconstructions as at 01 April 2021 were 46 and 30 per cent respectively.			
	(b) Payments had been made for bills submitted by the Central Engineering Consultancy Bureau and the Central Engineering Services (Pvt) Limited without being checked by a suitable Technical Officer or a Quantity Surveyor.	Bills should be checked by a qualified officer before making payments	At present, bills are checked before making payments.	Previously the payments had been made without the certificate of a qualified officer.
7.	The approved cadre as at 31 December 2020 stood at 287 and a dearth of 153 employees relating to approved posts, including 50 per cent of posts of senior level and 70 per cent of posts of tertiary level, existed. The management had not taken action to fill the dearth of employees.2020.	Action should be taken to recruit adequate staff.	Action is being taken to make these recruitments.	Currently a dearth of employees is existing.

Head 210 – Information Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measure taken by the Entity	Current Position
1.	As per public finance circular No 3/2015 of 14 July 2015 and 01/2020 of 28 August 2020, the officers who obtained ad-hoc sub imprest should settle imprest within 10 days after completion of the intended purpose. Nevertheless, it has not been so done.	Action should be taken as per the provision in circulars.	The officers were informed to settle the imprests within 10 days.	Not corrected yet.

2.	As per financial regulation 571, action had not been taken to credit the expired deposits amounting to Rs. 7,488,595 to the government income or to pay back as soon as possible or as for contract deposits action had not been taken to recover the losses caused from contracts.	Action should be taken as per financial regulation.	Action is being taken to recover the losses from the contractor in connection with the construction of the Media Development Center.	Losses have not been recovered yet. Not acted as per financial regulations.
3.	No internal auditor had been appointed in accordance with section 40(1) of the National Audit Act No 19 of 2018.	Should act in terms of the provision of the Act.	The Ministry of Public Services, Provincial Councils and Local Government has been informed twice to fill the vacancies through the letter Nos රජ/පරිනි/04/01/-1 of 03/09/2021 and රජ/පරිනි/04/01/-1 of 05/10/2021.	Not appointed as yet.
4.	The Department had incurred sum of Rs. 453,000 for repairing the vehicle that met with an accident on 26 December, and it was belonging to the Information Department and used by Ministry of Mass Media. No any compensation had been paid by the Insurance Company and the relevant amount had not been recovered from the person who drove the vehicle.	For the purpose of properly using public property the damages caused to them should be revealed in financial statements by taking actions in terms of financial regulations.	The vehicle had been parked in the Department's garage for a long time after the accident and to disallow the further deterioration of the vehicle, the Department called for the tenders and carried out the repairs at its own cost. Actions have been taken to initiate investigations against the responsible persons after completion of the F.R 104 inquiries.	The relevant amount has not been recovered from the person who drove the vehicle. The department sustained a financial loss due to failure to take action in an up to date manner.

Head 211 - Government Printing Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	No fire alarm system had been installed and the safe passage for people to move during an emergency had not been marked in the premises in terms of the section 41 of Factory Ordinance No 45 of 1942.	Since paper which is a highly inflammable item is used extensively, such a fire alarm should be installed and a safe passage should be marked for people to move during an emergency.	The Department has decided not to install a fire alarm system as it is not practical to install such a system in the institution as per the opinion of the Fire Services Department of the Colombo Municipal Council.	The provisions of the Act have not been complied with.
2.	(a) 1,277,000 copies of school text books on 04 subjects were printed for the year 2018 and the revenue received by the Printing Department from the Department of Educational Publications was Rs. 110 million. A sum of Rs. 21 million, 19 per cent of the said revenue, was deducted as late charges due to the books had been printed and supplied after the agreed date.	A plan of action should be initiated to print school text books on agreed times.	No specific action has been taken.	Receipt of school textbooks for printing activities has decreased significantly at present.
	(b) Although the books were printed late, 1112 persons of the department were paid total of Rs. 4,762,800 as a school text book printing allowance in addition to salaries paid during the year under review.	Since school text book printing allowance was paid as an additional payment, the management of the department must take steps to print the school text book on time.	No specific action has been taken.	Performance is at a low level.

3.	The department's canteen is maintained by the government printing workers co-operative society which is registered with Co-operative Development Department. 26 and 03 department employees were released on fulltime and part-time basis respectively to serve there. The department had paid a total of Rs. 10,953,637 as piece rate, over time and special allowance for these employees during the year 2018.	The operation of the canteen should be handed over to a suitable party selected from competitive tender procedure. The employees of the printing department should be removed from the canteen.	No action has been taken in this regard.	These payments are made at present also.
4.	According to clause No 2.2 of the bid awarding letter of sale of waste paper, the successful bidder shall pay an advance payment of Rs.200,000 before removing all stocks of paper sold from the department premises. Although no waste paper stock could be removed without settling outstanding bills, at 21 occasions Rs.3.5 million had been paid after delay of 30 to 160 days for the purchase of 86,289 Kg by external parties. Further, due to the lack of proper storage arrangements for the waste papers collected during printing, the papers were exposed to rain and as a result, the department was unable to obtain a relatively high price for the papers.	As per the agreement, action should be taken to recover the outstanding money without any delay. Further the waste paper must be stored securely.	The Accounting Officer has informed that legal action has been taken to recover the relevant arrears.	Arrangements for the safe storage of waste paper have not yet been made.

5.	The value of invoices in the printing of ballot books and dual ballot papers for the year 2019 had been increased without any acceptable reason and an additional payment of Rs.965,684 had been made for 24 staff officers as the Commercial Printing Allowance for the year 2019. Rs. 128,200,493 had been paid for this by the Election Commission to the non-staff officers of the department as allowances and special allowances on piece rate basis, and it was revealed that Rs. 1,172,469 had also been paid from the departmental allocations as allowance on piece rate basis for the same purpose during the sample test.	The Election Commission finances its operations using treasury grants. Therefore the printing department must not arbitrarily increase the cost of printing ballot papers, and also payments should not be made from two sources for the same purpose.	No specific action has been taken.	No action had been taken to recover the overpaid amount, and the invoice value was also increased and allowances were received in the parliamentary election held in the year 2020.
6.	Even though bids were submitted by the Department of Educational Publications for the printing of 22 types of school text books for the academic year 2020, out of these, only 6 books were able to win the bid. This was due to the fact that the prices offered by the department ranged from 4 percent to 31 percent more than the prices offered by other printing companies.	Pricing should be determined by reconsidering the reasons for the high departmental pricing of the printing work.	No formal action has been taken to control the increase in printing costs.	The Printing Department does not currently receive a significant number of school textbook printing orders.
7.	1700 floor tiles totaling Rs.1, 219,563 were purchased to tile the floors of reading and computer sections. When this job was inspected it was revealed that only 1000 tiles were laid and the balance of 700 tiles valued at Rs. 502,173 were not returned to the store and the relevant officers were not able to give any explanation for it.	An investigation should be carried out to ascertain the shortfall and responsible officers should be identified.	No action has been taken in this regard.	No action has been taken in this regard.

	Further 700 tiles totaling Rs.578, 263 were purchased from another place.			
8.	Revenue in arrears for the year 2009 and the preceding years was Rs. 166,058,339 as at 01 January 2020 and any amount of the arrears had not been recovered during the year 2020. The total arrears of revenue from the year 2010 to 2018 was Rs. 377,353,282 ,and 34 per cent out of it had been recovered during the year 2020.	Since this adverse condition has been present for many years, an appropriate programme needed to be prepared as soon as possible to recover the arrears expeditiously by discussing with the relevant institutions.	The department had not introduced a special programme to recover the arrears.	The progress of recovering this arrears is still weak.
9.	Approval has been received from the cabinet decision dated 16 December 1981 to formulate a work-piece payment system instead of paying overtime allowances for certain works to expedite urgent printing work of the Department. Similarly, although formulating a system for the payment of these employee incentives had been suggested by the Committee on Public Accounts dated 11 September 2009, that recommendation had not yet been implemented by August 2021.However, a sum of Rs.150,804,766 had been paid as overtime allowances and holiday pay allowances during the year 2020 up to 2 hours daily during the period when allowances were paid on a piece rate basis in violation of the above Cabinet decision.	Action should be taken in terms of the directives of the Committee on Public Accounts in the year 2009 and a suitable allowance scheme should be introduced expeditiously.	No mechanism has been prepared for payment of incentive allowances.	No system in place for the payment of incentives at present also.
10.	Even though approval only been granted to pay the allowances up to 31 December 2018 subject to the terms of the letter dated 04 October 2017 last approved the	Approval should be obtained before incurring expenditure.	No action has been taken in this regard.	Relevant approvals have not been obtained.

	<p>payment of allowances to the staff of the Department by the Letter No. EST / 7 / ALLOW / 03/0120 of the Director General of Establishments dated 02 July 2018 and taking into consideration the recommendations of the National Salaries and Cadres Commission, A sum of Rs.1,261,119,517 had been paid for year 2019 and 2020 without any approval.</p>			
11.	<p>According to the letter No. EST /ALLOW / 03/0720 dated 28 March 2019 of the Secretary to the Ministry of Public Administration and Disaster Management, the daily allowance to be paid for apprentice officers during the training period is Rs.700. Nevertheless, apprentices had been paid a total amount of Rs.46,380,278 in addition to that during the year 2018,2019 and 2020 as overtime and piece rate allowance which are entitled to the permanent employees of the department.</p>	<p>Payments should be made in accordance with the circular provisions.</p>	<p>No action was taken regarding the payment contrary to this law.</p>	<p>This payment is not currently being made as the training period for these apprentices has expired.</p>
12.	<p>Without giving any special reasons, four Foremen had been appointed as Assistant Government Printers on acting basis in the year 2020 for four divisions for which an Assistant Government Printer has been appointed on a permanent basis. Similarly, without giving any special reasons, foremen of those divisions had been appointed as Assistant Government Printers on duty covering basis for the 06</p>	<p>Such informal appointments should not be made.</p>	<p>No action has been taken in this regard.</p>	<p>The situation is the same at present also.</p>

	divisions for which an Assistant Government Printer has been appointed on Acting basis.			
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Head 212 - Department of Examinations

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	Even though a sum of Rs.28,905,398 to the Central Engineering Consultancy Bureau and Rs. 280,625,748 to the State Engineering Corporation had been paid respectively during the year under review for the six storied multi-purpose building which is scheduled to begin construction in year 2017 and to be completed in February 2019 with the contract value of Rs.564, 320,835, its' work had not been completed even by 31 December 2020.	Necessary actions should be taken to complete the work on the due date as per the contract agreements.	Construction works have been delayed due to various reasons.	Work has not been completed even by 31 December 2021.
2.	Even though a printer had been purchased in year 2018 at a cost of Rs. 546,264,452 aiming to enhance the credibility and confidentiality of the candidates at maximum level, no feasibility study had been conducted on its viability to maintain its suitability prior to purchase. This machine was purchased with a warranty period of one year ,and it has been used to print 8% of GCE Ordinary Level question papers in year 2019 and 5% of GCE Advanced Level question papers in year 2020. Similarly, the Rs.8,428,637 worth of Wrapping Solution part, which was purchased in year 2018 to protect the confidentiality of the question papers, had been idle since the day of purchase.	The purpose of purchasing the printer should be achieved, and action should be taken to utilize the assets expeditiously.	It was difficult to use at full capacity due to the nature of the question papers.	The machine is not used for printing due to technical issues. The Wrapping part section has not yet been used.

3.	The UPS part had been purchased after nearly 2 years had elapsed from purchase of 160kw “Continuous Power Supply Unit” at a cost of Rs. 7,096,000 to maintain the power supply until the printing system shuts down in the event of a sudden power failure of the printer. More than Rs. 7 Million had to be spent in addition because this requirement was not taken into account in the procurement specifications as per the Procurement Guidelines.	The Procurement Guidelines should be followed.	Agreed.	Use of the UPS component is also minimal due to the reduced printing performance.
4.	Even though the assessed value of the land where the Department is located amounting to Rs. 630,000,000 had been stated in the statement of non-financial assets, arrangements had not been made to take over the land to the Department.	Arrangements should be made to take over.	The Ministry of Education has been informed in this regard.	Not yet taken over.
5.	Although the entire power generation should be sold to the CEB as per the Decision of the Appointed on Departmental Committee dated 08 October 2018 due to ambiguity in the production capacity and consumption of the solar power system which was installed at a cost of Rs. 28,500,000 in the year 2018, actions had not been so taken even by the end of the year 2020.	Actions should be taken in accordance with the decision of the Committee.	A study is being conducted.	Even though the recommendation of the committee had been received to switch to Net Plus methodology, which identifies daily power generation and financial value, it has not happened.
6.	Although the results certificates of the examinations held since 1992 are issued through the computer system and the steps have been taken to release the results of the examinations held before 1992 in this manner, it had been impossible to issue and confirm the results up to June 2021.	Steps should be taken to publish the results of the examinations held before year 1992 online.	Actions should be taken to release the results expeditiously.	Steps have not yet been taken to release the results of the examinations held prior to the year 1992 online.

7.	The department has not determined a specific methodology regarding the way of provisioning money for the institutional examinations from government institutions.	A specific methodology should be determined regarding the way of provisioning money for the institutional examinations.	Agreed and necessary instructions have been given to the relevant officers.	It has already failed to take the necessary steps to recover the money.
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Head 213 - Department of Educational Publications

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	Due to the printing of text books, supplementary books and teachers' guides related to the year without proper identification of the requirement of them, stock balances worth Rs.564,588,984, Rs.1,919,761,678 and Rs.1,628,198,129 had been left in the warehouses and sales outlets in the years 2018, 2019 and 2020 respectively.	The requirement of books related to the year and sales of supplementary books should be identified accurately and action should be taken accordingly.	The printing of textbooks will be reduced quantitatively according to quality reports.	Textbooks, supplementary books and teachers' guides are left in the warehouses and sales outlets in the Education Publications Department.
2.	As printed textbooks, supplementary books and teachers' guides were in the unusable condition, the value of books to be disposed of by 31 December 2018, 2019 and 2020 had been Rs. 83,680,906, Rs.6,696,680 and Rs. 8,484,244 respectively.	Identification of the need for books and taking action accordingly.	Action will be taken to dispose of books.	The disposal of books has not yet been completed.
3.	Textbooks, teachers' guides and supplementary books of the year 2020 and previous years amounting to Rs. 22,551,350 had not been printed and delivered by the printers even by 28 February 2021.	Arrangements should be made to obtain printed books on the due date.	I agree.	As the printing work had not been properly regulated, books worth Rs. 198,695,293, for which printing orders had been placed in the year 2021 and in the previous years have not yet been printed and delivered.

4.	Sums of Rs. 6,130,000 and Rs. 1,099,282 had been charged respectively as fines since the quality of 106 types of textbooks printed for the year 2018 and 2,678,000 copies of the textbooks printed for the year 2019 had been decreased.	The quality of the books of the publishers should be considered.	The SGS certificate obtained in importation of papers should be considered.	Fines had been charged for this in 2020 as well.
5.	In making payments for textbooks for the years 2020 and 2019, Rs. 1,475,479 and Rs. 17,039,257 had been overpaid respectively to the printers for printing books with shortages of pages and Rs. 1,375,890 and Rs. 16,636,231 had been underpaid respectively to the printers for printing books with excess pages.	The past performance in providing quality books should be considered.	This situation has arisen according to the technical factors.	The same situation exists in the year 2021.

Head 215-Department of Technical Education and Training

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	Action had not been taken to identify the value of the cost of 2784 items removed according to the Goods Survey Report for the year 2019 and to remove the items from the accounts and to dispose of 8985 items, which had been recommended for disposal and sale and to identify their values of cost.	Necessary action should be taken to identify the cost values of disposed and sold assets and remove them from the accounts. Action should also be taken to implement the recommendations made in the survey of goods.	A committee has been appointed to value the assets. The cost of the assets should be removed from the financial statements on the recommendation of the Committee.	The cost of assets had not been identified even by 31 December 2021.
2.	The value of lands owned by 25 Technical / Technological Colleges had not been disclosed in the financial statements.	Necessary action should be taken to assess all lands and to account them.	Requests have been made to provide the relevant assessment reports expeditiously.	Assessment reports have not been obtained and accounted.

3.	Action had not been taken to recover a total loan balances of Rs.3,433,197 recoverable from 16 officers who were transferred and from 66 officers recoverable due to termination of service, vacation of posts and retirements.	Need to take immediate action to recover the loan balance.	They have been informed through sending reminders to recover the loan balances and action will be taken to recover the dues from the retired officers as soon as they get the pension gratuity.	Loan balances had not been recovered even by 31 December 2021.
4.	Although it was decided to recover 40 percent of the estimated total loss occurred due to the malfunction of the engine of the vehicle as it was not operated by properly applying oil and water, action had not been taken to recover the loss even by 19 February 2021, the date of audit.	Action should be taken to recover the losses as per the report prepared in accordance with FR 104 (4).	Steps will be taken in the future to recover losses from all the officers responsible.	Losses had not been recovered even by 31 December 2021.

Head 216 – Department of Social Services

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	In contrary to provisions of FR 94, the Department had incurred liabilities exceeding the provision of 07 objects by Rs.1,187,076 in the year 2018 and liabilities exceeding the provision of 05 objects by Rs. 2,458,392 in the year 2019.	Liabilities should be dealt with in accordance with the provisions of the Financial Regulations.	Continuously entered in to commitments by exceeding the provision and action had not been taken to avoid exceeding the provision.	It was not confirmed that steps had been taken to resolve this situation in the year 2021.
2.	The department had received 11 plots of land in extent of 50.93 acres as donations and the ownership of 08 plots in extent of 24.27 acres out of that could not be transferred properly.	Action should be taken to expedite the clear ownership of the lands received as donations.	Vesting of ownership was in progress.	Vesting of land had not been completed.
3.	Necessary action had not been taken in respect of deficiencies and surpluses revealed in the Annual Goods Survey in terms of FR 757 (2).	Actions should be taken in relation to the deficiencies and surpluses in terms of the Financial Regulations.	Action is being taken in relation to the deficiencies and surpluses.	There were delays in taking action in relation to deficiencies and surpluses and action has not yet been completed in that regard.

4.	There were 104, 110 and 77 vacancies in the posts of senior, tertiary and secondary levels in 2018, 2019 and 2020 respectively.	Action should be taken to recruit approved staff to achieve the objectives of the Department.	Recruitment for vacant posts has been suspended.	Instead of making recruitments to all the posts in all the categories of employees that remain vacant, recruitments for secondary level posts have been made and the excess cadre in those posts was 153.
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Head -217 Department of Probation and Child Care Services

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	Although 64 years have passed since the establishment of the Department in 1956 up to the year under review, Formulation of a national policy and legislation in accordance with the United Nations Convention on the Rights of the Child (UNCRC) and legislation of rules related to it had not been carried out. Although the approval of the Cabinet of Ministers had been obtained for the National Policy for Alternative Care of Children on 06 March 2019, the policy had not been implemented even by 25 March 2021, the date of the audit.	A national policy should be formulated to function in compliance with the Mission.	The Alternative Care Policy was approved by the Cabinet on 06.03.2019 and a census was conducted jointly with the Department of Census and Statistics based on that policy, children in Children's Homes. Necessary plans have been designed to prepare an "action plan" based on the information revealed in the Census.	A national policy had not been formulated even by 31 December 2021.
2.	Amending the Ordinance on Children and Youth No. 48 of 1939 and amending the Orphanages Ordinance, which has become the key function of the Department had not been completed even by the year under review.	Amendments should be completed expeditiously.	Amendments to the Ordinance on Children and Youth are in the final stage.	The amendments had not been completed until 31 December 2021.

3.	According to the information made available for audit, short term resolutions had been made for only 17,732 complaints out of 61,238 cases of child abuse reported to the Department from the year 2015 to year 2020 and 10,577 complaints had been referred to other institutions for resolutions. Progress review of the resolutions provided for complaints and follow up had not been carried out by the Department and the districts, to which more attention should be paid and fields that need attention had not been identified.	The Department should follow up on the resolution of the complaints.	Follow up actions are being carried out by the District Officers under the supervision of the District Secretary. In special occasions, the follow up will be carried out by the Head Office as and when required.	The progress in follow-up of complaints was at a low level even until 31 December 2021.
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Head 219 - Department of Sports Development

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1	The project to identify the children of the age group of 13-14 years, who had sports talents on a scientific basis and to get them ready for the Olympic tournament which will be held from the year 2024 to 2028 had been approved by the Department of National Planning. The provision totalling Rs.474 million had been made for this project, which had been planned to implement from the year 2016 to 2018, and a sum of Rs.132.1 million had been incurred thereon by the end of the year 2018. This project had been suspended in the year 2018, but the progress of the project and the reasons for suspending the project had not been furnished to audit.	Other plans required to execute the planned activity and the time frame should be designed accurately.	The projects were suspended temporary due to problems arisen in the implementation of the projects and it has been informed to the audit that the discussions are being held with the Ministry of Education to commence that project under a new arrangement.	The expenditure of Rs. 132.1 million has become an idle expenditure due to the suspension of projects.

2	A sum of Rs.118,528,187 had been granted to the Sports Associations in the year 2018, without carrying out an analytical evaluation although the relevant grants and the utilization thereon had to be included in the Annual Budget made by any of the National Sports Association which expects to obtain grants from the Ministry in terms of Section 35 of National Association of Sports Regulations No.01 of 2013 published in the Extraordinary Gazette No.1793/3 dated 15 January 2013.	Action should be taken in terms of Section 35 of the National Association of Sports Regulations No.01 of 2013.	It has been informed that action will be taken to make a more formal analysis in providing money in that way in the future.	Analytical evaluations had not been carried out as per Section 35 under the National Associations of Sports Regulations.
3	Thirteen (13) Sports Associations had not furnished financial statements in the year 2017 and grants amounting to Rs.13,322,649 had been given for those Sports Associations. Nevertheless, the Department had not taken follow-up action to ensure whether the grants provided had been utilized properly.	Action should be taken in terms of Section 35 of the National Association of Sports Regulations.	It has been informed that any provision or sponsorship will not be provided for all the National Associations of Sports, who had not furnished financial statements.	The National Associations of Sports have acted without complying with the Regulations.
4	Without entering into agreements with Sports Associations as per 7 (x) of the National Association of Sports Regulations No. 01 of 2016, a sum of Rs.204,001,938 had been granted to 35 Sports Associations in the year under review for expenses including purchasing of air tickets and equipment.	Action should be taken to enter into modes of understandings when providing financial assistance to the National Associations of Sports in terms of the National Associations of Sports Regulations	The Director General has already instructed the Director (Sports) to prepare and implement a formal methodology in the future in that connection and accordingly, it has been informed that all the National Associations of Sports and Federations will be notified in this regard in the future and these shortcomings will be corrected.	Modes of Understandings had not been signed and payments had not been made.
5	Even though National Selection Committees had not been appointed by 37 Associations for the year	It is necessary to confirm that funds of the Department	It has been kindly informed that action is being taken to avoid	The measures taken to avoid such shortcomings in the

	2017, 25 Associations for the year 2018 and 35 Associations for the year 2019, sums of Rs. 33,028,040, Rs. 1,023,330, and Rs. 17,700,623 had been incurred by the Department of Sports Development for those National Associations of Sports in the years 2017, 2018, and 2019 respectively with respect to purchasing air tickets for participating in the international sports events and as expenses for conducting sports events.	are utilized for qualified sportsmen through appointment of annual Selection Committees to select sportsmen for local and international sports events and supervision, direction and regulation of the activities of such Committees.	such shortcomings hereinafter after considering all the matters.	future had not been submitted to audit.
6	Accordingly, liabilities valued at Rs. 49,936,273 had been incurred in excess of the saving although a sum of Rs. 21,280,727 had been saved from the net provision.	Liabilities and commitments should be incurred in accordance with Section 02 (d) of the State Accounts Circular, No. 255/2017 dated 27 April 2017.	It has been informed that there had been a liability, which had exceeded net provision amounting to Rs. 49,936,273 owing to commitments incurred for the 13 th South Asian Games held in Nepal.	Action had been taken by violating the relevant rules and regulations.
7	Due to a defect occurred in ordering the electronic weight lifting judgment signal system equipment valued at Rs. 12,995,000 that had been received by the stores on 23 December 2016 and as the supplier had not provided the essential items, that device could not be utilized. The equipment had been obtained on hire basis for 04 days at a sum of Rs. 220,000 and had been used to judge only one tournament.	Assets belonging to the Government should be used efficiently and effectively.	Since the digital screens required for the equipment had not been purchased at the time of purchasing the equipment, it had been informed to the audit that the digital devices had been obtained on rental basis and used.	A procurement activity carried out without analyzing the requirements.
1.	Considering the cost of purchasing 02 electric generators each costing Rs. 5,290,000 for the 02 hostels of the Department as less than Rs. 10 million, the procurement had been made under shopping method in accordance with the amended annexure 34 dated 09 July 2018 of	Action should be taken in terms of the amended annexure 34 dated 09 July 2018 of Guideline 2.14.1 of the National Procurement	It has been informed that the national competitive bidding procedure will be followed when such projects are implemented in the future.	It has been informed that the correct methodology will be followed in the future. This is a violation of the Procurement Guidelines.

	Guideline 2.14.1 of the National Procurement Guidelines. However, open bids had not been called for the said procurement, of which the cost had exceeded Rs. 10 million and instead, quotations had been called by selecting only 05 suppliers using the telephone directory.	Guidelines.		
2.	The value of the estimate for constructing the pavilion of the stadium at Dunwatta, Mayakadawara, totaled Rs. 6,000,000, and a sum of Rs. 6,843,755 had been incurred. Having entered into agreement with the contractor on the constructions at a value of Rs. 6,333,081 , the works should have been completed by 19 February 2017, but the works had been completed after a delay of one year on 31 March 2018. Although a period of 02 years and 05 months had passed by 15 December 2020 after carrying out the constructions, the pavilion had not been legally handed over to any party. The building of the pavilion had not been built facing the stadium to make it possible to view the stadium at the pavilion. It was observed that a formal feasibility study had not been carried out and the constructions had not been planned properly. Accordingly, it was observed that the objective expected from the project had not been accomplished.	The constructions of the projects should be planned to derive the expected benefits of the projects.	At present, discussions have been held with the relevant parties with respect to the stadium and to legally hand over the stadium to the Pradeshiya Sabha, Panduwasnuwara East. Moreover, it has been informed that action has been taken to provide water and electricity.	Work has not yet been finalized enabling the use of the pavilion.
3.	An agreement had been entered into with the contractor for constructing the pavilion of the public stadium in Polpitiya, Katupotha at a value of Rs. 6,832,450. Although the works of the pavilion had been completed by 31 March 2017, the pavilion had	Plans should be prepared properly by identifying the requirements so that the project could be completed within	It has been informed that the pavilion has been handed over to the Kuliyaipitiya Pradeshiya Sabha after restoring the defects.	The technical officer had not yet issued a certificate stating that the defects had been restored.

	<p>been handed over to the Kuliyaipitiya Pradeshiya Sabha, after 21 months on 17 December 2019 after restoring the large number of defects in constructions. A certificate from the Technical Officer that the identified defects in the pavilion had been restored was not made available to the Audit by 09 December 2020.</p>	<p>the expected duration thereby managing and regulating the projects by ensuring that the constructions will be completed in accordance with the standard within the specified timeframe.</p>		
4.	<p>The amount estimated for the construction of playground at Subharathi Vidyalaya, Kuliyaipitiya, totaled Rs. 6,535,000. Having entered into agreement with the contractor, the contract had been awarded at the value of Rs. 5,545,525. Due to a flood caused by the river flowing nearby, the wall built around the playground had collapsed completely whilst the fence erected at the area of the playground facing the road, had completely fallen. It was observed that the nets and GI pipes used had been stolen. Due to failure in properly conducting a feasibility study and taking into consideration the natural disasters likely to occur when the initial plans had been prepared and selecting the location, the sum of Rs. 3,872,225 spent thereon was observed to have been a fruitless expenditure.</p>	<p>Projects should be constructed in accordance with the prescribed standards. It is necessary to manage and regulate the construction activities.</p>	<p>That situation occurred due to the unexpected flooding after a period of 25-50 years. Re-erecting the fence has been commenced. As action has been taken to purchase an adjoining land, the Principal has informed to halt the development works.</p>	<p>The adjoining plot of land proposed to be given by the principal has not yet been given.</p>
5.	<p>The value estimated for constructing the playground at the Mayurapada Vidyalaya, Narammala as a multi sporting unit, totaled Rs. 9,800,000. An agreement had been entered into with the contractor on 06 January 2016, and the contract had been awarded at the value of</p>	<p>Projects should be properly planned and regulated by identifying the requirements. Administration of contracts should be done properly.</p>	<p>The former Principal had informed that due to activities executed by the multi sporting unit, other buildings should be allocated for constructions to proceed with the rest of</p>	<p>It was observed that the construction work has not been carried out as planned.</p>

	<p>Rs. 8,057,370. The value of the works done totaled Rs. 8,894,936 as per the final bill; hence, approval had not been obtained for paying the sum of Rs.837,566 in excess of the agreed amount. Only a playground for netball and basketball had been constructed as a multi sporting unit. It was observed that this playground could not be used to play volleyball. Nineteen Items of Work mentioned in the estimate valued at Rs. 2,722,768 had not been executed. Due to reasons such as, failure to properly plan the projects after identification of requirements, and failure to properly conduct a feasibility study, it was observed that the expected objectives could not be achieved.</p>		<p>the works of the school. those works had not been carried out and it has been informed to the audit that this happened so as there was no basic plan for the school.</p>	
6.	<p>An agreement had been entered into with a private construction company on a value of Rs. 14,296,005 for constructing the pavilion at the Maliyadeva Boys' Collage in Kurunegala. However, the price quoted by the said company amounted to Rs. 12,010,655. The roof of the pavilion had not been constructed to be on a frontal position enabling the use the front seats and the building. Accordingly, the constructions had been made in a manner that all the front seats were exposed to rain and sunlight. Accordingly, plan of the pavilion had not been prepared in a manner that the expected objectives could be achieved. It was observed that a feasibility study too had not been carried out for the project.</p>	<p>Plans should be properly prepared to enable completing projects within the prescribed time periods and by identifying the requirements to accomplish the activities within the timeframe.</p>	<p>Although a sum of Rs. 25 million had been allocated thereon, a bid of Rs. 12 million had been presented by the qualified tenderer. However, having included the works to be done, the contract was awarded at a value of Rs. 14.2 million after signing the agreement and it had been informed to the audit that these buildings were constructed taking into account the typical situation of the school and that the front seats could be referred to as open tires, and that it was an ordinary pavilion.</p>	<p>It has been stated that this was done in the manner of constructing a typical pavilion.</p>

7.	Without following the Government Procurement Guidelines, 1872 units of light missiles valued at Rs. 9,266,400 had been ordered through a private sporting equipment supply institution to be used for the sporting skills development project, and those items had been received to the stores on 05 July 2017. The parties responsible therefor had not been identified and those items had been kept at the stores for about 2 1/2 years and this stock had not been utilized even by 30 December 2020. Further action had not been taken in relation to this stock by the responsible parties.	A formal inquiry should be carried out to identify the parties responsible for the errors and defects of this procurement taking further action in that regard.	It has been reported to the audit that the approval has been granted by the Secretary of the Ministry to return the relevant stock of light missiles to the supplier based on an investigation carried out by an Additional Secretary of the Ministry of Youth and Sports.	Relevant work had not been completed.
8.	Value Added Tax amounting to Rs. 32,791,686 had been included in the balance of the mobilization advance amounting to Rs.214,180,540 in the financial statements and accordingly, it was observed that the balance of the mobilization advance in the financial statements as at 31 December 2020 had been overstated by Rs. 32,791,686.	Rent and work advances should be properly accounted in accordance with the guideline No. 06 issued by the Department of Public Accounts.	It has been informed that the above methodology was followed as per the instructions provided in the Public Accounts Circular No. 2016/250(i) dated 03.08.2016.	The accounts had not been prepared taking into account timely instructions.
9.	Play grounds and hostels had been established at 09 places belonging to the Department and these assets had not been brought to accounts.	Arrangements should be made to account these assets in the relevant assets registers.	The answers given are as follows. 01. Out of the 9 places mentioned, 2 places namely 119/94, Queen Elizabeth Sports Ground, Nuwara Eliya Land and Circuit Bungalow and Beliatta Stadium and Buildings were belonged to the Ministry of Youth and Sports.	Action had not been taken to value and to transfer and to account them.

			<p>02.Payment of Assessment tax has been stopped due to not being able to identify the land located at Assessment No. 281/50 of Bauddhaloka Mawatha.</p> <p>Accordingly, the valuation of the remaining 06 lands and buildings has not been completed.</p>	
19.	<p>Development of Galewela District Public Play Ground</p> <p>The development work of this play ground was awarded to Land Reclamation and Development Corporation at a cost of Rs. 11,008,947 (without taxes) in the year 2014 and mobilization advance of Rs.2,464,884 was paid. The company had not implemented the project and had withheld the advance for a period of 18-23 months and taken action to repay.</p>	<p>Project construction activities should be managed and regulated.</p>	<p>The project was carried out by a Land Reclamation and Development Corporation and action had been taken to the settle the amounts through the bills of the development project of Kingswood College, Kandy.</p>	<p>Even though instructions have been provided, steps had not been taken to carry out the contract administration activities duly.</p>
20.	<p>The Central Engineering Consultancy Bureau (CECB) has prepared an estimate of Rs. 16,039,750 for projects and instead of following the competitive bidding system in the year 2016, the shopping method was followed and the contract was awarded to a private construction company for Rs.14,831,000 and Rs.2,966,200 had been paid as mobilization advance in the year 2016.</p>	<p>Action should be taken to manage public funds efficiently.</p>	<p>Relevant officers have been instructed to streamline the procurement process and it has been informed that the procurement process is being carried out properly at present.</p>	<p>Procurement had not been carried out properly.</p>

Head 220 – Department of Ayurveda

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee	Current Position
(a)	According to the Section 77 of the Ayurveda Act No. 31 of 1961, Regulations should be made by the Commissioner of Ayurveda under this Act, Ayurvedic Code containing all such provisions in respect of all such matters as the authority empowered to make such regulations may deem necessary to prohibit, regulate or control the manufacture, sale, supply and distribution or dispensing of Ayurvedic Medicine and Surgery. Even though a sum of Rs.564,580 had been incurred in this regard in the years 2017 and 2018, such a regulation could not be prepared.	Action should be taken in terms of Ayurveda Act, No 31 of 1961.	The committee appointed in the year 2013 in terms of the order of the fundamental rights case, No. 226/2012 tried at the supreme court, had not drafted the regulations and handed over to the Department. The new committee appointed in that connection in the year 2018 is reviewing the draft regulations through a panel of experts.	The regulations could not be prepared and incorporated even by 31 January 2022.
(b)	The National Institute of Indigenous Medicine had been established with the objective of providing trainings to the officers engaged in the field of Ayurveda in the central government, provincial councils and local government Institutions Island wide by planning training programmes under 6 fields. However, due to lack of computer data base maintained inclusive of information of the officers engaged in the field of Ayurveda throughout island to provide trainings, officers had not been called for the trainings according to a proper plan during the year under review. Instead, the names of the officers to be trained had been sought form the heads of the departments and they had provided the names of the officers for trainings at their discretion.	A database should be created containing information of the officers scheduled to be trained, and the training should be provided under a proper plan, thereby increasing the quality of patient care services.	Not commented.	A database had not been created even by 31 January 2022 to formalize the affairs of the National Institute of Indigenous Medicine.

(c)	<p>The Department had issued import licenses for 886 categories of imported drugs and licenses for 892 local manufacturing drugs as at 31 December 2018. The category of drug which had been issued licenses had not been registered with the name of the drug. There were instances of issued licenses for importation of drugs without the approval of the Formula Committee. Further there were instances of issued licenses which were taken under the imported drug categories with duty had been issued under the duty free categories. Technical testing which should be done before issuing licenses for imported and local categories of drugs had not been done by the Department directly through the Industrial Technology Institute (ITI) and licenses had been issued on the certificates presented by applicants after they had got tested from the Industrial Technology Institute (ITI).</p>	<p>Action should be taken to register the drugs under the drug category and to take disciplinary actions against to the relevant officers who had issued licenses for importation of drugs without the approval of the Formula Committee after carrying out an investigation and to strengthen the internal control relating to issue of licenses.</p>	<p>Not commented.</p>	<p>The recommendations had not been followed even by 31 January 2022.</p>
(d)	<p>As for providing patient care, many are the responsibilities that the Ayurvedic Medical Officers are entrusted with within the Ayurvedic system of treatments. Such a responsibility can not be delegated to someone else, but certain Ayurvedic treatments had been delegated to the junior staff by the Ayurvedic Medical Officers. In that backdrop, the Ayurvedic system of treatments had become reminiscent of the approach followed by the Western medicine. As the traditional doctors specially attached to the hospitals had performed all the areas of</p>	<p>A review should be held on the areas of Ayurvedic system of treatments entrusted with the Ayurvedic Medical Officers that can possibly be delegated to the Nursing Officers, Masseur, and Attendants, thereby determining the specific areas that each party is entrusted with. As such, the</p>	<p>Not commented.</p>	<p>The situation had not improved even by 31 January 2022.</p>

	Ayurvedic treatments, there was a trend among the patients to be attracted to them.	responsibilities can be entrusted with the Ayurvedic Medical Officers and the other staff.		
(e)	In terms of Section 10 of the Ayurveda Act, No. 31 of 1961, it is necessary for the Ayurvedic hospitals, pharmacies, dispensaries and stores to be registered by the Commissioner. However, provisions relating to the registration of massage parlours and Panchakarma centers had not been included in the Act. As such, practice of Panchakarma could not be regulated. Nevertheless, action had been taken to register 15 Ayurveda Panchakarma centers, and 26 Panchakarma centers established at hotels based on an order of the Secretary to the Ministry of Indigenous Medicine.	Action should be taken to formulate a legal framework for regulation of Panchakarma centers and massage parlors.	Following the directive of the Secretary to the Ministry of Indigenous Medicine, approval has been given to register only the hotels approved by the Tourist Board and other institutions of tourist attraction.	Action had not been taken even by 31 January 2022 to establish a legal framework to regulate the Ayurveda panchakarma centers and massage parlors.
(f)	Action had not been taken even by 30 September 2020 to establish and maintain computer information system regarding the private ayurvedic treatment centres, Panchakarma centres, ayurvedic hospitals, manufactories and ayurvedic dispensaries registered with the Department of Ayurveda and for the new registration and renewal of imported and indigenous medicines and no action had been taken to introduce a system such as obtaining applications for registration through online method.	Action should be taken to establish and maintain a computer system with better control inclusive of all information relevant to activities of the Technical Division such as registration and issue of licenses.	Although a computer information system should be developed for all the subjects of the Technical Division, available human and physical resources are inadequate for that purpose and therefore, measure are expected to be taken in this regard in the future.	Action had not been taken even up to 31 January 2022 to maintain a database in that connection.
(g)	After the establishment of Nawinna Ayurvedic Research Hospital in the year 1962, further 4 Ayurvedic Research Hospitals had been established during the period up to 2017. Evidence had not been presented to audit relating to	Action should be taken to issue specific instructions and the methodology which should be followed when	Information will be presented to the Audit in due course.	The said information had not been made available even by 31 January 2022. Action had not been taken to issue

	researches carried out by those hospitals, new inventions made through such researches and awareness of public thereon. Further actions had not been taken to issue specific instructions and the methodology which should be followed when carrying out a research	carrying out a research. Information system of research should be maintained. A methodology should be prepared to aware General public about the new invention.		instructions to be followed in carrying out a research.
(h)	Fourteen machines and equipment valued at Rs. 28 million had been purchased on 16 March 2015 for the Bandaranayake Memorial Ayurvedic Research Institute without properly identifying the requirements and conducting a feasibility study. Of that, 08 machines valued at Rs. 21 million had not been installed even by 15 October 2021. It had been identified by a Committee appointed on 05 October 2020 that 06 machines costing Rs. 14,591,311 would not be required for the manufactory. As the contract had been awarded without properly entering into a contract agreement, and service and maintenance agreements, the installed machines had become unusable by the year under review. As such, the total amount of Rs.28,342,712 spent on that project had become an uneconomic expenditure.	All the machines should be used productively, or made use of for producing drugs at Ayurvedic hospitals or Sri Lanka Ayurvedic Drugs Corporation. Necessary action should be taken against all the officers who had been responsible for making the said purchase without identifying the requirement and conducting a feasibility study.	Secretary to the Ministry has informed that an inquiry should be conducted in this regard by an expert committee of the Ayurvedic Research Center, Nawinna thereby taking further action. As such, action will be taken accordingly	The committee appointed in that connection had recommended that 02 machines be given to the Hospital in Kaithady, 06 machines be repaired, 04 machines be given to an other institution, and 02 machines be installed. The recommendation of the committee had not been implemented even by 31 January 2022.
(i)	The new seven storied building of the Ayurvedic Hospital, Borella facilitating 434 beds had been constructed by spending a sum of Rs. 1,164.13 million and handed over to the Department on 31 December 2018. However, the building could not be made use of for patient care services over a period of 23 months by 30	Plans should be prepared by properly identifying the requirements. The relevant officers should be held accountable for the responsibility over the heavy expenses	Cabinet approval had been sought to construct a water sump and a sewage system.	The said building had not been made use of by the Hospital even by 31 January 2022.

	November 2020 as the water sump and the sewage system had not been included in the construction plans and the engineering estimate. Although 200 television sets, 108 water geezers, and 166 air conditioners had been installed at a total cost of Rs. 7.37 million, the building could not be made use of until their warranty periods expired.	incurred by the Government for identifying the requirements once the contract is awarded without doing so.		
(j)	Performance indicators for evaluation of the progress of activities relating to all sections under the Department, sub institutions, hospitals and herbal gardens had not been built up and progress of the activities had not been reviewed.	Performance indicators for evaluation of the progress of activities should be built up and progress of activities should be reviewed.	A committee was appointed for building up relevant performance indicators and it was noted to take actions obtaining the report of the committee soon.	Performance indicators had not been identified even by 31 January 2022.
(k)	Approval had been given to conduct the Ayurveda Community Health Promotion Programme as a pilot project in Anuradhapura district during 2001-2005. Once Cabinet approval was obtained after evaluating the success of the project, the project should have been implemented in the other districts as well from the year 2005. However, without doing so, the project had been implemented only in Anuradhapura district for a period of 15 years. A sum totaling Rs. 608 million had been spent on the project from the year 2005 up to the preceding year. Of the provision amounting to Rs.142.71 million made on the project for the year under review, a total of Rs.138 million comprising sums of Rs. 133.72 million and Rs.4.14 million on salaries & allowances for 225 officers and other expenses respectively, had been spent. A	Action should be taken promptly to implement the project in other districts in terms of the Cabinet Paper.	Further action will be taken in this connection.	Action had not been taken even up to 31 January 2022 to implement the project in other districts in terms of the Cabinet Paper.

	Cabinet Paper had been presented in the year 2005 with respect to implementing the project in other districts, but no further action had been taken.			
(l)	No separate water metes and electricity meters had been installed for 04 stalls which were using electricity and water of the Borella Ayurveda Hospital and for the Postgraduate Institute of Indigenous Medicine functioning under the University of Colombo from 02 June 2017 and charges totalling Rs. 13,013,556 had not been recovered for electricity and water consumption. A committee had not been appointed relating to energy conservation and to ensure efficient use of electricity and water in terms of the circular provisions. The Department had not taken follow up measures in respect of circular provisions.	Action should be taken according to provisions of Circulars.	Not commented.	No action had been taken even by 31 January 2022.
(m)	A sum of Rs. 85,372,218 had been remitted in the year 2014 to the Ministry of Defense and Urban Development for construction of the Ayurvedic Kidney Hospital in Medawachchiya. Once the constructions had been completed in December 2019, the materials worth Rs. 1,683,644 remained unused due to being purchased in excess, had been handed over to the Department. However, those building materials including steel bars, and valuable timber, had been kept at the premises of the Department over one year in an unprotected, idle and irregular manner.	Building materials should be purchased only on requirements based on cost estimates properly prepared by persons with technical expertise. Action should be taken to dispose the idle assets in a transparent manner that minimizes the loss incurred by the Government.	The Chief Accountant had attempted several times to put those items up for auction. However, the auction could not be held due to involvement of the Secretary to the Ministry.	Those building materials were remaining idle and decaying even by 31 January 2022.
(n)	In making payments for overtime and holidays based on time worked,	Action should be taken as per	Finger scanners had been installed in the	Overtime and holiday pay had

<p>finger scanners should be used to verify the time in terms of Paragraph 2(iv) of the Public Administration Circular, No. 09/2009 dated 16 April 2019. However, the total of the overtime payments and holiday pay made during the year under review based on the register of arrival without using finger scanners along with relevant liabilities totaled to Rs. 56,045,639.</p>	<p>provisions of Circulars.</p>	<p>year 2020. But, the Secretary to the Ministry informed that it was not necessary to use finger scanners at the Department as such machines had not been used at the Ministry of Health.</p>	<p>been paid based only on the register of arrival without using finger scanners even by 31 January 2022.</p>
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Head 221 - Department of Labour

Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
<p>1. According to the Department of Labor Circular No. 06/2011 dated 29 April 2011, the number of complaints that were not trialed out of 24,972 public complaints received during the year was 10,064 or 40%.</p>	<p>The Department should follow an effective and efficient methodology for solving public grievances and complaints.</p>	<p>As this situation has arisen due to the shortage of officers, 176 officers have been recruited to minimize the situation. Arrangements are being made to recruit other officers.</p>	<p>No formal grievance redressal mechanism had been established.</p>
<p>2. Even though a sum of Rs.11,000,000 had been allocated in year 2018 for the Project on Re-registration of members of the Employees' Provident Fund and providing them with new membership numbers, no function whatsoever had been performed in the year under the said Project and the entire provisions made had been transferred to other Objects.</p>	<p>Action should be taken to prepare the expenditure estimates as logically and accurately as possible in terms of the F.R.50.</p>	<p>Even though the project of obtaining the fingerprints and photographs of the members of the Employees Provident Fund was expected to be carried out by an external institution, it was decided to start this project deploying the department staff because it was unable to find an</p>	<p>The planned project had not been implemented.</p>

		<p>external institute to deliver services due to the availability of limited number of the bidding agencies and the inconsistency of the pricing with the departmental estimates and the complexity of procurement process.</p> <p>However, this project was an additional task assigned to the staff of the department and it was not possible to carry out the project as expected.</p> <p>The amount of Rs. 11,000,000 allocated for this project was saved as it had been implemented deploying departmental staff instead of external institute.</p>	
<p>3. The balance of compensation remained unpaid even by 31 December 2018 deposited in favour of the Commissioner General of Labour by private institutions for payment of employees' compensation amounted to Rs.69,466,119. Out of the said compensation, the balance moneys payable over a period of one year was Rs.53,284,103.</p>	<p>A methodology should be prepared and implemented to enable the relevant beneficiary to receive compensation efficiently and duly.</p>	<p>The amount of compensation to be paid to the employees of Kabul Lanka is Rs.32,804,684.97 ,and it is payable after the employees residing in Kabul Lanka houses hand over the keys of the houses where they reside to the Board of Investment Sri Lanka</p>	<p>These issues had not been resolved by January 2022 as no formal plan had been drawn up to address them.</p>

		and inform in writing to the Commissioner General Of Labour in this regard. It was unable to pay due to changed residential addresses of certain employees who are entitled to other compensation amounting to Rs.36,085,784, deficiencies due to discrepancies between the information provided by the Requisition Forms and the persons holding them and employees entitled to compensation go abroad.	
4. Employees' Provident Gratuity etc, had not been paid to the employees who were deployed in the service of the Sri Lanka Transport Board. As such, the balance retained as at 31 December 2018 in the General Deposit Account without making payment despite having recovered from the Board, was Rs.66,762,658. Even though a period over 05 years had lapsed after the recovery of Rs.62,021,189 out of the said moneys, no moneys whatsoever had been paid to the employees during the year 2018.	A methodology should be prepared and implemented to enable the relevant beneficiary to receive Employees' Provident funds and gratuity in an efficient and timely manner.	Requisition forms will not be submitted to pay the balance of Rs. 61,417,009 remaining as at 31 December 2021, and that amount shall be sent to SLTB only if there is a balance after paying relevant gratuity to all the gratuity holders. Further, actions are being taken by the Industrial Relations Division to obtain the lists of officers who should pay gratuity from the District Offices and obtain the approval of the SLTB.	So far no action has been taken to settle the matter with the Sri Lanka Transport Board.

<p>5. Payments of Rs.93 092,779 deposited in courts by employers relating to 181 cases, could not be made due to various shortcomings in “C” Forms and requisition forms prepared by the Labour Office to make payment to relevant employees.</p>	<p>Action should be taken to promptly provide moneys recovered by courts to relevant beneficiaries.</p>	<p>Employees’ Provident Funds cannot be accounted in individual accounts due to various shortcomings in “C” forms and most of “C” forms, are forms returned after referring to the Central Bank of Sri Lanka having been received to this Division due to various shortcomings. Moreover, action is being taken to correct the shortcomings by forwarding to the relevant District Office. Instances of inability to make payments on shortcomings of requisition forms have not been reported.</p>	<p>Part of it had been settled, but no programme had been built for an efficient service.</p>
<p>6. According to court decisions, even though it should be credited to the beneficiaries’ accounts, the amount retained in District Labour Offices without being so credited even by the end of the year under review due to shortcomings in “C” Forms, amounted to Rs.43,691,239.</p>	<p>Action should be taken to pay the money recovered by the court to the relevant beneficiaries expeditiously.</p>	<p>Referral to Central Bank of Sri Lanka with C Reports is carried out by District Labor Offices and the EPF Division. C-reports submitted in this manner are also sent back due to various shortcomings and practical problems arise in preparing C-reports as many institutions are closed. A large amount of money is in the account of the Commissioner of Labour due to the inability to prepare C</p>	<p>According to the existing system, payments will not be updated due to shortcomings in the C reports and difficulties in gathering information due to the closure of institutions.</p>

		reports, and the incidence of such cases is relatively low in newly added cases due to the proportional accounting system currently in operation.	
7. A sum of Rs.425,532,833 relating to 4,207 court cases for which decisions had been given during the year 2017, had not been provided to the relevant recipients even by the end of the year.	Action should be taken to provide the relevant recipients with the benefits received from court decisions.	There is a possibility of such situations due to shortcomings in "C" Forms relating to contributions recovered from cases. Training programmes are implemented to provide the necessary training to the Management Assistants.	Only upon receipt of a court order (decision) relating to a particular case the full amount related to that case cannot be considered as having been recovered and the proceedings concluded, and the amount of the case may determine the number of premium paid by the court to recover the full amount. Since the contributions are remitted to the Central Bank of Sri Lanka to credit to the member accounts from the first installment collected by the court in proportion, the relevant funds are credited without delay under the "Contributory Proportional Accounting System" currently in operation. However, the release of Employees Provident Fund Benefits to members can be done only in accordance with the provisions of the EPF Act and only by the member through submitting an application.
8. The total number of dormant cases as at 31 December 2018 stood at	Action should be taken to minimize	The Legal Division has initiated various	The following preventive measures

<p>4,921 and the value to be recovered on the said cases amounted to Rs.1,547,622,904. Cases older than 05 years of them stood at 3,186 and it represented 65 per cent of the total number. Moreover, the number of cases for which open warrants were issued, stood at 2,994 and the value thereof was Rs.933,751,835. Out of them, the number of cases older than 05 years stood at 2,047 and it represented 68 per cent of the total number.</p>	<p>delays relating to legal procedures as a result of the delays of the Department.</p>	<p>measures for recovery of statutory moneys recoverable to employees by activating cases which are dormant and with open warrant relating to these cases in the Labour Offices in the island at present.</p> <p>I. Legal officers attached to the Zonal Labor Offices shall inspect the inactive and open warrant cases currently filed in all District Labor Offices in the zone and make recommendations for activation and to take measures to activate and give the relevant recommendations to the Assistant Commissioner of Labour and the Senior Labour Officer and to follow up .</p> <p>II. Check if there are any steps that can be taken to reactivate the cases referred to the Legal Actions Division recommending that all necessary steps be taken by</p>	<p>have been taken in respect of inactive and open warrant cases.</p> <p>01. A letter dated 14.06.2019 has been sent to the Deputy Commissioners of Labour in charge of all Zonal Offices instructing them to take further steps.</p> <p>02. Instructions have been given to the Commissioners of Labor in charge of all the Zones on 12.07.2021 and 21.01.2022 informing them of the procedures to be followed for the execution of open warrants.</p> <p>03. Inform the Airport Police when open warrants have been issued for overseas employers and to issue summons abroad when addresses are available.</p> <p>04. Steps are being taken to enforce open warrants through the DIG.</p> <p>05. Further, it is also planned to train all case management officers by introducing a new format that will enable labour offices to include all case</p>
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		<p>the Labor Offices in the island but could not be activated in any way.</p> <p>III. Provide basic instructions to activate the identified cases to be activated from the cases thus examined.</p> <p>IV. Identify cases which cannot be activated in any way and submit a report on those cases to the Commissioner General of Labor and obtain necessary instructions from the Commissioner General of Labour to remove those cases from the departmental records.</p>	<p>files under a single format and to obtain accurate data through the update process at present.</p> <p>06. It is also intended to introduce software that can retrieve accurate data and information expeditiously.</p> <p>07. Information on open warrants and inactive cases received from 01.01.2021 to 31.12.2021 as at 25.02.2022.</p> <table border="1" data-bbox="1247 898 1539 1266"> <thead> <tr> <th colspan="2">Inactive cases</th> <th colspan="2">Open Warrants</th> </tr> <tr> <th>No. of Inactive</th> <th>Value Rs.</th> <th>No. Open Warrants</th> <th>Value (Rs') Rs.</th> </tr> </thead> <tbody> <tr> <td>979</td> <td>642866806</td> <td>1209</td> <td>461975206</td> </tr> </tbody> </table>	Inactive cases		Open Warrants		No. of Inactive	Value Rs.	No. Open Warrants	Value (Rs') Rs.	979	642866806	1209	461975206
Inactive cases		Open Warrants													
No. of Inactive	Value Rs.	No. Open Warrants	Value (Rs') Rs.												
979	642866806	1209	461975206												

<p>9. Although it had been planned to settle Rs. 600 million out of the Employees Provident Fund balance to be credited to the existing single contribution accounts in the General Deposit Account by 30 June 2019, only Rs. 189 million had been settled. As a result, settlement progress of the General Deposit Account for the year was only 31 percent. The balance in the General Deposit Account as at 31 December 2019 was Rs. 793 million, of which the total value of balances over five years amounted to Rs. 128 million.</p>	<p>Identify the existing balances in the public deposit account and take action to credit the personal accounts without delay.</p>	<p>No comment has been made.</p>	<p>The balance of the "Public Deposits" account as at 31.01.2022 is Rs. 278, 927, 841, and out of this the balance which was more than five years as at 31.12.2019 is Rs.7,689,806.</p>
<p>10. According to the information obtained from the Department of Motor Traffic, 22 vehicles registered in the name of the Commissioner General of Labour as at 31 December 2019 are not in the possession of the Department at present. Details of the existence and use of those vehicles were not submitted for audit.</p>	<p>As the department is responsible for the vehicles registered in the name of the department, necessary action should be taken in this regard.</p>	<p>Action is being taken to correct.</p>	<p>All these vehicles were registered before 03.02.1986. The Vocational Training Authority was established in year 1995 after the abolition of the Manpower Division of the Department of Labour and it was observed that the vehicles were in the possession of the Vocational Training Authority. It has been found that 12 of these vehicles are in the custody of the Vocational Training Authority and steps are being taken to hand over those vehicles to the Authority. Information on the remaining 09 vehicles has also been provided to the Vocational Training Authority and so far no information has been</p>

			found.
11. The foundation stone for the construction of the Ratnapura District Labor Office had been laid on 07 April 2017 on a land owned by the Urban Development Authority. However, construction of the building had been temporarily suspended due to issues regarding the land acquisition and constructions thereof had not been resumed even by 15 June 2020.	Constructions should be carried out after completion of land acquisition.	Land acquisition is in progress.	Land acquisition has not yet been completed.
12. Although construction of the new Labour Office in Badulla district was commenced on a land belonging to the Sri Lanka Transport Board at an estimated cost of Rs.268,170,000, the relevant land had not been duly acquired by the Department. An amount of Rs.54,791,204 had been paid to the Building Department for the construction of the building as at 31 December 2018 and the construction work had been handed over to the Contractor by the Building Department on 06 February 2019.	It may create problems to carry out constructions until the ownership of the land is clearly acquired and therefore, action should be taken to settle ownership of the land before commencing construction.	Acquisition is in progress.	The acquisition of the land has not been completed by January 2022.
13. The balance of the Employees Provident Fund that had been recovered through the court proceedings and the Labour Offices and remained unsettled to the employees as at 31 December 2019 was Rs.398,465,065 and out of which the balance further remained unsettled as at 24 June 2020 was Rs.332,429,832.35.	Money collected on behalf of the employees should be credited to the accounts of such employees without delay.	Action is being taken to settle.	Although action is being taken to settle the Employees Provident Fund balance, the activities were slowed down due to the rapid spread of the Covid 19 epidemic during the year 2021. Its balance is high due to the amount of money being regularly collected from employers. <u>The actions taken on the settlement of the existing</u>

			<p><u>"Commissioner of Labour" Account in the Central Bank of Sri Lanka are given below.</u></p> <p>Since the "C" reports we have submitted to the Central Bank of Sri Lanka have not yet been settled will also increase the balance in the "Commissioner of Labor" account, it was possible to reach an agreement on the following policy decisions in this regard during the discussions held with the Central Bank of Sri Lanka.</p> <p>Although the current nominal error rate in "C" records is more than 10%, the Commissioner of Labour will have the opportunity to credit the long-held holdings of the account to individual accounts in due course due to the policy decision taken to credit members' money to accounts with the correct names in those "C" records and to credit to temporary accounts for members who have nominal errors.</p> <p>Furthermore, all district secretariats have been informed to submit a detailed report on all funds withheld at the district secretariats for settlement, and further</p>
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			<p>instructed to settle the amount that can be settled before 30.06.2022 and to inform with the relevant reason.</p> <p>Accordingly, it is being planned to take a decision by a committee on how to deal with the non-payment of full amounts that cannot be settled in due course by taking into account the facts presented.</p>
<p>14. During the labour inspection, the Labour Officer should obtain the C Report, District 66 Reports, Salary Register and the reports sent to the institution to the effect that the Central Bank of Sri Lanka has accounted for the contributions. Due to the reasons such as inconsistency of that information with the database of the Central Bank of Sri Lanka, inconsistency of the calculated arrears with the C reports and salary register obtained from the institution, inconsistency of credit reports sent by the court with the calculated arrears and mismatch of the covering letters issued by the Labour Office with the arrears of contribution, there observed 19 instances ,where the money could not be credited to the employee's contribution accounts. In those instances, the duration in which that arrears remained unaccounted ranged from 1 year to 19 years.</p>	<p>It is observed that these delays and inconsistencies occur due to the lack of an information system that is compatible with the existing information system of the Central Bank. The management should draw attention on the need to maintain such an information system by the Department as well.</p>	<p>Advise officers on how the investigations should be conducted.</p>	<p>Even though the Department of Labour maintains an information system parallel to the existing information system of the Central Bank of Sri Lanka, issues have been arisen with accounting for contributions due to incomplete information provided by employees for “District 66” reports and incomplete membership information entered by employers for “C” reports.</p> <p>As a solution to the above problem</p> <p>(i) Labor officers in all district offices have been instructed to ensure that employers and employees submit accurate and complete information when presenting</p>

			<p>information.</p> <p>(ii) Further, regulations have been amended and published regarding the process of making the National Identity Card number to be the priority data for identifying the members of the Employees Provident Fund, and the action is scheduled to be initiated from June 2022.</p>
<p>15. In order to inspect all Non-Governmental Organizations / Estates in Sri Lanka, 11 Zonal Offices, 40 District Labour Offices, 17 Sub Labour Offices and 10 District Factory Inspection Engineer Offices had been established under the Department of Labour. The number of Labour Officer posts and the number of supra grade posts approved for the Department of Labour to perform this function was 597 and 56 respectively. Of these, 56 supra grade posts have been approved, but those posts remained vacant even by the end of 2019 due to restructuring and 97 posts of Labour Officer had been vacant over a long period.</p>	<p>The Department should take steps to maintain the human resources in an optimal and efficient manner so as to implement the expected role of the Department more smoothly and efficiently.</p>	<p>Action is being taken to correct.</p>	<p>Approval has been given to the procedure for recruitment of highest rank of Labour Officers subject to the amendments by the Secretary, Public Service Commission, PSC / EST / 07-01-33 / 5/2021 and dated 01.12.2021. According to the approval, the recruitment procedure will be prepared in 6 drafts and submitted to the Public Service Commission for signature. Once the recruitment procedure is approved, action will be taken to recruit 56 Labour Officer (Special Grade) posts. Requests have been submitted from year</p>

			<p>2018 to obtain approval to fill the vacancies related to the recruitment to the Labour Officer Grade II. The Ministry of Labour and Trade Union Relations has sought the approval of the Department of Management Services to fill 27 vacancies.</p> <p>Approval has been given to recruit for 59 posts on open basis and 60 posts on limited basis to this post by the letters No. ML / ES / 05/01/5-V and dated 24.08.2021 and 23.11.2021 of the Secretary of the Ministry of Labour. The Gazette Notification dated 26.11.2021 and 10.12.2021 has been published to conduct the examination under limited and open streams for 119 number of vacancies in the post of Labour Officer as at 31.12.2021 ,and the examinations will be held in March / April. The relevant vacancies in the relevant posts will be filled after conducting those examinations.</p>
16. Although the 3 posts of Specialist Factory Engineers in the Department had fallen vacant and 4 out of 10 District Factory Inspector posts and 2 out of 14 Factory	The Department should take steps to maintain the human resources in an optimal and	Recruitment is in progress.	Officers have been appointed to the 4 posts of the Specialist Factory Inspection Engineer Grade 1 Post. It is

<p>Inspection Engineer posts remained vacant, no action had been taken to fill these vacancies even by 31 December 2019.</p>	<p>efficient manner so as to implement the expected role of the Department more smoothly and efficiently.</p>		<p>proposed to suppress the 03 Specialist Factory Inspection Engineer posts to create new posts under restructuring. The Ministry of Public Service, Provincial Councils and Local Government is informed from time to time about the vacancies in the Engineering Service of this Department ,and although 07 new recruits have been attached to this department in the year 2021, Only two officers reported for service in this department.</p>
<p>17. The value of non-performing loan balance mentioned in advance "B" reconciliation statement of public officers as at 31 December 2020 was Rs 1,296,825 and those loan balances had not been recovered for more than 04 years.</p>	<p>The action should be taken to recover arrears without delay and to maintain proper credit records.</p>	<p>Action is being taken to recover the loan balance.</p>	<p>Rs. 2,768,674.97 out of the value of non-performing loan balances amounting to Rs.5,127,856.00 has been recovered as at 31.12.2019,and the remaining balance to be charged is Rs.</p>
<p>18. An outstanding Loan Balances of Rs.2,114,219 had not been received by the end of the year considering which could be recovered within 2 to 5 years period from the officers who have left the service, had been dismissed the service and terminated the service. An outstanding Loan Balances of Rs.2,114,219 had not been recovered by the end of the year under review considering which could be recovered within 2 to 5 years period from the officers who have been left the service, had been dismissed the service and</p>	<p>Action should be taken to recover arrears immediately and maintain proper credit records.</p>	<p>The action will be taken to recover the loan balances.</p>	<p>2,359,181.53 only. Outstanding loan balance of Rs.10, 990.00 due from officers transferred to Provincial Councils and total outstanding loan balance of Rs. 196,494 to be deposited in Advance B account and due from officers whose work has been suspended and left the service have been submitted to get the approval of the Secretary to the Ministry</p>

terminated the service.			of Labour to write off in terms of Fiscal Circular No. 01/2020 (FR 113) (6). Further, although action has been taken to inform the Attorney General's Department to take legal action to recover these debt balances, the Attorney General's Department has stated that the loan balance is not sufficient to file a lawsuit against the officer and that the cost to the Government may exceed the amount to be recovered.
19. Action has not been taken according to the Financial Regulation 571(2) and (3) regarding a balance of Rs.405,374,480 for exceeding 02 years. The balance of 02 general deposit Accounts was Rs.862,823,135 according to the financial statement as at 31 December 2020.	The actions should be taken to identify the existing balance in the general deposit account and to credit the personal account without delay.	The actions have been taken when possible for the deposits exceeding two years according to the F.R. 571.	At present inquiries from all divisions and regional offices are being made to credit late payment deposits to government revenue.
20. The total estimated cost of Rs.120, 239,994 had been provided from August to 31 December of the Year 2020, at the beginning of 08 construction works to the Department of Building.	It is the responsibility of the management to pay, in accordance with procurement Guidelines, ICTAD conditions and in making the relevant payments.	The Department of Buildings requests funding for the relevant work and the Engineer (Civil) submits its priority to the Commissioner General of Labour / Additional Commissioner of Labour. Accordingly, the money is released. In the future, only the provisions will be released to the Department of Buildings.	Measures have been taken not to release the total estimated cost in cash in due course, and to release funds for that purpose.
21. During the period from the year 2013 to 2020 Rs.320, 106,499 had	It is the responsibility of the	The Department of Building was	The balance finance of some of the work

<p>been paid to the Department of Buildings for 25 Constructions and improvement works of the Department Of Labor and the physical progress of those projects was between 90 percent and 100 percent by 31 March 2021. The balance remained from the amount provided was Rs.41, 519,249 or 13 percent. Action had not been taken by the Department to obtain the balance amount of money.</p>	<p>relevant officer to pay, in accordance with the financial regulations and procurement guidelines and maintaining proper records, books etc., in that regard and reviewing the progress in making the relevant payments.</p>	<p>informed to return the relevant balance provisions.</p>	<p>assigned to the Department of Buildings has been transferred to the existing and newly started work through the awareness of the Engineering (Civil) and Procurement Division. Similarly, the Department of Buildings has also informed that the balance finance of some completed works has been transferred to the government revenue.</p>
<p>22. The estimates of Rs.135, 300,000 for the installation of dividing lines from the 12th floor to the 16th floor of the “Mehewara Piyasa” building had not been approved by the secretary to the Ministry and the procurement committee has given the approval to the Building Department to carry out this work without obtaining the recommendations of the Technical Committee.</p> <p>The total estimated cost of Rs.135,300,000 had been paid in full to the Department of Buildings ,contrary to paragraph 5.4.4(i) of the Procurement Guidelines and the work had not commenced under the contract by month of March 2021 also.</p>	<p>It is the responsibility of management to pay for construction contracts in accordance with the Procurement Guidelines, ICTAD terms and Financial Regulations.</p>	<p>Payment to the Building Department for large contracts will be made at the requests of the Building Department and on the recommendation of the Engineer (Civil) and in accordance with the decision of the Procurement Committee.</p>	<p>The contract has not been finalized.</p>
<p>23. The 03 buildings where the labour offices of the Department of Labour were located remained idle for a period of 1 to 9 years due to the relocation of these offices to new buildings. Actions have not been taken to</p>	<p>Action should be taken to utilize the government buildings with maximum efficiency. Action should be taken to</p>	<p>Action will be taken use the buildings and obtain assessment reports.</p>	<p>The utilization of non-performing assets and the accounting of assets have not yet been completed.</p>

assess the value of the buildings of 4 district offices and buildings of the Factory Inspection Engineering Office of Kurunagala district by the end of the reviewed year also.	assess the buildings which have not been assessed by qualified assessors.		
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Head 222- Sri Lanka Army

Serial No.	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
Year 2018				
1.	<p>Quarry had been carried out utilizing a rock located in the camp premises from the year 2014 to March 2018 and income amounting to Rs.7.14 million had been generated by selling 2,213 cubes of granite to the Sri Lanka Army itself.</p> <p>The sales income had been credited only to the regiment account maintained for the welfare activities of the army officers. Since this project had been stopped in March 2018, roller machine and workshop procured at a cost of Rs.2.03 million out of the Regiment Chairman's Account, had been abandoned.</p>	A part of the income earned should be credited to the consolidated fund.	Since the quarry had been maintained for the construction and development activities required for the welfare of all officers of the Sinha regiment, action has not been taken to credit money to the consolidated fund. Work of the quarry had been stopped from March 2018.	The current situation is the same and the money had not been credited to the consolidated fund.
Year 2019				
2.	According to the general conditions No.07 of the letter of the Ministry of Defense and Urban Development bearing No.mod/dev/rvsa/61/2012 dated 19 July 2012, Rs.3,297.03 million had been paid as Ranaviru Parental Care allowance to the recipients of the total allowances for the years 2017 and 2018 and to 122,699	Action should be taken to obtain bio data records prior to making payments.	The relevant banks have been informed in writing to suspend the issuance of money from the bank accounts, to which the allowances of the beneficiaries, who have not yet submitted bio data out of the parents receiving Ranaviru Parental Care	Action had not been taken to obtain and correct this payment, which had been made without taking biographical data of parents in the financial half years of 2017, 2018 and 2019.

	recipients of the allowances for the first half year of 2019 without obtaining biographical records.		Allowance, are credited. It has been informed that the banks will take steps to reactivate to enable receiving of cash after submitting the relevant bio data to the Bank Branch.	
3.	Two thousand and four hundred eighty-nine (2,489) units of 188 items totalling Rs.4.25 million, received during the period from the year 2011 to year 2016 in Mechanical Transport 1 warehouse as at 19 February 2020 had not been issued.	Action should be taken to purchase by identifying the annual requirements accurately.	After confirming that the relevant mechanical transport spare parts were inappropriate the goods had been handed over to the goods returning stores section to liquidate and to sell them. The goods, which had not been issued in long term are scheduled to be submitted to the Disposal Board in this year.	Action has not yet been taken regarding stocks, which had been purchased in excess without identifying the annual needs correctly and which had not been released in long term.
4.	There were 74 batteries amounted to a total of Rs.0.63 million in the Mechanical Transport 11 as at 19 February 2020 and the life time of 56 batteries worth Rs.0.41 million that had been purchased in the years 2013 and 2014 and received to stores had ended and in an unusable level.	Actions should be taken to purchase by identifying the annual requirements accurately.	Instructions have been given to dispose of 74 batteries. Accordingly, the batteries have been handed over to the receiving returns warehouse section for disposal of the relevant batteries.	Action has not yet been taken in relation to this stock of batteries, which had been expired due to purchasing without properly identifying the annual requirements.

5.	Three hundred and twenty-nine (329) units of tyres, tubes and 22 related items valued at Rs.3.20 million that had been received to the mechanical transport stores during the period from year 2013 to year 2017 had been remained in the warehouse.	Actions should be taken to purchase after identifying the annual requirements accurately.	Instructions have been given for disposing of 329 units of 22 types of tyres, tubes and products related to that. Accordingly, the relevant tires, tubes and related goods have been handed over to the receiving returns warehouse section for disposing them.	Any other action had not been taken other than instructing to dispose of the stocks of tyres and tubes purchased without properly identifying the annual requirements.
Year 2020				
6.	Buildings, vehicles, transport equipment, unfinished work, capital goods at the cost of Rs.92.52 billion and the value of lands in extent of 22,640 acres belonged to 619 land plots which are being used by the Sri Lanka Army had not been included as assets in the statement of financial position as at 31 December 2020.	Lands belonged to the Sri Lanka Army should be assessed and brought to accounts. The lands, which have been used by the Sri Lanka Army for a longer period of time should be disclosed in the financial statements even as a note and the other assets should be disclosed in the financial statements.	The number of land plots that had been acquired to the Sri Lanka Army by 09 February 2022 was 515 and the number of land plots that was being acquired was 360. At present, the Government Valuation Department has assessed 280 land plots, out of the 515 land plots that had been fully acquired, and the assessed value of those lands was Rs.29.10 billion. Action will be taken to disclose details of land plots that had not been assessed and land plots under that are being acquired will be disclosed through notes in the financial statements prepared for the year 2021.	Although it had been reported that 280 land plots had been assessed they had not been brought to accounts and corrections had not been made in respect of the other assets.
7.	The value accounted in relation to security equipment, furniture, computer equipment and	The relevant details should be obtained after examining the	According to the current system, subsequent to	Although the reasons for these changes have been revealed, neither

	<p>software, fire extinguishers, kitchen equipment, common goods, sports equipment, boats and other assets in the statement of non-financial assets (ACA-6) presented along with the financial statements for the year under review was Rs. 16.05 billion and according to the information presented to audit, the value of those assets was Rs. 23.05 billion. Therefore, a difference of Rs. 7 billion was observed.</p>	<p>related changes and actions should be taken to make adjustments in the accounts according to those details.</p>	<p>purchasing assets for the Army and after those assets are received by the end user, the relevant self-accounting entities will transfer those assets to the Fixed Asset Management System. The assets in the ammunition warehouse had not been brought to accounts in the computer system until they reach the end user. The purpose of doing so was to prevent the same asset entering the system twice. However, as per the recommendations of the National Audit Office, the assets of the Army should be properly disclosed in the financial statements and therefore, the computer system will be upgraded in order to upgrade the relevant information.</p>	<p>action has been taken to adjust and correct them in the accounts nor reported that accurate values of the purchased assets would be disclosed in the financial statements of the year 2021.</p>
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8.	<p>An amount of Rs. 5 million, out of distress, festival and special advances loan balances amounting to Rs. 46.06 million to be recovered from 3,995 army officers, who had vacated posts during the period of previous 30 years and 462 civil officers, had been loan balances outstanding for a period of 10 and 30 years. Action had not been taken according to the provisions of Section 4.3 of the Chapter xxiv of the Establishments Code to recover loan and advance balances totalling Rs. 53.03 million comprised of a total of Rs. 5.35 million, which had been outstanding over 1 year and for a period up to 15 years and which had not been recovered from 25 retired army officers and 71 civilian officers and Rs. 1.42 million loan balances recovered from 36 deceased army and civilian officers and loan balances amounting to Rs.173,436 to be recovered from 07 interdicted civilian officers during the period of 2 to 7 years.</p>	<p>Those loan balances should be recovered expeditiously.</p>	<p>The progress of the measures taken to settle the loan balances that should be further settled will be monitored on a monthly basis. Moreover, the progress of settling the outstanding loan balances will be discussed at the Departmental Audit and Management Committee meeting and necessary instructions will be given to recover those loan balances expeditiously.</p>	<p>These loan balances or a part of loan balances had not yet been recovered.</p>
9.	<p>Preliminary reports had not been presented for 128 vehicle accidents, which had taken place since the year 2017 to the year 2019 and full reports in relation to 197 vehicle accidents had not been submitted in terms of FR 104 (3) and (4).</p>	<p>Action should be taken as per the relevant Financial Regulations.</p>	<p>According to the methodology implemented so far in respect of values of losses occurred from accidents less than Rs.250,000, two preliminary courts of inquiry had been conducted for recovering / writing off the losses without obtaining preliminary reports of losses as per</p>	<p>Although it was reported that full reports of 16 incidents have been prepared, even those reports have not yet been submitted to the Auditor General.</p>

			FR 104 (3). However, action has been taken to submit reports as per FR 104 (3) for all damages from the year 2020 as per the instructions of the National Audit Office. Full reports in relation to 16 incidents of losses had been prepared and after the completion of the preliminary courts of inquiry, Action will be taken to submit final reports under 104 (4).in relation to 58 incidents.	
10.	Goods, armed and unarmed vehicles and equipment required for 685 troops who were expected to be deployed in State of Mali for peacekeeping duties had been procured in the years 2016 and 2017. Out of those transports and other equipment, a stock of transport and other equipment valued at Rs. 1.38 billion had been stored in several main stores located in various regions. Out of those stocks, a stock of 924 liters of paint valued at Rs. 1.07 million which had been purchased in the year 2016 and expired within the period from May to August 2021 was unsuitable for use. Further stocks of vehicles and equipment purchased for peacekeeping duties of which the value had not been disclosed had remained idle in the said warehouses located in some places in the Island.	Procurement of goods and services should be done as required and utilization of these stocks of transport and equipment already purchased in a way that it is possible to derive the maximum benefit to the Government.	An additional vehicle purchased has currently been placed temporarily under the Directorate of Supply and Transport, and future activities are being carried out to sell Container Lifter - 3 to the Sri Lanka Ports Authority. Non-expiring items, out of the remaining items have been safely stored in the above warehouses to be used for future peacekeeping duties, while other items are more effectively released as required. The quantity of paint comprised of 152 packs of 04 litre primer with activator and 79 packs of 04 litre paint gray purchased for painting the	As reported by the Army, any other action, in addition to transferring the stocks of vehicles and equipment to other warehouses, has not been taken apart from making arrangements to sell 3 Container Lifters to the Ports Authority. Furthermore, the paint stock, worth 1.07 million, used for painting vehicles and which expires between the period of May to August 2021, has already expired. Although the audit had shown that it was about to expire, the stock had not been used for a productive economic purpose.

			containers to be taken to the state of Mali for UN peacekeeping operations have been issued to Electrical and Mechanical Engineering Battalions and workshops of the Army for using them effectively for industrial purposes.	
11.	Fuel tests had not been carried out in terms of paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016 during the year under review or in the previous years in connection with 7,127 vehicles, which have been used by the Sri Lanka Army and fuel had been balanced in running charts / transport licenses according to the fuel consumption decided by the transport division.	Actions should be taken in terms of the provisions of the relevant Circulars.	The Directorate of Electrical and Mechanical Engineering Services of the Army has informed all relevant Army locations in writing that the fuel efficiency test must be carried out for the vehicles owned by the Army before March every year from the year 2022 onwards.	Although measures have been taken to make various Sections of the Army aware from the year 2022, fuel combustion had not been checked and fuel have not been balanced in the running charts / transport licenses as per the quantity of fuel combustion in accordance with the provisions of the relevant Circular.
12.	The legal ownership of 539 vehicles acquired from terrorists during the war had not been transferred to the Army and 5,534 vehicles belonging to the Army had not been insured.	Actions should be taken to transfer the legal ownership of the acquired vehicles and to obtain insurance for those vehicles.	The approval has been granted by the letter of the Ministry of Defense bearing No. FD/14/28 dated 31 May 2006 to deploy the vehicles, abandoned by the terrorists during the war and seized by the Army. Accordingly, future steps are being taken to register the vehicles, which are appropriate for running, with the Department of Motor Traffic. Two	Action had not been taken to rectify both the observations pointed out by the audit.

			thousand five hundred and twenty-two (2522) vehicles, out of 5534 army vehicles have not been registered with the Department of Motor Traffic.	
13.	Losses and damages amounting to Rs. 746.34 million relating to 62 vehicles granted from the Presidential Secretariat and destroyed by an explosion while parked in the Salawa army camp had been included in the statement of losses to be written off or waived off to recover further or to write off or waive off.	Only damages occurred to the property belonged to the Army should be identified as losses or waivers.	Since the 62 vehicles given that had been provided by the Presidential Secretariat and which had been destroyed due to an explosion while they had been parked in Salawa Army Camp had not been related to the assets of the Army, the file related has been cancelled on 14 July 2021.	Action has not yet been taken to rectify the financial statements.
14.	Losses that should be further recovered, write off or waive off from the accidents occurred to 222 vehicles belonged to the Sri Lanka Army in the years 2017,2018 and 2019 had not been disclosed in the statement of losses and waivers or statement of write off from books. The estimated loss for 155 vehicles out of the said 222 vehicles was Rs. 110.4 million and the loss had not been estimated for 67 vehicles. Further information in relation to the losses and damages that had been identified so far as damages, out of the losses and damages occurred due to 63 vehicle accidents taken place during the year under review and damages occurred due to 465 vehicle accidents taken place	Losses to vehicles should be disclosed in the forms submitted with the financial statements and vehicle losses that have not yet been assessed should be assessed promptly.	Losses from accidents occurred to 222 army motor vehicles in the years 2017, 2018 and 2019 had not been disclosed in the financial statements and action had been taken to maintain the losses of the year 2021 as per the reports and they had been submitted to the Directorate of Finance of the Sri Lanka Army. Estimates for 51 vehicles out of the 63 vehicles, which had been indicated as vehicles undergone losses have been obtained from the Directorate of	Action has not yet been taken to rectify the financial statements

	since the year 1990 to the year 2016 had not been disclosed in the financial statements.		Electrical and Mechanical Engineering and those estimates had been documented. Since the Directorate of Electrical and Mechanical Engineering has been requested to submit the estimates for the remaining 12 losses, action had been taken to document those reports also. The register of losses for the year 2020 has been newly prepared in terms of FR 110 and action has been taken to maintain the register of losses for the year 2021 in terms of FR 110 and to update the vehicle accident procedure and to take future action in accordance with the Financial Regulations.	
15.	Preliminary investigations had been submitted to the Courts for taking actions pertaining to damages and losses totalling Rs. 85.48 million in relation to 35 losses and damages occurred to various assets including warehouse fires from 1987 to 2019, losses and damages occurred due to terrorist attacks in the state of Mali, misplacement of goods and equipment in the stores, losses and damages occurred to various assets including various losses and damages occurred to	Taking action should be expedited by accelerating the court proceedings pertaining to the relevant losses.	The conclusion of the Commander of the Army had been obtained as at 09 February 2022 for 18 incidents out of 35 incidents of losses. Accounting activities had been settled after writing off from the books under FR 109. One file, for which it was not required to carry out further action has been closed and further action is being	Action has not yet been taken regarding 16 losses amounting to Rs.14.39 million.

	weapons, equipment and vehicles and and losses and damages occurred to army vehicles due to various terrorist attacks and action had not been taken in connection with those losses and damages.		taken for the remaining 16 incidents.	
16.	A warehouse for army medicine had been established in Werahara area and this building had not been established as per the standards which should be available for storage of drugs. A security camera system also had not been installed. Medical items valued at Rs. 45.6 million which needs to avoid COVID – 19, huge amount of ethanol and sanitary ware had been stored in the staircase of the building and the corridor of the upper floor informally. There was a risk of rainwater runoff into the said stored materials in rainy days. Although it had been planned to construct a store room of 14,450 square feet in this premises, constructions of the stores had not been commenced.	Action should be taken to accelerate the construction of the planned drug warehouse building and to maintain the warehouses to prevent damages to the relevant drugs and medical supplies.	In addition to the medicines and dressing materials purchased according to the annual estimates, it is not possible to maintain the medicine stores in the standard condition required for a medicine store as the items to prevent the Covid-19 virus have been stored in the basic medicine stores. However, the additional items have also been stored on the top of the building in the best possible condition according to the available space, so that they are not damaged. A new security camera system has been requested for the security of the primary medicine store and the initial estimate for the equipment required for installation has been obtained from 11 Sri Lanka Signal Corps - Base Workshop. The Engineering Services Regiment has started the construction work of the new building of	Suitable measures had not been taken regarding the safety of medicines and dressing materials and the construction of the proposed warehouse building had been started in early 2021.

			the basic medicine depot planned to be built on the land belonging to the Sri Lanka Medical Corps of the Regimental Centre and the foundation part of it is currently being constructed.	
17.	There were 1,469 vacancies including 04 vacancies in the senior level and 83 vacancies in the secondary and tertiary levels in the civilian staff of Sri Lanka Army.	Action should be taken to fill the vacancies considering the exigencies of the service.	The Ministry of Defense has informed the Ministry of Public Services, Provincial Councils and Local Government to fill the existing vacancies remained in the Civilian Staff of the Army. Accordingly, there are only 09 vacancies at present out of the approved number of posts in the Development Officer Service. Moreover, it has been informed that those vacancies will be filled in making new recruitments as per the request made to fill the existing vacancies in the Management Service Officers' Service. An officer has been attached to fill the existing vacancy in the Post of Assistant Director post in the senior level.	Action has not yet been taken to fill a total of 1,399 vacancies, including 03 senior level vacancies in the Civilian staff and 14 tertiary and secondary level vacancies.

Head -223 Sri Lanka Navy

Serial No.	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	Year 2018			
1.	It was observed that 101 Machine Guns procured in 1995 and 1996 at a cost of Rs. 239 million, which had become unusable had been stored idly.	Action should be taken in relation to idle and underutilized assets in accordance with the provisions made in Public Finance Circulars bearing No. 353 dated 30 September 1997, No. 438 of 13 November 2009 and No. 353 (5) of 03 January 2003 and FR 771.	A Board of Survey will be appointed and necessary steps will be taken to eliminate from the stock.	The equipment has not yet been removed.
	Year 2019			
2.	Provision totalling Rs. 259.37 million had been allocated by other four Ministries, one Department and 02 Offices for various purposes and provision amounting to Rs. 35.95 million had only been utilized by the end of the year under review. Accordingly, 86 per cent of the provision allocated had not been utilized.	In carrying out other roles, action should be taken for the maximum utilization of provision, out of the annual provision made by planning and obtaining only the necessary provision and carrying out proper follow up activities etc.	Internal plans have been designed for the maximum utilization of the provision.	Evidence that planning had been made to utilize annual provision in the maximum level with proper planning had not been disclosed.
3.	The amount provided by the Jaffna District Secretary for 05 projects from 2016 to 2018 was Rs.135,220,167 and the expenditure was Rs. 74,728,091 according to the expenditure details provided by the Northern Naval Command for those	Should be careful about the accuracy of the accounts.	Measures have been taken to make the financial sector aware of this and to strengthen the internal control system for this purpose.	Information cannot be obtained until the Finance Division updates the information regarding accounting activities.

	projects. Accordingly, the balance of the deposit account was Rs. 30,228,488 although the saving of imprest should be Rs.60,492,076. As a result, the balance of the deposit account had been understated by Rs.30,263,588.			
4.	According to the details of receiving cheques for projects implemented by the Northern Naval Command from 2017 up to 2018, the cash receipts were Rs.102,560,101. However, it was Rs.135,220,167 according to the details of cheques provided by the Jaffna District Secretary for projects. Accordingly, there had been a difference of Rs.32,660,066.	Internal control over money should be strengthened.	Measures have been taken to make every sector that uses money aware of this and to strengthen the internal control system for that purpose.	-Do-
5.	A difference of Rs. 15,895 million had been existed between the opening balance of the statement of Non-Financial Assets (as at 01 January 2019) and the final balance (as at 31 December 2018) of the report on movements of non-current assets of the financial statements for the previous year.	Accounts must be presented accurately.	Relevant parties have been made aware to present the accounts accurately.	Information cannot be obtained until the assets have been properly identified and brought to accounts again.
	Year 2020			
6.	In terms of Financial Regulation 94 (1), expenditure or commitment shall not be incurred in the expectation that necessary authority or additional financial provisions will be received before actual payment falls due and according to the Financial Regulation 214, records of liabilities should be regularly examined by Authorizing Officers as well as Certifying Officers, to ensure the	Action should be taken in accordance with the Financial Regulations.	The responsible parties have been made aware to coordinate with the General Treasury and carry out the relevant activities.	As soon as the money is received from the General Treasury, action will be taken to settle those bills.

	availability of funds and to see that bills are received regularly and settled promptly. Bill should not be accumulated for settlement in a lump sum later in the financial year. Nevertheless, value of liabilities identified during the year under review amounted to Rs. 1,122,379,832 and 1,520 liability items that had not been applicable to the year under review had been included within that value and its value had been Rs.227,525,925.			
7.	Sri Lanka Navy was utilizing an extent of 437.2877 hectares of lands, owned by other Ministries and Departments and formal approval had not been obtained to use those lands. The period of utilization of certain lands had exceeded 08, 14 and 22 years.	Necessary action should be taken promptly to obtain formal approvals.	Relevant action is being taken.	The process of obtaining that approval has not yet been finalized.
8.	Eighteen (18) vehicles owned by the Northern Naval Command and to be returned after completing the repairs by the end of the year under review had not been returned after completing the prescribed repairs.	Necessary future action should be taken as per the agreement / order.	Action has been taken to strengthen the internal control systems to expedite the repairs.	The repairs have not yet been completed.
9.	(a) There had been 428 or 28 per cent of vacancies in the posts of primary, secondary and tertiary levels in the civilian staff.	Necessary steps should be taken to fill the vacancies expeditiously.	Action has been taken to inform the Ministry of Local Government and the Provincial Councils in the Public Service on the staff vacancies and recruitments.	Vacancies in the civilian staff have not yet been filled.
	(b) A number of 9075 posts or 07 per cent in the regular and volunteer officers of the Sri Lanka Navy had remained vacant and 1221 or 20 per cent of regular	-Do-	Relevant work has been done.	Recruitment has not been finalized.

	and volunteer seamen had remained vacant.			
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Head 224- Sri Lanka Air Force

Serial No.	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	The Museum conducted by the Sri Lanka Air Force at the Base Camp in Ratmalana had generated a revenue amounting to Rs.1,719,826 in April May and June of 2018 and out of that only 10 per cent to 20 per cent had been credited to the Consolidated Fund. Even though the objective to retain the balance of the income in hand is to incur the expenses of the Museum, a sum of Rs808,267 had been utilized, out of the contribution of the Consolidated Fund during the period from January to August in 2018.	The recurrent expenditure of the museum is needed to be covered by the retained income in order to strengthen the financial controlling methodologies in this regard.	A portion of the income is credited to the Consolidated Fund and the income from other sources is credited to the Funds and used for the welfare activities of the members of the Air Force.	At present, 33% of the revenue of the museum earned from the tickets of the adults and 23% of the revenue of the museum earned from the tickets of the children are being retained for the expenses of the museum.
2.	Revenues generated during the year under review from income generating projects including holiday resorts and farms had not been brought to accounts.	It is necessary to function in compliance with the provisions stipulated in the Circulars and to account in relation to the utilization of the Funds. Information related to the financial performance of these projects with a commercial basis, which are being implemented by using the human and physical resources	It has been informed that the revenue generated from these are being used for the welfare activities and as a result, they have not been included in the financial statements.	The same situation prevails even at present.

		of the Sri Lanka Air Force should be disclosed in the financial statements.		
3.	A sum of Rs. 2.93 million had been paid by 05 payment vouchers to the Welfare Fund of the Sri Lanka Air Force without taking action in accordance with FR 136, 137 and 138.	The officer certifying the expenses should supervise before certifying the expenses as per FR 138 (3). Furthermore, an approval should not be granted to pay for the welfare fund in this manner by provision allocated to Expenditure Head bearing 224 to Sri Lanka Air Force under the annual allocation by the General Treasury.	Even though this has been done for the fulfilment of the urgent expenses of the Air force by the Executive Welfare Fund of the Sri Lanka Air Force, reimbursements are made in compliance with the Government Tender procedure. It was informed that the reimbursement of cash is made through the Director Finance by submitting the properly prepared files with the bills.	The same situation prevails even at present.
4.	It was observed that 31 defender vehicles had been at the vehicle repair yard of the Katunayake base camp as at 05 November 2019 and out of that, 16 vehicles had been at the yard within the period of 02 years to 08 years. Further, there had been 145 other vehicles and out of that, 25 vehicles had been at the yard over 04 years. Even though 84 unusable vehicles had been recommended to be disposed of, disposal activities had not been carried out over a period of 01 year.	Action should be taken to repair these vehicles expeditiously before corrosion of vehicles and the vehicles that cannot be repaired should be disposed of promptly.	It has been informed that steps had been taken to repair by getting the required spare parts and action will be taken to dispose of vehicles that could not be used.	Repairs of 36 Defenders had not been completed as at 10/20/2021 and 18 Defenders out of that had been given to external parties for a period of 01-09 years. Repairs of 102 vehicles had not been completed even during a period of 1-10 years. Thirty-one (31) vehicles recommended to be disposed of before a period of 06 years had not been disposed of. Twenty-three (23) vehicles had not been prepared for disposal due to the delay in submitting documents.

5.	According to the paragraph No.05 of the Air Force Directive bearing No. 852 dated 30 November 2011, the Internal Funds had been formed at the various camps and units of the Sri Lanka Air Force Headquarters. The physical and human resources of Sri Lanka Air Force had been utilized for the operating activities of the Funds and for the profit generating projects implemented by the respective Funds. It was further observed that the operating activities of such Funds had not been monitored by the General Treasury and the Parliament since these Internal Funds had not been established as the statutory funds in terms of FR 154.	It is required to establish a mechanism to regularize the supervision of the Parliament in relation to the operations of the profit generating projects as per the provisions stipulated in the Constitution of the Democratic Socialist of Sri Lanka and the directions issued at the meeting of the Committee on Public Accounts held on 24 June 2016.	These Funds had been established under the Air Force Direction No. 852 and it has been informed that these Funds are audited by the Executive Audit Division of the Sri Lanka Air Force.	The same situation prevails even at present.
6.	A sum of Rs. 4,075,530 had been reimbursed to the Air Force Welfare Fund from March to July 2020 and the invoice of the relevant supplier in that relation had not been submitted to audit.	Action should be taken to submit the required primary documents to the audit divisions without limiting the scope of the audit.	It has been informed that action has been taken to inform the Heads of Divisions of the Sri Lanka Air Force to submit the relevant bill payments with the vouchers to avoid such audit observations in the future.	There are such payments even at present. Invoices have not yet been received.
7.	Special arrangements should be made by the Revenue Accounting Officers in respect of the immediate collection of arrears of revenue receivable to the Government in terms of FR 128 (2) (e). Nevertheless, there had been arrears of aircraft rent income totalling Rs.12,674,073	Action should be taken to prepare estimates as realistically and accurately as possible in the preparation of revenue estimates and to implement a	An internal control system has been set up and implemented to prevent the existence of such an outstanding income again.	There was an outstanding income amounting to Rs.12,674,073 as at 31/12/2021 and it was outstanding for a period of 03 to 18 years.

	as at the end of the year under review to be recovered from 10 government institutions and 02 private institutions outstanding for a period of 02 years to 17 years.	timely and efficient programme to recover the outstanding income.											
8.	Seventy two (72) aircraft parts had been sent overseas for repairs during the period from 2004 to 2014 and those aircraft spare parts had not been received again to the Sri Lanka Air Force for a period of 06 to 16 years.	It is required to implement an efficient system to properly monitor the assets that have been sent abroad and to duly regain those assets.	The reasons such as appointing of a Court of Inquiry and inquiring into the aircraft spare parts sent abroad related to the period of 2004 - 2019 and carrying out the investigations under the supervision of the Air Force Headquarters and maintenance activities of aircraft parts are being carried out in foreign countries at present for the period of 2016-2019 have been furnished.	New purchase price / repair price and scrap value of aircraft parts sent overseas are mentioned below respectively. USD 563,200 USD 149,525 USD 456,218 A total of 64 aircraft spare parts amounting to USD 751,047 and 7 aircraft spare parts, of which the value has not been mentioned were not returned to the Sri Lanka Air Force even with a delay of 7-17 years.									
9.	The approved number of commissioned officers was 2545 at the end of the year under review and there were 488 vacancies. The approved number of non-commissioned (other ranks) officers was 34,344 and out of that there were 2953 vacancies. The highest number of vacancies in other ranks, that is 1956, were for Leading Aircraftmen and Aircraftmen posts.	Establishment and conduct of a formal methodology to make recruitments for vacancies in order to maintain the optimal staff that helps to achieve the desired objectives.	Four hundred and seventy-eight (478) vacancies, out of the total vacancies have been filled.	The vacancies as at 31/12/2021 were as follows. <table border="1" data-bbox="1252 1304 1570 1654"> <thead> <tr> <th></th> <th>Approved</th> <th>Vacancies</th> </tr> </thead> <tbody> <tr> <td>Commi ssioned</td> <td>2557</td> <td>316</td> </tr> <tr> <td>Non-commi ssioned</td> <td>34391</td> <td>3807</td> </tr> </tbody> </table>		Approved	Vacancies	Commi ssioned	2557	316	Non-commi ssioned	34391	3807
	Approved	Vacancies											
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Head 225 –Sri Lanka Police

Serial No.	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	The balance as per the Advances to Public Officers Control Account as at 31 December was Rs. 885,556,999 and the total of the individual balance classification summary as at that date was Rs. 805,583,741. Accordingly, a difference of Rs.79,973,258 was observed. Action had not been taken to identify that difference and to make necessary adjustments.	Action should be taken to identify the differences in the balances and to settle them.	This change has been existing prior to the year 2011 and it has been decreased up to Rs. 79,973,258 as at 31 December 2015.	Although the difference has been reduced by Rs. 6,347,336 after the year 2015 due to identifying and rectifying errors annually, a difference of Rs.79,973,258 remains further.
2.	A sum of Rs. 11,503,192 provided by India in 2013 to construct SAARC Terrorist Offences Monitoring Desk and SAARC Drug Offences Monitoring Desk had been retained in the Deposit Account for more than 07 years without utilizing it for the relevant purpose.	The provision should be utilized for the relevant purposes.	It is expected to spend the amount after getting the contribution of the other countries to rectify the defects of the established data system that has been established.	This amount has not been utilized for the relevant purpose.
3.	The establishment of “National Police Academy Fund” relating to the “Financial” activities included in Part V of the National Police Academy Act No. 44 of 2011 and functions and tasks stipulated from 22 to 28 in the Act related to that had not been carried out.	The “Fund” should be established and the duties and functions should be discharged in accordance with the Act.	Requests have been made to allocate provision required to establish the Fund.	The Fund required to maintain the financial activities of this institution has not yet been established and it will be maintained as a sub-accounting unit.
4.	There were 61 non-statutory funds other than the Police Reward Fund, under the Sri Lanka Police and there were cash balances totaling to Rs.103.37 million in those funds as at 31 December 2020 and the value of investments in fixed	Action should be taken in terms of the Financial Regulations.	Studies are being carried out in relation to the manner of proceeding in terms of FR 876.	Action will not be taken in terms of FR 876 and FR 877 in relation to these Funds.

	deposits was Rs.331.93 million. Action in terms of FR 876 and 877 had not been taken on funds management in relation to these Funds, budget, accounting, preparation and presentation of financial statements and preparation and presentation of annual performance reports.			
5.	Necessity for emending the Police Ordinance No.16 of 1865 and 16 sectors to be amended had been identified in the year 2014. The Cabinet approval had been received on 19 November 2014 to update and to make amendments in keeping with the present and future social and technological requirements, the Act had not been amended even by June 2021.	The Act should be amended in relation to the identified sectors.	Preliminary work required to amend the Act is being carried out.	Public opinions and proposals have been requested. Relevant activities have not yet been completed.
6.	Although the report of the committee established with the objective of identifying the current deficiencies and weaknesses of the Sri Lanka Police and making proposals to properly update the Sri Lanka Police and to make necessary plans for the establishment of a sound and efficient police service in the country in the future had been launched as “Police Reform Action Plan” on 31 May 2017, it had not been implemented even up to June 2021.	Identified reform activities should be carried out.	Steps such as carrying out studies, making recommendations, identifying the scope and collecting statistics are being implemented by the Research and Development Division.	A Committee has been appointed to revise the Police Reform Action Plan.
7.	Although the method of recovery of fines depending on the frequency of committing traffic offences as introduced by the Motor Traffic (Amendment) Act No.10 of 2019 had been implemented from 20 June 2019,	Action should be taken to establish a computer database capable of identifying the frequency of committing the	Plans have been designed to implement in the future a digital & electronic payment system to pay traffic fines as	Although almost 03 years have passed since the relevant revisions have been made to charge the accurate amounts of fines according to the frequency of committing motor

	<p>the Sri Lanka Police had not implemented a method of computerizing the data to identify the frequency of committing the same traffic offence by the offenders. Therefore, it had not been possible to recover the fines from the offenders, who committed the same traffic offence on several occasions.</p>	<p>same traffic offence by the traffic offenders and accordingly recover the prescribed fine.</p>	<p>developed by the ICTA.</p>	<p>vehicle offences, it has not yet been implemented.</p>
8.	<p>The Sri Lanka Police had continuously engaged in a court action by refusing to pay the amount for 75,000 caps and other charges for that as per the decision given at the arbitration on 21 January 2017 due to the irregularities occurred at the procurement process commenced in the year 2011 relating to the purchase of 75,000 caps at a cost of Rs.93,455,119 for the police constables and the police sergeants. It had been scheduled to pay a sum of Rs. 191,768,632 for the purchase of these caps and Rs. 45,316.880 as the other charges by August 2020. The court action had not been concluded even by June 2021 and the supplier had demanded that the Sri Lanka Police should bear the warehouse charges, legal charges of the supplier and the disadvantage of increasing the exchange rate.</p>	<p>Those who are responsible for the additional costs incurred by the Government due to this procurement process must be identified and legal action must be taken against them.</p>	<p>Requests were made on 06.04.2021 to obtain an amount of Rs. 150 million as additional provision required to make payments to the plaintiff company.</p>	<p>Even though requests were made to obtain additional provision on 22.07.2021, additional provision was not received. and those responsible for the shortcomings in this procurement process have not been identified and legal action has not been taken against such persons.</p>
9.	<p>Although approval of the Cabinet had been granted on 20 June 2017 to transfer the land containing 12 Acres, 01 Rood and 08 Perches situated in Malwana to Sri Lanka Police to establish a Police Academy, the land had not been transferred even by June 2021.</p>	<p>Activities in relation to the transfer of this land should be carried out expeditiously as per the Cabinet decision.</p>	<p>It has been informed to the relevant institutions to obtain a valuation report and to carry out the survey activities.</p>	<p>The transfer of land has not been carried out due to the delay in the preliminary work related to the transfer of the land.</p>

10.	Three thousand nine hundred and twenty-three (3,923) officers had not been recruited to fill the vacancies that remain further for 14 posts in the Auxiliary Services Staff. This situation had hampered the discharge of duties of the Divisions such as the Medical Division, Buildings Division and Information Technology Division of the Sri Lanka Police with maximum efficiency.	Steps should be taken to fill the vacancies in the approved staff of the Auxiliary Service.	This scheme of recruitment and promotion applicable to 34 professions has been approved and filling of vacancies is carried out by the Police Recruitment Division.	Vacancies are still in the Auxiliary Service.
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Head 226 - Department of Immigration and Emigration

	Audit Observation	Recommendation of the Auditor General	Preventive measures taken by the entity	Current position
	2018			
1.	As per section 5.3.13 and 5.4.10 (b) of Government Procurement Guidelines -2006, no bid security of Rs.200,000 and performance bond of Rs.195,600 had been submitted in the instance where bids were submitted for obtaining of a motor car	Should act upon Procurement Guidelines.	Performance bonds and bid securities are obtained.	Those bonds and securities have been obtained for 2021 procurement in accordance with the audit test check.
2.	Work on issuing a separate passport for middle east countries had been completed by 31 December 2018. However,a consngmnet of 4000 blank passports worth around Rs.2,580,000 was found at the stores.	Action sholud be taken to minimize the loss to the Government.	It has been decided to issue only for the asylum seekers or for pilgrims to Damba diva In future,	As per a policy decision,only one passport is issued in respect of all countries.There were 4000 such passports at the stores by 31 December 2021.
3.	Out of the passports issued in 2018, 4586 worth around Rs.2,957,970 were cancelled due to various defects.∞2018	Action should be taken to minimize the defects.	Passports have been cancelled owing to printing mistakes and other defects,.	2,861 passports had been cancelled due to various defects of the number of issued passports that stood at 286,012.

	2019			
4.	Although a proper contract agreement should be prepared and signed for goods or services that exceeds Rs.500,000 as per section (b) 8.9.1 of Procurement Guidelines-2006, attention had not been paid accordingly in respect of purchasing furniture, office equipment and CCTV cameras worth Rs. 4,829,278.	Government Procurement Guidelines should be followed.	Purchasing had been made without signing the agreements.	Instances of non abiding by the Procurement Guidelines were found.
5.	Seven types of blank passports worth Rs.6,472,571 that were stored at the stores without being used during the required period and those had been disposed of and 04 types of blank passports worth Rs.3,889,685 had been set aside for about 15 years without being used.	Government money should be used without being wasted.	These stocks of passports are to be used only once to allow refugees in Indian camps to visit Sri Lanka.	Stock of 3000 passports of this type remains as at 31 December 2021. 2021.
6.	An agreement had been entered into with the Informatics International (Pvt) Ltd for the computer system of the Department such as software and allied data and global control system, Visa preparation, passport system, citizenship ensured system etc., and a sum of Rs.135,154,160 had been paid to that institution from that day up to the year 2019. It had been informed that reports could not be furnished by this computer system maintained at such a loss to identify and furnish reports regarding differences among registration of passports and issue of passports and computerization of passports.	Action should be taken to make it possible to obtain required information from the computer system.	A payment of Rs. 145 million had been made to 6 entities for the implementation of this system in 2021. 2021	Requested approaches had not been prepared until now.
7.	Since it was not able to separately identify the income received from the foreign missions branch in the issuance	A system should be introduced to separately identify the income from	Facilities are provided for obtaining the relevant information	Facilities have not been provided to obtain from the computer system the information required for the

	of passports in the year under review, it was not possible to verify whether such income related to the issuance of passports was truly received. It was not possible to verify this through a computer system maintained incurring Rs. 8.4 million annually.	the issuance of passports by the Overseas Mission Division.	as a written report from the Information Technology Division.	Audit Division. .
	2020			
8.	Although the balance due at the end of the year as per the Reconciliation Statement of Advances to Public Officers' Account "B" was Rs.162,416,726,a difference of Rs. 480,794 was observed in the receivable balance because of the total balance in the individual balance classification summary was Rs.161,935,932. Even though the Auditor General had reported about this difference in the year 2019 as well, the Department had not taken action to rectify that so far.	Expedite taking corrective action after identifying the difference.	Action will be taken to check old data and documents.	This balance had not been settled by the end of the year 2021.
9.	There were unrealized receipts of \$ 700 in the current account from the year 2013 and actions had not been taken to settle at the end of the year.	To maintain accurate accounting data and submission of accurate information to the audit.	This amount is a sub-imprest given to the Shroff of the Airport for Dollar transactions.	This imprest is not settled as per the circulars and the required documents related to this had not been maintained.
10.	The Department had issued an operational manual on the procedure to be followed in issuing passports by the Overseas Missions and photocopies of Birth Certificate and National Identity Card should be attached to the Passport Applications stated in Sections 8 and 9 thereof. However, it was revealed at the	To implement the relevant Internal Control Regulations properly.	Licenses will be issued based on photocopies of the previous passport and the scanned information.	The required revisions for efficient and effective service have not been done so far on the operational manual.

	audit test check that the relevant photocopies with passports had not been included in 12 passports out of 50 issued during the year 2020. Likewise, photocopies of the payment receipt had also not been attached to the application and those information had not been included in scanned.			
11.	The approved number of staff of the Department was 1292 and the actual staff was 1040 as at 31December 2020 and the vacant and excess staff were 253 and 01 respectively.	To formalize the staff administration.	Requests for filling vacancies have been made to the Secretary of the Ministry of Provincial Councils and the Director General of Combined Services. Details have been refered to the Commissioner General of Examinations for conducting the examination.	The number of vacancies as at 01 October 2021 is 270.The relevant examinations have not been conducted so far.

Head 227 –Department of Registration of Persons

	Audit Observation	Recommendation of the Auditor General	Preventive Measure taken by the Entity	Current Position
	2018			
1.	The Legal Division of the Department had received 8609 problematic applications on reasons such as the submission of Dual applications, existence of photographs of other persons for the same number, submission of distorted Identity Cards and identity cards of other persons with revised applications, submission of fake birth certificates and it was not	An identity card should be issued to every person who has completed the required age after solving problems expeditiously.	Even though action had been taken by the Legal Division to make the applicants aware of instances of misinformation regarding relevant applications, such applications which had been remaining in the system without providing correct information have	There were 2,067 problematic applications as at 31 12 2021

	possible to finalize the processing of 3,096 applications or 36 percent of Applications out of the total applications.		been temporarily suspended from the system.(applications from 2014 to 2019 have been temporarily suspended from the system).	
2.	Even though it had been anticipated to complete the Electronic National Identity Cards Project by September in the year 2018 by the allocation of Provisions of Rs. 100 million, those projects had not been commenced as it was not possible to find an appropriate place to establish the North Central,Uva and Sabaragamuwa Provincial Offices.	Action should be taken to expeditiously accomplish the objectives of the Electronic National Identity Cards Project.	Requests have been made from the relevant institutions while inspecting suitable places for provincial offices.	This project prevails under the Ministry of Technology and offices have not been established for this task till present time.
3.	Provisions amounting to Rs.545million had been allocated for the supply and installment of equipment related to the collection of biometric data of citizens, establishment of communication equipment and obtaining opinions on the collection of personal data and obtaining opinions on the project and those functions had not been initiated even by the end of the year under review and this was envisaged to be completed by September 2018.	Action should be taken to accomplish the objectives of the Electronic National Identity Cards Project.	Cabinet approval has been received on 16.11.2020 for the extension of the duration of the implementation of the E-national Identity Card project.	The project period has been extended till 31.12.2022. The revised budget value stands at Rs.618 million.
4.	Even though the Provisions amounting to Rs.5,082.50 million had been allocated during the year under review for the processes such as procurement of software for automated identification of finger prints and for purchasing hardware for the data centre, training of officers in relation to the task of collecting data of citizens, digitization of data and establishment of the	Action should be expeditiously taken to accomplish the objectives of the Electronic National Identity Cards Project.	Procurement of software and hardware is carried out by the Information and Communication Technology Agency.	Project activities are being done under the Ministry of Technology. Since there is no proper plan it is not possible to measure the progress.

	<p>national persons registry, improving the personified registration system, registration of persons for issuing the electronic national identity cards, procurement of electronic identity cards and issuing of electronic identity card, decentralization and data confirmation process and identification of needs of users, those functions had not been initiated even by the end of the year under review.</p>			
5.	<p>Applications, hand bills, instruction sheets, fingerprint scanning sheets provided for 331 Divisional Secretariats to prepare personal data registries in the year 2015 by the Electronic National identity Cards Project had not been utilized and stored in unsecured places in the premises of Divisional Secretariats and the value of such sheets was about Rs.396.35million.</p>	<p>Making arrangements in this regard as the sheets are destroyed without using them for 4 years.</p>	<p>Only e-NIC applications and QR Stickers remain intact and usable amongst the goods and stationeries.</p>	<p>Action had not been taken so far to dispose of or to take other suitable measure with regard to the unusable goods.</p>
	2019			
6.	<p>An estimate for Rs.68.5 million had been prepared for constructing the Disaster Recovery Data Centre at the Hambanthota Suriyawewa Technology Garden and a sum of Rs.11,776,333 had been paid to the Central Engineering Consultancy Bureau which deals with engineering functions. However, the construction site of the Centre had been shifted to elsewhere. As a result, the Bureau had refunded Rs.9,901,137 on 3 occasions. Action had not been taken to recover the balance of Rs.1,875,196 up to the date of audit.</p>	<p>Action should be taken to recover the balance from the institution concerned.</p>	<p>Since the value added tax is included in this computation the true recoverable value is being verified.</p>	<p>The due balance had not been recovered until the end of 2021.</p>

7.	Interim identity cards had been introduced till the introduction of the Electronic Identity Cards. So far, a sum of Rs.360,140,662 had been spent on these interim identity cards due to the delay in introducing Electronic National Identity Cards. The Electronic National Identity card Project which was commenced in 2011 had not ended by the year under review. Extension of time had been granted with the approval of the Cabinet of Ministers on 03 occasions. In the year 2019. Similarly, the total expenditure incurred on the Project from 2011 to September 2020 amounted to Rs.2,250,680,000. However, the project of issuing Electronic National Identity Cards had not been executed up to the date of audit.	National Identity Cards should be introduced expeditiously. A procedure should be prepared so as to improve the quality of services rendered to the identity card applicants and to ensure that they are issued within a short period.	Steps have been taken to initiate training programmes and provide internet facilities at provincial level. 2500 photographs have been registered.	Data collection activities had not been commenced as yet.
	2020			
8.	In terms of the paragraph 04 of Department for Registration of Persons Circular No. 01/2018 dated 21 August 2018, although a general 172 receipt should be obtained by handing over the money collected by the Grama Niladharis for the identity cards within 7 days or less than that to the Divisional Secretariat, it was observed at the audit test checks that 141 instances where the time period ranging from 09 days to 4 months had elapsed in 5 Divisional Secretariats.	To act in accordance with the circular instructions.	Divisional Secretaries and Development Officers have been made aware of the requirement of taking immediate steps to correct these defect. Circulars have been issued for correction of this situation.	It was observed at the audit that there were instances where the handing over of 464 receipts valued at Rs.135,500 had surpassed 30 days in 2021 according to audit test check of 16 offices.
9.	Since the transaction of re-ordering and purchasing of one Million pre-printed cards from October 2019 to March 2020 had not complied with proper Procurement Guidelines, the loss to the	To carry out the procurement process in a systematic, efficient and effective manner.	The approval of the Secretary of the Ministry of Technology has been requested to pay the outstanding amount.	A cabinet memorandum has been presented in that regard. Approval has not been granted so far.

	Department was Rs.94 million as per the Cabinet Memorandum No. 02 / IS /2020 dated 10 September 2020. Further, although the Department had retained Rs.56.49 million as liabilities for these purposes, action had not been taken to settle the transaction till present time.2019			
10.	Out of 92,780 identity cards printed by the Department during the months of January, February, July, August and September 2020, 5,095 identity cards or 5 per cent had been flawed.	To make the whole process of issuing identity cards efficient.	Nic Print Preview Step is currently in progress..	The number of identity cards printed in 2021 was 442 341 and the number of flawed identity cards stood at 26,489.The amount incurred for flawed identity cards in 2018 and 2019 stood at Rs.6.05 million and 9.89 million respectively.
11.	166 instances in which an efficient service could not be provided to the public were observed during the audit test checks carried out in 5 District Offices,where a period from 01 month to 01 year had taken for the completion of the process from accepting of the application by the Grama Niladhari, handing over of it to the Divisional Secretariat and forwarding it to the Head Office with the relevant approvals and these are the initial stages of the process of issuing identity cards under the Normal Service.	To make the the whole process of issuing identity cards efficient..	Making aware of offices of the Divisional Secretariats through circulars to provide an efficient service.	Instances were observed of prevalence of flawed applications in the system for more than one year in 2021.
12.	The approved cadre of the Department was 1384, the actual staff was 1271 and the vacancies and excess staff were 123 and 10 respectively as at 31 December 2020 .	Streamlining of the staff administration.	Letters required for filling these vacancies have been sent to the Director General of Combined Services.	Currently the approved cadre is 1475, actual cadre is 1290 and vacant cadre stands at 188. .

Head 228 –Court Administration

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the entity	Current Position
	<u>2020</u>			
01	There was a difference of Rs.12,536,427 in between the total of the individual loan balance classification summary and the balance of the control account as at the end of the year 2020.	As per chapter 05 of the Public Accounts Circular No 256/2017 dated 05 July 2017, if there is a discrepancy remaining in between the total balance of the individual loan classification summary and the balance of the Departmental Control Account, reasons for such discrepancy should be clearly stated.	The Zonal Accountants have been intimated to take action to correct these shortcomings.	Discrepancy has not been corrected.
02	Out of the arrears debt balance totaling Rs.28,746,312 as per the reconciliation statements of 2020, the value of outstanding loan balances for more than 05 years old was Rs. 7,633,491 and it was 26 per cent of total debt in arrears.	Outstanding loan balances should be recovered immediately.	Most loan balances have been remaining unrecovered from the 1990s. Since there is no proper information with the court to take further action in this regard it has become difficult to write off. However, as per Public Finance Circular No 01/2020, action was taken to write off loan balances which were less than Rs.25000.	Loan balances of Rs. 289,369.11 which were over 05 years old have been written off. No action has been taken regarding other loans.

03	Action had not been taken in terms of Financial Regulation 396 (c), in respect of the cheques issued but not presented to the bank amounting to Rs. 2,813,441 as at 31 December 2020 over 06 months in 48 bank accounts belonging to the Head Office and 23 High Court Zones.	Action should be taken as per Financial Regulation 396 (c)	Action will be taken to inform the Zonal High Courts to take action in terms of F.R.396 (c) regarding the cheques issued but not presented for payment.	Taking action in terms of financial regulations has not taken place so far..
04	Rs.6,400,000 had been paid for a period of 13 months from march 2019 to June 2020 in respect of the temporary building which had been taken on a monthly rent of Rs. 400,000 to run the Pugoda District/Magistrate Court and it had not been used for the intended purpose as per the lease agreement. Since construction of the new court complex had not been completed within the scheduled time period the term of lease had been extended from 31 January 2021 to 20 July 2022.	Expenses should be economically managed.	It takes time to convert the building into a form of a court room, and since the rent has to be paid for that period also, action will be taken in due course to economically manage the expenses.	Construction works are in progress.
<u>2019</u>				
5 (a)	After identifying Kantale for the establishment of a new court, the approval of the Cabinet in that regard had been received for granting provision within a period of three years from 2018 to 2020. And amount of Rs 100 million had been allocated in that regard for the year 2018.However, since this project was not implemented in that year the allocated provision had been completely saved. Rs.273,740,000 through a supplementary estimate and Rs.40,000,000 through F.R 66 transfers had been granted in 2019 for three more construction including this court complex.	Provision obtained after preparation of estimates should be utilized for the intended purpose.	The officers of the division were informed to take action to utilize the provision obtained following preparation of estimates for the intended purpose.	Construction work had commenced in 2021..

	Although the letter of acceptance dated 24 June 2019 had been issued to the contractor in accordance with the approval of the procurement committee dated 28 January 2019 the project had not been started even by 15 July 2020.			
(b)	In terms of the procurement guideline 8. 7. 1 (b), the Letter of Acceptance for the contract of the construction of Kantale Court Complex was issued on 24 June 2019 with a delay of 05 months as per the decision of the Procurement Committee dated 28 January 2019. The validity period of bid guarantee of the selected contractor had expired on 28 June 2019 and due to the contractor had not accepted the contract, the Ministry was unable to encash the bid guarantee.	Action should be taken in accordance with Guideline 8.7.1 (b) of the Procurement Guideline	The relevant officers have been made aware of the requirement of maintaining a register to properly identify the validity period of bid guarantees for the purpose of non-recurrence of this type of situation and to take action as required to extend the validity periods of bid guarantees.	No action had been taken regarding the loss made to the Ministry.
6.(a)	The contract for the construction of a new official residence on the site therein had been awarded to a contractor at a cost of Rs.18,156,471 removing old official residence of Nawalapitiya Magistrate and the Letter of Acceptance had been issued on 02 August 2019. Accordingly, it had been stated that the work should commence within 14 days and the contract period was 270 days. Nevertheless, although about 11 months have passed since the Letter of Acceptance was issued the Project had not even commenced by 02 July 2020 and the amount of Rs. 5,474,984 (including VAT) paid to the contractor on 27 November 2019 as advances for Commencement	Action should be taken as per the contract agreement.	The agreement of the project had been entered into on 17.09.2019. The contractor had through the letter dated 15 08 2019 given an Advance Security valued at Rs..5,716,483.25 And, after verification of that, the advance payment for the commencement of project had been made. However, since a delay was caused in providing some other house on lease to the judge the commencement of the construction work got delayed. The relevant officers have been made aware of the need to avoid the repetition of such	Noted to avoid the repetition of such shortcomings in future and the construction work of the project has reached final stage..

	of Work had been retained by the Contractor for more than 07 months.		shortcomings in future. 2019.09.17	
(b)	Although the construction of Magistrate Judge's Official Residence in Nawalapitiya is included in the 2019 Annual Action Plan and Annual Procurement Plan, the project could not be commenced on the non-settlement of the construction site, which was the first step required to implement those plans.	The proposed land ownership should be cleared before carrying out constructions.	The physical possession of the land has been handed over to the Ministry of Justice and transferring process is underway.	Although the Divisional Secretary of Nawalapitiya has been informed to expedite the transferring process that process has not been completed.
7.	Out of the lands wherein 221 courts in 33 Judicial Zones of Sri Lanka are located, 50 courts for which the extents of the lands have not been mentioned, and 47 blocks of lands of which the ownership has not been ascertained as belonging to the Ministry of Justice, 135 courts where the name of the land cannot be mentioned, and 70 lands without survey plan, and 188 lands without transfer certificates and 174 plots of land where the value of the land has not been assessed.	The name, extent, survey plan, transfer certificates and assessed value of the lands owned by the Ministry of Justice should be verified and accounted on the accurate valuation.	Action is being taken to survey the lands for which extents and survey plans are not available and referring of acquiring applications has been done having verified the ownership of the lands following the surveying of lands for acquisition.	64 lands wherein located courts and official residencies have been acquired by the Ministry. No action has been taken to account them following assessing of the same.
8.	In violation of Financial Regulation 582(i), arrangements had not been made to deposit Rs. 223,916 the daily receipts of 04 th of September 2019 in the bank even by 20 January 2020 as per the cash book of the Nugegoda Magistrate's Court. Further, banking of Daily receipts in 2019 had delayed by about 2-5 days.	Actions should be taken in terms of Financial Regulation 582(i).	Instructions have been given to the relevant officers to act upon Financial Regulation 582 (i)	The case No B 4019/19 regarding the displacement of the Daily Cash book 2019 prevails in the Nugegoda Magistrate Court, and by now it has been referred for legal advice from the Attorney General.
9.	The officer who had worked in the post of Cashier had misused a sum of Rs.1,190,071 preparing forged documents in the years	The internal control process needs to be strengthened to	The Pugoda Magistrate Court has been informed on the measures to be taken to prevent such	The relevant officer has been interdicted and the case regarding such

	2018 and 2019 in Pugoda District/ Magistrate Court.	prevent such misuses	frauds.	misuse is now being heard.
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Head 229 – Attorney General Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Institution	Current position
01	2020 Even though Rs.37, 279,838 had been recovered in the year under review of the outstanding revenues amounting to Rs.223.535,446 relating to the preceding year and years prior to that, the total outstanding balance as at the end of the year stood at Rs.308,831,925.	Required measures should be taken to recover outstanding revenues owed to the Government without delay.	Awareness is being continuously built discussing with the relevant institutions with regards to recovering the outstanding revenues.	A sum of Rs.308.5 million remains to be recovered.
02	As per chapter 3.4 of the Public Finance Circular No02/2020 dated 28 August 2019, although any liability or commitment not reported to the Treasury should not have been settled in 2021, payments had been made for liabilities amounting to Rs.3.604295 in 2021.	Action should be taken as per the instructions in circulars.	Action is being taken to obtain sufficient provision for essential expenses from the Treasury.	Noted to act correctly in the future.
03	In contravention of the financial regulation 94 (1), liabilities amounting to Rs.3.404,730 had been entered into exceeding provision in 03 objects. In 2019, liabilities amounting to Rs.963,058 had been entered into exceeding the amount of provision made for relating to an object. In 2018 liabilities amounting to Rs. 3.35 million had been entered into exceeding the amount of provision made for relating to 04 objects.	Action should be taken as per financial regulations.	Action is being taken to obtain sufficient provision for essential expenses from the Treasury	Noted to act correctly in the future.
04	Evan a preliminary inquiry had not been conducted regarding 38 motor accidents related to the year under review as per the Financial Regulations of the Democratic, Socialist republic of Sri Lanka.	Action should be taken as per financial regulations.	Action is taken to invstigate each motor accident that happens from the year 2022.	No action had been taken with regard to the accidents happened in preceeding years.

	2019			
05	It had been informed through several circulars of the Ministry of Economic Policies Development to suspend the foreign travels of Government officers until further notice and to minimize the foreign travel expenses as much as possible and not to request additional provisions. Out of the net provision made available for foreign travel amounted to Rs. 27,000,000, only a balance of Rs.21,097 had been saved by September 2019. Nevertheless, the sum of Rs. 1,360,074 incurred in 06 instances for foreign travels made in the months of October and November 2019 had been debited to the object 229-1-1-3-1409 (other) without debiting to the object No. (229-1-1-0-1102) specified for foreign travel expenses.	Actions should be taken in terms of circular provisions	Steps have been taken to have the officers participated only in essential foreign tours representing Sri Lankan Government and action will be taken to avoid repetition of such shortcomings.	Noted to avoid repetition of such shortcomings in the future.
06	A sum of Rs.211,560 from 04 interdicted officers and a sum of Rs.1,931,644 from 13 officers who have left service, has remained unrecovered for more than 05 years as outstanding loan balances.	Action should be taken to promptly recover loan advances given to Government officers.	Action is being taken to go for legal action with the re-preparation of the documents required to recover the relevant loan balances.	Only Rs. 36,000 from officers who have been interdicted within the year and Rs.182,700 from officers who have left service, have been recovered.

Head 230 - Department of Legal Draftsman

	Major Deficiencies included in the Report of the Auditor General	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	2020			
01	The Period of the project to be consolidated and amended the statutes valued at Rs. 185 million that had been scheduled to be completed in 04 years	Action should be taken to complete the planned projects	Since there were no suitable officers to be appointed full-time to carry out the work of the	Action is being taken to stop this and to implement as another project of

	commencing from July 2014, had been extended only up to 30 December 2020 as per the Decision of the Cabinet of Ministers No.අමප/18/0427/731/008 dated 16 May 2018. Even though the suitable officers were appointed from time to time to lead the project, the project had not been completed even by February 2021.	and achieve the desired objectives.	project, the two officers employed in the service have also agreed to complete the project on a part-time basis. However, it has been informed to the Secretary of the Ministry of Justice on 13 August 2020 that it will take a long time.	the Ministry of Justice.
02	Action had not been taken in compliance with FR 104 (3) and 104 (4) in relation to 37 vehicle accidents which occurred from 2015 to 2019.	Action should be taken in relation to the losses occurred from vehicle accidents in terms of FR 104 (3) and 104 (4) .	Instructions were given to avoid the occurrence of such deficiencies in the future.	Steps have been taken to deal with the losses taken place due to current vehicle accidents in terms of the Financial Regulations, without considering the previous situation.
03	Even though the approved number of employees as at 31 December 2020 was 148, there were vacancies for 51 employees comprised of 16 vacancies in the senior level, 17 in the tertiary level, 15 in the secondary level and 03 vacancies in the primary level.	Arrangements should be made to revise the relevant recruitment procedure as soon as possible and to recruit officers for all the vacancies including those posts and the posts filled on contract basis as per the exigencies of the service.	Full time acting posts have been given for the posts of Additional Legal Draftsman and Deputy Legal Draftsman. Arrangements are being made to fill the vacancies in other posts.	Action has not been taken to fill all the vacancies.

Head 231- Department of Debt Conciliation Board

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	Year 2020			
01	Even though it was planned to complete 507 out of 1301 registered cases in the year 2020, only 222 cases had been settled.	Arrangements should be made to improve the performance of the Department.	Although it was not possible to complete the registered cases as planned due to the inability of continuing the inquiries of the Department of Debt Conciliation Board owing to the situation prevailed in the country due to the existence of Covid-19 virus, necessary measures will be taken to complete the cases as planned in the future.	At present, in addition to the main Debt Conciliation Board in Colombo, branch Boards of the Debt Conciliation Board have been established and maintained in the cities of Galle, Gampaha and Kurunegala and the cases are being resolved and completed as planned in the year 2022.
02	Four fax machines, valued at Rs. 105,840 and not included in the Procurement Plan had been purchased.	Purchases should be complied with the procurement plan as much as possible.	I would like to inform that action would be taken to prevent the occurrence of such errors again.	A revised procurement plan is being prepared based on the purchases that took place in the year 2021.
03	Even though a sum of Rs. 450,000 had been estimated to purchase laptops as per the Procurement Plan, Rs. 900,188 had been spent for that.	Actions should be taken in accordance with the Procurement Plan.	The error had been discovered due to the inability in preparing the revised procurement plan for the year 2020. I would like to inform you that action will be taken to prevent the reoccurrence of such errors.	It has been noted to correct in the ensuing years.
04	Even though the interested parties have been identified in connection with the role of the organization, to implement the Sustainable	Awareness programmes should be implemented identifying parties	In addition to the main Debt Reconciliation Board in Colombo, 03 branch Boards have	Action is being taken to make the related party aware by participating in the

	Development Goals, awareness programmes for those parties had not been implemented.	interested in implementing the Sustainable Development Goals.	been established in Galle, Gampaha and Kurunegala, and the service provided by the Department has been expanded. It is expected to participate in awareness programmes in concurrence with the Ministry of Justice in the year 2022.	mobile programme organized by the Ministry of Justice in the Northern Province (from 26.01.2022 to 30.01.2022).
05	A Human Resources Development Plan had not been prepared in terms of the provisions of Public Administration Circular No. 02/2018 dated 24 January 2018.	Actions should be taken as per the Circular.	I would like to inform you that action will be taken to systematically prepare the human resource development plan for the year 2022.	Human resource development plan has not yet been prepared.
Year 2019				
06	Although the minimum receipt limit imposed by the Parliament for the Advances to Public Officers 'B' Account under Object No. 23101 was Rs. 500,000, the actual receipts were Rs. 449,978. The minimum receipts limit had not been reached by Rs.50,022. The minimum receipt limit had not been reached even in the previous year.	Limits imposed by Parliament on government advance activities should be followed.	It has been informed by the letter No.BD/AA/LR/2019/03/2020 dated 30.10.2020 of the Department of National Budget that the minimum receipt limit had been approved by Parliament as Rs.449,000 on 07.10.2020. Action has been taken to prepare estimates for the Advances to Public Officers 'B' Account to avoid the reoccurrence of such errors.	The limits imposed by the Parliament for the Advances to Public Officers 'B' Account have been followed in the year 2020.
07	The Citizen Client Charter had not been properly prepared and implemented to set the necessary background to provide the	A Citizen Service Beneficiary Charter should be prepared in terms of Public	Necessary steps are being taken to prepare the Citizen / Client Charter for the year	It has not yet been prepared.

	services by the institution to the public more efficiently and effectively and a mechanism as well had not been prepared with regard to that for the supervision and evaluation.	Administration Circular No.05/2008 dated 06 February 2008.	2020 and to act accordingly.	
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Head 232 – Department of Prisons

Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
Year 2019			
1. Although the number of detainees to be detained within 18,853 square feet pertaining to 16 wards of the Negombo Prison had been 350 in terms of the provisions in the Prisons Ordinance No. 16 of 1877, the number of detainees detained in 05 instances during the year 2019 had been 1,783, 1,843, 1,727, 1,773 and 1,695. Although the number of detainees to be detained within 17,126 square feet pertaining to 22 wards of the Kaluthara Prison, had been 317, the number of detainees detained in 06 instances had been 1,159, 1,294, 1,276, 1,415, 1,358 and 1,411.	Provisions of the Prisons Ordinance should be adhered to.	Since provision has been allocated for the construction of semi-temporary buildings, the work will be carried out quickly in the future. The release of a large number of prisoners under the Presidential amnesty on several occasions.	Currently, it was also observed in the examinations conducted by the government audit in Mahara, Bogambara (Dumbara) prisons, the number of detainees is more than the number of detainees that can be held due to the lack of space in the prisons.
2. Although the prisoners of various categories should be detained separately according to the accommodation facilities in the prison in terms of paragraph 178 of the amendments made to paragraph 54 of the Prisons Ordinance in the year 1956, prisoners could not be categorized and detained separately in the prisons at Negombo and Kaluthara due to overcrowding of such prisons.	Provisions of the Prisons Ordinance should be adhered to.	Since provision has been allocated for the construction of semi-temporary buildings, the work will be carried out quickly in the future. The release of a large number of prisoners under the Presidential amnesty on several occasions.	Currently, it was also observed in the examinations conducted by the government audit in Mahara, Bogambara (Dumbara) prisons, the number of detainees is more than the number of detainees that can be held due to the lack

			of space in the prisons.
3. The land in total extent of 2.6103 hectares, where the Negombo prison is located, the land where the Official Quarters of the Superintendent is located and the lands, where the Chilaw and Puttalam prisons are located, had not been vested in the Department by March 2020.	Vesting of assets properly and documentation of the vested assets has not yet been carried out.	A portion has been vested and brought to accounts.	At present, there are more than 392 acres and 132.8 perches of unassessed and unaccounted lands, of which the possession has not yet been transferred to the Prisons Department and are being used as prisons, lock ups, open prison camps, rehabilitation centres and farms to carry out functions to achieve its objectives.
Year 2020			
4. Follow up procedures for recovering outstanding debt balances amounting to Rs. 7,424,112, which existed for a period over 05 years as at 31 December 2020 were in a poor condition.	Immediate action should be taken to recover the outstanding debt balance.	An amount of Rs.1,342,632 has been further recovered from this loan balance during the year 2021.	The outstanding loan balance, which has not yet been recovered was Rs.6,081,480 as at 31 December 2021.
5. The loan balances to be recovered from 40 officers transferred to Government Ministries / Departments had been Rs. 437,913 due to taking action in contrary to Sections 1.6, 1.7 and 6.3 of Chapter xxiv of the Establishments Code and Section 1.1.7 of the National Budget Circular No. 118 of 11 October 2004.	Steps should be taken to recover the outstanding balances.	An amount of Rs.346,704, out of the loan balance to be recovered from the officers, who had transferred, has been settled.	The balance that remains unsettled further is Rs.91,209 as at 31 December 2021.
6. Action had not been taken in relation to deposits in 03 deposit accounts exceeding 02 years amounting to Rs. 1,008,120 as per FR 571.	Action should be taken in terms of the Financial Regulations.	The Superintendents of Prisons have been informed to credit the deposits that have exceeded 02 years to the government revenue.	These balances remain the same even at present.

7. A balance of Rs. 4,554,557 to be credited to the personal accounts of the prisoners was in the deposit account and out of that, the balance that had exceeded more than 02 years was Rs.1,394,779.	Action should be taken in terms of the Financial Regulations.	The Superintendents of Prisons have been informed to credit the deposits that have exceeded 02 years to the government revenue.	These balances remain the same even at present.
8. It had been unable to recover the amounts of Rs. 1,481,622.18 and Rs. 17,461, receivable from the sales of public and the private sectors respectively and had been older than 20 years in terms of FR 502 (b) (i).	Receivables should be recovered in accordance with the Financial Regulations.	It has been informed to the audit that these loan balances could not be recovered due to the inability in finding information as documents for public sector and private sector sales older than 20 years were not available and old bills were misplaced.	These balances remain the same even at present.
9. A bus, 03 lorries, a bowser, a car, a hand tractor, a motor cycle, a three wheeler and a generator had been underutilized for 01 to 10 years in 03 prisons and an open prison camp and a Correctional Center for Young Offenders.	Appropriate action should be taken with regard to underutilized assets.	After confirming the vehicles to be disposed of, the necessary activities have been planned to complete the disposal of the vehicles through tenders by 31 March 2022.	Disposal activities have not yet been finalized.
10. Register of losses had not been maintained in an updated manner in terms of FR 110 and losses amounting to Rs. 57,835,664 in relation to 252 action had not been taken in relation to losses including 228 car accidents that had been remaining for more than 10 years and relevant for a period of 1 to 10 years in terms of FR 103 (1) and indicated in the financial statements continuously.	Action should be taken in accordance with the Financial Regulations relating to the losses including car accidents.	The Commissioner of Prisons (Administration) has been informed to formally hand over the existing files and documents in relation to the losses to the Accounts Division and to assign an officer to carry out the work in order to systematically continue the activities regarding the losses.	This situation is still the same even at present.
11. The total number of vacancies was 2,363 including 84 vacancies at the executive level, 36 vacancies at the	A timely review should be carried out to maintain an	<ul style="list-style-type: none"> • Making requests from the Ministry of Public 	The total number of vacancies was 1,571 as at 31 December

<p>tertiary level, 2,147 vacancies at the secondary level and 96 vacancies at the primary level at the end of the year under review due to not carrying out a timely review of the cadre to maintain an effective service level. It was observed that not taking action to fill these vacancies could adversely affect the overall performance of the prisons.</p>	<p>effective service level and action should be taken accordingly.</p>	<p>Administration to provide officers in connection with the shortage of the officers in the Combined Service.</p> <ul style="list-style-type: none"> • Filling of 122 vacancies remained in the posts of Sergeant. • Filling of 788 vacancies in the posts of Prison Guard • Taking action to recruit 200 officers, who have completed 12 years' service in the Tri Forces and legally left the service, to the Intelligence and Security Unit. 	<p>2021 comprised of 84 vacancies at the senior level, 35 vacancies at the tertiary level, 1,341 vacancies at the secondary level and 111 vacancies at the primary level.</p>
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Head 233 – Department of Government Analyst

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	2020			
1	<p>The difference of Rs. 20,660 remained between Treasury Books and Department Books related to the debt balance recoverable by the end of the year under review had been brought forward for many years.</p>	<p>The differences between the accounts should be rectified.</p>	<p>Even though such difference could not be observed as per the departmental control account and individual balances, a request was made to the Department of Public Finance to eliminate this difference, which is indicated in</p>	<p>The Department of Public Finance has not given approval for it.</p>

			excess in the treasury books and which had been brought forward even before the year 1996, from the treasury books.	
2	Although any liability or commitment which was not reported to the Treasury should not be settled as expenses for the preceding year, a sum of Rs. 333,809 not reported as liabilities in the financial statements for the year under review had been settled in the year 2021. An amount of Rs.3,130,190, which had not been reported as liabilities in the financial statements in the year 2018, had been settled in the year 2019.	Actions should be taken in accordance with the Circulars.	It has been instructed to submit the bills to the Accounting Divisions properly in order to avoid such situations and to include them in the financial statements in the future.	It has been noted to record liabilities accurately.
3	The number of cases in which specialists' reports could not be submitted were 14,171 at the beginning of the year 2020. Even though 34,689 reports had been provided and completed including 35,191 called for the year, there had been another 14,673 reports to be submitted. Accordingly, the number of reports that could not be provided from the amount called during the year under review was 29 per cent.	It should be identified the methods of increasing the issuing of reports as compared with the trend of increasing cases annually.	The number of cases to be reported as at 01.01.2021 was 14,673. The number of cases received in the year 2021 was 29,273 and the number of reported cases was 36,328.	The number of cases to be reported as at 31.12.2021 has been reduced to 7,618.
	2019			
4.	It had been entered into liabilities amounting to Rs.848,488 with regard to one object exceeding the provision limit made available for the financial year in contrary to Financial Regulation 94 (1). It had been entered into liabilities amounting to Rs. 3.36 million exceeding the provision limit made available in relation to 03 objects in the year 2018.	Should not be entered into any expense or commitment in contrary to Financial Regulation 94(1).	Instructions have been given to the relevant Divisions to avoid such situations in the future.	It has been noted to take action accurately.

Head 234 - Registrar of the Supreme Court

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	<u>2020</u>			
1.	Action had not been taken to settle a balance of Rs. 48,978 bringing forward from the year 2017 but not credited to bank as per the bank reconciliation statement.	Actions should be taken to identify the reasons for not crediting to the bank account and to take necessary action promptly.	As soon as the disciplinary inquiry that is being conducted at present is over, I will take action to settle the amount in accordance with its decision.	Not settled yet.
2.	Actions had not been taken to hand over a vehicle given to the Ministry of Justice valued at Rs. 3,000,000 from a period of one year and or to take over a vehicle received from the Ministry of Justice valued at Rs. 4,000,000.	Arrangements should be made to systematically take over the assets belonging to the Institution.	The Ministry has been made aware of the related activities.	Formal taking over or handing over has not been done.
3.	Out of the additional provision made available for 02 capital objects amounting to Rs.9,300,000 and Rs.18,400,000 respectively, a sum of Rs.4,281,020 and Rs. 9,212,286 respectively had been saved.	Additional provisions should be obtained with plans.	There were savings as anticipated expenses were been incurred. I will take action to obtain the provision in a planned manner in the future.	It has been noted to take action accurately in the future
4.	The overstated debit balance in the Departmental Books brought forward from 2011 amounting to Rs. 68,245 had not been settled.	Unresolved old balances for years need to be settled.	This balance could not be rectified due to the inability in finding the documents.	Not rectified.

	2018			
5.	Even though any commitment or liability not reported to the Treasury according to paragraph 3.4 of the State Accounts Circular No. 267/2018 dated 21 November 2018 should not be settled as a previous year expenditure, liabilities totalling Rs.1,115,587 not so reported to the Treasury had been paid in January and February 2019.	All the liabilities for each Object should be accurately identified under Note No. 111 of the financial statements of the Department and the liabilities should be compiled with the statements of commitments and liabilities issued by the Treasury relating to each Item of Expenditure.	Action will be taken to report liabilities within the limit of provision to the treasury.	Noted to rectify in the future.
6	Even though at no time shall the commitments incurred for an expenditure exceed provisions for the financial year, commitments of Rs.1.06 million had been incurred for liabilities exceeding provisions of 06 Objects.	In terms of FR 94, except where otherwise provided for, no expenditure or commitment shall be incurred by any department for work, service or supply, unless financial provision exists therefore in the Annual Estimates.	Attention would be focused on managing within the limit of provision.	Noted to rectify in the future.

Head 235 - Department of Law Commission

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
	2020			
1.	In terms of FR 880 (i) and Circulars of the Ministry of Justice No. 01/2011 dated 18 January 2011 and No. 01/2011 (i) dated 07 May 2014, action had not been taken obtain the security deposits from two officers who need to keep securities.	Action should be taken in accordance with FR 880 and relevant circulars.	Only two officers, who hold the posts of Assistant Secretary, have not kept Security deposits. It has been referred to the Attorney General's Department.	That requirement has not yet been met.
2.	An officer had been appointed on the acting basis without making a permanent appointment even by the end of the year under review	Action should be taken in terms of Section 13.3 of Chapter ii of the Establishments Code of	Failed to fill that post due to non-fulfilment of the required qualifications.	Further steps have not been taken by the Ministry of Justice to fill the

	for the post of Secretary of the Department which remains vacant since the year 2014.	the Democratic Socialist Republic of Sri Lanka.	During the discussion held with the Secretary of the Ministry of Justice, it was decided to perform the duties of the Department through the staff officers, who have already employed in the service.	post of Secretary.
2018				
3.	Savings of provision amounting to Rs.1.67 million pertaining to 08 recurrent Objects and one capital Object had been transferred to another recurrent Object and 02 capital Objects. The percentage of transfers had ranged between 81 per cent and 131 per cent of the estimated provision.	Accurate estimates of expenditure should be prepared in terms of FR 50.	Taking action to prepare expenditure estimates as accurately as possible in terms of FR 50.	Have been noted.
4.	Out of the total net provision amounting to Rs.18.97 million made for 13 Objects, savings of Rs.6.43 million had been reported and those savings had ranged from 06 per cent to 88 per cent.	Accurate estimates of expenditure should be prepared in terms of FR 50.	Taking action in the future to identify the requirement properly and to make provision in terms of the Financial Regulations.	Have been noted.

Head 236 – Department of Official Languages

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	Although approval has been granted to pay allowances to officers and resource persons recruited on a part time basis for oral and written examinations as per letter No. EST/8/EXAMS/05/1007-1 dated 21 May 2012, an allowance of Rs.793,170 had been paid to full	Approval should be obtained for the payment scheme for making payments to the full time officers conducting speech and written tests and participating in the duties of the training courses.	Clarifications had been provided in relation to making the payments.	Approval has not yet been obtained for the methodology of payment to make payments for those officers.

	time officers for holding oral and written examinations of Tamil language and registrations of students for language training programmes as such without approval.			
2.	Although a sum of Rs.4,860,000 for preparing a Sinhala Tamil translator software in the year 2015 and 2016, and a sum of Rs. 5,950,000 was spent for preparing a Tamil Sinhala translation software in 2017 and 2018, the desired objectives have not been achieved so far.	Necessary arrangements should be made to use the software to translate Sinhala into Tamil and Tamil into Sinhala language.	Reminders have been sent to the University to expeditiously provide the Certificate regarding the accuracy of this software.	The confirmation granted in relation to the accuracy of the software has not yet been obtained.
3.	Forty two (42 officers who have been recruited as Translator Assistants have been released for service in Local Government Institutions and Divisional Secretariats offices from the year 1999. Although a sum of Rs. 25,410,440 had been paid as salaries and allowances these officers for the year 2020, action had not been taken to get any service from these officers to the department by carrying out assignments from Department of Official Languages.	Necessary action should be taken to obtain the service to the department by assigning duties to the officers who have been recruited to the service.	Duties have not been assigned to these officers. The heads of these institutions have been asked whether the services of these officers are still required for those institutions.	The Heads of Institutions have not yet reached an agreement on the officers.

Head 246 –Department of Inland Revenue

Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
Revenue Estimation			
<p>1. The revised revenue estimate was Rs. 575.4 billion, and the actual revenue was Rs. 511.1 billion as the revenue estimation had not been carried out properly the percentage of the variance was 11 percent.</p>	<p>Actions should be taken to prepare revenue estimates accurately.</p>	<p>Preventive measures have not been specified.</p>	<p>In the year 2021, the income estimate was Rs.685.5 and the actual income was Rs.619.7 and as a result, the variance was 10 percent.</p>
<p>2. Action had not been taken to collect the recoverable tax and penalties amounting to Rs. 100.4 billion, out of the total arrears tax and penalty revenue of the Legacy system amounting to Rs. 291.2 billion as at 31 December 2020.</p>	<p>Formal action should be taken against the relevant officers and take action to expeditiously collect / settle all the arrears of taxes and balances of penalties as per the procedures stipulated in the relevant tax Acts.</p>	<p>Preventive measures have not been specified.</p>	<p>The collectible tax and penalty amounting to Rs. 89.9 billion out of the total arrears of tax and penalty income amounting to Rs. 286.1 billion as per Legacy system had not been recovered as at 30.06.2021. Furthermore, taxes will be written off as per the Inland Revenue Amendment Act No. 10 of 2021 and the Finance Act No. 18 of 2021.</p>
<p>3. Action had not been taken to recover the collectible tax and penalties amounting to Rs.167 billion out of the total arrears tax and penalty revenue of the RAMIS system amounting to Rs. 406.4 billion.</p>	<p>Formal action should be taken against the relevant officers and take action to expeditiously collect / settle all the arrears of taxes and balances of penalties as per the procedures stipulated in the relevant tax Acts.</p>	<p>It has been informed to the audit that action will be taken to recover the arrears of taxes by sending notification letters and reminders and calling the taxpayers directly for discussions.</p>	<p>The collectible tax and penalty amounting to Rs. 107.5 billion, out of the total arrears of tax and penalty income amounting to Rs. 451.8 billion as per the RAMIS system as at</p>

			30.06.2021 had not been recovered. Action should be taken in terms of the Tax Default Act.
4. Arrears of tax and penalties that should be settled in accordance with the provisions of the Default Tax (Special Provisions) Act No. 16 of 2010 amounting to Rs. 31.5 billion as at 31 December 2020 had not yet been settled.	Action should be taken to recover or settle the default taxes via implementing the provisions of the Default Taxes (Special Provisions) Act.	Arrangements have been made to promptly collect / settle the default taxes.	Arrears of taxes and penalties of the DTRU Division amounting to Rs. 31.1 billion had not been collected by 30.06.2021. Writing off will be done as per the Tax Default Act.
5. Due to untimely issuance of versions in the Legacy system, the collectible tax arrears in 02 institutions related to TIN No. 114155551 and 409164030 has been over estimated by Rs. 327,646,996 as at 30 June 2020.	Versions should be released in a timely manner.	Instructions have been given to settle the relevant tax arrears expeditiously.	The Relevant versions had not been settled by the system.
6. Although a period of 01 to 02 years had elapsed since the issuance of the assessment notices amounting to Rs.5,822,238,326 to 09 tax payers in the RAMIS system, arrears of taxes and penalties had not been recovered.	Action should be taken to charge the amount of tax arrears as per the Acts.	Tax arrears are being settled promptly.	Action had not been taken to fully recover the arrears of taxes
7. Although functions had been started by entering in to an agreement with a Singapore dollar 15,534,364 under Phase B of RAMIS 2.0 for proceedings under the new Act, the future process regarding those tax returns had not been progressed in the system as planned.	RAMIS system should be developed expeditiously to carry out the future process in accordance with the Act.	The contract has been awarded in the year 2020 in consultation with the Singapore company that is the designer of this system.	Due to the vacancy that remains for the technical officers related to the implementation of the second phase, the transfer has to be postponed till the year 2023.
8. The maintenance service agreement, which had been extended to 31 January 2021, had been further extended for three years due to the RAMIS 1.0 system had not been taken over in October 2020 and the	Takeover of RAMIS system to the Department should be done in a timely manner as per the agreement.	Relevant plans have been made to take over the maintenance of the system to the Inland Revenue Department in phases.	The module maintenance contract has also been extended by a year due to the delay in the

<p>payment of Rs. 725 million as maintenance and service charges up to that date and preliminary work for takeover has not been done in a timely manner and due to proposed innovations.</p>			<p>takeover of the second phase up to the year 2023.</p>
<p>9. A total of Rs. 185,393,011 comprised of Rs.174,701,500, Rs.6,482,000 and Rs.4,209,511 respectively had not been levied and remitted due to non-levying and non-remittance of stamp duty charged on liquor licenses for the period of 2008-2020, non-levying of charges in the issue of licenses to the same business or to the same licensee in several occasions and under levying of stamp duty that should be levied.</p>	<p>Action should be taken to inform all the Divisional Secretariats to collect taxes in arrears.</p>	<p>Issuance of Circulars in this regard to all the District Secretaries and Divisional Secretaries.</p>	<p>Taxpayers have filed a case in the Court of Appeal and the next hearing date of the cases has been set for 20 May 2022. According to the audit test check, currently there is stamp duty amounting to Rs.255,795,500 that should be collected.</p>
<p>10. The number of cases filed by the Department as at 30 June 2020 for recovery of arrears were 1739 and out of those cases, 793 cases related to tax arrears amounting to Rs. 2,050,972,192 had been shelved without taking them to trial.</p>	<p>Formal action should be taken to expedite the proceedings regarding the cases filed to recover the arrears of taxes.</p>	<p>The Divisions have been informed to check the correct addresses and to file cases.</p>	<p>The cases that had been shelved have not yet been fully resolved.</p>
<p>11. Action had not been taken in terms of Section 150 of the Inland Revenue Act in relation to tax refund claim amounting to Rs. 3,963,865,684 of 552 taxpayers in the Legacy system from the year of assessment of 2011 to the year of assessment of 2015 and arrears in taxes and penalty balances amounting to Rs.58,510,467,150 and to settle them.</p>	<p>Action should be taken in accordance with the provisions of the Act.</p>	<p>Tax arrears are being offset by tax refunds.</p>	<p>Although it has been notified that the arrears of tax will be offset from tax refunds upon the agreement of the taxpayer in accordance with the Inland Revenue Amendment Act No. 10 of 2021 and the Finance Act No. 18 of 2021, the value pointed out by the audit observation had not</p>

			been fully settled.
12. Income taxes more than Rs.1000 related to the Legacy system as at 30 June 2020, Economic Service Charges and Tax arrears amounting to Rs.31,065,548,562 (version – 0) for Value Added Tax had not been recovered.	Action should be taken in accordance with the provisions of the Act.	The arrears of taxes are being settled expeditiously.	Even though it has been informed that non-eligible tax arrears under the provisions of the Finance Act No. 18 of 2021 will be collected, all the arrears of taxes pointed out by the audit observation had not been settled.
13. Although the VAT receivable and payable as at 31 December 2019 according to the audited financial statements of the institution having the tax file No. 409066828 had been Rs. 837,509,421 and Rs. 558,997,052 respectively, the tax refunds in relation to the Legacy and RAMIS systems had been Rs. 99,410,994 and the arrears of taxes and penalties had been Rs. 24,716,820 and as a result, a discrepancy amounting to Rs. 738,098,427 and Rs. 534,280,232 had been observed between the financial statements and the information of the system and there had been 15 unfinished work items related to VAT in the RAMIS system in this regard.	Action should be taken to recover arrears of taxes and penalties and the Unit administering the file should furnish the accurate information.	A detailed audit has been initiated and the tax payer has been informed to rectify the discrepancies in the tax returns.	All the matters observed in the audit have not been resolved and there were 27 unfinished work items in this regard as at 17.01.2022.
14. According to RAMIS, Legacy system and DTRU Division, the total outstanding tax and penalty balance as at 31 December 2019 had been	Action should be taken to recover arrears of taxes and penalties and the work items referred to the	Action is being taken to rectify and the tax payers are informed of inconsistencies	The outstanding taxes have not been fully resolved and currently there are

Rs.18,398,612,329 in relation to a taxpayer with tax file number 409000053 and there were 34 unfinished work items in the system in that regard.	officer should be completed.	between the schedule and the data of the system	54 unfinished work items.
15. Out of the 110,581 tax files referred to officers from the RAMIS system from 2015 to 2019, the deadline provided to 80,763 tax files was over, but they still remained unfinished work items and it had been 73 percent.	Necessary action should be taken to complete the relevant work items.	The officers have been instructed to complete the work items.	The relevant work items had not been fully completed.
16.(i) The total amount of disputed taxes and penalties in 61 appeals (Accepted), pending for more than 2 years after receiving the appeal, were Rs. 577,189,148. There were also 79 appeals referred to the Commissioner General of Inland Revenue, including disputed taxes and penalties amounting to Rs. 15,280,049,777.	Action should be taken in accordance with Section 165 (14) (a) of the Inland Revenue Act No. 19 of 2006.	As there had been no sufficient number of officers in the Division related to resolving the appeals, officers from other Divisions have also been temporarily assigned and another set of appeals have been forwarded to the officers in charge of the file.	Fifty-five (55) appeals out of 61 existing cases in the appellate divisions have been resolved and 71 out of 79 that are being heard under the Commissioner General have been resolved.
(ii) There were 474 taxpayer referrals that had not been categorized as tax appeals and inquiries which had not been confirmed for further actions. Taxes and penalties relevant for those items were Rs. 1,316,489,719 and Rs. 269,899,192 respectively. It was observed that these referrals could be included tax appeals also.	- Do -	- Do -	Out of 474 references of the taxpayers, 97 were identified as appeals and only 28 of them were resolved.
17. Non-recruitment of 28 vacancies in Information Technology Officers had a direct impact on the operation of the new Income Tax Administration Computer System (RAMIS) and delay of taking over of its maintenance activities to the Department.	Action should be taken to recruit for the vacancies in essential posts.	The Director General of Combined Services has been informed to fill these vacancies.	The Director General of Combined Services has informed that action will be taken to fill these vacancies expeditiously and

			RAMIS 2.0 could not be taken over and had to be postponed till the year 2023.
18. The outstanding tax balance had been overestimated by Rs. 1,385 million owing to the existence of an unresolved balance of Rs. 1,385 million in the RAMIS system as at 29 March 2021.	The balances relating to the suspense account should be correctly identified and settled promptly.	Introduction of the Online Tax Payment Platform (OTPP) methodology to tax payers with effect from 08 February 2021 through several commercial banks.	There was a suspense account balance amounting to Rs.1,153 million as at 28 January 2022.
19. A sum of Rs. 2,670 million had not been recovered from 04 Casino Businesses.	Actions should be taken to recover the arrears of taxes in terms of the provisions of the Act.	Judicial action has been taken to recover the arrears of taxes.	Hearing had been concluded and the order is scheduled to be issued on 07 March 2022.
20. Action had been taken to recover collectible tax amounting to Rs. 8,632,395,894 under the Legacy System in respect of Repealed Tax Acts.	Proper steps should be taken to timely recover the tax arrears balances pertaining to Repealed Tax Acts.	Instructions have been given to settle the relevant arrears of taxes.	There was a balance in the Legacy system amounting to Rs.7,948,004,219 related to taxes cancelled as at 30.06.2021.
21. A number of 764,251 Tax Returns out of 329,979 tax files related to the period from 2016 to 2019 had not been returned to the Department even by 31 December 2019 and assignment of work items to only 148,329 Returns out of these Tax Returns and the work items had not been completed. Due to non-issue of work items for the remaining 615,922 tax returns, expected tax revenue collection, accurate tax arrears calculation, tax file audit and excess tax collection etc. had not been carried out in an updated manner.	Action should be taken to bring Tax Returns promptly by directing work items to the officers through the system and to take action in accordance with the provisions of the Tax Acts regarding the taxpayers, who do not submit tax returns.	Targets have been given to officers to complete the relevant work items.	According to an audit conducted in the year 2021, 731,801 tax returns related to 339,011 tax files, out of the tax returns to be received during the period of 01 January 2016 to 31 December 2020, had not been received. Work items had only been issued in relation to 60,837 tax returns related to 42,396 tax files

			out of those tax files.
22. According to RAMIS system, it was observed that the tax administration was not carried out efficiently as 283,055 tax returns received from 210,572 taxpayers from 2016 to 2019 have not been processed in the system even by 27 February 2020.	A methodology should be formulated to include all the Tax Returns receiving, to the system and to initiate the process as soon as possible.	Targets have been given to officers to complete the relevant work items.	According to an audit conducted in the year 2021, letters of permanent acceptance had not been issued for 124,006 tax returns from 2016 to 03.11.2021.
23. Even though an investigation had been commenced in the year 2018 regarding the tax file No. 114015198, the Department had not taken steps to complete the investigation and issue assessment reports even by 11 May 2020.	The taxes and fines should be collected by issuing of assessment reports for accurate tax liability identifying income through bank credits accurately and subject it to tax and to expedite the investigations of the Investigation Division and establish an internal control system that oversees it.	Assessment reports will be issued subsequent to consulting the taxpayer and subsequent to reconciling the bank credits.	Arrears of taxes had not been fully settled.
24. Taxes had been under calculated by Rs. 587,339,848 and 593,244,082 in relation to the assessment years 2016/17 and 2017/18 respectively due to understating the revenue in the financial statements submitted to the Department of Inland Revenue than the revenue stated in the financial statements submitted in the procurement activities by the Taxpayer TIN No. 580451985 and the value added taxes collected on the provision of services to the Municipal Council in the years 2018 and 2019 had been understated by Rs.48,247,172. Necessary measures had not been taken to rectify these.	Action should be taken to levy additional taxes on accurate income and to take legal action against the taxpayer for non-submission of accurate reports in accordance with the provisions of the Tax Acts.	Investigations are being carried out after calling information from the Municipal Council and the tax payer.	Even though additional assessment reports had been issued, the arrears of taxes had not been fully recovered.
25. The taxpayer with tax file number 593120988 had underreported tax income by Rs. 73,465,186 from	Actions should be taken on levying additional tax on accurate tax liability by	Additional assessments will be issued and money will	Even though additional assessment reports

June 2010 to December 2019 and although an excess assessment for that purpose had been issued only for Rs. 58,047,389 and only Rs. 11,000,000 had been recovered, action had not been taken in terms of Section 66 of the VAT Act.	calling for detailed information and to take legal actions against the taxpayer as per the Value Added Tax Act	be collected.	had been issued, the arrears of taxes had not been fully recovered.
26.The Department had conducted an audit pertaining to the Tax File No. 174008957 and a difference of Rs. 1,029,007 in turnover had been identified in the Value Added Tax and Nation Building Tax Reports therein as per tax returns and excess assessment had not been issued for that.	Assessments should be issued on the accurate tax liability and collect the tax.	An additional assessment will be issued for the correct tax amount.	Although assessments had been issued after adding excess turnover to VAT returns, arrears of taxes had not been fully recovered.
27. A Value Added Tax amounted to Rs.1,031,172,093 collected from 668 taxpayers from 83 government institutions had not been included in the Output Schedules submitted by the taxpayer along with the Value Added Tax (VAT) Returns.	Actions should be taken to recover the taxes receivable in accordance with the provisions of the Act by re-checking the information that is currently updated in the computer system and obtaining further information from the relevant government institutions.	The Circular No. CGIR/2021/04/09 dated 19.04.2021 has been issued and instructions have been given to start an audit.	Although it has been informed to start an audit to recover the arrears, the current progress in respect of 668 taxpayers pointed out in the audit observation had not been informed.
28.Even though 14 government institutions had paid a Value Added Tax amounting to Rs.18,123,901 to 33 taxpayers, they were inaccurate tax file numbers in the examination performed as per the computer system.	Actions should be taken to recover this tax amount in accordance with the provisions of the Value Added Tax Act	The Circular No. CGIR/2019/03/ (Ins. & Cir.) dated 09.07.2019 has been issued and instructions have been given to settle.	The progress pertaining to 33 taxpayers pointed out in the observation has not been submitted.
29. Even though VAT amounted to Rs. 15,848,913 had been collected from 04 Government Institutions out of 05 taxpayers as revealed in the audit test checks carried out, any Output Tax had not been reported relating to that period and it was observed that only the blank Tax Returns had been submitted.	Action should be taken to recover the taxes to be recovered in terms of the Act by obtaining further information from the relevant government institutions.	The Circular No. CGIR/2021/04/09 dated 19.04.2021 has been issued.	Full assessments had not been issued for 03 taxpayers.

<p>30. Even though a sum of Rs. 28,769,49 had been collected as VAT from 03 government institutions by 21 taxpayers, only a sum of 8,514,732 as the output tax of the tax payers for the relevant tax period that is, Rs.20,254,760 less than the amount collected from public institutions had been shown in the Tax Returns.</p>	<p>Actions should be taken to recover the taxes to be recovered in terms of the Act by obtaining further information from the relevant government institutions.</p>	<p>-Do-</p>	<p>Although it had been informed that estimates had been issued for tax payers, who had indicated less tax values, the current status of each tax payer related to the observation had not been indicated.</p>
<p>31. Even though 36 government institutions had paid a Value Added Tax totalled to Rs. 309,805,817 to 178 taxpayers, there had been instances, where output schedules had not been submitted and instances, where the records had not been included in the computer system.</p>	<p>Actions should be taken to recover the taxes to be recovered in terms of the Act by obtaining further information from the relevant government institutions.</p>	<p>-Do-</p>	<p>The current status of each tax payer related to the observation had not been indicated.</p>
<p>32. A total of 8,060 cheques valued at Rs.3,031.8 million received comprised of 5,558 dishonoured cheques under the Legacy Tax Administration System and 2,502 dishonoured cheques under the RAMIS Tax Administration System had not been settled even by 30 June 2019.</p>	<p>Prompt action should be taken to charge money for dishonoured cheques or to examine them and to settle them.</p>	<p>Payment of taxes using cheques will be discouraged with the introduction of Online Tax Payment Platform (OTPP) system through several commercial banks with effect from 08 February 2021.</p>	<p>The number of dishonoured cheques as at 30.09.2021 was 4,998 and its value amounting to Rs. 1,690.4 million had not been settled.</p>
<p>33. Although a sum of Rs. 16,682,442 had been collected as emigration tax, attention had not been paid by the Department to develop a mechanism or a methodology to increase the tax outlay after determining the foreign exchange.</p>	<p>Action should be taken to establish a methodology to identify the tax base accurately.</p>	<p>A methodology for identifying the tax base will be prepared.</p>	<p>Although discussions have been conducted with the Department of Immigration and Emigration and the Department of Exchange Control, a methodology for identifying the tax base has not yet been prepared.</p>

34. Even though the Vehicle Entitlement Tax of the year under review was Rs. 2,695,261,000 as per the number of opened letters of credit relating to the Vehicle Entitlement Tax, the Vehicle Entitlement Levy (VEL) as per the financial statements was Rs. 2,191,685,363 and as a result, there was a non-reconciliation amounting to Rs. 503,575,637.	The Revenue credited to the Collection Account should be reconciled with the reports and the relevant Divisions should be made aware of the non-reconciliations revealed and they should be resolved in a timely manner.	Since the responsibility of collecting this tax has been removed from the Inland Revenue Department, methods of prevention had not been indicated.	The responsibility of collecting Vehicle Entitlement Levy (VEL) had been removed from the Inland Revenue Department with effect from 01.05.2019.
35. Modernization of the Head Office of the Inland Revenue Department and construction of a 9 storied vehicle park had been handed over to the State Engineering Corporation at a contracted amount of Rs. 1,430.5 million and although a sum of Rs. 1399.7 million of which had been paid to the Corporation as at 31 December 2018, the modernization works had not been properly carried out and the vehicle yard had remained as an idle asset.	Steps should be taken to get the relevant modernization works and construction works of the vehicle park carried out by the contractor expeditiously.	Payments are made in accordance with the recommendations of the Central Engineering Consultancy Bureau in relation to bills prepared for making payments for the work done.	Construction work has not yet been resumed.
36. Two (02) transformers that were provided to the Department during the modernization of the Head office building had not been utilized even from the year 2010 to 15 May 2019.	The assets should be fully utilized to accomplish the objectives and functions of the Department.	Preventive measures had not been specified.	Arrangements had not been made to use transformers.
37. Seventy (70) CCTV cameras installed in the Department at a cost of Rs. 7,985,992 in the year 2010 had not been utilized even from that date up to 15 May 2019.	The assets should be fully utilized to accomplish the objectives and functions of the Department.	Preventive measures had not been specified.	They remain as an idle asset even at present.

Head 247 - Sri Lanka Customs

	Major Deficiencies included in the Audit Report	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	There was a difference of Rs. 101,917,351 between the	These changes in accounts that have been around for	This difference, which has been in the initial	This difference still exists in the

	balances in the ACA 4 statement for deposit accounts as at 31 December 2019 and the opening balances in the ACA 4 statement submitted for the year 2020.	a long time should be identified and resolved.	balance for several years, has not yet been rectified.	financial statements.
2.	A total of Rs. 2,939,988,344 had been paid as Rs. 1,925,498,453 from the government consolidated fund in the year 2020 as salaries, wages, overtime, holiday payments and incentives for 2399 Sri Lanka Custom officers and Rs. 1,014,489,891 was paid by the overtime cargo examination fees and customs' information technology communication fund and finger print reports proving that the service was reported as proof of that expense were not submitted to the audit.	(i) Strict observance of the general orders of the government and the orders of the Committee on Public Accounts should be taken into consideration. (ii) Acting in accordance with the provisions of the Financial Regulations and Establishment Code regarding financial irregularities. (iii) Formalization of unsatisfactory internal controls relating to employee management.	No action has been taken to prevent it. It is reported that a report on fingerprinting has been submitted to the Committee on Accounts on 06 April 2021.	Fingerprint machines are no longer used.
3.	There was Rs. 5,561,829 without taking action to release the required tax paid bank guarantees from the period of year 2005 to 2007 and the number of persons registered to release goods on bank guarantees and the number of persons who acted to release them during that period were not submitted for audit.	That should be considered when obtaining and releasing bank guarantees.	These guarantees have not been released as there are courts cases are pending.	Current status has not been reported.
4.	During the period of 04 1/2 years from 01 January 2015 to 30 June 2019, Sri Lanka Customs had collected a total of Rs. 33,845,962,239 through customs investigations. However, the relevant evidence to verify the penalty income, sales revenue, confiscation income or the value	Records should be maintained properly as formal inspection can be done.	Relevant matters have not yet been formalized up.	No action has been taken to correct.

	of the goods on which the determination of customs and other revenue is determined, the manner in which those values were determined and the customs revenue lost etc. are did not submitted for audit by any section of the Sri Lanka Customs.			
5.	The regional infrastructure development tax, which was abolished in year 2011, was due to collect tax arrears of Rs. 108,659,190 as at 31 December 2011 and the department had not taken action to recover that value during the year under review.	Action should be taken in accordance with the instructions given in Financial Regulations 128 and Public Finance Circular 01/2015.	Preventive measures taken have not been reported.	No action has been taken to rectify.
6.	Out of the overall arrears of tax revenue as at 31 December 2020, Rs.4,711,376,538 or 7 percent is represented by product special provisions motor vehicles tax value and out of that, Rs. 1,314,930,120 has been in arrears since the year 2017.	Action should be taken in accordance with the instructions given in Financial Regulations 128 and Public Finance Circular 01/2015.	Measures have been taken to obtain information regarding imported goods from the Customs Publications Division and to keep them informed on a regular basis. Measures have been taken to recover Rs.22,525,899,343 of due in arrears during the year 2020. A committee consisting of officials from the National Budget, Management Audit and Sri Lanka Customs Departments has been appointed in this regard.	No measures have been taken to rectify completely.
7.	It was observed that an officer who had been on compulsory leave in connection with a Customs investigation had gone abroad without formal approval while being prevented from going abroad.	Obtaining the necessary approvals to go abroad.	Actions taken to rectify have not been reported.	Current status has not been reported.

8.	In accordance with Section 153 (2) (b) of the Customs Ordinance, an appropriate procedure should be devised for obtaining the consent of the Minister of Finance for the distribution of reward from the reward fund, but Rs.19,748,129,578 had been paid as reward money during the 22 years from 1999 to 2020 without confirming that the approval of the Minister of Finance has been obtained for the Departmental order No. PL 118 dated 28 January 1988 issued by the Department for the distribution of reward money by Customs.	Submitting the methodology approved by the Minister to the Audit. If there is no approved procedure, action will be taken against the officers who did so in accordance with the Establishment Code.	It has been reported that it had been assumed that the necessary approval had been obtained in issuing the department Order No. 118 of year 1988 and it is necessary to consider into this matter further. A committee has been appointed by the Ministry of Finance to take a decision regarding future activities.	No formal approval has been issued yet.
9.	The Customs had withheld US\$ 53,455 for attempting to carrying money out of the country without proper permission and at the request of the Minister of Finance (Under Section 164 of the Customs Ordinance), the value Rs. 1,603,650 of the loss incurred due to the action taken to return the money without reasonable facts was noted as losses under the F.R. 106 and 113.	Although the Minister has the power to release retained goods and other property under Section 164 of the Customs Ordinance, it is not authorized to incur losses or other expenses. Accordingly, loss/overpayment is illegal.	Preventive measures have not been reported.	No action has been taken to rectify.
10.	Following a Customs investigation by the Central Disposal Division of the Sri Lanka Customs into the stockpiling of 05 containers containing 105,570 kilograms of imported pal oil unsuitable for human consumption, which were recommended for destruction and the release of it to the market and it was revealed that the officers of the Central Disposal Division who conducted the investigation had acted against the main objective of establishing the unit.	Action should be taken in accordance with the Customs Ordinance and departmental circular regulations. Formal action should be taken regarding the relevant responsible officers.	The Central Investigation Bureau is conducting an investigation into the 05 containers under the investigation file no. CIB/INV/230/2019. 04 containers out of the 05 containers have already been seized. At the end of this investigation, if the government incurs any loss during the customs inspection to be held under Section 8.1 of the	Investigations are ongoing. Current status has not been reported.

	<p>It was observed that by allowing the Customs to carry out investigations as well as the destruction or sale of goods in the custody of the division which carried out such investigations, the division itself has been given the opportunity to carry out organized irregularities. The Division had also submitted false information stating that information about the importer could not be found and the final report on the investigation had not been forwarded to the Director of Customs of the Central Excise Division. The final decision of the investigation was taken by the Superintendent of Customs and the Deputy Director of Customs.</p>		<p>Customs Ordinance, it has been reported that the loss can be recovered from the culprits on the orders of the investigating officer conducting the customs inspection.</p>	
11.	<p>The NC committee of the Sri Lanka Customs had taken action to release a luxury Toyota Land Cruiser worth nearly Rs. 9 million, which was imported with public telephone equipment, by levying a tax of only Rs. 1.5 million under the special purpose vehicle category. If this type of vehicle was cleared under the passenger transport category, a tax of nearly Rs. 56 million would have been levied. As a result, the government had lost of Rs. 54,642,528 in tax revenue.</p>	<p>That action should be taken to secure government revenue by recovering the due revenue. The powers conferred on the NC Committee of the Sri Lanka Customs by the Customs Ordinance, the power of appeal against the decisions of the members of the Committee and the role of the NC Committee should be formulated in a formal and transparent manner.</p>	<p>The Central Investigation Bureau has initiated a Customs inquiry into Toyota Land Cruiser under the No. CIB/INV/2019/0206 and referred the matter to the Nomenclature and Classification Committee of the Sri Lanka Customs for obtaining the correct customs clearance numbers. The committee concluded that the classification number was 87059091. Based on that decision, the vehicle was released to the importer. However, no recovery of lost income has been reported.</p>	<p>No further corrective action has been taken.</p>
12.	<p>In terms of section 72 of the Customs Ordinance, in the first</p>	<p>Taking appropriate action against violations of the</p>	<p>Necessary steps have already been taken to get</p>	<p>No action has been taken other</p>

	<p>instance, the Sri Lanka Customs had given the opportunity to a private institution to store goods without paying taxes and for that 08 custom cusdecs had been issued. Accordingly, US \$ 5,139,621 items were to bond. According to section 86 of the Customs Ordinance, the invoice value of the previously declared inventory had to be declared at the time of release from the warehouse. However, using locally made invoices, the relevant value as US\$ 6,350,364 were imported by cusdecs with false information. It was valued at US\$ 1,210,743 and given opportunity to get more to the relevant institution.</p>	<p>Customs Ordinance, acceptance of local invoices, encouragement of importers to make improper profits, misleading a government agency into carrying out customs investigations and causing losses.</p>	<p>further action in accordance with the recommendations of the report of the investigation conducted by a special committee appointed by the Secretary to the Ministry of Finance. Acting in accordance with Sections 72 and 86 of the Customs Ordinance in accordance with those recommendations.</p> <p>Issuing specific departmental orders containing clear instructions to the bond officers regarding the relevant procedure. Establishment of a written methodology for authorizing general warehousing of goods, Government agencies have taken steps such as agreeing to use foreign exchange in the procurement of goods for various projects, treating only the CIF value actually spent on the importation of those goods.</p>	<p>than the report which has been obtained on the advice of the Attorney General.</p>
13.	<p>Even though the tax payable on receipt of goods to the warehouse in connection with the above incident was Rs. 263,301,203, the government of Sri Lanka had to pay an additional tax of Rs. 62,499,656 ,because the tax calculation on release of goods from the warehouse was indicated as Rs. 325,800,859.</p>	-do-	-do-	<p>Current status has not been reported.</p>

14.	The conclusion of the investigation was questioned during the audit considering that the relevant institution had not committed any offense by the Sri Lanka Customs which had carried out investigations in this regard despite obtaining foreign and local currency by preparing fake invoices and submitting false information.	-do-	-do-	-do-
15.	25,674 Customs inspections were registered by various divisions of the Sri Lanka Customs during the period from 01 January 2015 to 30 September 2020 and 26 percent or 6716 of these investigations had not been completed by the audited date of 22 September 2020. Out of which 1090 investigations ,more than 05 years, 928 investigations ,between 04 and 05 years, 942 investigations ,between 03 to 04 years, 900 investigations ,more than 02 years and 1285 investigations ,more than 01 year were only registered and investigations have not been started. The number of inquiries initiated and registered during the year 2020 was 1571.	Reviewing delays in initiating customs investigations and securing government revenue by requiring investigations. The discrepancy between the customs investigation data does not correct the basic error and the investigation should be completed and appropriate action taken to ensure that the investigation is not completed too long time.	Preventive measures are not reported.	-do-
16	No further action had been taken as on audited date of 22 September 2020, for 1285 investigations which had been reported to the Central Investigation Division for updating the Customs Central investigation Registration System by various sections of the Customs. From these, 70 percent or 903 investigations got 03 to 05 years. Although 17672	-do-	-do-	-do-

	investigations were completed, 9573 or 54 percent of them were completed without any action being taken.			
17	A number of 4059 Sri Lankans in abroad had obtained Unaccompanied Passenger Baggage (UPB) facility through Laksiri Seva Warehouse and another 8240 passengers had received the Gift Service facility as well within a year. The revenue collected by Sri Lanka Customs was Rs.17,625,020 and Rs.31,840,355 respectively therein. Nevertheless, there were no evidences whether a sales invoice or any other document had been submitted to confirm the value of these items which were sent as Unaccompanied Passenger Baggage (UPB) and Gifts . The goods had been assessed at the discretion of the customs officers without complying with Departmental Order (DOPL) 790 to determine the customs value of goods. As a result, sufficient evidences were not furnished to audit to confirm whether the revenue receivable actually received.	Take actions in accordance with Departmental Order 790. The records should be maintained as it should complied with DOPL - 790 and submit them for audit.	It has been reported that those actions will be taken under the supervision of the Customs Superintendents who have 25 years or more of service experience as well as valuation duty experience.	-do-
18	A number of 49,910 containers had been received to Rank Container Terminal (RCT) from January to May 2019 and 44,305 of containers out of that had been inspected at the Out Panel. A number of 5,605 containers had been scanned at the RCT . The evidences of the 44,305 containers which had been inspected at the Out Panel had not been furnished to ascertain	-do-	It has been reported that all the containers cannot be inspected. Similarly, it has been reported that action will be taken as follows. (i) Containers do not arrive at the yard at once and are brought to the yard from time to time. The permission has been given for Out Panel inspections in accordance with the importer's past	No further corrective action has been taken.

	whether they were inspected in accordance with the Customs Ordinance and Departmental Regulations (DOPL) .		information, the nature of the goods being imported, and the risk control methodology of the Risk Management Unit. A part of these containers are sent for inspection inside the RCT yard. The remaining numbers of containers are released to the Out Panel on that inspection certificate. These containers are released for Out Panel on personal guarantee, especially when required to be certified by other agencies. In Out Panel, all the containers are not inspected at once and only selected numbers of containers are checked randomly.	
19	Any written evidence showing the way of assessing the value of the goods offered for sale by calling tenders by the Central Disposal Division of Sri Lanka Customs were not available in the relevant Division during the year 2019. Accordingly, it was impossible to check whether the relevant taxes have been computed accurately.	Taking actions in accordance with Departmental Orders, keeping records for following proper procedures and furnishing them when requested.	It has been reported that determining the value of the goods offered for sale through tenders have been carried out considering the market value of the relevant goods during that period and the value of these items when browsing the internet. Further, it has been reported that in sometimes, the most recent submission of cusdec for the relevant items is checked from the Asycuda Database and the relevant values have been taken into consideration to determine the value of the goods.	No action has been taken to rectify.

20	Even though Sri Lanka Customs had assigned 31 permanent staff and 12 Roster Staff to deploy in the duties of the Bonded Warehouses maintained by Laksiri Seva and Trico Warehouses in terms of the Schedule (f) of the Extraordinary Gazette Notification of the Democratic Socialist Republic of Sri Lanka No. 1520/17 dated 26 October 2007, actions had not been taken to recover the overtime charges to be recovered for deploying of 12 Roster Officers.	Charging the prescribed fees as per the circular.	It has been reported that in addition to the Peliyagoda Branch, the Laksiri Seva Warehouse clears goods at its Nindavur Branch as well ,and the staff of the Peliyagoda Branch are attached for the clearance activities as well as although the total permanent staff is 16, the goods are inspected by the 07 Assistant Collecting Officers in the staff.	No action has been taken to rectify.
21	Even though the Customs officers who had attached to the Laksiri Warehouse, Trico Warehouse (UPB Warehouses) and the Katunayake Air Cargo Clearance Center (Air Cargo) had been transferred several times during the year in terms of the Financial Regulations 755, any written handing overs or undertaking of the goods had not been carried out at the time of doing such transfers of the officers in charge of the warehouses.	Taking action in accordance with Financial Regulation 755.	It has been reported that action will be taken in terms of the Financial Regulation 755 in due course.	No action has been taken to rectify.
22	In terms of the Paragraph No. 790 (DOPL) (02), there was no evidence whatsoever available in relation to the goods valued at Rs.605,796,308 carried through the arrival terminal at the Katunayake Bandaranaike International Airport by the passengers during the period from 01 January 2019 to 30 November 2019. Further, purchase receipts pertaining to aforesaid items that should have been submitted at a minimum,	Relevant information should be obtained and maintained accurately.	No action has been taken to rectify.	These shortcomings are still available.

	sales invoice including documents containing information on goods or remittance of foreign exchange which were required to be submitted in accordance with Section 790 (02) of the Customs Internal Circular to verify the value, had not been submitted to Audit.			
23	In contrary to the paragraph No. 790 (DOPL) (04), there were occasions when the customs officers had determined the value at their discretion without based on the database on the value of goods maintained by the Valuation Directorate of the Sri Lanka Customs to determine the value of commercial items carried by passengers through the Arrivals Terminal at Bandaranaike International Airport, Katunayake.	-do-	No action has been taken to rectify.	These shortcomings are still available.
24	A sum of Rs. 3,512,574 had been paid to a private company for the services obtained during the year 2019 for the maintenance of Cummins type generators installed in the Sri Lanka Customs Headquarters Building. Even though it had been stated that the institution that obtained the above services was the sole agent in Sri Lanka for the Cummins type was selected, the authority given to act as Sri Lanka's agent to the above Company for Cummins had expired from 16 January 2018. Nevertheless, without considering that, bidding in violation of the Procurement Guidelines of the Democratic Socialist Republic of	It should make sure to choose the most advantageous suppliers by carrying out procurement activities in terms of the Circular. The responsibility of the Tender Evaluation Board should be carried out correctly. Performing the role to be played by the Technical Committee.	Even though it has been reported that a letter dated 25.09.2019 was issued by the Trade Promoters (Pvt) Ltd stating that the relevant institution has the ability to act as an agent for Cummins products until either the date of expiration of the authorization or one year after the expiration date, whichever of the date that first comes, a suitable supplier has not been selected through competitive bid invitations.	No action has been taken to rectify.

	Sri Lanka, actions had not been taken to select the most suitable institution by giving competitive institutions; the opportunity to compete.			
25	Two institutions which had imported the same type of printers during the period from 2012 to 2018 had been cleared under two customs code numbers different from each other. Therein, one institution had declared the correct value of the goods and paid taxes such as VAT, PAL, NBT and the arrangements had been made to pay less than 50 per cent of the tax to be paid from prescribed tax since the other institution had understated of the value of the goods.	Carrying out an investigation whether the clearing of the printing machines was done accurately.	Even though it has been reported that if the printers have the facilities such as FAX, Scan (Multi-Function) then the Custom Harmonized System Code No. 8443.32.90 is being used, and if only printing works are being done then Custom Harmonized System Code No. 8443.32.40 is used, but no other measures had been taken.	No action has been taken to rectify.
26	An income amounted Rs. 33,845,962,239 had been collected by 35 Divisions of Sri Lanka Customs during the period from 2015 to June 2019 through investigations carried out on customs offenses registered under the Central Case Registration System (ECCR) of the Sri Lanka Customs. Only 30 per cent is credited to the Consolidated Fund because of 70 per cent of penalty income and sales revenue goes to the Customs Officers' Reward Fund and Management Compensation Fund. Accordingly, out of the total income of Rs.33,845,962,239 obtained through investigations, a sum of Rs.16,341,023,479 had been divided among Officers and	To act to be ensured the security of Government Revenue and reviewing the existing system again.	Preventive measures have not been reported.	Reward payments remain the same.

	<p>informants of Sri Lanka Customs. It was not observed that the laws enacted in the past regarding the distribution of rewards to Officers in Sri Lanka Customs and the provisions of funds to the officers' welfare funds have been amended from time to time. It was observed that there was a tendency for a large amount of money to be owed to the Treasury had to be distributed among a limited number of government officials due to the large amount of prize money being paid under the Rewards Scheme which is currently in operation for certain functions performed by the officers in their normal official duties.</p>			
27	<p>Eleven private institutions had been established to facilitate the transportation of goods using the Unaccompanied Passenger Baggage (UPB) and Gift schemes introduced by the Government for Sri Lankans working in foreign countries to bring goods for their personal use. Nevertheless, Sri Lanka Customs did not have any system in place to check the accuracy of information on classification, weight, quantity and value of goods sent to Sri Lanka under the GIFT system. Therefore, it was observed that, there have been a number of risks for a long time such as the possibility of building a mismatch between the passengers and the customs officials carrying the goods, the</p>	<p>Reviewing the procedure of UPB / Gift Schemes and securing government revenue.</p>	<p>Though comments have been made, no steps have been taken to strengthen internal control.</p>	<p>These shortcomings remain the same.</p>

	<p>inability to declare accurate information through that and the inability to secure government tax revenue on that . Likewise, it was ascertained that there are a number of risks of illegal imports, etc. and that there was a risk of goods being restricted by the government entering the country and that the existing safe in warehouses, proper documentation and storage procedures were not followed.</p>			
28	<p>15 officers belonging to 06 posts ranging from Director of Customs to Public Management Assistant had been attached to the “D” Branch of the Sri Lanka Customs, and written assignments had not been made to the relevant posts of each of these officers.</p>	<p>Assignments should be made formally to the relevant parties.</p>	<p>It is only reported that new assignment documents are being prepared.</p>	<p>Weaknesses in the assignment of written roles persist.</p>
29	<p>Even though security cameras have been installed at some of the attached warehouses maintained by Laksiri Seva and Trico Service Centres, The most essential place where goods and luggage are examined by the officers of the Sri Lanka Customs had not been covered by the relevant security cameras.</p>	<p>Continuously checking of security cameras and upgrade the camera systems to cover essential locations.</p>	<p>No measures have been taken to prevent the shortcomings pointed out by the observations except reporting that cameras had been installed at the required locations in the premises of the institution and that there is no need to install cameras at the place where the goods are inspected and supervision of relevant goods inspection activities are being carried out under the supervision of a Deputy Director of Customs and Superintendents of Customs.</p>	<p>No steps have been taken yet to regularize the situation.</p>

30	<p>When the Sri Lanka Ports Authority takes action to sell imported goods which are not removed by the importers from the port premises, through tenders, the value of the goods is determined by the Sri Lanka Customs. There was a large variance between the values so determined and the value of the bids sold or offered. It was observed that the deprive of tax revenue to the government due to undervaluation of the value of goods and there were shortcomings such as reduction in market value, destruction of goods, having to incur extra cost and effort to submit for repeated tenders due to the overvaluation of the goods remained unsold as well. Similarly, information on how the value of goods sold through tenders was determined and information on the Customs Harmonized System Code (HS CODE) used had not been included in the files. Therefore, failure to verify the accuracy of the determined value and the tax levied and Sri Lanka Customs had not conducted a sequential inspection whether the unsold items in one tender is submitted for the next tender and if not, what were the reasons for that.</p>	<p>Actions should be taken to review the process of sale of abandoned goods at the port continuously and efficiently.</p>	<p>It has been reported that the market value of the goods, the CIF value of the goods when they are unloaded in Sri Lanka, the customs duty applicable to the goods, the country of manufacture of the goods, the quality of the goods, the time of manufacture of the goods are all the key factors out of that and the value of relevant goods to be sold in the tender is determined taking all these into consideration. However, it is also not observed that steps have been taken to prevent the shortcomings pointed out by the observations.</p>	<p>These shortcomings are still available.</p>
31	<p>It was observed in audit that the government loses a lot of tax money due to the Central Disposal Division (CDU) of Sri Lanka Customs not providing an accurate valuation for the goods sold at auction. Accordingly, even though the valuation given by the Sri Lanka Customs for 07 vehicles sold through 03 tenders was Rs. 19,427,888</p>	<p>Review of the goods auction process conduct by the Central Disposal Division (CDU).</p>	<p>Even though it has been reported that the cause for the large variance between the Sri Lanka Customs assessed price and the selling price of the goods is not a weakness in the pricing mechanism of the Sri Lanka Customs, but merely because of the</p>	<p>No further steps have been taken to rectify these internal control shortcomings.</p>

	<p>as per the audit test check carried out by the Sri Lanka Customs Central Disposal Division (CDU) on vehicles that were called for tenders and sold during the year 2019 because of importers do not remove it from the port premises, the auction sale value had been Rs. 32,172,000. Accordingly, although the tax revenue received by the government was Rs. 3,174,824 because of the actions were taken to levy taxes only on the assessed value, the tax revenue deprived due to variance was Rs. 2,170,965 since the amount of tax to be levied on sales value was Rs.5,345,789.</p>		<p>personal decisions of the bidders, no action has been taken to prevent the shortcomings pointed out by the observation.</p>	
32	<p>A number of 60 bank guarantees valued at Rs.112,841,773 had been obtained by the Container Examination Division by 10 July 2019 and out of these, 31 were the guarantees which were not got released by the importers for a period of 156 days to 823 days amounting to Rs.78,003,551. As a result of goods related classification issues, the goods had been released on bank guarantees in all other cases except for 2 of the above 31 cases. As a result of the NC (Nomenclature Classification) Committee and Clarification Unit had failure to function promptly, it had been observed that the government would incur a huge loss as compared to the depreciation of the currency over time because of retention of bank guarantees for long and the delay in collecting</p>	<p>To review the reasons for the goods released on guarantee and taking steps to prevent delays in decision making by the Customs Goods Classification Unit (CCU) and the NC Committee.</p>	<p>Bank guarantees have to be extended until the NC Committee and the Classification Division issue a final decision on the problems in classification of goods. The number of unsettled bank guarantees as per documents and its value was Rs.125,098,810.60 by 06.01.2020. No other steps have been taken to settle these guarantees systematically and in a timely manner.</p>	<p>These shortcomings remain so.</p>

	<p>taxes receivable to the Government.</p> <p>The documents maintained by the Container Examination Division regarding the corporate guarantees and personal guarantees had not been properly updated and maintained and there were long term unresolved guarantees and an adequate supervision had not been carried out in Sri Lanka Customs in this regard.</p>			
33	<p>The same institutions had repeatedly been convicted of customs offenses and there were 18 institutions which had become such offenders for more than 50 times. A proper system had not been developed by Sri Lanka Customs to identify institutions / individuals which are continuing to commit customs offenses.</p>	<p>Approach to a methodology that discourages committing customs offenses.</p>	<p>The total number of customs offenses committed by this institution is reported to be 3483. Appropriate action has not been taken against the institutions that continue to commit such customs offenses.</p>	<p>There are still imports that continue to commit customs offenses.</p>
34	<p>Although facilities were provided for the importation and exportation of goods on a temporary basis for re-export or re-import without levying prescribed taxes by the Carnet Scheme and also the audit has pointed out that there were a number of shortcomings in this regard as follows, proper actions had not been taken for that.</p> <ul style="list-style-type: none"> • Failure to re-reconcile the records and documents kept separately in the Import and Export Divisions. • Failure take actions to follow up and confirm that re-exports or re-imports had taken place within the prescribed time period. 	<p>Develop a formal follow-up system.</p>	<p>It is reported that attention is being paid to formulate a methodology in this regard as it applies to a wider range than the cargo sector.</p>	<p>Still not rectified.</p>

	<ul style="list-style-type: none"> • Failure to take further action against institutions / individuals who have not re-exported and re-imported within the prescribed time period. • Failure to levy stipulated taxes in respect of goods imported under the Carnet System and disposed in Sri Lanka or goods used in Sri Lanka. 			
35	<p>Constantly bringing goods in commercial form in an organized manner using the Arrivals Terminal at Katunayake International Airport had been taking place over a long period of time and the customs valuation of the commercial goods so brought was Rs.605,796,308 during the period from 01 January 2019 to 30 November 2019. It was observed that no measure whatsoever had been taken to follow the below mentioned internal control procedures as indicated by the audit with regard to inspection of the aforesaid goods, levying of taxes.</p> <p>(i) Taking actions in accordance with the legal provisions mentioned in the Internal Circulars (DOPL).</p> <p>(ii) Updating internal circulars in accordance with periodic requirements and issuing internal circulars to regularize the activities of the Shroff Division.</p>	<p>It should comply with Departmental Orders and implementing of internal control systems in an updated manner.</p> <p>-do-</p> <p>-do-</p>	<p>It has been reported that the necessary instructions have been given again to act in accordance with these provisions.</p> <p>-do-</p> <p>-do-</p>	<p>These shortcomings remain the same.</p> <p>-do-</p> <p>-do-</p>
	<p>(iii) Installation of security cameras (CCTV) adequately and monitoring of those camera footages</p>	<p>-do-</p>	<p>-do-</p>	<p>-do-</p>

	continuously.			
	(iv) Development of Computer System in the manner of including data related on weighing of goods automatically entered into the Customs Computer System (Asycuda). Checking of the possibility of obtaining information of passengers from the respective airports on the value and weight of the goods bringing and develop a methodology in this regard.	-do-	-do-	Agreed with this observation and only reported that further study and action will be taken in the future.
	(v) Making policy decisions required to enforce the laws and rules to identify people who bring commercial type goods using the frequent Arrivals Terminal and preventing money laundering by the parties involved so that to be enable deliberately evade taxes.	-do-	It is functioning in accordance with the rules imposed by Departmental Orders Nos. 700 and 706A and necessary advices have been given again to the officers. Further, disciplinary actions will be taken against the officers who are involving in improper actions. However, no preventive measures that had been taken was reported.	Not rectified.
	(vi) Develop a methodology for remittance of information to the Department of Inland Revenue in respect of persons bringing commercial type goods.	-do-	Although it has been reported that a policy decision has to be taken for that, such decision was not taken.	-do-
	(vii) Making the necessary policy decisions with the Airline to control goods carried with passengers in commercial nature. (viii) Officers are required to disclose personal money and other valuable things in their possession before	-do- - do -	No preventive measures have been taken. Measures taken to prevent such actions are not reported.	-do- - do -

	<p>commencing duties.</p> <p>The attention of the top management of the Department should be drawn on the following risks remained due to serious internal control deficiencies as mentioned above.</p> <ul style="list-style-type: none"> • Failure of receiving government tax revenue as prescribed. • Existing of a risk of entering illegal and restricted imports of goods into the country. • Failure to disclose the value of foreign exchange remitted to foreign countries for purchasing of these goods. <p>The atmosphere to be able to occur unfavourable conditions to the country such as market disadvantage for importers who import goods paying due taxes had created.</p>			
36	<p>All government institutions should act in accordance with the United Nations 2030 “Agenda” for Sustainable Development and the Sri Lanka Customs had not aware of the way to be active under the scope of tasks of the Sri Lanka Customs pertaining to the year under review.</p>	<p>The Department should ensure that it complies with Public Policy and the relevant Act.</p>	<p>No response was received and no preventive action taken was reported.</p>	<p>No action has been taken to correct.</p>
37	<p>It was observed that only 08 houses out of a housing complex comprising of 18 Government quarters located on Morgan Road in Slave Island belonging to the Sri Lanka Customs remain at present and that the other houses had been destroyed. Moreover, an external party had illegally constructed 02 houses on this land belonging to the Sri Lanka Customs and obtained water and</p>	<p>Action should be taken to prevent misuse of state property, safeguard and utilize the property for productive purposes.</p>	<p>It has been reported that arrangements had been made to provide the house bearing No.40/11 located on Morgan Road in Slave Island for 12 officers. However, it was subsequently informed that the said house was unnecessary due to transfers of those officers. At present, action is being</p>	<p>Ownership of these lands is not yet settled.</p>

	<p>electricity facilities. However, it was observed that steps had not been taken to demolish those unauthorized constructions.</p>		<p>taken to provide these houses to Customs Officers.</p> <p>A complaint had been lodged at the Slave Island Police on 16 January 2017 under Numbers CIB & 320/138 requesting to evacuate the unauthorized occupants residing on the land belonging to the Department of Customs located on Morgan Road. The Divisional Secretary, Colombo had been informed thereon. Further, the Deputy Inspector General of Police (Western Province – South) has been requested by my Letter No.LOG/S/04-2016 dated 15 June 2017 to take action in this connection.</p>	
38	<p>According to regulations made by the Controller of Export and Import, in the importation of old motor vehicles which had expired the useful life, an import and export licence should be obtained. However, motor vehicles had been released from Customs in 11 instances without so obtaining a proper license.</p>	<p>Taking action in terms of prevailing provisions and in terms of provisions in the Establishments Code by checking on officers who fail to do so.</p>	<p>No action has been taken to rectify the situation.</p>	<p>No action had not been taken to examine and take necessary actions.</p>
39	<p>It was observed that the tax revenue deprived of due to clearing under special purpose vehicle class (8705.90.94) by changing the Customs Harmonized System Code for a truck used for road constructions imported based on Licence No.IM-2-150-2018-000397-0001 issued to an importer for purchase of 02 truck vehicles, was Rs.1,315,381.</p>	<p>The policy of recovery of Excise Duty on Motor Vehicles should be properly implemented, recovery of losses from responsible parties due to failure in doing so.</p>	<p>-do-</p>	<p>-do-</p>

40	The Mitsubishi Fire Extinguisher vehicle bearing chassis No.FKH17F2-720019 had been received as a donation and as it was a motor vehicle manufactured in the year 1988, it should be imported with an import license. However, it had not been carried out in such manner and as a result, this motor vehicle which should have been prohibited in the year 2015, had been ordered to be confiscated after 03 years.	Import licences should be obtained from the Import and Export Controller in the importation of old motor vehicles and the recovery of the loss from responsible parties due to failure in doing so.	Explanation has been given and it has been reported that the Mitsubishi fire truck bearing chassis number KF417FZ - 720019 will be seized by the Customs immediately and a Customs Inquiry will be conducted in this regard.	The current progress of the investigation has not been reported to the audit.
41	It was observed that the Customs Inquiries commenced relating to three importers who had imported containers of 34,640 kilograms of Ginger to the C.I.F value of Rs.2,148,757 imported without the approval of the Plant Quarantine Service of the Department of Agriculture, had been concluded without taking any legal action whatsoever. Even though the documents submitted to Inquiry Officers relating to approvals of import by the relevant importers had been forged, Customs Officers had not taken action to ascertain the accuracy of those documents.	Tax policy of the Government should be implemented by studying in depth the Customs law and import and export laws, rules and regulations relating thereto and other legal provisions and steps should be taken by checking on officers who do not confirm the accuracy of documents and recovery of loss occurred, from responsible parties.	It is reported that preliminary investigations and customs investigations have been initiated in this regard.	The current progress of the tests has not been reported.
42	The Preventive Division of the Sri Lanka Customs had commenced a Custom Inquiry on 04 motor vehicles older than 10 years imported to this country without obtaining approval of the Department of Import and Export Control. However, the Customs officers had taken action to release the said motor vehicles again based on the forged documents submitted by the	Recovery of the loss occurred due to failure in confirming the accuracy of documents to the Government from responsible parties by looking into it properly and taking action according to the prevailing law in the country on the party that submitted forged documents.	Even though preliminary investigations and customs investigations had been commenced, the preventive measures taken had not been reported.	-do-

	importer.			
43	<p>In the process of import and export of goods, an adequate internal control methodology relating to examination of documents and physical verification of goods had not been implemented by the Sri Lanka Customs. As such, a risk of a close relationship between the Wharf Clerks who act as clearing agents and the Customs Officers was observed. As a result, loss of tax revenue to the Government due to irregularities such as underassessment of goods, failure in declaring imported goods properly and it was revealed continuously by Audit queries and reports of a possible risk in non-revelation of illegal and prohibited goods. However, it was also observed that the Sri Lanka Customs had not taken action to pay adequate attention to correct that situation and to introduce a new methodology. It was observed during the course of Audit carried out in the year under review in this respect that an importer had got 06 containers of perfume valued at Rs.39,335,091 in 6 instances stating them to be western medicine. As such, a revenue of Rs.40,761,600 had been deprived of to the Government of Sri Lanka. It was a questionable matter in Audit whether such an irregularity could be carried out without a connection of the Customs officers who carried out the examination of documents</p>	<p>-Attention of the officers should be strictly paid on frauds on Custom duty, in various types committed by the importers and safeguard the Revenue.</p> <p>-Taking necessary steps by looking in depth into the parties who had encouraged frauds.</p> <p>-Taking disciplinary and legal action in terms of the Establishments Code Part II.</p>	-do-	-do-

	and the physical verification of goods of the Sri Lanka Customs.			
44	<p>A Salt Yard with a store located in the Mattakkuliya area had been obtained from the private sector for keeping motor vehicles and containers taken into custody of Customs relating to Customs investigations as well as confiscated vehicles and containers at a monthly rental of Rs.1 million. A sum totalling Rs.29.6 million had been paid from the Consolidated Fund as monthly rents for the period from the year 2016 to October 2018 therefor. It was observed that 146 motor vehicles of various types retained in the custody of Customs during a period from 1 year to 21 years, had been kept in this yard and most of the motor vehicles are decayed/ being decayed in an unusable manner and it was further observed that the possibility of obtaining an income by disposing of those vehicles is uncertain. It was also observed that the Sri Lanka Customs had not taken action even by the date of the Audit examination to dispose of these vehicles or to take any other appropriate measure.</p>	<ul style="list-style-type: none"> - Parties responsible for the safety of motor vehicles should be identified. - Expedite the inquiries and minimizing the possible loss occurred by keeping motor vehicles unnecessarily. - Legal action should be taken speedily. 	<p>Although it has been reported that these vehicles will be sold or misused within the next 03 months, no action has been taken to rectify the shortcomings that have occurred since then.</p>	<p>This shortcoming persists.</p>
45	<p>An inquiry had been held by the Sri Lanka Customs Central Investigation Bureau in respect of a person who had attempted to take foreign currency valued at Rs.16.8 million Sri Lankan Rupees on 28 June 2015 through the Departure Terminal of the Bandaranaike International Airport, Katunayake. At the</p>	<p>Taking necessary steps after holding an inquiry to verify whether action had been taken contrary to the law. Taking maximum action to prevent such illegal actions.</p>	<p>Actions that had been taken for recovery have not been reported. Steps that have been taken to prevent such shortcomings are not mentioned.</p>	<p>There was no evidence that the money was recovered.</p>

	<p>conclusion of the investigation, the penalty of Rs.3 million imposed on the relevant party had been decreased to Rs. 1.5 million by the then Director General of Customs and it had been pointed out by the Audit Query No. PUR/A/CUS/2015/09 dated 02 March 2016 that this relaxation had been contrary to the Customs Ordinance. Moreover, several parties, challenging the decision made, had taken action to present a petition to the Court of Appeal. Even at the conclusion of the hearing of the petition, it had been decided that the relaxation made by the Director General of Customs is contrary to the Customs Ordinance. Accordingly, action had not been taken to recover the sum of Rs.1.5 million lost due to the decision of the Director General of Customs.</p>			
46	<p>It was observed that a tax of approximately Rs.6,130 million had been deprived of due to failure in clearance of the oil named Palm Olein imported during the period between 2013-2016 by 02 leading importers of palm oil in bulk, under an accurate Harmonized System Code. Even though a Customs investigation had been commenced by the Intelligence Unit of the Sri Lanka Customs, the Commodity Classification Branch of the Sri Lanka Customs and NC Committee officers had acted on the basis that the importers are innocent. As such,</p>	<p>-Providing solutions within a specific period for enquiries received to the Harmonized Code Division or the NC Committee. -To emphasize that the entire staff of the Sri Lanka Customs should act with the objective of mutually securing the Revenue. -Taking strict legal action against officers, wharf clerks and other parties who had encouraged Customs offences revealed by Customs investigations</p>	-do-	This amount has no longer been charged.

	<p>the conclusion of the Customs investigation had delayed. Even though it had been observed according to the confirmations of the World Customs Organization that the tax revenue of the Government had been deprived of due to these imports, no adequate action had been taken by the Sri Lanka Customs to recover the said moneys.</p>	<p>and looking into the possibility of recovering the loss occurred to the Government.</p>		
47	<p>In terms of the Plant Protection Act, No.33 of 1999 and Gazette Extraordinary Notification No.165/1 dated 02 November 1981, Customs officers had released 821,650 kilograms of ginger to the C.I.F value of Rs.52 million imported to this country without the approval of the National Plant Quarantine Service.</p> <p>It was observed that such irregularities are occurred due to weaknesses in other internal control including the lack of a computerized connection between the Sri Lanka Customs and the Plant Quarantine Service relating to purposes such as import approval on plants and plant parts imported to Sri Lanka, examination of documents and physical verification, lack of awareness of officers on prevailing laws, lack of a methodology for comparing the quantities imported and failure of the Customs Officers in carrying out their duties in terms of procedures</p>	<ul style="list-style-type: none"> - A computerized connection should be maintained between the Sri Lanka Customs and the Plant Quarantine Service relating to purposes such as import approval on plants and plant parts imported to Sri Lanka, examination of documents and physical verification. - The Customs officers should be made aware of the prevailing laws. - Proper steps should be taken relating to such irregularities committed due to weaknesses in other internal control including non-preparation of a methodology for comparing the quantities imported and not carrying out the duties by Customs officers in terms of procedures. 	<p>Measures taken to prevent such shortcomings had not been reported.</p>	<p>Not corrected yet.</p>
48	<p>In terms of Section 103 of the Customs Ordinance, Gazette No.1520/17 dated 26 October</p>	<p>In terms of Section 103 of the Act and Gazette No.1520/17 dated 26</p>	<p>It has been reported that necessary revisions be made in the Gazette</p>	<p>The current progress of preventive</p>

	<p>2007 and Internal Circular No.218 (F) dated 31 December 2002 etc., the overtime payment for Custom duties performed for ships arriving at the Colombo Port is computed on the number of containers on those ships and credited to the Customs Overtime and Cargo Examination Fees Fund. However, it was observed that there are many deficiencies relating to records and methodology which should be maintained according to laws, rules and regulations effective thereto.</p>	<p>October 2007 and Internal Circular No.218 (F) dated 31 December 2002, instructions and methodologies given should be followed.</p>	<p>Notification relating to a sum of Rs.100,000 obtained by the shipping agency as deposits, and the recovery of overtime will be done from shipping agencies under a computerized system and that according to Departmental Order No.DOPL 218 F and the matters pointed out by Audit observations, the next steps will be removed from the Preventive Division and be assigned to the Port Controlling Unit so as to minimize those issues and that supervision of proper sending of shipping documents daily to the Customs Port Controlling Unit.</p>	<p>measures has not been reported.</p>
49.	<p>Even though the opportunity had been given to release the imported goods temporarily which are delayed in receiving the standard certificate from the Sri Lanka Standards Institute, on personal bonds to stores of importers, it was observed that those goods had been released to the local market before receiving standard certificates. Moreover, it had been revealed by past audit queries and reports that the supervision of the Sri Lanka Customs in this connection is inadequate. Nevertheless, action had not been taken by the Sri Lanka Customs to correct the said situation. Such a situation was observed in the year 2017 as well and even though 913 units of Cut Edge Salad Bowls valued at</p>	<p>Customs Officers should contribute actively towards the import export process. Sri Lanka Customs should directly intervene in avoiding the delay in standard certificates. Keeping the goods released from the harbor under the supervision of Customs Officers until standard certificates are issued. Taking proper steps regarding sub-standard goods. Taking legal action regarding to parties who have released sub-standard goods to the market.</p>	<p>It has been informed that the Customs investigation relating to the said incident (ENSP/CPU/044/2017/C CR-2466) is carried out by the Consumer Protection Division of the Sri Lanka Customs, and a bond of the Company has been registered under No. GLII/CG/261 so that the importer is bound with the responsibility of not releasing these imported goods to the local market until the standard thereof is confirmed, and these goods had been released on the recommendation of the Sri Lanka</p>	<p>No action has been taken to rectify. Such shortcomings are still persisting and the current situation is not reported in the comments submitted.</p>

	<p>Rs.702,084 imported by an importer had been released to the local market before obtaining standard certificates. However, the Standards Institute had confirmed that the said goods were not complied with the standards.</p>		<p>Standards Institution. Furthermore, it has been reported that the Consumer Protection Division of the Customs Department has a good understanding of the entry of substandard goods into the Sri Lankan market and the adverse effects of such products on consumers, and it has been realized that imposing fines alone for such offenses is not sufficient, and therefore, discussions are already underway with the Sri Lanka Standards Institution, the Consumer Affairs Authority, the Ministry of Health and Indigenous Medicine and the Ministry of Finance and Mass Media in this regard.</p>	
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Head 248 - Department of Excise

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee Entity	Current Position
1.	<p>The Register of Fixed Assets on computers, accessories and software had not been maintained.</p>	<p>A Register of Fixed Assets on computers, accessories and software should be maintained in terms of Treasury Circular, No. IAI/2002/02, dated 28 November 2002.</p>	<p>A fixed asset register of computers, devices and software is maintained under the CIGAS Computer Programme.</p>	<p>The information in the register for the year 2021 has not been updated.</p>
2.	<p>A Security Register containing the details of officers and staff required to give security had not been prepared in terms of Financial Regulation 891(1).</p>	<p>A Security Register containing information of all officers required to give security should be maintained in terms of Financial Regulation 891(1).</p>	<p>A register is maintained for the year 2021.</p>	<p>Only the securities of two officers were recorded in the register.</p>

3.	The outstanding loan balance recoverable from 09 deceased officers had been Rs.1,636,743 and out of that, a sum of Rs.118,260 recoverable from one officer had been outstanding over a period of 05 years.	The outstanding loan balance should be recovered in terms of Chapter XXIV of the Establishments Code and provisions of Budget Circular No.118 dated 11 October 2004.	Rs.118,206 has been recovered as at 31 December 2021.	A debt balance of Rs.795,437 is due from 06 officers as at 31 December 2021. Out of this, a loan balance of Rs. 446,470 was due from two officers between 1 and 3 years.
4.	There was an outstanding loan balance of Rs.1,157,797 recoverable from 11 officers who had been dismissed and had resigned and left the service and out of that, a sum of Rs.543,723 recoverable from 7 officers had been outstanding over a period of 05 years.	-do-	Rs. 55,596 has been recovered from two officers as at 31 December 2021.	A debt balance of Rs.1,296,611.87 is due from 10 officers as at 31 December 2021. The outstanding balance due for more than 05 years from 05 officers out them was Rs. 488,127
5.	Even though a supplier had been granted to transport a volume of toddy equivalent to an amount from 5000 coconut trees to the Acme Lanka Distillery, Dummalasooriya daily, approval had been granted for collection and transportation of an amount of toddy from equivalent to over 4000 coconut trees despite , the number of coconut trees approved for tapping, had only been 4347 and the actual number of coconut trees that could be made use of for tapping for toddy is 800.	The accuracy of information received from field inspections and other sources should be verified before granting approval.	Transport licenses are issued based on the number of coconut trees for which approval is granted for toddy tapping. Due to various practical issues, the approved coconut trees may or may not be tapped. However, the Excise Officers supervise the process from tapping until being received by the distillery.	A study report on the actions of the Excise Department to regulate the toddy industry in Sri Lanka has been prepared and submitted to the Parliament. Problems have been identified with regard to toddy. Actions are being taken regarding toddy crushing, reduction of toddy production and problems.

6.	<p>According to financial statements and reports on arrears of revenue, the total arrears of revenue including total arrears of tax revenue recoverable to the Department relating to manufacture of liquor, toddy and spirits as at 31 December 2020w and penalty for delays relating thereto had been Rs.3,969.8 million. Action had not been taken in terms of Financial Regulations 128 (1) (h) and 128(2) (e) to recover the said arrears of revenue.</p>	<p>Action should be taken in terms of Financial Regulations 128 (1) (h) and 128(2) (c) and (e) to recover the said arrears of revenue.</p>	<p>Action is being taken to recover arrears of excise revenue and penalty for delays thereon payable by appointing a committee comprising officers of this Department for holding discussions with payable institutions relating to the recovery of arrears of excise revenue and penalty for delays thereon and for taking further action accordingly.</p>	<p>According to the report of arrears as at 31 December 2021, Rs.4,537.36 million was due from toddy manufacturing companies, Further , total tax arrears and late fees amounting to Rs. 4,550.66 million was due to the Excise Department as Rs. 0.85 million from toddy manufacturing companies, Rs. 12.45 million from distilleries.</p>
7.	<p>The arrears of tax revenue over a period of 05 years relating to 05 liquor manufacturing companies as at the end of the year under review amounted to Rs.2,299.63 million. The initial tax included therein had been Rs.360.61 million, whilst penalty for delays therefor, was Rs.1,939.02 million. Further, legal action had not been taken in respect of arrears of revenue totaling Rs.1,217.12 million recoverable from 02 companies. Moreover, it had been informed that a request will be made to the Ministry for entering into an agreement between two parties for providing relief to a company from which arrears of revenue of Rs.204.97 million was recoverable. However, a progress on recovery of arrears of revenue totaling Rs.877.54 million from other two companies had not been reported.</p>	<p>Action should be taken to recover the arrears in accordance with Rule 128 (1) (d), 128 (2) (c) and (e).</p>	<p>- do -</p>	<p>The total amount of tax arrears and late fees which could not be recovered from 5 liquor companies for more than 5 years is Rs. 2,085.14 million was still due.</p>

8.	<p>Protective Sticker Management System</p> <p>A revenue of Rs.10.87 million had been collected for supply of protective stickers for liquor bottles and liquor bottle related products to increase Government revenue and to provide, establish and maintain a protective sticker management system from the year 2019 up to the end of the year under review from sale of stickers for foreign liquor while an expenditure of Rs.5.98 million had been incurred relating to the said period for purchase of stickers. Even though the estimated expenditure for this project was Rs.1,782 million, the expenditure incurred so far was Rs.5.98 million representing 0.3 per cent. This project is currently implemented only for foreign liquor.</p>	Action should be taken to execute projects within due periods.	<p>It has been reported that the security sticker is planned to be applied in 70 factories including 08 digital markers, 03 stickers and digital markers and stickers only 59 firms including bottled liquor, grain liquor and toddy bottling.</p> <p>Obtaining and distributing stock of stickers, issuing circulars for training of factory staff and working on project plans with the contracting parties.</p>	All the work that had been planned so far has not been completed.
9.	<p>Even though a sum of Rs.87.2 million was allocated by the Department from year 2016 to year 2018 through budgetary provision and supplementary provision to implement a computer software system relating to correcting the process of computing excise revenue of the Department, the project had not been implemented.</p> <p>Expenditures of Rs.0.745 million and Rs.3.4 million had been incurred therefor in the years 2019 and in the year under review respectively and it was observed that expected objectives for correcting the revenue computation process of the proposed computer software system has not been achieved yet.</p>	Action should be taken to execute projects within due periods.	The work of the computer software system is reported to be at the final stages.	No computer software system has been installed so far to correct the excise revenue calculation process.

10.	<p>The Committee had instructed at the meetings of the Committee on Public Accounts held in the years 2019 and 2020 to establish a computer data system connecting the Department of Customs and the Inland Revenue Department and the expeditious implementation thereof and to implement an integrated programme through correspondence until then. Nevertheless, it was observed during the examination carried out thereon that the financial proposal of paying relevant fees for obtaining computer science engineering consultancy service of the University of Moratuwa under the novel feature of creating a computer data system by integrating the Excise Department with relevant institutions, had been at the evaluation level.</p>	<p>Action should be taken to execute projects within due periods.</p>	<p>A committee has been appointed for identifying the specifications of the RASED system. Action has been taken to obtain the service of a procurement specialist of the Ministry. Discussions have been commenced with the ICTA. Action has been taken to enter into a Memorandum of Understanding with the Department of Customs.</p>	<p>The integrated computer database has not been installed yet.</p>
11.	<p>Even though a tax shall be levied and charged from every cigar, beedi and every kilogram of pipe tobacco manufactured in Sri Lanka in terms of Section 2 of the Tobacco Tax Act, No.8 of 1999, it was observed at the audit examination carried out on cigar and beedi manufactured, that such a tax is not charged.</p>	<p>Action should be taken in terms of Tobacco Tax Act, No.8 of 1999.</p>	<p>The Ministry of Finance has been informed by a letter no. ED / 2019 and dated 26.08.2019 that it is appropriate to levy a tax on. A letter has been referred again on 15.10.2020.</p>	<p>The Department of Fiscal Policy has not yet issued instructions and the proposed tax has not been collected in accordance with the provisions of the Act.</p>

12.	No progress in making necessary amendments to the Tobacco Tax Act No. 8 of 1999 and a progress in amending the required regulations including introducing a rule relevant to the establishment of a reward fund under section 17 / b / 2 of that Act was observed.	Acting in accordance with the Tobacco Tax Act No. 8 of 1999.	Preliminary discussions have been held with the legislature.	So far, the necessary regulations including the introduction of a rule governing the establishment of a reward fund have not been amended.
13.	The Assistant Provincial Commissioner of Excise and Superintendents of Excise should obtain a sample from bottles of toddy kept for sale in their province at least once in three months and forward them to the Government Analyst and obtain a report thereon. However, action had not been taken from October 2017 to the year 2020 to obtain samples from Nos.1 and 2 toddy taverns in Ratnapura and to forward them to the Government Analyst.	Subject to letter no. Sukoja / General / 06/14 dated 30 April 2014 and paragraph 12.2 of Chapter IV of the Regulations relating to the Excise Industry, toddy samples obtained from toddy factories should be forwarded to the Government Analyst once every three months.	It is acknowledged that there is no systematic approach to obtaining toddy specimens. Regional office officials have been instructed to rectified.	According to the analyst reports in the field tests conducted in the year 2022, observation of cases where acidity exceeds the relevant limits and observation of instances where fines have been levied for this through industrial crime reports. Observation was made that does not work according to circular documents and hence there was the risk of further production of toddy outside the standard.

14.	It was observed that the number of raids carried out by the Excise Department during the year under review and three preceding years relating to objectives and functions assigned for achievement by the Excise Department, is gradually on the decrease. Moreover, it was observed that the number of raids carried out under the Poisons, Opium and Dangerous Drugs Ordinance, Tobacco Tax Act, National Authority on Tobacco and Alcohol Act had been decreased by 3,227, 1,934, and 654 representing 39 per cent, 50 per cent and 44 per cent respectively in the year under review as compared with the preceding year.	Take action to curb illegal activities related to alcohol, tobacco and opium and hazardous drugs in accordance with the powers vested in by the relevant Acts.	Circulars have been issued to the officers of the Regional Offices and monthly progress reports have been called. Eclipse targets for the year 2021 have been reduced by 857, or 25 percent.	There are excise centers which have not yet made proper progress due to staff issues and no follow up has been done in this regard.
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Head 253 –Department of Pension

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee	Current Position
1.	In terms of Financial Regulations 170 (2) (a), (b), (c), (d), (e) of the Democratic Socialist Republic of Sri Lanka, the money received by the Department from 15 private institutions for the 2018 Pension Day event amounting to Rs. 5,991,000 had been retained in the General Deposit account even by 08 July 2019.	Financial Regulations should be followed in connection with funds received from external institutions.	Out of the financial sponsors provided by the private sector institutions which were joining hands with the Pension Department an amount of 2,365,000 was obtained for 9 National events and the remaining money is to be used to fulfill the objectives of the Department.	A sum of Rs. 2,365,000.00 of that money was used for 09 events conducted at provincial level and the remaining money is to be used to fulfill the objectives of the Department.
2.	An officer had obtained two pensions as temporary and permanent by 02 Divisional Secretariats for a period of 20 years from January 1991 to	Necessary legal action should be taken in terms of relevant pensions circulars to recover the money obtained fraudulently.	The case is on trial at the court according to a complaint made in respect of this fraud	The pensioner who received two pensions under Pension No. 01-600575 and 01-62195

	February 2016. The excess amount so obtained from one Divisional Secretariat had been Rs.1,872,387 and even though the payment of pension had been discontinued from 10 February 2016, action had not been taken to recover money overpaid.		of pensions, under the Office of the Senior Superintendent of Police, Gamapaha Division. However, the legal payment of pensions of this pensioner has been discontinued by the Mahara Divisional Secretariat.	had died on 25.03.2021. As the payment of his pension was stopped since March 2016, the overpayment has been offset. After preparation of the widow's salary, the remaining amount will be recovered.
3.	As revealed during an audit test check, the pension files of 512 pensioners in Negombo, Mirigama, Gampaha, Alavwa, Warakapola, Wattala Divisional Secretariat and 369 pensioners in Timbirigasaya Divisional Secretariat were missing.	It is required to maintain a pension file with relevant documents for every pensioner paying pension.	The Divisional Secretaries have informed that information will be obtained for pensioners who do not have files and temporary files will be prepared and sent for approval as per Pension Circular 13/2001.	A number of 160 files out of the pension files sent to the Pension Department as at 10.02.2020 have been approved and sent. The Divisional Secretary has informed that once the necessary documents are received from the other pensioners, the files will be prepared and sent for approval.
4.	According to the Information System for payment of pensions, 02 civil pensions had been paid in favor of the same name and bank account during December 2014-May 2018. One of those files contained no essential documents whatsoever. Furthermore, no action had been taken for the recovery of overpayments, if any.	An active pension file should contain the main documents such as, application for pension, pension grant, and history sheets. Overpayments should be recovered if any.	The said pension file is recognized as a temporary file. Action will be taken to collect the relevant information by informing the pensioner.	A letter has been sent to the pensioner through e-mail seeking information, but no reply has been received as yet.
5.	In terms of Sections 21, and 29 of the Pension Circular, No. 01/2018, dated 19 June 2018, all pensioners residing abroad should furnish their Life	Action should be taken in accordance with Circulars to suspend the payments.	It was decided in August 2018 to make payments only through banks due to weaknesses in	Although it was expected to suspend paying pensions from the year 2020 to the pensioners residing

	<p>Certificates every year within the period from 01st December to 31st March of the ensuing year. Payment of pensions to those who failed to do so, should be temporarily suspended from May of that year. Nevertheless, payment of pensions to 5156 pensioners residing abroad who had not furnished Life Certificates for the year 2019, was not suspended up to November 2019.</p>		<p>payment systems. Officers had to be assigned with duties relating to objections and inquiries when the pensions suspended were transferred to banking system. Although it was expected to suspend paying pensions from the year 2020 to the pensioners residing abroad without furnishing Life Certificates for the year 2019, it could not be so done due to pandemic.</p>	<p>abroad without furnishing Life Certificates for the year 2019, it not suspended on the health security provisions imposed due to Covid-19.</p>
6.	<p>Seven cheques valued at Rs.756,996 sent by 05 institutions which directly remitted contributions by way of cheques, had been returned on miscellaneous reasons during 24 May 2019 and 10 October 2019. Nevertheless, those contributions had not been received again even after a lapse of over one year by 14 January 2021.</p>	<p>Action should be taken to collect the contributions in regard of the cheques that had been returned.</p>	<p>Accepted. The relevant institutions were queried as to the said cheques, but no answers were given.</p>	<p>Even though the relevant institutions were queried as to the said cheques, no answers were given.</p>
7.	<p>With the adjustment of pensions made on 01 July 2019 by the Pension Circular No.01/2019 dated 11 June 2019 for all the pensioners who had retired before 01 January 2017, the interim allowance of Rs.3500 paid until then as per the budget proposals should have been stopped. Nevertheless, contrary to that 214 pensioners had been paid the interim allowance together with the subsidy</p>	<p>Internal control over the data base should be improved to ensure not to pay interim allowance for the pensioners whose pensions were adjusted by the Pension Circular and overpayment of pensions should be recovered by taking action in accordance with the Financial Regulations 103 and 104.</p>	<p>A request has been made on to the Ministry of Defence to appoint a committee with the representatives of the Ministry of Defence, Ministry of Finance, Ministry of Public Services and Provincial Councils and Local Government, three</p>	<p>As the subsistence allowance paid along with widow/widower male orphan pension is not revised, the interim allowance paid along with subsistence allowance has not been stopped at that time. The amendments made to the benefits provided</p>

	<p>allowance paid along with the Widows' and Orphans' and Widowers' and Orphans' pension and as such, approximately Rs.16,839,900 had been overpaid from 01 July 2019 to December 2020.</p>		<p>forces and the Department of Pensions in order to review salaries and allowances of the three forces, pensions and allowances paid in the event of retirement, disability and death, the fixed monthly allowances etc. and make recommendations for granting solutions.</p>	<p>for the disabled and deceased officers of the three forces, have given rise to create these types of issues from time to time. Therefore, a request has been made to the Ministry of Defence to appoint a committee with the representatives of the Ministry of Defence, Ministry of Finance, Ministry of Public Services Provincial Councils and Local Government, three forces and the Department of Pensions in order to review salaries and allowances of the three forces, pensions and allowances paid in the event of retirement, disability and death, the fixed monthly allowances etc. and make recommendations for granting solutions.</p>
8.	<p>As disclosed at the audit test checks, payment of pensions for 66 pensioners and 78 pensioners of the Divisional Secretariat, Colombo for the year 2018 and 2019 had been stopped due to lack of their life certificate. Although it had been stated that Some pensioners had died and letters were sent to the bank to get back the overpayments made, the number of deceased</p>	<p>If overpayments had been made in respect of the pensioners deceased, it should be recovered.</p>	<p>The Divisional Secretary has informed that letters have been sent to the bank to get back the overpayments made and some Grama Niladharees have reported that some pensioners have proceeded abroad.</p>	<p>The Divisional Secretary has informed that the payment of pensions of the pensioners who submitted the life certificate has been initiated, and letters have been sent to the bank to get back the overpayments made and some Grama</p>

	pensioners and the value of the overpayment had not been identified.			Niladharees have reported that some pensioners have proceeded abroad. This can be minimized if information is received by the Grama Niladhari and the Registrar General on time.
9.	According to the data base on pension, there observed 5454 instances that the date of the receipt of pension had not been indicated. It was further observed that there were 130 instances where the date of birth of the pensioner had been stated as the date of receipt of pension by September 2020.	The date of receipt of the pension should be corrected in the data base by examining the pension file.	Details of most of the pensioners have been corrected by obtaining information including national identity card number, date of retirement of the pensioners and the remaining details will be corrected in the future.	Details of most of the pensioners have been corrected by correcting information including national identity card number, date of retirement of the pensioners in terms of Public Administration Circular No.14/2019.
10.	Six audit inquiries worth Rs. 17,637,547 presented to the Department in the year 2019 had not been answered even by 02 September 2020 while 17 audit queries totaling Rs.45,980,603 issued in relation to the financial year 2020 remained unanswered as of 31 December 2020.	According to Finance Regulation 155, the Accounting Officer shall examine the audit query document referred to in Finance Regulation 452 (1) after a specified period and take action to rectify the deficiencies pointed out by the audit queries received, and the said queries shall be answered without delay.	It is accepted that there will be a delay as the department has to answer the queries after rectifying the deficiencies pointed out by the audit queries from the relevant institutions.	It takes some time to get replies from the relevant institutions regarding the matters mentioned in the audit queries. Even after receiving the answers, they have to be checked for confirmation. Documents have to be brought for that purpose. Further, it takes time to take necessary action and remedy the issues mentioned in the enquiries. Hence there is a delay in replying.

11.	<p>In terms of Section 13.3 of Chapter II of the Establishments Cord, an acting appointment shall be made as a temporary measure until a permanent appointment is made. However, service of a fulltime officer is needed for the post, the permanent appointment should be made without delay. In case service of a fulltime officer is not needed, duties should be distributed among other officers of the Department. Nevertheless, according to the organizational chart of the Department, acting appointments had been made for 04 posts of senior level and for 07 Pension Officers who were serving in the Divisional Secretariats while being attached to the Department of Pensions by 24 June 2020. The acting period of those posts had ranged from 08 months to 65 months.</p>	<p>Action should be taken In terms of Section 13.3 of Chapter II of the Establishments Cord.</p>	<p>Since qualified officers have not been attached to the Department to make permanent appointments, the officers already attached have been appointed to act in the service under the approval of the Public Service Commission depending on their experience and the seniority.</p>	<p>As qualified officers have not been attached to the Department to make permanent appointments, the officers already attached have been appointed to act in the service under the approval of the Public Service Commission depending on their experience and the seniority.</p>
12.	<p>An appropriate data system had not been prepared to identify according to the institutions and the contributors the contributions made for widows/widowers and orphans' pensions from provincial councils under revenue code 20:04:02:00. Values reported by local authorities as arrears were accounted for as arrears in the financial statements. Accordingly, the accuracy of the arrear's income of Rs.823,984,589 at the end of the year under review could not be verified. Further, the contribution receipts amounting to Rs.11,021,652,894 collected</p>	<p>That steps should be taken to maintain a data system of contributors and contributory payments by the Department of Pensions in collaboration with the relevant institutions.</p>	<p>An online database program has been introduced since October 2017 to create a database of basic information of all government officials. However, due to lack of support from other public sector institutions, the implementation of this program has become inactive.</p>	<p>An online database program has been introduced since October 2017 to create a database of basic information of all government officials. However, due to lack of support from other public sector institutions, the implementation of this program has become inactive. At present Public Administration Circular No. 03/2020 dated 31 December 2020 had been issued</p>

	<p>during the year under review could not be identified according to the contribution accounts. Accordingly, it was not possible to confirm from the department whether the contributions were received continuously from each person in the payment of widows' / widowers' pension and repayment of contributions. Also, the Department of Pensions had not been able to recover the arrears without delay and make the necessary arrangements</p>			<p>regarding the inclusion of details of Widows' / Widowers' and Orphans' Contributions to the Personal File and Public Administration Circular No. 26/2017 (V) dated 10/02/2021 had issued regarding re-registration of old members online.</p>
13.	<p>Although in terms of Section 2.2 of the Director General of Pensions Circular No. 1/2001 dated 15 January 2001, when the Provincial Council issues one cheque for contributions to all offices, action should be taken to collect the recoveries for each month before the 15 of the following month, 5 provincial councils had sent contributions with a time delay of 15 days to 96 days in 29 cases in the year 2020, while the Southern Provincial Council and Uva Provincial Council had sent the respective contributions for each month in installments without sending at once, thus causing a delay between 16 and 132 days in 20 instances.</p>	<p>Action should be taken to collect the contributions on the due date.</p>	<p>Since the contributions are made at the time of payment of salaries, although Widows 'and Orphans' contributions of government institutions in the Southern and Uva Provincial Councils should be collected through monthly account summaries and sent as a single cheque, until the errors in the monthly account summaries are corrected, the estimated value is remitted, and after the errors are corrected, the balance will be remitted up to 20th of the following month.</p>	<p>Since the contributions are made at the time of payment of salaries, an extension has been made till the 20 of the next month. Although Widows 'and Orphans' contributions of government institutions in the Southern and Uva Provincial Councils should be collected through monthly account summaries and sent as a single cheque, until the errors in the monthly account summaries are corrected, the estimated value is remitted, and after the errors are corrected, the balance will be remitted.</p>

14.	The total arrears of rent payable as at 31 December 2020 by the 07 institutions operating on the premises on rent basis was Rs.2,036,600 and according to the time analysis, the value of the arrears for more than one year was Rs. 299,000 .	Action should be taken to recover arrears of building rent.	Due to the Covid epidemic in 2020 , the Maligawatta area where the office was located had been isolated for more than four months and rent could not be paid by 31 December 2020 due to non-operation of offices operating on a rental basis.	The total amount recoverable as at 31.12.2021 was Rs. 474,387.42 .
15.	Due to the lack of information about the current addresses and the fact that the minor has been informed several times through letters but has not come to receive the passbooks, 22 minors of three Divisional Secretariats of Thimbirigasyaya, Sri Jayawardenapura Kotte and Yatinuwara had not handed over their passbooks to the relevant persons even though they were completed 18 years of age. Out of this, the total value of 20 pass books with respect to the updated dates was Rs. 2,145,720 .	Information on the current addresses of persons who have attained the age of 18 years should be obtained from the Grama Niladharis and banks and action should be taken to hand over the pass books to the relevant account holders.	The relevant Divisional Secretaries have informed that, information on the current addresses of these minors will be obtained from Grama Niladharis and banks and passbooks will be handed over to the account holders and letters have been sent to hand over the passbooks of persons who have attained the age of 18 years and they have been requested several times through letters to come to collect the passbooks, they have not come yet.	(i) The Thimbirigasyaya Divisional Secretariat has submitted a letter to the National Savings Bank, the account holder bank, to verify the identity of the minors above 18 years of age. The Divisional Secretary has mentioned that after receiving the information, arrangements will be made to hand over the pass books to the respective owners. (ii) Sri Jayawardenepura Kotte Divisional Secretariat has stated that since

				the address of the minors has not been mentioned, it has not been possible to hand over the passports to the respective owners, therefore, the Divisional Secretary has taken the advice of the Pension Department and will take further action in this regard.
16.	When several pensions are received together, the interim allowance should be paid only on the combined salary as per the Pension Circular No. 04/2011 dated 16 May 2011, Pension Circulars No. 05/2012 dated 20 December 2012 and Pension Circulars No. 13/2014 dated 03 November 2014. According to the audit sample check, out of the overpayment as interim allowance, a sum of Rs.867,317 overpaid for 03 retirees was outstanding as at 30 June 2021 at Katana Divisional Secretariat and Wariyapola Divisional Secretariat had not recovered the overpayment of interim allowance of Rs. 623,750 paid for 03 pensioners till June 2021.	The pension database should be upgraded so that there are no overpayments and the loss should be recovered in accordance with Financial Regulations 103 and 104.	The Katana Divisional Secretariat has taken action to recover the overpaid interim allowance.	The amount further to be collected from the three pensioners of the Katana Divisional Secretariat is Rs. 685,235 while the amount further to be collected from the three pensioners of Wariyapola Divisional Secretariat is Rs. 569,750 is also.
17.	After the death of the retiree, the pension was overpaid due to the delay in notification but due	The pension database should be upgraded so that there are no overpayments	The Divisional Secretary has informed that about	The Divisional Secretary has informed that a part

	<p>to the reasons such as withdrawing money from an ATM card and misappropriating money from other persons as the bank account being a joint account; it was not possible to recover the overdue pensions due to the lack of money in the bank account. Sample audit revealed that a total value of Rs. 2,904,712 to be recovered as at 30 December 2020 from those who had obtained the money illegally as Rs. 1,125,600 on 16 occasions in respect of Thimbirigasyaya Divisional Secretariat and Rs. 1,779,112 on 13 instances in respect of Sri Jayawardenapura Kotte Divisional Secretariat.</p>	<p>and the loss should be recovered in accordance with Financial Regulations 103 and 104.</p>	<p>50% of the amount due from the deceased pensioners has been recovered and the future installments will be levied from their pensions. The Divisional Secretary of Sri Jayawardenapura Kotte has informed that letters have been sent to the relevant banks to recover the dues.</p>	<p>of the overpaid money has been recovered and action will be taken to make further recoveries.</p>
18.	<p>In case of overpayment of pension / widow's pension due to delay in notification after death of the pensioner, if the bank has been notified to send the money back if there is money in the account, further steps should be taken to recover the amount in case where the bank has not sent the reply. However, it was observed in the sample tests that the Thimbirigasyaya and Sri Jayawardenapura Kotte secretariats had made overpayments on 94 occasions and a sum of Rs. 8,643,512 had been in arrear without taking action to recover. Out of this, the overdue payment</p>	<p>The pension database should be upgraded so that there are no overpayments and the loss should be recovered in accordance with Financial Regulations 103 and 104.</p>	<p>The Divisional Secretary has informed that about 50% of the amount due from the deceased pensioners has been recovered. The Divisional Secretary of Sri Jayawardenapura Kotte has informed that letters have been sent to the relevant banks to recover the dues.</p>	<p>The Divisional Secretary has informed that a part of the overpaid money has been recovered and action will be taken to make further recoveries.</p>

	period of the Sri Jayawardenapura Kotte Divisional Secretariat was 1 to 4 years.			
19.	Two pensioners of the Thimbrigasyaya Divisional Secretariat and three retirees of the Kaduwela Divisional Secretariat had not submitted their life certificates during the sample examination conducted by the audit in July 2018 and June 2019 on retirees who had not submitted their life certificates. An additional amount of Rs. 2,068,762 had been paid from the date of death until the head office terminated the pension due to the Grama Niladhari or the relatives of the family not informing the Salaries Division of the death of the pensioner. The Divisional Secretariat had not taken action to recover the overpaid amount of Rs.2,068,762 in accordance with the Financial Regulations 103,104.	The pension database should be upgraded so that there are no overpayments and the loss should be recovered in accordance with Financial Regulations 103 and 104.	It was expected to terminate the payment of pension of the retirees who did not submit their life certificates for the year 2019 at the Thimbrigasyaya Divisional Secretariat if they do not further submit their life certificates by 2020, but due to the current COVID 19 epidemic, there were practical restrictions on obtaining life certificates due to travel restrictions and no action was taken to suspend pensioners' pensions.	Although it was expected to terminate the payment of pension of the retirees who did not submit their life certificates for the year 2019 at the Thimbrigasyaya Divisional Secretariat if they do not further submit their life certificates by 2020 as pointed out by the audit, due to the current COVID 19 epidemic, there were practical restrictions on obtaining life certificates due to travel restrictions and no action was taken to suspend pensioners' pensions.
20	Even though the pension file has been transferred between the Divisional Secretariats, due to not updating the database, two pensions under Pension Nos. 01-603037 and 01-1603037 had been incorrectly paid from August 2004 to December 2019 for a pensioner belonging to the Gangawata Korale Divisional Secretariat. According to the F.R. 104 investigation, it was estimated the overpayment from	The internal control system should be improved to verify the database is constantly updated every time when a pension file is transferred between the Divisional Secretariats. According to F.R. 103,104, action should be taken to assess and recover overpayments for all periods.	An inquiry has been conducted into the payment of the double pension as per FR104 and the overpayment has been estimated at Rs. 2,169,551. The payment of pensions has been stopped from December 2019 and	The Badulla District Registrar has informed that the authenticity of the certificate submitted for preparing the Widow's and Orphan's Pension be inquired from the court. The Divisional Secretary has informed that steps will be taken to

	January 2008 to December 2019 at Rs.2,169,551, but it was not calculated the overpayment of pensions for the 41 months prior to 2008 . The retiree had died on 02 March 2021 and after deducting the amount charged from him from the date of termination of the pension to the date of his death, a sum of Rs. 1,839,320 was further to be recovered.	.	the pensioner died on 02 March 2021. Accordingly, the amount to be recovered further is Rs. 1,839,320.20 and the Divisional Secretary has informed that action will be taken to recover the dues from the Widows 'and Orphans' Pension.	adjust the widow's and orphan's pension after resolving these issues and the due amount will be recovered accordingly.
21.	Out of the overpaid pension of Rs.2,696,303 to a retired officer who died while receiving 02 pensions as a civilian and a widow by Nos. 01-603326 and 21-500158, the amount that had not been recovered by 18 December 2020 was Rs. 2,388,251.	Arrangements should be made to obtain information on deceased retirees as soon as possible and update the system for prevent overpayments and action should be taken in accordance with Financial Regulations 103 and 104 to recover losses incurred from those responsible.	A cases has been filed.	The case has been called by the Gampaha court on 03.03.2022.
22.	A sum of Rs.582,423 had been remitted to the bank account of the officer who died on 07 November 2013 while receiving pension under No. 01- 600772, for a period of 29 months after her death. Of this, Rs. 581,916 had been withdrawn using an ATM card but the money had not been recovered from the responsible parties as on 31 December 2020.	Arrangements should be made to obtain information on deceased retirees as soon as possible and update the system for prevent overpayments and action should be taken in accordance with Financial Regulations 103 and 104 to recover losses incurred from those responsible.	Legal action has been instituted against the person who had committed this fraud.	Since it is a complaint related to embezzlement of government money, it has been referred to the Honorable Attorney General under the number W.P.3/43/2019 for advice.
23.	According to the database, instead of the identity card number of the pensioner No.21-0-105353, using pensioner's daughter's National Identity Card	Arrangements should be made to obtain information on deceased retirees as soon as possible and update the system for prevent	Legal action has been instituted against the person who had committed this fraud.	No payment has been made since March 2021 due to daughter's death. Accordingly, the total

	number a sum of Rs.1,562,470 had been paid as pension till 86 months after the death of the pensioner. The money was obtained by her daughter, but no legal action or disciplinary action was reported in the audit and out of this overpayment, a sum of Rs. 1,166,336 was further due on 31 December 2020.	overpayments and action should be taken in accordance with Financial Regulations 103 and 104 to recover losses incurred from those responsible.		amount due by March 2021 is Rs. 1,036,336. The Wattala Divisional Secretary has informed that an investigation will be conducted as per F.R.104 and based on the results, the responsible persons will be charged.
24.	Galnewa Divisional Secretariat Pension Officer had credited a sum of Rs1,596,640 to the account of an Army Widow who is not entitled to that pension and the money had been obtained by the pension officer herself. Information that a disciplinary inquiry was conducted in this regard was not reported to the audit and the officer had paid Rs. 1,000,000 to the Galnewa Divisional Secretariat by 22 October 2012. The money to be further recovered from that amount had not been recovered even by 31 December 2020.	Formal disciplinary action should be taken against the responsible officers and over payments should be recovered.	Activities have been initiated on 30.09.2020 to conduct disciplinary inquiries against the officer and as the residence and telephone numbers of the officer had been changed, after finding the relevant information, her caretaker was informed to forward the permission application to the Department of Pensions, but that permission card has not been sent yet.	The permission application of that caretaker of the said officer in charge of the subject of pension had not been handed over even as at 31.12.2021.
25.	The Accountant attached to the Divisional Secretariat had credited a sum of Rs.6,758,120 to his account as arrears of pensions from 2009 to 2013 by changing the data in the pension database of the Kuruwita Divisional Secretariat. That money had not been recovered by 31 December 2020.	That disciplinary action should be taken against the officials responsible for the fraud and the loss should be recovered from those responsible in accordance with Financial Regulations 103 and 104.	The Ratnapura District Secretary has informed that the relevant accountant has been dismissed.	The Criminal Investigation Department has informed that further investigations will be carried out after receiving the report. It has been further informed that the case bearing 417/15 is being

				maintained in the Ratnapura court in this regard.
26.	According to note number one in the financial statements, the amount to be further recovered from the overpaid pension at the end of the year under review is Rs. 521 million. This balance consisted of Rs. 4.8 million for more than 10 years, Rs. 66 million for 5-10 years and Rs. 450 million for less than 5 years.	Necessary steps should be taken to recover the overpaid pensions without delay.	Premiums are based on other pensions, age, overpayment and claims, so there is a delay in recovering over payment.	Arrangements have been made to recover the dues in the year 2021. Accordingly, the total amount charged in the year 2021 is Rs. 288 million. Further, the overpayments over 10 years included overpayments of deceased pensioners and efforts are being made to recover the dues expeditiously through the implementation of F.R.104. Moreover, action will be taken according to the F.R.109 to write off from the book the amounts that remained further unrecovered.
27.	During the examination of the Payment Database for the month of September 2020 in the Pension Database, although the pensions of all public officers who retired before 01 January 2017 should be adjusted as per Public Administration Circulars 03/2016 and 14/2019 as per the Pension Circular No. 01/2019 dated 11 June 2019 from 01 July 2019, the number of files which had not been completed as at 13 January 2021 due to the	Action should be taken in accordance with the circular provisions.	Pensions of 479,415 pensioners have been converted while pensions of 39,373 pensioners have not been converted. It is observed that the various shortcomings found in the files had resulted in the delay in above adjustments.	There have been reports of cases where a national identity card number has not been obtained for the reason of being aging the pensioners or some other reason, and cases where the elderly identity card and pensioner identity card are used instead. Hence the following measures

	<p>reasons such as lack of national identity card number, misplacement of files due to the war and other matters, issues relating to salaries was 39,373.</p>			<p>have been taken to rectify the pension data system.</p>
				<p>i. As per Pension Circular 14/2019 it is mandatory to enter the pensioner's national identity card number in the pension data system for pension revision, so pensioners whose national identity number is not correct are not given the opportunity to revise their pension.</p> <p>ii. Grama Niladharees have reported that it is unable to prepare National Identity Cards for the disabled or aged and frail pensioners.</p>
				<p>iii. Pensioners do not currently use national identity cards and some are not Sri Lankan citizens. A study has been conducted in this regard at</p>

				<p>present and facilities have been created to use foreign identity certificates in addition to the national identity card number in a new information technology system.</p> <p>With all these measures, efforts are being made to identify the pensioners and prevent cases of wrong information being submitted.</p>
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Head 254 –Registrar General’s Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Auditee	Current Position
a)	Liabilities valued at Rs. 39,335,787 shown in the financial statements of the year under review, had not been reported to the Treasury.	According to Paragraph 3.4 of the State Accounts Circular, No. 267/2018 dated 21 November 2018, commitments and liabilities shown in the financial statements should be tallied with the Treasury statement.	Having maintained a register of liabilities, action has been taken to minimize omissions.	The observations remained unchanged.
b)	The accuracy of the value of the property, plant and equipment amounted to Rs. 2,182,960,444 included in the financial statements was not verified due to not complete of the Board of Surveys of the Department, non-inclusion of assets purchased	The value of non-financial assets consisted in the financial statements should be verified through the Board of Surveys, Registers of Fixed Asset and also the statement of non-financial assets ACA-	The survey is being conducted.	Problem in the opening balance has not yet been solved.

	under the provisions of 03 other Ministries, material variations remained in the opening balance, acquisitions and closing balances of the many types of assets included in the statement of non-financial assets in the financial statements	6.		
c)	Even though it was expected to scanning birth, marriage and death certificates occurred after the year 1960 and issuing certificates from the e-births, marriages and deaths programme, a number of 3,423,590 certificates relating to the period from 2014 to May 2018, had not been scanned entered into the data base. Out of the Rs. 260 million allocated in the years 2016 and 2017 for this programme a sum of Rs. 250.56 million or 96 per cent had not been utilized and provisions for the year 2018 had not been made available.	Areas of development should be identified and proper plans should be prepared thus allocating necessary provision. As such, objectives expected through the programme should be achieved efficiently.	The project is being implemented. A number of 38 million scanned copies of births, marriages and deaths, has been input into the E-BMD system.	That process has not yet been updated.
d)	It had been expected to scan all the copies of extracts and deeds and issuing of copies with that in the Land Registrar Offices in a digital methodology under the e-Land Project. Nevertheless, the copies of the deeds were not scanned and nearly a number of 25 million remained without being scanned.	Necessary remedial measures have to be taken finding out the reasons for not achieving the desired targets.	Although provision had been made initially to register the extracts, the E-Land software had not facilitated that process. As such, it could not be done.	That process has not yet been done.
e)	Action had not been taken to take over the legal ownership of 15 lands and buildings which were included in the Registers of Fixed Assets and to calculate the value of 09 land and building	Actions should be taken to acquire the ownership of lands and buildings to the Department and also be taken them to the Register of Fixed Assets and to the	Those properties are being assessed.	As of 31 December 2021, the Department had acquired rights to 12 of 15 lands and buildings. The values have not yet been

	properties of the Department and taken them to the Registers Fixed Assets and accounts.	relevant Accounts.		taken into accounts.
	2019			
f)	It had been entered into liabilities amounted to Rs. 10,531,218 exceeding the savings of 08 expenditure objects amounting to Rs.7,286,699 contrary to Financial Regulation 206(a), during the year under review.	Liabilities should be incurred in excess of savings as per the Financial Regulations.	By maintaining the register of commitments, action is being taken to prevent incurring commitments in excess of savings.	Commitments had been incurred exceeding savings even in the year 2020 and 2021.
g)	It was intended to reduce the property registration process from 09 steps and 51 days to 02 steps and 05 days through the e-Land Registry Project. Thereby, it was expected to improve the economic performance and investment environment of the country by raising the property registration index which was a sub-index of the Ease of Doing Business Index. However, the Project was not successful due to the reasons such as lack of proper planning for Information Technology programmes in the 20 Land Registrar's Offices where the Project is being implemented, lack of officers with technical knowledge and the defects in software. Further, the Project had not been implemented in the remaining 25 Land Registrar's Offices.	It should upgrade the quality of Sri Lanka in the Ease of Doing Business Index by developing the e-Land Registry Project recognizing the relevant issues.	The software is being debugged.	This project had not been implemented due to faults of the software.
h)	Twenty vehicles had been received from a Ministry and a Department. Even so, those vehicles remained inactive due to lack of drivers and failure to take over by the Department	The assets should be used efficiently.	Action has been taken to obtain revenue licenses and insurance certificates.	Not taken over.

	and therefore, unable to obtain revenue licenses and insurance certificates.			
i)	Arrangements had not been made to take actions making aware the Notaries on 1,421 number of refused deeds to be registered and 6,895 deeds which could not be registered due to shortcomings in 04 Land Registrar's Offices during the period of years 2016-2019.	The Notaries should be made aware and all activities should be carried out properly.	Processing of deeds that had either been refused or not registered at the Land Registrar's Offices in Homagama and Awissawella during 2016-2019 have been completed.	Processing of such deeds at 02 Land Registrar's Offices had not been completed.
	2020			
j)	As the monthly income summary reports of 26 Land Registrar's Offices and 65 Divisional Secretariats pertaining to the year 2020 had not been submitted, the revenue from the registration fee amounting to Rs.1,399,877,263 could not be ascertained at the audit .	Obtaining the revenue records and reconciling them properly.	As the Department has 403 branches, it is practically difficult to supervise the reports being received daily, monthly, and triennially. As such, action is being taken to obtain some of the reports through e-mail, and the system.	The system is non-functional so far. The reports could not be retrieved through the system.
k)	The revenue from issuance of High Court Certificates to Notaries in the year under review was Rs.4,813,771 as per the Treasury computer printout and financial statements and although that value consisting of Rs.672,000 collected by the Department and Rs.4,141,771 collected by the High Courts, since the Department had not set up a proper system to identify the information reports on the certificates issued by the High Courts that income could not be ascertained at the audit.	Maintaining of revenue records properly.	The reports included in the accounts summaries by the supreme court, courts, and the Ministry, are collected monthly, and reconciled with the revenue reports of the judicial zones.	Those reports are not reconciled accurately even at present.

l)	Although the registration income as per the financial statements as at the end of the year under review was Rs.858,103,568, the required information had not been submitted to the audit to identify the title registration income, copy fee, power of attorney fee and other registration income included in it separately.	Maintaining of revenue records properly.	Reports are obtained through e-mail at present. Necessary action is being taken to retrieve reports through the information system.	No reports have so far been retrieved through the information system.
m)	Out of the total arrears income amounted to Rs.28,034,403 as Rs. 24,896,693 of the arrears at the beginning of the year under review and Rs.3,137,710 of arrears during the year, the arrears revenue as at the end of the year was Rs.26,723,078 because of the recoveries during the year was Rs.1,311,326 or 4.7 percent only.	Accounting for the arrears income accurately.	Arrears income is being examined.	Although the reports on arrears income have been forwarded to the Head Office by the Land Registrar Offices, those values have not been brought to accounts as the accuracy thereof have not been verified.
n)	The information on non-financial assets which were purchased totalling to Rs.29,893,331 and received through transfers amounting to Rs.65,645,139 in the year 2020 had not been submitted to the Comptroller General contrary to Paragraph 07 of the Asset Management Circular No. 01/2017 dated 28 June 2017.	Taking action as per the Circular.	The said reports are being forwarded to the Comptroller General.	Those reports have not so far been forwarded to the Comptroller General. This observation had also been pointed out even in the year 2018.
o)	The total balance of arrears from 51 officers from 1 year to 29 yearson deaths, retirements, suspensions, terminations and dismissals at the end of the year under review was Rs. 3,239,780	Taking necessary actions to recover the debts as per the provisions of the Establishments Code.	An amount of Rs. 767,899 has so far been recovered whilst a certain amount has been written off.	A sum of Rs. 2,740,514 still remains recoverable.

	as per the advances to public officers' account 'B' in the year 2020 .			
p)	The two vehicles numbered PB 4896 and PB 4888 purchased in 2006 had not been used since 2018 and although it was stated that the vehicles were not in a running condition as per the reports of the Department, actions had not been taken to dispose of the vehicles until the end of the year under review.	Administration of vehicles should be formalized.	Neither repaired, nor disposed.	Neither repaired, nor disposed.
q)	A number of 241 posts at the tertiary, secondary and primary levels of the Department were in vacant at the end of the year under review. Thirty vacancies for Land Registrars which are directly related to the main functions of the Department had also included in it.	To formalize the Human Resource Management process.	Requests for filling the vacancies have been made on several occasions to the Director General of Combined Services.	The vacancies have not been filled.

Head281 -Department of Agrarian Development

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	A loan of Rs. 1,508,527 had been recovered by instituting lawsuits at the court due to failure to settle loans granted to farmers by Farmers' Banks and the said loan had been retained in general deposit accounts of District Offices, Ampara and Galle without granting to relevant Farmers' Banks.	Recovered bank loans should be granted to Farmers' Banks.	Farmers' Banks have been notified thereon and as there is no response so far, the District Office, Galle has informed that the said amount had remained as a balance in the General Deposit Register. Ampara District Secretariat will take prompt action in due course with regard to the sum of Rs. 586,276 remained from the year 2015 to the year 2017.	The loan has not been disbursed to the farmer banks yet.

2.	A sum of Rs. 200,000,000 had been allocated for restoration of 80 tanks and 100 anicuts by the Action Plan of the year 2019 under the Object Code 118-2-3-37-2506 of the Ministry of Agriculture. However, it was observed that a sum of Rs. 196,857,957 out of the said provision had been utilized for making payments of contracts of the year 2018 without restoring tanks and anicuts.	Provisions received from the Ministry of Agriculture should be utilized only for the relevant purpose.	At present measures have been taken to prevent such mistakes.	The proposed 80 tanks and 100 anicuts have not been repaired yet.
3.	A sum of Rs. 700,000,000 had been allocated under the Object Code 118-2-3-40-2506 of the Ministry of Agriculture for restoration of 100 tanks and 100 anicuts under the WewDahasai Gam Dahasai Programme included in the Action Plan of the year 2019. However, it was observed that a sum of Rs. 609,642,901 out of the said provision had been utilized for making payments of contracts of the year 2018 without restoring those tanks and anicuts.	Provisions received from the Ministry of Agriculture should be utilized only for the relevant purpose.	At present measures have been taken to prevent such mistakes.	The proposed tanks and anicuts have not yet been repaired.
4.	Even though reports have been summoned for 62 preliminary investigations, they had not been received even after an elapse from 06 months to 09 years. Moreover, a period ranging between 02 and 08 years had elapsed in obtaining reports by holding 97 formal disciplinary inquiries and implementing disciplinary orders.	As an unusual delay is observed, plans should be made to complete all inquiries without delay.	Out of the preliminary investigations mentioned herein, preliminary investigation reports of 07 files have been received by now and action is being taken accordingly. It has been informed that action will be taken to bring back other reports which have been delayed.	Actions are being taken to build a pool to appoint officers outside the department in order to conduct preliminary investigations.

5.	According to Departmental books and Treasury books of year 2018, 2019 and 2020, a difference of Rs. 652,148 was observed in receipts of a deposit account.	General deposit balances should be reconciled according to Departmental books and Treasury books.	Preventive measures had not been taken.	The difference had not been found and resolved.
6.	It was observed that Lands of 520 Agrarian Service Centers, 05 Mechanical Yards belonging to the Department, and the Head Office had not been included in the Register of Non-financial Assets.	All lands owned by the Department should be brought to account.	The attention of the Commissioner General of Agrarian Development has been drawn to the observation.	Actions had not yet been taken to collect information on lands, asset valuation, assets documentation and accounting.
7.	It was observed that the value of buildings of 408 Agrarian Service Centres and 03 mechanical yards belonging to the Department, 03 buildings of the Head Office, 519 fertilizer stores, 06 circuit bungalows, 152 official quarters and 20 canteens had been assessed and had not been indicated under non-financial assets.	All buildings owned by the Department should be brought to account.	The attention of the Commissioner General of Agrarian Development has been drawn to the observation.	Progress in this regard was very slow.
8.	Although no department shall be liable for any expenditure or obligation on a work, service or supply unless there is an annual estimated financial provision, except where otherwise provided for in Financial Regulation 94 (1), it was observed that the Department had incurred liabilities of Rs. 1,390,244 exceeding the savings of 03 capital expenditure subjects.	Expenditure or obligation should not exceed the savings.	Steps have been taken to prevent such mistakes from happening again.	Relevant liabilities were settled in 2021.
9.	HelaSuwa Pilot Project With the aim of cultivating 10,000 acres using non-toxic traditional paddy varieties and harvesting 18,000,000 kg of	Projects should be well planned and supervised.	Investigations are being carried out regarding the HelaSuwa medicine in terms of the	So far no decision has been made.

	<p>paddy by the year 2020, the Ministry of Mahaweli, Agriculture, Irrigation and Rural Development had provided Rs.82,600,000 to the Rajanganaya Left Bank Agrarian Services Center. 3,152 acres of paddy lands had been cultivated and a yield of 1,974,350 kg had been obtained utilizing those provisions, and it was observed that it was 11 percent of the expected yield. 181,641 kg of seed paddy was purchased for the above cultivation, and it was observed that there were 57,865 kg of unused seed paddy as at 31 December 2020. Rs. 15,500,000 had to be paid for purchasing 18,056 liters of liquid fertilizer from a private company called 'HelaSuwa'.</p>		<p>instructions of the Secretary to the State Ministry of Agriculture.</p>	
10.	<p>Debt balance over 05 years as at 31 December 2020 due from officers who were suspended, left the service, deceased, retired and transferred to Provincial Councils was Rs. 8,990,002.</p>	<p>Recovery should be made from guarantees, pensions, defaulters or any other suitable method.</p>	<p>A plan has been put in place to settle long-term debt balances under a formal plan in year 2022.</p>	<p>It has not been reported that the balances was settled yet.</p>
11.	<p>Deposits</p>			
(a)	<p>The amount of Rs.1,132,000 collected by the Monaragala Agrarian Development District Office for agricultural equipment distributed to farmers on a 50 percent contribution basis by the Monaragala District Secretariat in the years 2019 and 2020 was retained in the General Deposit Account without being remitted to the District Secretariat.</p>	<p>Relevant amount should be remitted to the District Secretariat.</p>	<p>Measures will be taken to settle this issue in due course and steps will be taken to prevent such situations from happening again.</p>	<p>Not settled yet.</p>

(b)	A sum of Rs.1,097,292 received from the Rubber Development Department in year 2020 for the replanting of rubber seedlings to the Ampara District Office was kept in the general deposit account without being used for the relevant purpose.	However, the money received from the institutions should be used for the relevant purpose.	The final bill of the relevant project is currently being prepared and I kindly inform you that the bill will be settled as soon as it is received.	Not settled yet.
12.	Non-compliance with rules, regulations and regulations			
(a)	Agrarian Development Councils had not been established in terms of the Section 51(1) of the Agrarian Development Act No. 46 of 2000 amended by the Agrarian Development Act No. 46 of 2011.	Action should be taken in accordance with the provisions of the Agrarian Development Act.	Orders have been prepared and submitted to the Legal Draftsman's Department. The gazette notification will be issued as soon as it is received.	Agrarian Development Councils have not yet been established.
(b)	In terms of the Employees' Provident Fund Act, No.15 of 1958 and Employees' Trust Fund Act, No.46 of 1980,The contribution for Employees' Provident Fund and the Employees' Trust Fund of Rs. 1,585,415 deducted from the salary of officers temporarily attached to the Ellanga Project had been retained in General deposit accounts.	Action should be taken in terms of relevant provisions.	Due to the absence of the registration numbers of these temporary officers in the Employees Provident Fund and the Employees' Trust Fund for the payment of the relevant premiums, it has not been possible to act in accordance with the relevant provisions.	The installments of the Employees Provident and Employees Trust Fund have not been settled up to now.
(c)	In terms of the Public Administration Circular No. 05/2018(i) of 24 January 2018, the Citizen/ Client Charter relating to the Agrarian Development Department had not been formulated.	Action should be taken in terms of Public Administration Circulars.	Information related to the preparation of the Citizen / Client Charter pertaining to the Department of Agrarian Development is being collected.	The Citizen / Client Charter has not yet been drafted.
(d)	A Human Resource Development Plan had not been prepared in accordance with the Public Administration Circular No. 02/2018 dated 24 January 2018.	The circular must be followed.	Actions are being taken to prepare a Human Resource Development Planfor the next 10 years (2021-2031).	No human resource development plan has been prepared yet.
13.	Even though 17 Agrarian Development District Offices	As it is an independent institution established	No preventive measures have been taken.	The same balance exists at present

	had obtained a total of Rs.76,350,549 from 339 Agrarian Service Centers in the districts on reimbursement basis, the amount had not been reimbursed and had not been included in the liabilities.	under the Agrarian Services Committee Act, the amount of Rs.76,350,549 obtained by the District Offices should be reimbursed to those Agrarian Service Centers.		also.
14.	7,231 solar water micro systems were provided to 19 Agrarian Service Centers utilizing provisions of Rs.2,327,272,272 by the Department of External Resources to the Ministry of Agriculture in 2005-2008. Although all recoveries for these systems must be completed by the end of year 2018, an amount of Rs. 2,264,753,696 should be paid to the Treasury as at 31 December 2020. It was observed that 90 per cent of the systems provided were misplaced, defunct, farmer information could not be found and were inactive.	According to the agreement, all the money should be collected and finalized expeditiously.	These systems were installed by the then technical officers of Fore site Engineering Company and the district offices informed that accurate information about their biographical data has not been provided to the district office. According to the agreement, it has been informed that solar power systems will be acquired in case of default, but there is no clear instruction on the procedure to be followed. Also, solar water micro systems have been provided without agreements. There is no specific value for the initial deposit. Due to the shortcomings in the contract, problems have arisen in recovering the money on time. Furthermore, due to the lack of proper coordination between the Ministry of Agriculture and Fore Site Engineering Company from the outset, the expected	Expected objectives have not been achieved. Relevant arrears have not been recovered.

			objectives have not been achieved due to problems with the proper recovery.	
15.	Asset Management			
(a)	The jeep bearing No. CR-0098 provided to the Department by the World Food Programme could have been registered and used in year 2015, but had been parked at the Malabe parking lot since that year.	Jeep CR-0098 should be registered and driven.	Although action has been taken to get custom duty exemption for registration of the Jeep No. CR- 0098 registration with the Department of Motor Traffic through the Comptroller General, it was unsuccessful. As this is a very old vehicle, the Department of Public Finance has requested the Director General of Customs to calculate and inform the total customs duty payable.	Not yet registered.
(b)	17 fertilizer stores were depleted during the period from year 1977 to 2020.	Fertilizer storage should be brought to the working condition.	No preventive measures have been taken.	17 fertilizer stores were still depleted as of February 2022.
(c)	DAS 91, DAS 55, DAS 97 and DAS 86 machines which were in operation at the Mahawa plant until 24 September 2020,were not in service. Further, the usage was at a low level in the years 2018 and 2019 also. The roller machine No. DAS 69 purchased in the year 2010 had not been used since the date of purchase.	All assets must be fully utilized.	No preventive measures have been taken.	The use of these machines will be at a minimum level until February 2022 ,and the DAS-69 machine was also not utilized.
16.	Management Weaknesses			
(a)	An unresolved loss of Rs.2,026,502 had been continuing in the loss and damage register of the department for 17 years without	Avoid abnormal delays in losses and damages and recover damages immediately	Relevant work is in progress.	Investigations have not been conducted and no damages have been recovered.

	solving after investigations.			
(b)	According to the investigations carried out under section 104 from 2014 to 2019, the amount of Rs. 11,228,726 due from 39 officers had not been recovered by 31 December 2020.	All investigations should be planned to be completed as soon as possible as an unusual delay is observed.	The relevant amount is currently being charged.	The full amount has not been recovered yet.
(c)	A sum of Rs.80,790,000 had been provided to the Anuradhapura District Office from the Farmers' Trust Fund in the year 2015/2016, for the cultivation of corn by 5,386 farmers on the basis of recovery in 06 months, although 04 years have passed, the amount due is still Rs. 25,976,053.	Loans must be recovered quickly.	At present the outstanding loan balance is Rs. 22,988,604 and this debt balance has been referred to the Agrarian Tribunal for recovery.	No money has been recovered yet.
(d)	A sum of Rs. 46,200,000 had been provided to the Anuradhapura District Office from the Farmers' Trust Fund in the year 2019/2020, for the cultivation of corn by 4,200 farmers on the basis of recovery in 06 months, the uncollected amount as at 31 December 2020 was Rs. 1,801,000.	Continue to follow up and recover the loan.	Further Rs. 1,026,000 is due.	So far the full amount has not been recovered.
(e)	Rs.11,285,972 out of the Rs. 14,800,000 loan disbursed to 33 farmers in 05 Districts under the Saralanka Loan Project with the objective of promoting organic fertilizer is still due and the progress of this loan recovery was at a very poor level.	Continue to follow up and recover the loan.	Actions are being taken to recover the debtor balance immediately.	The loan balance has not been recovered so far.
(f)	Necessary action had not been taken to recover the non-performing farmer's loan balances amounting to Rs.286,664,393 issued by farmer's banks in 16 district	Delayed loans should be recovered promptly.	Actions are being taken to recover the debtor balance immediately.	The loan balance has not been recovered so far.

	offices, existing for 6 to 20 years.			
(g)	According to the financial statements prepared as on 31 December 2019 at 413 Agrarian Service Centers, there were 4,366 outstanding long-standing employee loans, agricultural commodity loans, project loans etc. worth Rs.527,262,332.	Debt balance should be recovered immediately.	Loan balance should be recovered immediately.	The loan balance has not been recovered so far.

Head 282 - Irrigation Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	Although a Department may enter into any expenditure or commitment for a service or supply only if there are provisions in the annual estimates in terms of Financial Regulation 94 (1), Commitments amounting to Rs. 1,028,428,600 had been entered into exceeding approved provisions for the year under review.	Preparation of accounts and reports should be made in terms of Financial Regulations 447 (5) when entered into differed liabilities as per Financial Regulations 94 (3) .	All Irrigation Directors and Regional Irrigation Engineers have been informed to work only within the limits of the provisions released for expenditure objects other than such projects implemented under the Programme 3 and 4 as the projects implemented within the interim budget frame cannot be suspended by working only within the annual allocation limit.	Bonds had been formed in excess of the provisions.
2.	Department but being used by other persons to get the possession of those houses back in terms of the Section 9 of Chapter XIX of the Establishment Codes of the Democratic Socialist Republic of Sri Lanka.	Unauthorized occupants should be removed from official quarters and obtain the possession to the Department.	Actions are being taken.	There are 25 houses with unauthorized occupants and legal action has been taken against many of them by now.

3.	Even if the Director General of Pensions should be immediately requested to recover all the debts owed by him to the government should be charged from any amount owed to his heirs in the event of the death of an officer before the loan is fully repaid in terms of the section 4.4 and 4.5 of Chapter XXIV, an arrears debt of Rs. 1,751,988 had not been recovered from the deceased officers. guarantors.	Actions should be taken to recover the total debt in full.	Accelerate the preparation of relevant files of retired officers. Taking action to expedite the preparation of death gratuity.	Rs. 450301/- as at 31.12.2021 out of the amount to be recovered from deceased officers Rs. 1,751,988 as at 31.12.2020.
4.	A debt balance of Rs. 20,798,439 was to be received from the 196 retired employees, as at the end of the year under review in terms of the Section 4.4 and 4.5 of Chapter XXIV. Actions had not been taken to recover the debts due from the interdicted, retired and suspended officers amounting to Rs. 3,308,119 as at the end of the year under review from the relevant guarantors.	Arrangements should be made to recover from the pension of the retirees and other debts should be recovered from the guarantors or some other means.	Debts of terminated, resigned and suspended officers are being recovered from guarantors. Legal advice has been sought on the recovery of debt balances with non-guarantors.	Out of the loan balance of Rs.20,798,439 due from retired officers, Rs.14,393,658 has been recovered as at 31.12.2021. Out of the amount of Rs. 3,308,119 due from those who had been suspended / left the service and suspended, Rs.432,987 has been recovered by 31.12.2021.
5.	Despite and despite it had stated that the granting appointments was not a formal appointment and also not entitled to a pension if 45 years of age had elapsed in terms of the Public Administration Circular No. 23/94 dated 14 June 1994,the Department had given permanent appointments to 302 employees who had exceeded the age of 45 years.	Act in accordance with the provisions of the Circular.	Steps have been taken to prevent such recruitments in the future.	No action was taken against the fake recruits.

6.	Although an estimate of Rs.4,000,000 had been prepared in 2017 for the repair of the kesellanda tank outlet, the construction work had not commenced until 19 September 2019, the date of the audit.	Should be work as planned	Necessary instructions have been given.	Created awareness and given advices to correct all these activities and to plan accordingly. However, they have not been corrected so far.
7.	A portion of the camp premises near the entrance to the Monaragala Regional Irrigation Engineer's office was occupied by outsiders had without taking necessary legal action against the person who acquired the land the Department of Irrigation had abandoned the that acquired land erected a fence covered with nets.	Must act in accordance with the offenses against public property Act No.12 of 1982.	Construction of a permanent fence and taking legal action.	A permanent fence has been erected to prevent further encroachment on the land. Necessary action had not been taken against the unauthorized occupants.
8.	Out of the allocation made for the Wellassa Navodaya Project, six projects values of Rs.196,878,000 had not been completed. Due to this, the expected results had been delayed for the farmers in the area.	Project planning start -up and implementation should be done with proper management.	Create awareness and give advices to the relevant sections.	Even though awareness and necessary instructions had been given to correct all these activities and to plan properly, the project work was not completed.
9.	Although a sum of Rs.11,336,978 has been released for long period for the construction of canals at UnagollaGevalwawa under the WellassaNavodaya Project work had not been completed until July 2019.	The project should be initiated and implemented under proper planning and supervision.	- do -	- do -
10.	(a) Bill of quantity item No. 1.6 for preparation of Kesellanda tank bund amount of Rs.2.082.888 had been reserved. Although the slope of the tank bund had to be adjusted to a ratio of 1:3 and compaction had to be done to the standard	- do -	- do -	- do -

	the compaction had been done without the standard and relevant compaction report had not been obtained.			
	(b) Item No. 1.8 of under the bill of quantity relating to the Reconstruction of KesellandaWewa provision of Rs.4,871,650 had been obtained for the construction of the upstream rip – rap ofthe tank bund. The rip - rap had not been erected until 19 September 2019, the date of audit.	- do -	- do -	- do -
	(c) Under the bill of quantity item 1.10 related to the reconstruction of Kesellanda tank, the bund of the tank has been constructed for an inclination of 1.3 and turfing of properly allocation of was Rs.854,762. The bound of the tank had been severely eroded due to non-compliance with that standard.	- do -	1. do -	- do -
11.	Even though a sum of Rs. 30,811,025 had been spent from the year 2013 to 2017for the construction of an Irrigation Museum and Training Institute building in the Nachchaduwa Tank Reserve with an estimated cost of Rs. 39,999,000, the construction had not been completed. The basic plans of the building had not been approved by the local authorities and in constructing the building, the	Constructions should begin after the estimates are approved.	Actions are being taken to obtain the necessary allocations for the project.	Although work is in progress to construct a museum and training institute building in the Nachchaduwa reserve, constructions have not been commenced as no allocations were made under the new buildings for the year 2022.

	<p>construction works had been carried out at the discretion of the officers outside of the basic plan. Further, although 02 additional cost estimates have been submitted, due to the lack of approval and lack of provisions, the construction had stopped. Similarly, the raw materials and fittings purchased in 2014 for this construction valued at Rs. 3,962,121, were being destroyed due to not used for more than 6 years.</p>			
12.	<p>A Memorandum of Understanding had been entered into by the Director General of Irrigation for a provision of Rs. 3,800 Mn. for the Gampaha Attanagalla and Minuwangoda Integrated Water Supply Project implemented under the National Water Supply and Drainage Board on 21 March 2016 to construct Basnagoda reservoir. Accordingly, although more than 03 years had elapsed, the construction of the Project had not commenced. Only 33 per cent of the plumbing and other works of the Project had been completed at a cost of Rs. 560 Million by 31 December 2020. It had not been possible to get the expected benefits of the Project until April 2021 due to the delay in construction of water sources. Twenty seven of staff had been approved by the project and 18 were recruited. Even though the construction of the reservoir was handed</p>	<p>Arrangements should be made to complete the Project on time as per the agreement and it should review the staff and take necessary actions.</p>	<p>Expedite the land acquisition and minimize practical problems in the construction of the reservoir. Submitting a Cabinet Paper on Inadequate issuance of the Benefits to Victims in Ruwanwella Divisional Secretariat.</p>	<p>Land acquisition was done by this project office, and work of Attanagalla section, where land acquisition was completed in April 2021, has been commenced. Construction of the reservoir is currently progressing slowly.</p>

	over to a Chinese company in June 2019 , the Project Office was carried on without a review of staff requirements.			
13.	(a) 236 official quarters out of 1552 official quarters belonging to the department were not in use. 109 houses of these, were in a fully dilapidated condition. There were 127 houses that could be repaired and made habitable. No action had been taken to make them usable or disposable.	The official quarters of the department should be maintained with proper management.	Most of the unused houses have been renovated and used. There are 75 unused houses remaining at present. 7 houses out of them have been completely destroyed over a period of time, and they are not physically visible. Action should be taken to inspect the condition of those houses and call for a report and to remove them from the housing register accordingly.	Action should be taken to reconstruct and use of the remaining houses under the provisions for the year 2022 and 2023.
	(b) Out of the official quarters belonging to the Department, the lease rent had not been charged on 41 official quarters which were handed over to other external entities and persons. The lease rent had not been recovered from 78 official quarters given to other government institutions.	The collection of rent from the official quarters belonging to the Department should properly manage.	Advising to take action to recover lease rent.	the relevant rent had not been recovered up to now.
14.	The Department had not taken actions to recover the loss. That loss remained as an unpaid balance in the imprest account at the end of the year under review.	The balance in the imprest account should be settled immediately.	Taking further steps to cut the loss	Rs. 300,000/- out of the relevant amount has been charged by 31.12.2021. This officer passed away on 13.08.2021, and a letter was sent regarding how to deal with the outstanding amount of Rs. 3,608,099.75 by the letter dated

				11.08.2021. In 2003, an assistant irrigation engineer who worked in the regional engineer's office at Weerakatiya was driving a vehicle belonging to the department and due to an accident, Rs.3,708,100 was paid as compensation to the aggrieved party from the department's bank account. The officer shall bear full responsibility for the loss and advice has been sought from the Treasury.
15.	(a) There were 63 vacancies in the approved Divisional Assistant posts .Fifty nine Engineer Assistants have been appointed on acting basis on 03 February 2020 for this purpose . A formal procedure to select officers for the granting of relevant acting appointments had not been followed. The criteria for the appointment of 23 Grade II Officers and one Grade III Officer in the Engineer Assistant's Service was not clear.	Arrangements should be made to fill up the vacancies of essential posts promptly.	Correspondence is being exchanged with the Public Service Commission regarding formal recruitment for these positions.	The necessary duties of the divisions will be performed by the relevant officials on the basis of acting until the completion of this process.

	(b) The approved cadre was 53 for the 20 posts in the Island-wide and Combined Services and 29 of them were in vacant for a long period.	Arrangements should be made to fill up the vacancies of essential posts promptly.	The Public Service Provincial Council and Local Government has been informed about these vacancies.	Since the recruitment for the positions of the public service has been suspended, the Director General of Integrated Services has informed that the relevant vacancies will be filled during re-recruitment.
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Head 283 – Department of Forest

	Audit Observation	Recommendation of the Auditor General	Preventive Measure taken by the Institution	Current Position
1.	Even though the approval had been granted for the procurement of Rs.980,000 for the manufacture and transport of 70 fibre mouldings for the manufacture of special boundary posts from Akuressa to Trincomalee District Office at Rs.14,000 per moulding, in addition to that approval, a sum of Rs.1,960,000 had been spent for another 140 fibre mouldings.	Approved procurement limit for the District Forest Office amounts to Rs.1,000,000 and procurements need to be carried out within that limit	Procurement methodology was violated and this will be prevented in due course.	Even though an investigative report has been presented by a committee appointed for that purpose, the Management had not acted upon that even by February 2022.
2.	A special boundary posts had been purchased by the District Forest Office, Anuradhapura at Rs.1,100 per post from a private entity and 23,000 boundary posts required for the Trincomalee District Forest Office could have been purchased at the same price for Rs.25,300,000. However, boundary posts had been manufactured by spending a sum of Rs.27,465,050 resulting a financial loss of Rs.2,165,050.	In procuring goods, action needs to be taken in a manner not to incur financial losses.	Steps have been taken to carry out a preliminary investigation.	- Do -
3.	According to the procurement approval of the District Forest Office, Trincomalee an agreement had been entered into	Action should be taken to conform to the approved limits as per procurement guidelines.	Instructions have been given to act in a manner that minimizes the cost.	- Do -

	with the supplier for the transport of 23,000 boundary pillars for Rs.1,299,750 to 6 districts but only 17,390 boundary pillars had been transported and incurred a sum of Rs.1,525,025 thereon. As such, a sum of Rs.225,275 had been spent in excess of the approved expenses.			
4.	Even though, a sum of Rs.1,145,022 had been incurred for the construction of drainage system (90 metres) on the access road to Kanthale Forest Range Office and side bank (70 metres), it was observed that rain water was not flown down, as the drainage system is put up over the access road.	Drainage system is to be put up enabling to flow water.	It has been planned to repair the road by joining with the Pradeshiya Sabha.	The road had not been repaired even by February 2022.
5.	According to the records of the Geological Survey and Mines Bureau, further recoverable amount for 1057 cubes of granite picked and removed in excess of their limits by 6 granite licence holders in Anuradhapura range in the year under review amounted to Rs.618,630.	Outstanding fees need to be recovered based on the report of the Geological Survey and Mines Bureau.	Licence holders have been informed to pay the outstanding fees.	Necessary measures had not been taken to recover the fees even by February 2022.
6.	In the recovery of Sand licence fees from 113 sand licence holders in the years 2016, 2017 and 2018, outstanding stamp fees of Rs.1,251,000 had not been recovered.	According to the instructions of the gazette notification extra ordinary No.1789/09 dated 17 December 2012, stamp fees need to be recovered.	By now outstanding stamp fees of Rs.187,000 had been recovered. Action will be taken to recover the balance from the security deposit of licence holders.	These stamp fees had not been recovered even by February 2022.
7.	According to the letter No.අනු/දි.ව.නි/විමර්ශන/2018 of 29 October 2018 of the Anuradhapura District Forest Officer, a person with the assistance of various parties embezzled government lands by	Special attention needs to be drawn on the management of crown lands.	Instructions have been given for obtaining legal advice and act accordingly.	Legal action had not been taken even by February 2022.

	using forged documents and its financial value approximately amounted to Rs.2,000 million.			
8.	The Ro-Plant given to No.194 Kururnegala Colony Kahatagasdigiya Range Community Based Organization on 10 March 2018, by the Environmental System Conservation Management Project had not been made operative even by the end of the year under review.	Action should be taken to make it operative.	The construction of a building to provide shelter for the machine is currently underway.	It had not been fixed for use even by February 2022.
9.	Under the National Forestry Sector Master Plan of 1995, steps had not been taken to improve the financial facilities by building co-operation between ministries and financial institutions in order to begin and modernize and uplift forest industries including industries initiated with non-forest products.	The National Forestry Sector Master Plan 1995 and the master plan need to be revised.	No steps had been taken in this regard and it is expected to set up a separate Division in this regard in the next staff revision.	No suitable action had been taken in this regard even by February 2022.
10.	(a) Due to the non – submission of the report of the Virakkulicholai preliminary Inquiry committee, 1,443 trees such as Palu, Panakka, weera etc. which had been illegal logging by the reservation there was no information as at June 2020 and no legal action had not been taken against the crime of the forest.	The report of the preliminary inquiry committee should be submitted expeditiously and further necessary action should be taken.	No action has been taken.	No legal action has been taken even by February 2022.
	(b) Although the timber volume of 139 trees losing in the reservation was identified as 263,977 decimetres valued at Rs.6.93 million, the timber volume and monetary value of the other 1,304 trees had not been calculated.	Should be calculated the volume of timber and financial value thereof and the loss to Government should be ascertained.	No measure has been taken.	- Do -

11.	Although a licensee had obtained a permit for a stone grinder under various permit No H7/911/2016 in the Puttalam District, 525 perches had been used in excess of the approved area since 2013.	Outstanding license fees should be recovered for the area the licensee has used illegally.	Instructions have been given to take necessary actions.	Outstanding fees had not been recovered even by February 2022.
12.	Rs. 34,916,952 of revenue in arrears owed to the Department due to mining of metal exceeding the quantity approved by mining licenses of 04 metal quarries owned by Hambantota District Forest Office, had not been calculated.	The relevant fees should be charged for the excavations done exceeding the quantity of metal mentioned in the license and, action should be taken regarding excavation exceeding the license limit.	Instructions have been given to charge the outstanding revenue.	These amounts that should be added to the Government Revenue had not been recovered even by February 2022.
13.	A sum of Rs. 3,018,160 that should be received for 02 transmission towers maintained in forest reserves owned by Tissamaharama and Walasmulla Forest Office, had not been calculated as revenue in arrears.	Outstanding revenue should be identified accurately and action should be taken to charge them.	Instructions have been given by the Management to recover the outstanding revenue.	No action has been taken to recover.
14.	There was a debt balance of Rs.11,247,901 that had exceeded 03 months to 05 years as at 31 December 2020 and, actions had not been taken to recover them as per Chapter XXIV in the Establishment Code	Action should be taken as per chapter XXIV of the Establishment Code .	The Management has given instructions to take necessary action.	Legal measures had not been taken to recover even by February 2022.
15.	The deposit money of Rs.352,036,248 that exceeded 02 years had not been credited to public revenue as per financial regulation 570(2). It was 48.57 percent of the total deposit amount.	As some deposits have remained for more than 15 years without incurring any expense, actions should be taken to credit them to the public revenue as per financial regulation 571(2) by taking follow-up action to verify whether the relevant projects are being further executed, or completed.	No measure had been taken.	No action had been taken to credit to the revenue even by February 2022.

16.	(a) Though the extent of forests controlled under Thissamaharama Forest Office was 9,781 hectares, the Department had not taken action to gazette land extent of 6,445 hectares of 06 forests and that was 65 per cent of the total forest land as the gazetted land as forest reserves stood at 3,336 hectares.	The estimated tasks should be carried out efficiently in order to achieve the objects and targets of the Department.	Instructions have been given to take necessary measures.	Gazetting process had not been completed even by February 2022.
	(b) Though 03 forests with 1,361.55 hectares that controlled under Hambantota District Forest Office were measured and it has been exceeded 03 years, actions had not been done to gazette.	Action should be taken to gazette the forests for which surveying has been completed.	Instructions have been given to take necessary measures.	Gazetting has not been done even by February 2022.
	(c) Although it has been proposed to designate 10 forests of 3,700.73 hectares as reserve forests under the control of the Hambantota District Forest Office, and the Department had not taken action to survey the forests and designate them as reserves immediately. Due to this, the forest offices had to face various problems such as illegal encroachment of forests, clearing of forests and cultivation of chenas, and issuance of permits by the Divisional Secretariats without the recommendation of the Department.	Relevant work should be completed regarding the forests proposed to be designated as reserve forests.	No action has been taken .	No legal action had been taken even by February 2022.
17.	Although 14 official quarters for officers have been established in the Hambantota district, 11 official quarters out of this remained idle. Also, three official quarters belonging to the Walasmulla Forest Office had	Plans should be drawn so as to use public resources most efficiently.	Instructions have been given by the Management to take necessary action.	The quarters had not been repaired and handed over to the relevant officers even by February 2022.

	been damaged. Thus, it was observed that the administration of the quarters was at a very weak level.			
18.	Although 22 applications were received for the establishment of temporary mobile camps in 2017 and 2018, licenses had not been issued for them. Although it has been revealed that 20 camps were being run illegally in the Nimalawa Government Forest in the Tissamaharama area, and action had not been taken to go for the more suitable option that is either to remove those camps by taking legal actions under State Lands (Recovery of Possession) Act or to grant permission to continue under the supervision of the Forest Department by issuing licenses.	Action should be taken to go for more suitable option of the two options of either removing those camps by taking legal action under State Lands (Recovery of Possession) Act or granting permission to continue under the supervision of the Forest Department.	Instructions have been given by the Management to take necessary action.	No legal action had been taken in this regard even by February 2022.
19.	As the Hambantota Divisional Secretariat had levied fees on the mining license issued by the Geological Survey and Mines Bureau for a quarry operating in the Keligama Kemagama area in the Koholankala residue forest in Hambantota, the Forest Department had lost annual revenue of Rs. 36,000,000 each since 2009.	When collecting revenue, a proper supervision should be maintained in relation to metal quarrying and action should be taken to collect income under correct calculation.	No action had been taken in order to prevent the Divisional Secretary from issuing licences.	Action had not been taken to recover the money that was legally owed to the Forest Department.
20.	There were a total of 665 vacancies and of them the vacancies at senior level, tertiary level, secondary level and minor staff, stood at 36, 18, 323 and 288 respectively and, actions had not been taken to fill them.	Necessary steps should be taken to fill the essential staff vacancies.	Details relating to vacancies is being collected.	Action had not been taken to fill the vacancies.

Head 284 - Department of Wildlife Conservation

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	<u>Current Position</u>
1.	A large amount of garbage has been dumped at the Giritala sanctuary near the Damanayaya court and it was observed that wild elephant and other animals eat the garbage. The department had not been taken any legal action in this regard in terms of the Paragraph 9(3)(m)(n) of the Fauna and Flora Protection (Amendment) Ordinance No.22 of 2009.	Should be act in accordance with the provisions of the Establishments Code.	<p>i. Tree has been planted on the garbage at this location with the intervention of the Department of Wildlife Conservation and help of villagers.</p> <p>ii. A vehicle and two persons who were dumping garbage in the area were arrested during a raid carried out by the Polonnaruwa Zonal Officers, and produced before the Bakamuna Magistrate's Court under case number 68736.</p>	It was observed that garbage was being dumped in the sanctuary by January 2022.
2.	Although Bakamuna Wildlife Office and two officers of the Kumara Ella Beetuwa were convicted of bribery by the court, the department had not taken disciplinary action against them by the end of the year under review in terms of the Paragraph 28.3 of the Chapter XLVIII.	Should be act in accordance with the provisions of the Establishments Code.	<p>i. The Bribery and Corruption Commission has been asked whether the convicted officers have appealed against the verdict.</p> <p>ii. Action has been taken to send a reminder in this regard.</p>	No disciplinary action has been taken against those officers by January 2022 also.
3.	Even though it had been more than two years since committees were appointed to investigate 20 disciplinary actions in terms of the	Should be act in accordance with the provisions of the Establishments Code.	Reminders have been sent to all investigating officers in this regard.	Those investigations had not been completed even by January 2022.

	Paragraph 1.2 of the Chapter XLVIII of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, the investigations had not yet been completed by the end of the year under review.			
4.	In terms of the Financial Regulations 101(3) of the democratic Socialist Republic of Sri Lanka, the officers who maintain the inventory books in the various divisions of the department had not been taken action to identify the deficiencies and excesses by analyzing the inventory balance and inventory books in their custody. Due to this, there is a shortage of 46 items worth about Rs.3,019,132 issued by the warehouse to various departments, during the physical stocks verification made by the audit were observed.	Action should be taken in accordance with the Financial Regulations.	Actions are being taken to check the issuing orders and inventory books and make physical inquiries about items that are not included and items that are in short supply.	Actions were not taken until January 2022.
5.	In terms of the Financial Regulations 571, the balance of the public deposit account amounting to Rs.3,937,613 which had exceeded two years from the date of deposit had not been acted upon as per the financial regulations.	Action should be taken in accordance with the Financial Regulations.	Payment of withholding had been delayed due to deficiencies in the records required for payments in respect of these deposits, and necessary actions are being taken after inquiring from the relevant sections.	The balance in the public deposit account has not been settled even by January 2022.
6.	In the year 2016, 02 Ticket Vending machines, 03 Mini PCs and 19 "Mini PC Tray 2U 01 had purchased for Rs.2,205,526 for Yala National Park, but they remained without utiliest idle till the end of the	Assets need to be utilized effectively.	Action will be taken in future to keep the Mini PC 03 and electronic devices and machines up to date.	These assets have not been utilized even by January 2022.

	year under review.			
7.	Although Rs.1,546,000 worth of electrical equipment had been stolen from seven electric fences constructed in the Eastern Province, in this regard action had not been taken in accordance with Financial Regulation 104.	Action Should be taken in accordance with Financial Regulation 104.	The list of stolen goods had not been included in a document as a damage and loss register is not maintained in the Batticaloa site in the area at that time.	A security room has been set up near the power outlet, and civilian security forces are deployed in day and night. Currently both electricity outlets are in the active status. However, it was failed to take action on this electrical equipment fraud.
8.	An extra No. of 15,690 fuel liters of kerosene oil had been used within two years to sail ketches in the Senanayake Samudraya and value of its amounting to Rs.1,035,540.	The consumption of fuel should be check once in every six months by running before the staff officer.	According to the decisions of the committee meeting held on 17 January 2020 to control the fuel while boating in the Senanayake Samudhraya, park ranger was informed to balance 07 liters of kerosene to run a boat for 1 hour and to update the time mark on a daily basis in a document when refueling and operating the boat.	Although marking the time ,fuel balancing has been done following the instructions given by the department by January 2022, no action has been taken in previous years to pay more for kerosene.
9.	Although 1285 hectares of land in the Muthurajawela Ecosystem had been gazetted as a sanctuary by the Gazette Notification No. 947/13 of 1996, the Department had failed to mark the boundaries of the sanctuary by the end of the year under review.	Action should be taken to mark the boundaries of the sanctuary precisely.	All the boundaries of the sanctuary had been re-formalized by paying money to the Survey Department and accordingly this work will be carried out.	The boundaries had not been marked even by January 2022.
10.	Due to the recommending for soil cutting in the reservation of Elephant Management. An area	Measures should be taken to control soil erosion in protected areas and to	Since the project has been extended for days without the	Action has been taken to issue charge sheets against the

	of 18 acres had been excavated in depth of 15 meters and the lives of wild animals had made unsecure because of that reason.	protect the lives of wildlife.	recommendation of the department, the Director General of the Geological Survey and Mines Bureau has been informed to not to do the relevant extension of the number of days and it is dangerous for animals due to the irregularity of these excavations, pits created in various places in the relevant area ,and it is necessary to rehabilitate it.	relevant officials as per the recommendations of the preliminary investigation report in this regard.
11.	The arrears of building rent for the restaurants run by the Wildlife Trust Fund in Hortanplace and Yala National Park from 2014 to 2018 were Rs.9,300,000 and the amount could not be recovered.	Action should be taken to recover arrears of building rent.	A letter has been sent to the Ministry of Finance to collect the remaining funds of the Wildlife Trust to the Department of Wildlife Conservation.	Failure to recover by January 2022.
12.	A permanent program had not been identified to remove the invasive plants in the parks including Udawalawa National Park and the plants which had been a threat of extinction needy for wild animals.	Should be implementing a permanent procedure to remove invasive plants.	<p>i. The Department carries out the removal of invasive plants in Udawalawe and other wildlife reserves as per an annual plan and maintain accordingly annually.</p> <p>ii. 400 hectares of invasive lantana plants have removed by the the Escamp project during the last year.</p>	Further actions have not been taken to monitor the areas where invasive plants are present and no action has been taken to remove them permanently.
13.	Expenditure on construction and maintenance of the electric fence during 2019 and 2020 had Rs.197,983,635 and	Steps need to be taken to introduce formal strategies to reduce human-elephant conflict.	Measures such as digging elephant trenches and constructing elephant	This is due to the rapid growth of economic activity in areas where there is

	Rs.257,521,334 respectively and as on 31st December 2020 the total length of the electric fence was 4,756 km. However, despite the construction of electric fences, there had not been reduced in human-elephant conflict in the last five years, despite the deaths, human casualties and property damage.		detention centers are being taken to reduce human-elephant conflict.	human -elephant conflict, as this result disruption of elephant pass routes, and no action has been taken to implement proper standardization of strategies used to mitigate conflicts outside the reserves.
14.	The recommendations of the preliminary investigation report into the two incidents of ticket irregularities at Kaudulla National Park and the escape of a suspect arrested during a Hambantota range had not been implemented by the end of the year under review	The recommendations in the preliminary investigation reports should be implemented.	Inform the relevant officers to implement the recommendations of the preliminary investigation carried out into this incident.	The recommendations had not been implemented even by January 2022.
15.	Troops of the Civil Defense Department had been deployed to maintain the electric fence being constructed to minimize the damage caused by elephants as per the Cabinet decision dated 06 January 2012 and No.Cabinet/11/2299/549/031. Although a definite agreement had been reached between the Department of Civil Defense and the Department of Wildlife Conservation to obtain this service effectively and to properly manage the cost of maintaining the electric fence, this had not been done.	Action should be taken to reach an agreement between the Department of Civil Defense and the Department of Wildlife Conservation.	A Memorandum of Understanding was prepared in the year 2012 and the Department of Civil Defense did not agree to sign it. However, the Department of Wildlife and the Department of Civil Defense have exchanged basic information to reach such an agreement and action are being taken to reach such an agreement accordingly .soon.	No agreement had been reached even by January 2022.
16.	Although it has been decided to commence work from 2013 to remove 10,000 teak trees in the Iddapola Padawalayaya area of the Maduruoya National Park, the final Environment Assrssment Report pertaining to	An Environment Assrssment Report should be prepared and immediate action should be taken to remove teak trees.	The determination paper related to the environmental assessment for this has been issued to the State Timber Corporation on 29.08.2014.	The environmental report prepared as per the determination paper has not been submitted even by January 2022.

	the Project had not been prepared as of the date of audit.			
17.	Reconstruction of Uluketangoda Wewa and Hewanmegala Wewa in Maduruoya National park was constructed with Shine Construction Company on 31 October 2017 as a without tax amount of Rs.2,955,970 and Rs.4,000,038 respectively. However, it was observed that the contract was terminated without completion of the work.	Legal action should be taken against the relevant parties.	The project has been halted the contactor.	These contracts have not been finalized even January 2022.

Head 285 – Department of Agriculture

	Major deficiencies included in the Auditor General's report	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
	Paragraphs included in the Auditor General's report in the year 2018			
1.	It was observed that the contribution provided by the Department to the national seed requirement is prevailed to be a lower level between 2 per cent and 30 per cent.	It should be operated the Departmental resources to produce seeds in sufficient quantities to suit the needs of the country.	Multiplication occurs by giving seeds to other parties.	No measures have been taken to develop it.
2.	The Orange Research Institute in Bibile, which was started in 1979 has being existed under a Research Assistant after the year 1989 without a Research Officer and the institution had not acted as fulfill the national requirements.	The Research centre should act to solve farming problems.	Arrangements are being made to send the notice for calling applications to the Commissioner of Examinations for the recruitment of Research Officer.	The defect has not been corrected.
3.	Research Officials had not paid attention to addressing the basic problem faced by banana	Action should be taken to conduct the research needed to solve the	Although the research to develop resistance to Panama disease in	No cure for Panama disease has been found so far.

	cultivators through the Panama disease resistance improvement project under Rs.01 million provision implementing through Horana Fruit Crops Research and Development Institute.	problems.	banana crops through gamma ray softener was successful, the yield of those banana crops unexpectedly decreased.	
4.	The provision of Rs.17 million had allocated for the year under review for a project use of biological pest controllers for vegetable pest control and the project had been abandoned after utilized Rs.1,145,000 or 6.74% of the total provision as Administrative and Field Research Expenditure.	The allocated provisions to achieving the objectives and targets expected through the project should be utilized efficiently and effectively.	The provision of Rs. 17.0 million received for the project for control of vegetable pests has not been utilized properly.	Provisions have not been utilized effectively.
5.	A project had been prepared without following provisions of Financial Regulation 03 (2) to construct and furnish 40 semi-automatic safety shelters with the main objective of supplying expensive vegetables to the local and overseas market under the provisions of the Food Production National Programme (2017-2020) and the project had been abandoned by December 2018.	Action should be taken to achieving the objectives and targets of the project.	The contractor who was awarded the contract for the construction of this safe house defaulted on the contract and was unable to complete the work as expected.	The objectives and goals expected by the project have not been fulfilled.
	Paragraphs included in the Auditor General's report of the year 2019			
6.	Nearly 74.4 hectares or 36.5 percent of the total land owned by the Office of the Deputy Director of Agriculture, Karadiyanaru, is occupied by illegal occupants and two houses had been built by unauthorized occupants on the land belonging to the Fruit Development Institute on two occasions.	Action should be taken to settle all the lands occupied by unauthorized occupants and to take over the ownership of them	This farm land has been surveyed on 27.10.2020.	So far, the rights have not been settled and transferred.

7.	For the purpose of collecting, analyzing and communicating agro meteorological data for the needs of the Department of Agriculture, 46 agro-climatic zones have been identified to measure precipitation, soil temperature, humidity, wind speed, wind direction, etc., but agro-meteorological measurements have not been established in 18 of them.	Action should be taken to establish agro meteorological measurements.	Meteorological units have been established for most of the zones (28 zones) out of the 46 agro-ecological zones in Sri Lanka, where major agricultural land is present.	Weather units are not set up to cover every region.
8.	Although attention had been focused on the installation of a solar power system in 2017 with the objective of minimizing the additional fuel costs incurred in the event of a power outage at the Plant Genetic Resources Center, which consumes more than Rs. 06 million a year in electricity, that task had not yet been accomplished even by 30 October 2019.	Action should be taken to achieve the desired objectives.	In the year 2017 , an estimate of 22.75 million rupees was obtained by the Sri Lanka Sunity Energy Authority, and although an application was made to the Ministry of Electricity and Renewable Energy for this purpose, it was informed that the relevant provisions could not be given as priority was given to hospitals in that year.	No solar power system has been installed yet.
9.	(a) The total amount of Rs. 30,739,883 due to the government from 44 officers who had gone abroad for foreign scholarships and breached their agreements had not been recovered even by 06 June 2020.	Action should be taken to recover the amount due to the government.	The amount to be charged to the government for the 44 officers who breached their contracts by going abroad for foreign scholarships is Rs.22,689,459.48, and the amount to be charged from the 11 officers who were informed by the	The amount due has not been charged.

			Honorable Attorney General that they cannot take further legal action is Rs.8,074,360.45.	
	(b) Although the value of the scholarships that could not be collected from 05 officers amounted to Rs. 2,445,820, it had not been possible to initiate legal action to recover the amount due to the government owing to the time constraints.	Appropriate action should be taken to collect the money owed to the government.	The amount to be collected from the 05 officials is Rs. 2,445,819.98 due to the fact that they are unable to take legal steps to collect the scholarship money due to the government.	The relevant amount has not been charged.
	Paragraphs included in the Auditor General's report of the year 2020			
10.	According to the Financial Regulation 175(2), 67 Debt balances amounting to Rs. 3,275,852 over 01 year in respect of the farm advance account had not been recovered as at 31 December of the year under review.	Action should be taken according to the Financial Regulations .	Seeds and planting material are lent in this advance account. This is issued from the relevant Deputy Directorate of Agriculture offices, farms and outlets to government institutions. Necessary actions are already being taken through a committee to recover them.	No money has been charged.
11.	The total loan balance amounting to Rs.5,369,088 was due by 31 st December of the year under review in respect of 92 officers who had died, retired, retired without pension due to insufficient period of service, had left the service been abroad and had been transferred by various sections under	It should act in accordance with the provisions of Section 4 of Chapter XXIV of the Establishments Code.	Officials have prepared an instruction sheet for submitting distress loan applications correctly. These instruction sheets are issued to officers along with loan applications. Arrangements are	The relevant amount has not been charged.

	centralization according to the Chapter 4: 2: 2, 4: 2: 4, 4: 2: 5, 4: 3, 4: 4, 4: 5, 4: 6 and 6: 3 in Chapter xxiv of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.		made to obtain certified copies of national identity cards, personal address and telephone number of the borrower and guarantors.	
12.	Although action should have been taken to survey and formally take over the lands belonging to government departments in accordance with Section 224 of the Code of Conduct on Government Lands, 2943.07 hectares out of the total land area of 3901.82 hectares pertaining to 10 institutions belonging to the Department of Agriculture had not been taken over.	Action should be taken to settle all the lands enjoyed by the department and take over the ownership.	Lands belonging to the department are surveyed and necessary actions are taken to formally take over.	So far, the relevant lands have not been taken over.
13.	Incubator equipment Purchased to the Plant Quarantine Unit on 29 th October 2019 at a cost of Rs.3,594,672In order to maintain the optimum temperature and humidity required for an animal or medium to grow had been idle for more than 11 months due to non-availability of three-phase power as on the date of the audit of 10 th November 2020,	Assets need to be used efficiently and effectively.	Steps have been taken to use the incubator device.	The relevant equipment has not yet been used.
14.	The value of fixed deposits deposited by the Young Farmers' Headquarters in the Bank of Ceylon in the year 2009 and in the People's Bank in the year 2008 as at 31 st December 2019 was Rs.1,212,500 and Rs.1,027,271 respectively.Although theattention was paid on the useful utilization of the relevant fixed deposits, in the National Convention in 2016,relevant	Assets must be used efficiently and effectively.	The National Power Board has the authority to make decisions regarding the use of funds and the National Power Board has been convened and the arrangements are being made to reach a final decision regarding the same.	The money was not put to any productive use.

	funds remained underutilized by 31 st December 2020.			
15.	Even though the recruitments should be made at the necessary time in order to streamline the work of the department, , 2685 vacancies remained to be filled by the end of the year under review.	Vacancies should be filled promptly.	Actions have been taken to fill up the respective vacancies.	Vacancies have not been filled.

Head 286 - Land commissioner General's Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	<u>Current Position</u>
1.	Revenue from Lease rental on lands in the inter-provincial Agrarian Settlement Areas is collected by the Land Commissioner General as per the Land Development Ordinance. However, revenue from lease rental of Rs.57,991,589 remained in arrears by the end of the year 2020. A sum of Rs.34,774,562 representing 60 per cent of the revenue from lease rental had remained in arrears for over a period of 02 years.	Prompt action should be taken to recover the arrears of revenue and control the increase in cumulative arrears of revenue as per Financial Regulation 175 (2) and paragraph 4 (b) of the Fiscal Policy and Economic Affairs Circular No. 01/2015 dated 20 July 2015.	Lease rentals are being levied.	The amount recovered at the end of 31.12.2021 was Rs.10,323,642.
2.	According to Chapter 2.1 of the Annual Performance Report prepared by the Department relating to the year 2020, steps such as identification of 235 lessees who are in default on lease, briefing 167 lessees and recovery of arrears, cancellation of 8 lease agreements and instituting of 04 lawsuits, were mentioned as legal measures expected to be taken to recover arrears of revenue. However, no steps whatsoever had been taken other than the cancellation of 04	Targets and functions included in the Annual Performance Report should be achieved.	No preventive measures have been taken.	No action has been taken to recover the arrears as planned.

	lease agreements by the end of the year 2020. As such, it was observed that the process of recovery of arrears of lease rentals was at a weak level.			
3.	Action in terms of F.R. 571 had not been taken on deposits of Rs.65,027,738 older than 02 years included in the balance of Rs.67,673,837 remained as at 31 December of the year under review relating to 03 General Deposit Accounts.	Action should be taken to re-pay deposits or to credit to the revenue if it is confirmed that there are no claimants.	No preventive measures have been taken. The balance of 03 public deposit accounts as at 31.12.2021 was Rs.68,489,901 and the value of deposits over 2 years was Rs. 65,777,522.	Although the approval was received to use Rs. 63,406,325 from the deposit amount by a Cabinet decision dated 04.05.2021 for the construction of the fourth floor of Mihikatha Medura, the relevant construction had not commenced. It is reported that the balance will be credited to the revenue account in the year 2022 if the requests are not submitted.
4.	The Department has the direct responsibility on state lands which represent about 20 per cent of the total land area of Sri Lanka. A land register had not been maintained in an updated manner, recording disposals of lands relating to those lands from the day in year 1931 ,which the Department was established.	Register including accurate information on extent of lands, which remained under purview of the Department, extent of lands disposed thereof and on lands which are used by unauthorized occupants, should be maintained.	Action has not been taken to prepare a register on state lands at the end of the said purpose.	So far no land register has been prepared.
5.	Collection of revenue from leasing out state lands is carried out by 09 Provincial Land Commissioners' Offices and 08 Deputy Land Commissioners' Offices and information on the revenue collected in the year under review and the value of arrears in lease rentals by the end of the year under review could not be obtained from this system.	The system should be updated and maintained so as to obtain information on lands including lease outs.	Data is being entered into the information system. Data is being entered into the information system.	Information on leased lands is not available through this system.

6.	Even though 10,000 Grants were planned to be issued by this system in the year 2020, the number provided was only 4,195 representing 42 per cent.	Action should be taken to reach targets as planned.	Preventive measures have not been taken.	Only 7414 or 74 percent out of the 10,000 planned for 2021 had been provided.
7.	In terms of Sections 1.2.3 and 1.2.4 of the Circular No. 01/2018 of 28 March 2018 of the Land Commissioner General's Department, a monthly report including information on encroachments obtained from other institutions which manage state lands, should be submitted by the Divisional Secretary at the meeting held monthly presided over by District Secretaries and a review report thereon should be submitted to the Land Commissioner General. Even though provision for expenditure incurred on legal and other measures on encroachments by the Divisional Secretary as the Land Authority, is made by the Land Commissioner General, the progress of measures taken for control of encroachments was at a weak level. As such, Departmental Performance Reports indicated 13,167 as the number of lands encroached from the year 2016 up to the year under review.	Action should be taken to collect updated information on encroachments and to minimize such encroachments.	It is reported that a program to collect information on government owned lands has been launched.	No action has been taken so far to identify government owned lands and control unauthorized occupations.
8.	Five state lands have been given to 03 private parties and to 02 Government institutions on annual lease basis and the Department had failed to recover a sum of Rs.106,357,656 recoverable by the end of the year under review from the said lessees.	Action should be taken to recover lease rentals on time.	It was reported that Rs. 30,216,249 out of the due amount had been paid by the Urban Development Authority.	The further due amount of tax is Rs. 76,141,401.

9.	A land of 0.0202 hectares in extent had been leased out for a period of 30 years to a person called Amarananda Ratnayake for a residential purpose. However, in terms of Condition 4 of the agreement, the Divisional Secretary had informed the Department that the said land had not been utilized for the purpose expected from the lease. Nevertheless, the lease title of the said land had been transferred to the daughter of the lessee without taking action to vest or to lease out again properly.	Action should be taken in terms of conditions in the agreement.	No preventive measures have been taken	It has been reported that the arrears of tax will not be collected as the daughter of the lessee who is currently occupying the land is not residing at that address.
10.	State lands of Rood 01 and 17.5 perches, 01 Acre, 01 Rood and 5.06 perches in extent located in the Thimbirigasyaya Divisional Secretariat Division have been leased out to the sports club named "80 Club" from 30 November 1977 and 01 January 1987 respectively for a period of 30 years on long term lease basis without a lease agreement. Even though the period of lease had been extended due to termination, no lease agreement had been issued for that as well.	Action should be taken to enter into a legal agreement when handing over the possession of the lands and to extend the agreement immediately after termination of the period of lease or to lease out again.	It has been reported that action has been taken to transfer this piece of land to the Urban Development Authority for development and to take possession from the sports club called '80 Club'.	The Urban Development Authority has been instructed to pay the arrears of Rs. 20,037,368 and obtain 8 free grants.
11.	Although a Government land containing 29.88perches in Thimbirigasyaya Divisional Secretariat had been given to the Independent Television Network Limited on a long term lease in 1999, no action had been taken to notify the tax amount payable and no tax was levied for 10years from the date of	Soon after the possession of lands is handed over, the lessee should be informed of the amount of tax payable and action should be taken to recover the arrears of lease by entering into a legal agreement with the relevant lessee without	No agreement has been reached with the lessee and no action has been taken to recover the arrears.	No action had been taken to finalize the tax approval if the lessee does not respond to discuss arrears in future,.

	handing over the possession. Accordingly, the amount of tax due as at the end of the year 2019 stood at Rs. 36,225,000. However, as a result of non-issuance of a lease to protect the legitimacy of the lease of land, it was not possible to institute legal action against the lessee for non-payment of tax.	delay.		
12.	The Government land containing 0.238 hectare in Gangawata Korale Divisional Secretariat Division, Kandy, which was given to a private company on Cabinet decisions on a long term lease basis for 30 years in 2006 to maintain a resort had been unlawfully occupied by the same lessee for 11 years from 1995 to 2006. It was observed according to the Government Assessor's assessment that the Government had lost tax revenue of Rs. 6,932,500. It was observed controversial not to take legal action regarding this unauthorized possession citing that the ownership of the land had not been established.	Action should be taken to timely recover the relevant tax.	No action has been taken to recover the arrears.	It is also reported that the commercial value of this land in the year 2006 was Rs.46 million and the necessary information has been requested to consider the request for relief made by the lessee by the lessee.

Head 287 - Department of Land Title Settlement

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	Although plans had been drawn to issue title certificates for 70,560 plots of lands by making provision of Rs. 87,930,359 for the Bimsaviya Programme in the year 2020,	Economical nature should be taken into account when incurring expenditure.	No preventive action had been taken.	Even though it was planned to issue 60,000 title certificates in the year 2021 and Rs. 124,000,000 has been provided, expenditure

	title certificates had been issued only for 23,411 plots of land as at the end of the year under review by spending that total provision. Accordingly, a sum of Rs. 3,756 had been spent for the issue of a title certificate although the amount estimated therefore was Rs. 1,246.			incurred during the year was Rs. 94,405,621. Even though the estimated cost to issue the certificate is Rs. 2, 067, Rs. 6,788 had been spent as a result of that the number of title certificates issued during the year was 13,907.
2.	Although all stages such as conduct of field inspections for the issuance of title certificates under the Bimsaviya Programme, obtaining cadastral maps to the head office to published in the Gazette under Section 12, distribution of title applications, examination of folios of the Department of Land Registrar, obtaining approval for publishing in the Gazette under Section 14 and publishing in the Gazette under Section 14 and sending details of the blocks of land to the Department of Land Registrar should be completed, progress of the achievement of targets of the year under review remained at a low range between 52 per cent to 67 per cent in other stages except for the first and second stages, even after the amendments made on 28 August.	The functions assigned to this institution under this programme should be discharged efficiently to achieve the planned targets.	No preventive action had been taken.	No significant progress of those work pieces was observed at the end of the year 2021.
3.	Due to issues cropped up during the title settlement process, 505,959 files had been set aside from the year 2015 up to the year under review of which 52,092 or 10 per cent had been settled. Due	Action should be taken to identify other institutions and parties involved in the issues and resolve such issues expeditiously with the contribution of those parties.	No preventive action had been taken.	The total number of files set aside was reported to be 455,271 as at 31 December 2021, and information on the files set aside at the Weligepola, Ratmalana,

	to lack of proper linkage between the stages of this process, the objective of the programme to issue title certificate had been delayed.			Dehiwala and Nallur regional offices had not yet been submitted.
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Head 288 - Survey Department of Sri Lanka

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	<u>Current Position</u>
	2018, 2019 and 2020			
1.	Deeds to prove ownership of 49,477 hectares of land valued at Rs. 5,689 Million in hundred locations in various parts of the island, plans and land grant certificates and deeds to confirm the legal ownership of the lands with 666,737 square feet in extent where the Departmental buildings valued at Rs.1,009 Million located at 76 locations in various parts of the island had not been submitted for audit during the year under review.	Relevant documents to ascertain the legal ownership of the assets should be submitted to the audit.	Enter verified information into the relevant database.	Information on 99 plots of land and 94 buildings, 84 copies of plans and 59 deeds or title deeds have been entered into the relevant system. There are lands and buildings that need further confirmation.
2.	Even though there was a saving of Rs.4,944,336, in 08 expenditure objects of the Department in year 2020, since the amount of liabilities entered into under those expenditure objects was Rs.20,791,007, the total of the liabilities which had exceeded the savings was Rs. 15,846,671.	It should not enter into liabilities exceeding the savings in the provisions.	Informing the Provincial Surveyor General not to include such liabilities in the year 2021.	In the year 2021, the liabilities have not exceeded provisions.

3.	The value of the balances brought forward at the end of the year 2020 in the losses and damages account was Rs. 7,580,614 and the value of losses and damages within that ranging from five to thirty one years was Rs. 2,753,891.	Losses and damages should be written off from the books without delay.	It has been informed to carry out the accounting work on the relevant files.	The total value of damages and losses in the year 2020 is Rs. 8,828,705. The value written off is Rs.3,003,608, and the amount that is being further processed is Rs.5,825,097.
4.	The number of survey orders that had failed to be completed by 31 December 2020 was 29,105 and within that, there were 27,932 survey orders which could not be completed from the year 2015 to the end of the year 2019.	The Department should implement a programme to complete the number of outstanding survey orders including court survey orders.	Recruitment of new surveyors.	There are still 15,097 survey orders that have not been completed before 2015.
5.	The total of the outstanding loan balance of the Advances to Public Officers' B Account was Rs.10,635,305 at the end of the year 2020 and within that the balances totaled to Rs. 3,710,891 for more than 5 years were observed.	Arrangements should be made to recover the loan balances in a timely manner.	It has been informed to carry out the accounting work on the relevant files.	The outstanding loan balance at the end of the year 2020 is Rs. 11,297,272, out of which the total settled loan balance is Rs.6,143,918. The outstanding loan balance is Rs. 5,153,354.
6.	An extent of 1.3139 hectares of bare lands owned by the Department in the Central, North Central, Eastern and North Western Provinces, 02 lands at Anuradhapura and Galewela where the buildings were constructed, 02 more buildings in the Southern Province including Badulla Senior	The assets belonging to the institution need to be assessed and account for .	All Provincial Surveyor Generals and District Senior Survey Superintendents have been informed in this regard.	So far, the assessment and accounting has not been completed.

	Superintendent of Survey's Official Residence and Anuradhapura Perasavi Camp had not been assessed and accounted for even by the end of the year 2020.			
7.	The standard set up before 36 years that the minimum number of norms which should be surveyed by a Surveyor of the Department per month as 20, had not been reviewed with the improvement of technology in measuring techniques and equipment, to suit current requirements.	The minimum number of norms which should be surveyed per month should be reviewed without delay so as to suit current requirements, with the improvement of technology in measuring techniques and equipment.	Even though the relevant amendments were made as indicated by the audit , it has been temporarily suspended as per the notification of the Secretary of the Ministry of Lands.	So far no action has been taken to change that situation.

Head 289 - Department Of Export Agriculture

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	<p style="text-align: right;">Rs.</p> <p>Establishment Code of the Democratic Socialist Republic of Sri Lanka</p> <p>Section 04 of the Chapter xxiv</p> <p>899,725</p> <p>No action had been taken formally up to 31 December of the year 2019 with respect to the loans recoverable from 15 officers / employees</p>	<p>Action should be proactively taken to collect outstanding balances as per the loan agreements.</p>	<p>That the money due from 10 employees who left the service due to various reasons, confirmed employees over 45 years of age, submitted fake certificates and joined the service and will be collected immediately after the completion of</p>	<p>The money have not been recovered by 31 December 2021.</p>

	who had no more been employed due to miscellaneous reasons.		related legal procedures.	
2.	According to the National Budget Circular, No. 01/2016, dated 17 March 2016 amended by the circular No. 01/2016(1) dated 19 September 2016, the maximum monthly lease rent for a vehicle obtained under the operating lease method for Directors or officers at equivalent level, should not exceed Rs. 135,000 without VAT. However, a monthly lease rent of Rs. 163,500 had been paid without VAT for the vehicles assigned to 08 Directors including the Additional Director General of the Department of Export Agriculture; hence, an overpayment of Rs. 2,736,000 had been paid annually for them.	Overpayments are subject to surcharges.	These vehicles, which were obtained as reserve vehicles, are used by the respective directors to drive 3000 km for field examinations and other duties.	No further action has been taken on overpayments.
3.	An acreage of 12.5 acres belonged to the Medarata Research Center established in the year 1978 as a model for mixed cultivation. The objectives that had not been achieved included : developing the Medarata Research Center as a park for spice targeting local and foreign tourists, formulation of standards and guidelines for promoting tourism in regard of spices, introducing the community based agro-tourism associated with spices to Sri Lanka, training the farmers, officers, students of schools and universities in that connection, and introduction and sale of products based on spices.	Necessary steps should be taken to achieve the desired goals.	That a project report be prepared for the development of a garden with spices.	There is no change in the status quo.
4.	Contract value of Rs. 1,505,000 for the tender relating to developing the information system on export agricultural crops, and even though it had to be completed and handed over by 24 December 2019, it was not provided even by 31 December 2020.	To be dealt with according to the agreement.	That the software is fully completed but not handed over to the department.	The software has not been handed over to the department even by 31 December 2021 .
5.	Thirty seven (37) land parcels in extent of 203.29 hectares owned by the Government and the private	According to the guideline	That 13 plots of land have been	13 plots of land have

	sector have been utilizing by the department without taking action to take over the possession of the lands.	2.3.1 (b) of the procurement guidelines, it has been informed that lands should be acquired before construction etc. and should act accordingly.	taken over and the other lands are being taken over.	been taken over. 24 have not been taken over.
6.	Kjeldahl Distillation Unit which purchased and installed at a cost of 840,650 in 2017 for the analysis of plants and soil samples of agronomic and soil nutrition sector in Narammala inter crop and beetle research Center had been under-utilized, as there is not a Digestion unit.	Assets should be utilized effectively.	That the utility machine part has been purchased.	The machine is not in use.
7.	No action had been taken to recover or write off the losses of Rs.4,076, 808 belonging to 4 cases took place during the last few years.	Financial Regulations should be followed regarding the losses and damages.	Actions are being taken on losses belonging to 4 cases.	Only Rs.750,000 has been charged.
8.	The penalty amount of Rs. 2,651,500 due from a research and development assistant officer who left the service after taking paid study abroad leave without completing the mandatory service period had not been recovered by May 2019.	The agreement should be followed.	According to the instructions of the Attorney General, the monthly premium is being paid at the rate of Rs.20,000 each.	The balance due on 31 December 2021 was Rs.2,231,000.

Head 290 - Department of Fisheries and Aquatic Resources

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	Utilization of grants provided by other ministries and departments			

	(a)	The Department had paid Rs.17,176,000 to a private company in the year 2019 for the release of 21,470,000 fingerlings in the Jaffna Lagoon under the provisions made for the lagoon development projects of the Ministry of Fisheries to release fingerlings into lagoons to increase fish production capacity.			
	(i)	Although it was informed that it was done with a formal plan in consultation with the district assistant director and all the parties, no copy of the relevant plan was presented. Furthermore, there was no follow-up on whether there was a significant increase in shrimp production compared to the amount paid.	The fingerlings had to be released to the essential places according to the plan, and need to do follow-up on the increase in the quantity of shrimp production as compared to the amount spent.	A formal plan was carried out in consultation with the District Assistant Director and all parties. It has been planned to implement the project of releasing fingerlings to the ferries belonging to Kilinochchi district.	The situation remains the same.
	(ii)	13 lacks fingerlingsworth of Rs.1,040,000 were deposited in the Mundalama	Arrangement should be made to obtain records of Shrimp harvest in relation to the periods.	Monthly reports on prawn harvest in Mundalama Lagoon have been sent.	The monthly reports sent were related to the year 2018.

			Lagoon belonging to the Puttalam District Fisheries Office on 24 November 2018 but its performance could not be measured as the Department had not obtained any monthly reports on shrimp harvest for the year 2019.			
	(b)		Although it was planned to provide 19,888 boundary poles to mark physical boundaries at a cost of Rs.31.9 million for the lagoon demarcation project under the Lagoon Development Programme for the conservation of 10 lagoons in the year 2018, only 14,748 poles were provided and the amount paid was Rs.21.339,345.			
		(i)	Guidelines 3.2, 4.3 and 8.9.1 of the National Procurement Guidelines were not followed in this Procurement.	Follow the guidelines in the National Procurement Guidelines.	No measures have been taken.	The situation remains the same.
		(ii)	An additional 2,276 poles had been purchased	Prior to payment, check that the work has been approved and in	No measures have been taken.	The situation remains the same.

			for Puttalam lagoon without approval and Rs.3,826,638 had been spent for this.	accordance with the plan and payments must be made.		
2.	Not achieving the desired level of output					
	Two thousand four hundred and twenty eight electronic tablets purchased by spending Rs.195.5 million had been given free of charge to the fishermen and the officers of the port, but it was observed that the objective of purchasing of electronic tablets to utilize the electronic tablets instead of log book system existed then. had not been carried out successfully as at the end of the year under review. 374 electronic tablets had remained in the stores of the District Fisheries Offices by May 2019. Even though, 256 electronic tablets remained in the stock of the Department had been distributed among the officers of the Department, it was observed that those tablets had not been utilized for the office purposes.		Action to be taken to obtain maximum productivity from the money spent ,and a study in respect of misusing of those equipment to be carried out and provide them and follow-up actions to be taken.	If the electronic tab method is implemented even for a small percentage, it will be advantageous. Further, it has been planned for maximum utilization of electronic tablets purchased and those plans are being implemented successfully.	None of the fishermen use electronic tabs. The logbook system is still in use. Its warranty period has also been exceeded.	
3.	Procurements Construction Contract for Extension of Vessel Monitoring Center Building of Department of Fisheries and Aquatic Resources - Year 2018					
	(a)	In terms of Guideline	Approval of the	No measures have	Remain unchanged.	

		4.3.2(b) of the Procurement Guidelines it was shown if the total cost estimate is exceeding Rs.100 million it should be approved by the Secretary to the Ministry Nevertheless, the approval of the Secretary of the Ministry had not been obtained for the Engineering Estimate amounting to Rs.166.94million for the contract of Extension of the Boats Observation Centre Building amounting to Rs.141.20 million.	Secretary to the Ministry should be obtained for the Engineering Estimate in terms of Guideline 4.3.2(b) of the Procurement Guidelines.	been taken.	
	(b)	Even though the value of the Engineering Estimate amounting to Rs.166.94 million according to the specifications prepared for inviting bids had been revised as Rs.168.13 million in evaluation of bids, the approval of the Secretary to the Ministry had not been obtained for said revised estimate, in terms of above guideline.	The approval of the Secretary of the Ministry should be obtained for the revised estimate in terms of Guideline 4.3.2(b) of the Procurement Guidelines.	No measures have been taken.	Remain unchanged.
	(c)	In terms of Guideline 4.3.2 of the Procurement Guidelines the contingencies/physical contingencies should	In terms of Guideline 4.3.2 of the Procurement Guidelines, contingencies/ physical contingencies should be computed on direct	No measures have been taken.	Remain unchanged.

	<p>be Rs.8.97 million on the direct construction cost, it was computed and shown as Rs.14.56 million and as such consultancy service charges had been overstated by Rs.5.59 million ,and 43.8 million rupees had been paid as physical expenses.</p> <p>Furthermore, the consultancy firm had taken action in a way to arise a variation of 31 per cent or Rs.43.8 million from the contractual price for this contract without obtaining the approval of the client.</p>	<p>construction cost basis ,and should not be made variation orders on the changes of scope which affected to the increase of contractual price without being obtained an approval.</p>		
4.	Management weaknesses			
	<p>Seventeen multi-day fishing vessels over 13.5 meters had not been obtained the licenses to operate, and one of them had not been obtained the licenses to operate for several years, but the action taken in this regard was not observed. Also, there was no system of checking through the District Fisheries Offices as to why the multi-day fishing vessels which had not obtained operating licenses were engaged in fishing operations and the reasons for not obtaining operating licenses.</p>	<p>An inspection system should be introduced through the District Fisheries Offices to identify whether the multi-day fishing vessels in operation have obtained operating licenses and the reasons for not obtaining licenses.</p>	<p>No action has been taken.</p>	<p>v No inspection procedure has been set up for vessels that do not obtain an operating license.</p>

Head 291 - Department of Coast Conservation and Coastal Resource Management

	Audit Observation	Recommendation of the Auditor General	Preventive Measures Taken by the Department	Current Position
1.	<p>Mining and removing of accumulated sand regularly around harbors, had been assigned to the Ceylon Fishery Harbor Corporation by the department and this job had been assigned to other private organizations by the corporation, According to sample testing, it was observed that although 2750 of sand cubes had been mined in fisheries harbor of Peraliya, only 818 of sand cubes had been dumped to the beach and having mined 550 of sand cubes in harbor of Panadura only 177 of sand cubes had been dumped in the beach. Making and managing of more effective methodology for removing of sand so accumulated regularly in fishery harbours and dumping them to the locations where erosion took place, had not been made by the department.</p>	<p>Supervision should be done by the Coastal Resource Management Department.</p>	<p>According to the letter of decision of the Cabinet of Ministers no. 22/0046/311/001 and dated 11.02.2022 issued by the Office of Cabinet of Ministers, licensing is done in consultation with the Ceylon Fisheries Harbor Corporation and other relevant agencies to determine the future course of action in the event of non-payment of arrears for the relevant conditions (the amount to be returned to the sea from the sand removed) and the licenses.</p>	<p>Permits are currently being issued for sand removal.</p>
2.	<p>Expected objectives from south Colombo sand nourishment project implemented from 29 of February to 21 of April by having spent Rs.889 million, had not been achieved and the following facts are the reasons for that</p> <p>(a) Although, by having done exploration activities by a recognized institution regarding of sand, required</p>	<p>There is no written evidence that as in depth survey was conducted. The relevant actions should be taken upon obtaining necessary approvals and conducting a proper feasibility study.</p> <p>- do -</p>	<p>The excavation permit issued by the Geological Survey and</p>	<p>The exploration license obtained from the Geological Survey</p>

	<p>for coastal sand nourishment process and having submitted the said report, an exploration license should be obtained from the Geological Survey and Mines Bureau sand had been obtained for this project without having valid exploration license and valid mining license.</p> <p>(b) Regarding of the pre and post condition of the initiation of Colombo South sand nourishment project, the accuracy of the amount of sand pumped to coastal stretch had not been examined quantitatively based on Bathymetric research computer data.</p> <p>After implementation of the sand project above, the current situation is as follows.</p> <ul style="list-style-type: none"> • Destroying of natural swimming pool near the Mount Lavinia hotel. • Due to steep slopes in areas where sand had been filled, boat capsizing and interruptions for beach seine fishery activities. • Washing away of large amounts of sand into the sea from sand nourished places . 		<p>Mines Bureau is valid till 27.03.2020. However, since the project time was longer than that, the work required to update it was done from the very beginning of the project. Similarly, it was approved through email to renew this excavation permit through e-mail for a period of two months from 22.03.2020.</p> <p>Agronomic survey has been made before and after the initiation. Accordingly, the sand quantities were checked for accuracy.</p>	<p>and Mines Bureau had been extended only for a period of two months only from 22.03.2020.</p> <p>It had not been possible o repair the damages mentioned even by 31 December 2021.</p>
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	<ul style="list-style-type: none"> • Being piled huge piles of sand in other coastal stretches and having re-eroded the beach in such places, returning of them to pre-existed condition. 			
3.	<p>2162 unauthorized constructions had been identified from 2012 to 28 February 2021, and even though orders have been issued for 1967 to demolish only 450 had been demolished. Further, there were 195 constructions which orders were not given, although they had been identified as unauthorized constructions. even though the department has powers to demolish the said constructions, by reason of social, economic and political impact regarding of the unauthorized constructions made in the past, it was observed that department has no possibility to engage in these activities practically.</p>	<p>Should identify the instances where the department is not possible to be practice and for that an alternative method that can be implemented should be setup.</p>	<p>Out of 2162 unauthorized constructions reported during the relevant period, some amount of demolition orders were given or not given have been removed by now. Officers of the Regional Offices in the area have been instructed to remove any unauthorized constructions in the Coastal Reserve. Necessary legal action has been taken against unauthorized constructions. The removal of unauthorized constructions identified in the Galle District is being carried out with the assistance of the Public and Police Departments.</p>	<p>2341 unauthorized constructions were identified from 2012 to 31 December 2021, and out of which 1721 unauthorized constructions had not been demolished by that day.</p>

4.	<p>The value of lands of divisional offices of Trincomalee, Batticaloa, Chilaw, Jafna and Ampara which belong to department that was in the total of 1.0347 hectares and the value of buildings in 14060 square feet, had not been evaluated and accounted.</p>	<p>Payments have been made to the Coast Conservation and Coastal Resource Management Department for the mining as per the relevant gazette notification. However</p>	<p>The valuation of the buildings so far has been accounted for as at 31.12.2021 and submitted to you.</p>	<p>The total value of the buildings which is 14060 sq. Ft. belonging to the Trincomalee and Batticaloa regional offices had not been accounted for as at 31.12.2021. Lands belonging to the Batticaloa, Chilaw, Jaffna and Ampara Regional Offices had not been taken over.</p>												
5.	<p>(a) Licenses were issued to Mineral Sands for sand mining from February 2017 to August 2019, and the company mined an additional 19,096 cubes of sand in violation of the terms of those three licenses. Therefore supplementary fee want to be charged by the department due to excessive sand mining from the mineral sand company. But no action had been taken to recover the additional charge of Rs. 9,548,057 from Mineral Sands.</p> <table border="1" data-bbox="251 1375 649 1669"> <thead> <tr> <th>License Number</th> <th>Extent of excess sand mining</th> <th>The amount charged for cube p.c</th> </tr> </thead> <tbody> <tr> <td>P/17/78</td> <td>9321.80</td> <td>4,660,900</td> </tr> <tr> <td>P/18/86</td> <td>3928.67</td> <td>1,964,338</td> </tr> <tr> <td>P/18/946</td> <td>5,846</td> <td>2,922,819</td> </tr> </tbody> </table> <p>(b) It is the responsibility of Lanka Minerals to rehabilitate the beach with sea sand after mining of mineral sand in accordance with the 06th</p>	License Number	Extent of excess sand mining	The amount charged for cube p.c	P/17/78	9321.80	4,660,900	P/18/86	3928.67	1,964,338	P/18/946	5,846	2,922,819	<p>Payments have been made to the Coast Conservation and Coastal Resource Management Department for the mining as per the relevant gazette notification. However</p>	<p>Inquiries were made with the relevant company regarding the recovery.</p> <p>An agreement could not be reached with Lanka Mineral Sands in this regard.</p>	<p>The overpayment had not yet been recovered.</p> <p>The situation has not yet been corrected.</p>
License Number	Extent of excess sand mining	The amount charged for cube p.c														
P/17/78	9321.80	4,660,900														
P/18/86	3928.67	1,964,338														
P/18/946	5,846	2,922,819														

condition of the above license and it should be done under the direct supervision of an engineer of the department and the company. But according to reports sent by the company, 277,944 metric tons of sea sand should be filled, but only 119,323 metric tons have been filled and 158,621 metric tons still need to be filled.			
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Head 292 – Department of Animal Production and Health

	Audit Observation			Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position									
1.		Rs.													
	Financial Regulation 104(4) of the Democratic Socialist Republic of Sri Lanka	361,089	Inquiries have not been concluded even by 31 December 2021 relating to the and damages.	Action should be taken in accordance with the Financial Regulations relating to losses and damages.	That action will be taken to obtain the inquiry reports expeditiously.	The inquiries have not been concluded so far.									
			<table border="1"> <tr> <td></td> <td></td> <td>Loss ---- Rs.</td> </tr> <tr> <td>i.</td> <td>The fire which broke out on 06 December 2017 in the virology test laboratory of the Polgolla Animal Toxicology Laboratory</td> <td>50,000</td> </tr> <tr> <td>ii.</td> <td>Illegal consumption of water in</td> <td>61,089</td> </tr> </table>			Loss ---- Rs.	i.	The fire which broke out on 06 December 2017 in the virology test laboratory of the Polgolla Animal Toxicology Laboratory	50,000	ii.	Illegal consumption of water in	61,089			
		Loss ---- Rs.													
i.	The fire which broke out on 06 December 2017 in the virology test laboratory of the Polgolla Animal Toxicology Laboratory	50,000													
ii.	Illegal consumption of water in	61,089													

				the Government Quarters No.6A6 May and June 2011				
			iii	Misuse of a cheque 22 June 2018	250,000			

					361,089			
					=====			
2.	<p>Although 483 to 693 applications have been received in the last 4 academic years for the Diploma Course at Sippukulama and Karandagolla Animal Husbandry Colleges, less number of students standing at 90 to 144 or 36 to 76 percent had been selected for the college courses. The lands and buildings of the Animal Husbandry Colleges remained underutilized due to the failure to focus on adequate enrollment of students and to produce diploma holders for the national interest. Although Sippukulam College alone had 129 acres of land and 21 types of buildings, lack of adequate water facilities and human resources had led to this situation. Moreover, this land had not been vested in the Department as well.</p>				<p>As the resources existing close to the said Animal Husbandry Colleges are underutilized, plans should be made and implemented so as to make maximum use of them. According to Guideline 2.31 (b) of the Procurement Guidelines, it has been indicated that the land should be vested before carrying out constructions etc. and action should be taken accordingly.</p>	<p>Staff members and visiting lecturers essential for conducting courses on Animal Husbandry are being recruited and it has been planned to conduct the 2022/2023 course accordingly. Requests have been made to the Mihinthale Divisional Secretary for vesting of this land and vesting activities are in progress.</p>	<p>Resources are underutilized. Moreover, the land had not been vested even by 31 December 2021.</p>	

3.	<p>Polgolla Animal Toxicology Laboratory had entered into an agreement with a selected contractor on 31 August 2018 for the improvement and repair of 95 Items of Work under an estimated value of Rs.3,273,873 and the work was to be completed and handed over by 29 December 2018. However, 19 months had elapsed since then and by 11 August 2020, the contract had been terminated due to non-completion of the work. Out of 95 Items of Work, 10 had been completed in full and 06 in part, but work had not even been commenced on 78 Items of Work with an estimated value of Rs.2,262,204.</p>	<p>Attention should be paid towards completing uncompleted Items of Work considering the requirement.</p>	<p>Even though agreements had been entered into with a contractor for an estimated value of Rs.3,273,873 for improvement and repairs of the Animal Toxicology Laboratory, the relevant company had failed to carry out the said purpose within the prescribed period. Briefings have been made in writing in this regard in two instances and the agreement entered into with the private construction company to which this contract was awarded based on explanations made through relevant letters, had to be terminated.</p>	<p>No construction whatsoever had been carried out by the contractor after discontinuation of works.</p>
4.	<p>In contrary to the provisions of Guideline 4.1.1(c) of the Government Procurement Guidelines, a sum of Rs.762,993 had been paid to the National Engineering Research and Development Centre (NERD) in the year 2018 to design structures and architectural plans relating to 3 constructions including a vaccination house for the Livestock Research Institute, expansion of the laboratory of the Animal Nutrition Division and the quarters of the Officer-in-Charge of the Continuous Education Institute estimated at Rs.165,831,215 without allocating provisions. However, no</p>	<p>Attention should be paid towards commencement of constructions considering the requirement.</p>	<p>Even though this amount had been paid in the year 2018 for field observation activities, for drawing plans and as architecture fees to the National</p>	<p>Constructions had not been commenced even by 31 December 2021.</p>

	construction whatsoever had been commenced out of those even by 31 December 2020.		Engineering Research and Development Centre, constructions could not be commenced.	
5.	<p>In calling for bids in the year 2020 for the purchase of 100,000 oral and hoof vaccines of cattle, only one supplying firm had offered a bid as Rs. 82 per dose and the vaccines had been purchased by spending a sum of Rs. 8,200,000.</p> <p>The said vaccines had been purchased at the rate of Rs.40 in the past few years and a supplier had offered a bid as Rs.42.05 in re-calling for bids in August 2020.</p> <p>In Contrary to the provisions of Guideline 7.12 of the Procurement Guidelines, the Rejection of bids received when it is clear that there is no effective competition, Comparison of bids received with market prices, if the only bid received is higher bid price, then negotiate with the bidder to reduce bid price had not been followed. Accordingly, compared to the bid of Rs. 42.05 received on 12 October 2020, an additional payment of Rs.3,995,000 was made for 100,000 doses of vaccines purchased at a cost of Rs.82 per each on 17 August 2020</p>	The Procurement Guidelines should be followed.	It had been decided to purchase 400000 doses of vaccines. However, only one supplier has offered a bid and as such, only 100000 doses at Rs.82 per dose submitted by him, had been purchased.	The remaining 300000 doses received at the recalled bid had been purchased at Rs.42.05 per dose.
6.	The earlier duck fort in the Central Poultry Research Centre was converted into a cattle shed in the year 2015 at a cost of Rs.1,562,000 but it was still unused even by October 2020.	Action should be taken to make maximum use of the assets.	It could not be implemented as there was a dearth of employees necessary to attend to the stud bulls.	Still remains unused.
7.	The incinerator worth Rs. 2,461,290, provided to the Katunayake Quarantine Center in November 2008 had not been repaired even by January 2020, though it had been inoperative since March 2019.	Action should be taken so as to maintain service activities continuously.	An estimate for Rs.0.5 million has been submitted for repairs by the service supply institution. It is expected to work on the instructions of the Government	Remains inoperative .

			Mechanical Engineer.	
8.	As per the Asset Management Circular No. 01/2018 dated 19 March 2018 of the Secretary to the Treasury of the Ministry of Finance and Mass Media, action should be taken to dispose of motor vehicles which are not in running condition. Nevertheless, action had not been properly taken on 08 such vehicles.	Action should be taken in accordance with the Circular.	Action is being taken to dispose of vehicles by calling for quotations and evaluation.	Disposal activities have not been carried out.
9	Six Government quarters with a floor area of 6746 square feet, a silage processing building and 02 generators had remained idle for a period of 06 to 19 years at the artificial insemination center in Polonnaruwa.	Utilization of these assets to achieve objectives of the Department.	The said quarters, the silage processing building and generators had been procured and made use of under the Swiss Sri Lanka Livestock Development Project in the years 1982/83 and after liquidating the project, it had been vested in the Department of Animal Production and Health in the year 1989. Plans have been made for repairs of the quarters and construction of silage has been discontinued as there is sufficient grass. Moreover, it is expected to dispose of the two generators.	These assets remain unutilized.

Head 293 – Department of Rubber Development

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	In terms of Section 6.2 of Chapter XIX of the Establishments Code of the Democratic Socialist Republic of Sri Lanka, the officers who are occupying quarters, should vacate them on retirement. However, two Rubber Development officers who were occupying two quarters in the Districts of Ratnapura and Kalutara and retired since June 2017 and on 13 December 2015 respectively had not taken action to vacate and to hand them over even by the year 2020.	All matters required for taking over of quarters should be arranged prior to retirement of officers occupying quarters.	Legal proceedings for taking over of quarters to the Department have been initiated.	The relevant officers have been informed to hand over the quarters before retirement. The Attorney General h999as been referred to for taking legal action in this regard. The officers have not vacated the quarters.
2.	Statistics should be maintained on the total land area of rubber cultivated in the island by the Department of Rubber Development and even though provision of Rs.5,000,000 had been made in the year 2020 for maintaining the said statistics, the purpose had not been achieved.	Accurate statistics should be maintained on the total area of rubber cultivated land.	A sample census has been conducted in the months of March and April of the year 2021.	Rubber lands are being registered so as to cover the whole island. The registration has not been completed.
3.	The losses occurred due to accidents relating to 08 vehicles owned by the Department totalled Rs.2,466,640 as at 31 December 2020 and action had not been taken to recover these losses as yet.	Action should be taken to recover the losses relating to vehicles.	Action is being taken in this regard.	Action has been taken in terms of F.R.104 (3) and (4) relating to 05 vehicle accidents and steps are being taken to write off from books. Action is being taken to recover losses for the other 3 vehicle accidents. It has not been completed yet.

4.	A sum of Rs.59,304,347 had been paid by the Department of Rubber Development in the year 2009 to the Urban Development Authority to purchase a land of 75 perches in extent valued at Rs.66,700,000 for construction of a building. Moreover, a payment of Rs.150,000 has been made in that year to the Department of Buildings to draw plans and to construct the building on the said land while an estimate of Rs.249 million as well had been prepared in the same year. Even though 11 years had elapsed after finalizing the initial activities, vesting of the land by paying the outstanding amount and commencement of construction on the land had not been carried out as yet. The Department was functioning in a private building obtained on rent from February 2017 until the end of the year 2020.	Activities of vesting the land and constructing the building should be carried out without delay.	Has been referred for initial activities of vesting.	Vesting has not been completed.
5.	A sum of Rs.21,702,451 was recoverable to the Department as 603 of 9,398 planters in 9 Districts who had received rubber cultivation subsidy under the Rubber Replanting and New Planting Subsidy Scheme, had abandoned the cultivation.	Action should be taken to recover monies from planters who received rubber planting subsidy and abandoned the cultivation.	Necessary action has been taken to brief the planters and encourage them for replanting through Regional Offices and to recover subsidies from planters who are uninterested.	Neither have the said planters been encouraged for replanting nor have the subsidies provided been recovered.
6.	Eleven of 77 quarters owned by the Department were in need of repairs and those quarters were unutilized for a period of 13 years. Twenty three more quarters had been maintained as offices without providing to officers.	Action should be taken to repair the quarters and to provide them for the officers' use.	Repairs are being carried out according to priority and provision made. As provision requested for is not received, quarters have been repaired on priority basis by provision made.	Repairs have been carried out every year based on priority within the limit of provision received. However, all activities have not been completed.

7.	It was observed that vacancies in the posts of 10 Senior Rubber Development Officer and posts of 50 Rubber Development Officer, who directly contribute to the operations of the Department, could cause difficulties in reaching targets of project activities.	These vacancies should be filled.	The initial activities of recruiting Senior Rubber Development Officers for the vacancies, have been carried out.	Recruitments for vacancies in Departmental posts have not been completed.
8.	Even though agreements had been entered into with a private company in the year 2016 to develop a software for the Rubber Information Management System, the agreement had been revised by extending the period of completion up to the year 2017 as there was a delay in commencing the first stage. However, the said software had not been completed even by May 2020 and an expenditure of Rs.17,453,971 had been incurred therefor.	The relevant software should be developed and completed expeditiously.	The relevant procurement activities had to be temporarily discontinued as monies were not allocated for the Department of Rubber Development under Expenditure Head 2106 – Software Development for the year 2022.	As the officers of the Department are currently not equipped with technical skills for resolving issues arising from time to time in implementation of the software, it could not be practically implemented.
9	The Department had failed even by the year 2020 to vest lands with 24 quarters owned by other institutions under the purview of the Department.	Action should be taken to clear the ownership of quarters by expediting activities relating to vesting of lands.	The relevant institutions have made requests to vest lands.	Only one land has been vested.

Head 294 – National Zoological Department

Audit Observation		Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	Five projects with an estimated cost of Rs.257,672,853 to be completed in 2018 and 2019 had not been completed even by the end of the year under review. A sum of Rs.208,921,963 had been paid to the contractors by the end	Action should be taken to complete the construction work expeditiously.	The Department has issued the notice on termination of this agreement to the National Machinery Institute. Moreover, action is being taken to blacklist the said institution on the	The works of these contracts have not been completed even by January 2022.

	of the year under review.		decision of the Procurement Committee and assess and recover any loss occurred to the Department. Further, the remaining works of a certain project have been completed by deploying Departmental employees and among other projects, the Department of Civil Security has agreed to carry out constructions of the Safari Park in Hambanthota and a Memoranda of Understanding are being prepared therefor.	
2.	Action had not been taken in terms of Financial Regulation 571 relating to deposits of Rs.21,621,561 lapsed for one year from the date of deposit.	Action should be taken in terms of Financial Regulations.	Action should be taken to credit unclaimed deposits to the Government revenue in ensuing years.	It was observed that a balance remains in the General Deposit Account even by January 2022.
3.	In terms of Section 37 of the Measurement Units Standards and Services Act No. 35 of 1995, although it is an offense to use the weighing instruments used without proper inspection and sealing, the electronic weighing machine used with a capacity of 150 kg in storage at the Dehiwala Zoo had not been sealed after 2013. Accordingly, an inspection by the Weights and Measures Department had observed that the scale weighed less than the approved error, but it had not been corrected so far.	Action should be taken in terms of the Act.	The relevant institution has not taken action so far to correct measurements taken from these scales.	A proper testing or sealing of these weighing instruments has not taken place even up to January 2022.

4.	Cultivation on the Gonapola Farm had not been carried out as per the proper plan during the period from 2016 to 202. Action had not been taken to increase its cultivation and reduce the amount of animal feed purchases from outside agencies.	Cultivation should be carried out as per a proper plan so as to get a good harvest within the farm.	A cultivation plan has been prepared for supplying grass and other food hygienically.	Cultivation in the Gonapola Farm has not been carried out as per a proper plan even at present and the amount of animal feed purchased from outside agencies have increased.
5.	There were 170 vacancies in the Department comprising 4 senior level posts and 33 secondary level posts.	Action should be taken to fill vacancies.	It is informed that the Ministry of Public Administration has been notified in this regard and it is expected to carry out these matters expeditiously.	Action has not been taken even by January 2022 to make recruitments for the vacant posts.

Head 295 – Department of Commerce

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	In terms of provisions in Sections 40 (1) and 40 (2)(1) of the National Audit Act, No.19 of 2018, action had not been taken up to the year under review to appoint an Internal Auditor.	An internal audit should be carried out in a timely manner.	Explanations had been given.	An Internal Audit Unit had not been established.
2.	The post of Director General (Commerce) of the Department fell vacant from 11 September 2019. The Additional Director General (Commerce) acted in the post of Director General (Commerce) from that day. However, after his retirement in May 2020 both two top posts in	Speedy action should be taken to fill vacancies in the top management.	Explanations had been given.	A Director General (Commerce) had not been appointed.

	Executive Level of the Department fell vacant. Approval had not been received even up to now for the Cabinet Memorandum submitted for appointing a Director General (Commerce).			
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Head 296 – Department of Import and Export Control

	Major shortcomings included in the Audit Report	Recommendation of the Auditor General	Preventive Measures taken by the Auditee Entity	Current Position
1.	In terms of Section 11E of the Import and Export Control Act No. 01 of 1969 as amended by Act No. 28 of 1978, although importers who were importing contrary to the standard were required to be gazetted, the Department had not done so.	The details of the importers who are importing contrary to the standard, should be published in a Gazette.	It has been informed that the Gazette has been drafted.	Has not been gazetted so far.
2.	The Department had not taken action to recover the loan balance of Rs. 335,753 of an interdicted officer by the end of the year 2020.	Action should be taken to recover the loan balance due.	The Director General - Combined Services has been briefed in this regard.	Has not been recovered.
3.	The purpose of the establishment of the Department of Import and Export Control is to take necessary action to control imports and exports which adversely affect the economy of Sri Lanka. At present, however, each subject was dealt with only on the basis of requests made by the relevant institutions. Therefore, the Audit observed that there was no recognized scientific methodology or procedure to carry out the primary purpose of establishing this Department and it was observed that the main function	Under the Import and Export Control Act No. 01 of 1969, action should be taken to control adverse imports and exports in accordance with the objectives, vision and mission of establishing the Department of Import and Export Control.	Even though 11 Gazette Notifications have been issued, no proper control has been carried out therefrom.	No steps have been taken so far to review whether the expected control is properly carried out by Gazettes and control adverse imports.

	was to charge only the license fee.			
4.	Even though the Department had signed the Memorandum of Understanding with ICTA on 03 February 2017 for development of software and incurred an expenditure of Rs.8,119,035 therefor, action had not been taken to complete this project.	Active intervention is needed to complete the project to get the work done on time as planned.	Action is being taken to complete the project.	Works have not been completed as yet.
5.	Illegal imports had been prevented from entering the country by Gazette No. 2044/40 dated 09 November 2017 containing provisions to prevent the importation of goods which should be restricted and prohibited and by Gazette Notification No. 1971/10 dated 14 June 2016 to restrict the entry of old vehicles into the country. However, due to the lack of inter-relationship with the Customs Department and due to the weaknesses in the control system of the Department, the Department did not have a follow-up methodology to follow up after the issuance of import licenses.	A follow up procedure should be established after the issuance of import licenses.	An appropriate follow up procedure has not been established so far after the issuance of import licenses.	Steps have not been taken to correct it.
6.	Custom duty amounting to Rs.114.6 million had been lost in the year 2017 due to numbering 35 used motor cars with different Customs Combined Classification Numbers and a sum totalling R.23,913,420 comprising licence fees of Rs.20,404,375 and additional fees of Rs.3,509,045 had not been recovered.	Importation of vehicles should be done in accordance with the Gazette Notifications and the instructions given to the Controller of Imports and Exports.	The Director, Criminal Investigations has been instructed to conduct an inquiry.	No appropriate measures have been taken so far.
7.	National Medicines Regulatory Authority Act, No.05 of 2015 – An import licence should be	Legal requirements should be attended to and necessary steps should be	No proper steps have been taken so far.	No proper steps have been taken so far.

	obtained if only a sample of drugs is imported. However, drugs valued at Rs.11,753,264 had been imported without obtaining such licence. Moreover, permission had been granted to import drugs worth Rs.964,897 despite expiry of the registration certificate issued for import of drugs.	taken relating to officers who failed to do so.		
8.	Gazette Extraordinary No.2044/40 dated 09 November 2017 – A licence should be obtained from the Department of Import and Export Control for import of goods specified in the Gazette Extraordinary No.2044/40 dated 09 November 2017 on an Order given by the Minister under Section 26 of the Import and Export Control Act, No.01 of 1969 read in conjunction with Sub-section (3) of Section 4 and Section 14. However, no action had been taken in regard to import of 102 containers of 2,131,325 kg solid waste worth Rs.19,760,224 in the years 2017 and 2018 by a company registered in the Board of Investment of Sri Lanka.	Action should be taken immediately once made aware that the importers have taken action contrary to the Departmental procedures or in any other manner.	No action whatsoever has been taken.	No action whatsoever has been taken even by January 2022.
9.	Unavailability of a follow up procedure relating to licences issued by the Department of Import and Export Control on import of old vehicles.	The process of issuing licences should be in accordance with the Gazette Notifications.	No appropriate measure has been taken in this regard so far.	No steps have been taken for regularization.
10.	Even though a separate unit should be established for follow up procedure after issuing licences, it had not been so done.	An Investigation Unit should be established according to directives of Committees of Public Accounts.	An Investigation Unit has not been established.	Steps have not been taken to correct it.

11.	Despite being proposed to increase the number of institutions registered for issuing test certificates prior to the vehicles being shipped, the verification of the Sri Lanka Accreditation Board was not obtained even up to 31 May 2019 as to whether the institutions requested for registration to issue the test certificates before shipping the vehicles, were qualified enough.	The planned activities should either be carried out or revised.	No measures whatsoever has been taken.	No steps have been taken for regularization.
12.	The maximum age being considered in importing the gully bowsers is 15 years though, import licenses had been issued with respect to 03 gully bowsers older than 15 years and fees should have been charged on the said bowsers under the Classification No. 180. However, as fees had been charged under the Classification No. 150, license fees had been undercharged by a sum of Rs.647,929.	It is necessary to adhere to the existing rules. In case such rules are revised, the relevant parties should be apprised formally.	Measures had not been taken to recover the undercharged monies.	Steps have not been taken to correct it.
13.	Despite being observed that the import of pepper had directly attributed to the rapid decrease in pepper prices, the Department had not adequately involved in formalizing the import and export process of pepper. The quantity of pepper imported to Sri Lanka under miscellaneous tax reliefs during the period 2012-2018, was 5,741,230 Kg, and the average import price thereof ranged between Rs. 600 and Rs. 700.	In order to fulfill the objectives of the Imports and Exports Act, the Department should directly involve in controlling the imports and exports.	No steps have been taken for regularization.	Action had not been taken to regularize so far.
14.	The shelf life of drugs worth Rs.20 million imported in 04 instances by 03 institutions, had exceeded the prescribed limit.	Proper action should be taken to look into the functioning of regulations imposed for import of drugs.	The said matter has not been looked into properly.	No steps have been taken for regularization.

15.	In the comparison of debit notes with import licences issued in the years 2018 and 2019, debit notes had been issued less than the licences issued relating to certain categories. Moreover, information was not made available to Audit whether the relevant imports were carried out under 171 debit notes in 05 licence categories and whether those goods had been cleared from the port without obtaining debit notes.	Proper follow up action should be taken on imports carried out using the licences issued.	A proper follow up procedure has not been established.	Action had not been taken to regularize so far.
16.	The Department had not taken action to obtain formal approval in terms of Financial Regulation 71 relating to three excess officers recruited.	Approval should be obtained in terms of Financial Regulation 71.	Approval had not been obtained.	Action has not been taken so far to correct it.

Head 297 – Department of Registrar of Companies

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	Although the number of companies filed annual returns during the year 2020 was 36,196 according to the Revenue Classification Report, it was considered as 20,973 in the computation of arrears of revenue. Accordingly, the revenue computed at the end of the year under review was Rs. 91,338,000. As 1/3 of it belongs to the Consolidated Fund, the arrears of revenue under the Registrar of Companies fee was overstated by Rs. 30,446,000.	Arrears of revenue should be calculated accurately.	As the filing of annual returns online had avoided by mistake, steps have been taken to include it.	Rectifications have not been made so far.

2.	In terms of Section 8 (1) (d) of the Societies Ordinance No. 16 of 1891 (Cap. 123), all registered societies are required to file annual returns on payment of a fee of Rs. 1,000 each. Accordingly, no action had been taken to identify the active societies out of 15,851 societies registered as at the end of the year 2020 and to recover the revenue due to the Consolidated Fund and revenue of Rs. 16,000 had been received only from 16 societies.	Action should be taken to identify the number of societies that need to file Annual Returns from the registered societies and to collect the revenue from filing Annual Returns accordingly.	Action is taken to write off the names of inoperative societies and creating the system so as to refer 3 reminders through the e-Roc system itself informing that annual returns of active societies should be filed.	Steps are being taken to identify the inoperative societies and to write off names thereof. However, those activities are in progress.
3.	Although arrears of Rs.54,000,000 and Rs. 63,450,000 was due from 54 listed public companies and 423 other companies respectively for the year 2016 alone for the annual company registration tax levied on all companies (excluding offshore and limited by guarantee companies) incorporated under the Companies Act, No. 07 of 2007, that revenue had not been recovered. (2020)	The annual company registration tax levied for the year 2016 should be recovered from the companies which have not paid the registration tax.	Publishing newspaper advertisements in three languages, granting the relief period for recovery of taxes and informing the companies by letters to pay taxes.	As the period given for the recovery of the said tax had expired, It is ready to hold discussions with the Ministry of Finance to extend the said period and revenues have not been recovered.
4.	According to department information, this annual company registration tax was payable from 71,802 companies registered before 2016, whereas only 18,631 companies had paid all or part of the amount due at the end of the year 2020. Accordingly, even though the full amount of the tax was payable from 53,171 companies, no action had been taken to recover the amount. (2020)	Action should be taken to recover the arrears.	It has been informed that a newspaper advertisement was published in three languages on 11.11.2019 to pay the revised Annual Companies Registration Tax and the period has been extended up to 05.07.2020.	As the period given for the recovery of the said tax had expired, It has been proposed to hold discussions with the Ministry of Finance to extend the said period again.

Head 298 - Department of Measurement Units, Standards and Services

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	No raids whatsoever on counterfeit measurements had been carried out in Mullaitivu and Mannar Districts in the years 2018 and 2019.	Arrangements should be made to achieve goals.	Filling the vacant posts of Officer In Charge on acting basis.	Raids on counterfeit measurements had not been carried out in these Districts for the year 2021 as well.

Head 299 - National Intellectual Property Office of Sri Lanka

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	Provisions of Rs. 97,000,000 had been received from the Line Ministry from year 2016 to 31 December 2019 for the implementation of the Project related to the approach into the Madrid Alliance Paper and out of which, a provision of Rs. 79,917,430 had been utilized. Out of that, a sum of Rs. 32,500,000 had been paid to the Information and Communication Technology Agency on 30 December 2016 for carrying out purchasing activities for server machine, system installation and maintenance of the system required for the Project. A Memorandum of Understanding had been signed for this and the relevant activities had to be completed within a period of about 06 months.	Maximum benefits should be obtained for the money incurred.	Action is being taken.	Action is being taken to draft a new agreement with recommendations of the Attorney General's Department for entering into an agreement again with the ICTA as per the Decision of the Cabinet of Ministers No. අමස20/0139/21 5/009 dated 20 February 2020 and to forward the said draft to the ICTA.

	Nevertheless, relevant work had not been completed even by the end of September 2020.			
2.	A consultancy service had been hired for the purpose of formulating amendments in order to meet the legal requirements and regulations according to Intellectual Property Act and for the purpose of updating trademark registration. A total sum of Rs. 6,500,000 comprising Rs. 4,504,877 and Rs. 1,995,123 had been paid in the years 2017 and 2018 respectively for this purpose. The company had agreed to submit the draft bill to the Cabinet by the end of October 2017, but that had not been fulfilled and the agreement had expired in April 2018.	Planned activities should be carried out on time without a delay, and an adequate service should be provided for the expenses incurred.	Action is being taken to implement recommendations.	The draft of the Intellectual Property Act with amendments prepared by the consulting company has been forwarded for the observation of the Attorney General's Department. However, relevant activities have not been completed.
3.	According to the Public Finance Circular No. 402 dated 12 September 2002, the relevant Performance Report should be tabled in Parliament within 150 days after closure of the financial year. However, the Performance Reports of the Office for the years 2015, 2016 and 2017 had not been tabled in Parliament by the end of May 2019.	Action should be taken in terms of circulars.	Changing the line Ministry belonging to this Department on 5 occasions from time to time had mainly attributed to the delay in tabling Annual Reports from the year 2017 to the year 2017 in Parliament.	Annual Reports for the years 2015 and 2016 had been tabled in Parliament on 11.01.2022. However, Annual Reports for the years 2017, 2018, and 2019 had not been tabled in Parliament even by 15 February 2022.
4.	The posts of Deputy Director / Assistant Director (Administration) and	Actions should be taken to recruit the staff for the essential posts.	Letters and reminders have been sent through the Trade Ministry to the Ministry of	Recruitments had not been made by the

	<p>Assistant Director (Information and Communication Technology) approved by the Department of Management Services had been in vacant since the date of approval and even though documents had been exchanged with the Ministry of Public Service, Provincial Councils and Local Government in this regard, there were vacancies even by 31 December 2020 .</p>		Public Administration.	Ministry of Public Administration so far.
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Head 300 - Food Commissioner's Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	<p>2018 Nine stores of the Department had been rented out to the Co-operative Wholesale Establishment and in renting out stores, a deposit had not been obtained. Moreover, a total of Rs.26,202,918 comprising of Rs.22,716,858 and Rs.3,486,060 as outstanding rents and water and electricity had been recoverable as at 31 December 2018.</p>	<p>Action should be taken to recover.</p>	<p>Action is being taken to recover outstanding rents.</p>	<p>An outstanding rental of Rs.23,915,083 was recoverable even at present.</p>
2.	<p>A sum of Rs.1,442,300 was recoverable from a consumers' cooperative society under the programme on sale of Myanmar rice implemented in the year 2008.</p>	<p>In renting out stores to external parties, a proper arrangement should be made to recover the lease rent timely.</p>	<p>Action has not been taken therefor.</p>	<p>The said amount had not been recovered even by now.</p>
3.	<p>Even though legal action had been taken in the year 2008 to recover a sum totalling Rs.1,029,624 for 03 stores used by a consumers'</p>	<p>A common set of rules should be formulated when renting out stores to external parties.</p>	<p>Action has not been taken therefor.</p>	<p>Outstanding rentals have not been recovered.</p>

	cooperative society, the recovery of relevant outstanding rental income had failed even by 31 May 2019.			
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	2019			
4.	The Mill Owners had not provided the amount of rice to be provided in terms of the agreement entered into with the rice Mill Owners in the years 2012 and 2013 on the basis of providing rice for storage in Veyangoda Scientific Warehouse in 2012. As such, the amount to be levied from Mill Owners was Rs. 7,390,700 . Even though it had been referred to the Attorney General's Department in 2017 for carrying out legal action in this regard, a lawsuit had not been filed even by the date of this report.	Action should be taken to recover the amount receivable.	A part of the said amount has been recovered.	A lawsuit has not been instituted so far and the amount recoverable at present is Rs.6,102,932.
5.	Veyangoda Scientific Warehouse No. 08 had been handed over to the Consumer Co-operative Society of Sri Lanka Ltd. for the storage of potatoes in the year 2018. The stored potatoes had rotten and water leaked and the damages had occurred to all the machinery and equipment in the warehouse. As a result, the warehouse could not be used for any purpose and 1 1/2 years had elapsed after closing of this warehouse by the date of this report. Even though the loss occurred to this warehouse had been estimated to a Rs. 3,315,000 by the	Taking measures to recover the loss and to achieve the objectives of building of the warehouse after recovering the loss and repairs.	Action has not been taken to recover the loss.	Loss had not been recovered even by now.

	relevant consulting firm, the loss had not yet been recovered even by the date of this report.			
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6.	2020 The balance recoverable by 31 December 2020 from 07 officers who had been interdicted, was Rs. 365,547 and it had included a loan balance of Rs.,202,627 older than 05 years, recoverable from 06 officers. The loan balance recoverable from 09 officers who had left the service was Rs.826,656 and it had included a loan balance of Rs.643,076 older than 05 years, recoverable from 08 officers.	Action should be taken in terms of provisions in the Establishments Code.	Action is being taken to recover the those balances.	Sums of Rs365,547 and Rs.796,656 were recoverable from 07 officers who had been interdicted and from 09 officers who had left the service, by now respectively.
7.	Loan balances amounting to Rs.154,130 and Rs.174,157 recoverable from a deceased officer and two retired officers respectively, lapsed over 05 years had remained as at 31 December 2020.	Action should be taken in terms of provisions in the Establishments Code.	- do -	Those loan balances had not been recovered even by now.
8.	The Food Commissioner's Department functions according to the vision "Safe, sustainable, nutritious staple grain foods for every household" and, had identified; (a) Maintenance of a special rice buffer stock of rice 8000 MT as per the Colombo Declaration and 16th Conference of South Asian Association for Regional Cooperation (SAARC) (b) Maintenance of 100,000	Activities relating to achievement of the vision and main objectives of the Department should be carried out without delay.	Had not commented.	Action had not been taken even by now to perform the key functions.

	<p>MT of rice buffer stock at the island wide Food Department warehouses as per the Cabinet Decision dated 27 April 2008, as its key functions.</p> <p>However, no stocks of rice whatsoever had been available in the Department during the year 2020. As such, the Department had not paid attention towards achievement of main objectives.</p>			
9.	<p>Agreements had been entered into on 26 June 2019 for a period of 06 months to a value of Rs.524,244,587 for constructing the Dambulla Temperature Controlled Warehouse and according to the said agreement, works of the project should have been completed by 26 December 2019. However, the works thereof had not been completed even by 31 March 2021 and a sum of Rs.283,245,417 had been spent therefor by 31 December 2020.</p>	<p>Projects should be executed as planned.</p>	<p>Had not commented.</p>	<p>Constructions of the Dambulla Temperature Controlled Warehouse had not been completed even by now and A sum of Rs.286,080,392 with the sum of Rs.2,834,975 spent in the year 2021, had been spent as at 31 December 2021.</p>

Head 301 – Department of Co-operative Development

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
	<p>Drafting a Bill to regulate the regulatory activities of Cooperative Rural Banks and Other Co-operative Societies which provide financial services had been commenced since 2019 and it had further remained at the draft level and a sum of Rs.1,344,871 had been spent for this purpose during the year under review.</p>	<p>Expedite the formulation of the Act.</p>	<p>The final Draft Bill of the Act has been forwarded for further action to the Ministry.</p>	<p>An expenditure of Rs. 1,948,753,2021 had been incurred by the end of the year 2021. However, the Act had not been passed.</p>

Head 303 - Department of Textile Industries

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	Collection of detailed data for the census of island wide textile industry at Grama Niladhari Division level was started in the year 2017 under two phases. A cost of Rs. 16 million had been estimated for this census conducted by the Department of Census and Statistics and the Department of Textiles in collaboration with the District Secretariats and the census had been scheduled to be completed in the year 2017. The first phase of this census had been completed in the year 2019 and a sum of Rs.6,133,535 had been spent therefor. However, the second phase had not been completed even by 31 August 2020.	Census should be completed as estimated.	The estimate on expenditure submitted by the Department of Census and Statistics has been forwarded to the Commissioner, National Salaries and Cadre Commission for seeking the approval therefor by the Letter dated 19.09.2019 of the Director of the Department of Textile Industries.	It has been informed to submit revisions to the estimate submitted for approval and to forward the said estimate to the Director General of Establishments with recommendations. The second phase of this census has not been commenced.
2.	The ownership of the lands on which 05 buildings were constructed, used by the Department had not been settled.	Construction of buildings should be done after settling the ownership of the lands.	Action is being taken to settle the ownership.	Those activities are in progress.
3.	Achievement of the contribution of 10 per cent of the industrial sector towards the Gross National Product by enhancing the contribution of the handloom textile field, was a sustainable development goal. Even though action has been taken to commence textile villages therefor, it was observed that attention should have been drawn towards the capability of reaching the	Action should be taken to reach the expected objectives.	Twenty project proposals had been identified and initial awareness programme on 08 out of those proposals had been made in the year 2020. Even though it had been planned to commence the training activities, it had been postponed up to the year 2021 due to non-receipt of handloom	Expected objectives had not been achieved.

<p>expected objective, due to the reasons such as contribution made by textile villages established up to date, the current situation thereof and non-commencement of 10 villages planned in the year under review.</p>		<p>machines and related tools and the Covid pandemic.</p>	
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Head 304 - Department of Meteorology

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	<p>Even though agreements had been entered into for the establishment of a Doppler Radar System in Puttalama and Pothuvil Meteorological Centers within the period from the year 2017 to the year 2021 using Japan Yen 2,503 million from the Japan International Cooperation Agency and Rs.487 million from the Government of Sri Lanka, those constructions had not been commenced up to 31 December 2020. Further, action had not been taken to vest the land where the said the Meteorological Center is located, in the Department of Meteorology.</p>	<p>The Radar System should be established and action should be taken to vest the land where the said the Meteorological Center is located, in the Department of Meteorology.</p>	<p>Initially, it's seemed to be delays in getting approval for construction. However, JICA should inform that the process of purchase of Doppler machine equipment in Japan will be postponed until August 2021.</p>	<p>The companies by which quotations were submitted, has stated that the said purpose cannot be implemented as per the previous estimates by the year 2021 especially in the face of the Corona pandemic. Relevant activities have not been completed so far.</p>
2.	<p>Expenditure of Rs.4,089 million incurred for the Doppler Radar System from the year 2007 to the year 2013 had not been shown as assets.</p>	<p>Action should be taken to indicate these assets in the financial statements on the instruction of the General Treasury.</p>	<p>In the purchase of assets since the year 2016, fixed assets are brought to account through the CIGAS computer software and as such, action will be taken to rectify this error.</p>	<p>A Register of Fixed Assets had not been maintained during the said period and it was unable to find the records pertaining to the assets of the Doppler Radar System to record as assets and as such,</p>

				those have not been brought to account.
3.	The Department had established 37 Automatic Meteorology Centres Island wide. As the satellite pertaining to the System remained out of the earth orbit, the procurement had been awarded to obtain the connection of other communication media. However, the said institution had not completed that purpose even by 31 December 2020.	The Automatic Meteorology Centres required to be taken to operational conditions by maintaining properly.	The maintenance of the Automatic Meteorology Centres has been assigned to the Equipment Division and the Electronic Division.	It is expected to carry out procurements properly according to the recommendation on administrative affairs.
4.	The Radar System received to this country in the year 2011 had been installed in the year 2014. However, it had remained idle for a long period and as such, it had become inoperative. The said Radar System had been shipped by 21 April 2017 to a manufacturing company of the United States of America for repairs by utilizing the sum of US \$ 1.06 remained further in the Trust Fund of the World Meteorological Association in April 2018 and an additional cost of Rs.5.6 million had been incurred therefor. However, those machines had not been repaired and handed over to the Department again even up to 31 December 2020.	Action should be taken to identify the parties responsible therefor.	Action has been taken to identify the parties responsible therefor and to submit to the Commission to Investigate Bribery or Corruption for conducting an investigation.	Seven files have already been submitted to the Commission to Investigate Bribery or Corruption for that investigation and the said investigation is in progress.
5.	A sum of Rs. 32 million deposited in the Trust Fund of the World Meteorological Association for the	Action should be taken to indicate these assets and transactions in the financial statements on	As this institution is a "Grade A" department, there is a possibility of incurring expenditure	A Register of Fixed Assets has not been maintained and it was unable to find

	<p>installation of the Gongala Radar System, had been brought back to the Department and out of that, Rs. 1 million had been spent and the remaining sum had been remitted to the Treasury. However, the said remittance and misplace of equipment valued at Rs. 9 million had not been brought to account.</p>	<p>the instructions of the General Treasury.</p>	<p>from the revenue received. Further action will be taken after the investigation conducted on the misplace of equipment valued at Rs.9 million.</p>	<p>the records pertaining to the assets of the Doppler Radar System to record as assets.</p>
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Head 306 - Department of Sri Lanka Railways

		Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1		<p>The total weight of the discarded rails of various types and sizes in 19 offices of permanent way inspector was 3,502,674 kg in the year 2019 and they were sold at a price of Rs. 50 per 01 kg and the income that could have been earned by selling on that basis was Rs. 175,133,700. It is also observed that the remaining 26 offices of permanent way inspector may have more scrap metal.</p>	<p>Steps should be taken to dispose of discarded items in a proper manner.</p>	<p>Action should be taken to look into scrap metal remained in all offices of permanent way inspector and to assess and sale them.</p>	<p>Those have not been disposed of so far.</p>
2.		<p><u>Non-compliance with Generally Accepted Accounting Principles</u></p>			

		Even though the closing stock of the year should be computed and shown in accounts based on the physical balance as at the end of the year, stock values had been computed based on the balance of books.	The stock value as at the end of the year should be computed based on the physical value.	Difficulty in obtaining accurate source information due to dearth of the staff.	It has not been rectified even in the year 2021.
3.		<u>Property, Plant and Equipment</u>			
	(a)	The lands owned by the Department of Sri Lanka Railways had not been identified and not included their value in the statement of non-financial assets by substantiating the ownership of those properties. 2019-2020	Assets should be brought to account accurately.	Only the Head Office and 03 Sub-offices had accounted assets in the year 2020.	Accounting of assets has not been completed.
	(b)	Although assets worth Rs. 30,563,559,457 had been purchased in the year 2020 as per the financial statements, no purchases whatsoever had been shown in the Treasury computer printouts (SA 82).	Purchases of assets should be reported to the Treasury.	Updating data timely.	It has not been rectified so far.
	(c)	Considerable differences were observed between the amounts shown in the financial statements and the amounts shown in the Treasury printouts in relating to the non-financial assets.	Action should be taken to ascertain the reasons for the relevant differences and make corrections.	Comparing balances continuously.	It has not been rectified so far.

		Accordingly, differences of Rs.417,717,025,337 Rs.234,911,103,947 and Rs. 152,213,895,645 were observed between opening balances, closing balances and the disposal value respectively.			
4.		<u>Stores Advance Account</u>			
	(a)	An uncertainty balance had been included for tallying opening balances and closing balances of the Stores Advance Account in preceding years with the Treasury computer print outs.	Action should be taken to settle the balance shown in the account as over assessments.	There is a difficulty in settling old balances brought forward for a long period.	There are balances not settled so far.
	(b)	No action had so far been taken to adjust to the stock the expenditure of Rs. 94,559,163 incurred as Customs duty in the import of goods from the year 1993.	Action should be taken to adjust the direct expenses such as Customs duty to the stock.	A sum of Rs.27,440,938 of the said expenditure has been included in this stock by February 2021.	The total value has not been entered in the stock.
5.		<u>Advances to Public Officers Account "B"</u>			
	(a)	Receivable Loan balance from 91 officers who had taken property loan but presently not in the service from 01 year to	Legal action should be taken to recover due loan balances from the surety of the loan or Power of attorney.	Letters have been sent for recoveries.	Recoveries have not been made so far and it is unable to take legal action due to lack of documentary

		05 years was Rs.4.911 million and over 05 years loan balance was Rs.4.17 million as at 31 December 2020.			evidence.
	(b)	A difference of Rs.4,177,805 was observed between the departmental books and Treasury printouts relating to the Advances to Public Officers Control Account as at 31 December 2020 and it had been in existence since the year 2004.	Action should be taken to find out the reasons for the difference and to settle it.	The officers were instructed to settle the difference in consultation with the General Treasury.	It is unable to settle due to lack of adequate information.
	(c)	A difference of Rs.1,110,101 was observed between the balance of the Advances to Public Officers Control Account and the total in the individual balances classification summary relating to the year 2020.	Action should be taken to find out the reasons for the difference and to settle it.	Lack of adequate evidence.	A sum of Rs. 463,884 has been settled and the remaining balance has not been settled.
6.		<u>Management of Revenue</u>			
	(a)	In the year 2015, a sum of Rs. 900,000 have been spent to develop software to computerize the tax files maintain regarding tax revenue and to streamline the tax collection system. However, the department had so far failed to accomplish that task.	Steps should be taken to utilize computer technology to make tax collection more efficient.	Preventive measures have not been taken.	Payments have been made on the recommendation of the ICT Institute. It is proposed to be created a new database as an alternative by the Asian Development Bank.

	<p>(b) The details on arrears of revenue from the aforesaid leased lands are given below during a sample audit of 12 land files conducted in connection with the lease of lands.</p> <ul style="list-style-type: none"> Arrears of revenue for 10 leased lands had not been calculated after 2017 and the arrears amounted to Rs. 136,485,202. An age analysis on arrears brought forward for over a long period, appear below. 	<p>Attention should be paid to recovery of arrears.</p>	<p>Formalizing the leasing methodology and installing a system in a manner of monitoring it.</p> <p>Legal action will be taken.</p>	<p>Arrears of revenue have not been recovered.</p> <p>Properties have not settled from external parties.</p>	
<table border="1"> <thead> <tr> <th data-bbox="347 1020 509 1230">More than 5 years</th> <th data-bbox="509 1020 656 1230">More than 10 years</th> </tr> </thead> <tbody> <tr> <td data-bbox="347 1230 509 1499">23,430,450</td> <td data-bbox="509 1230 656 1499">9,030,585</td> </tr> </tbody> </table>	More than 5 years				More than 10 years
More than 5 years	More than 10 years				
23,430,450	9,030,585				
	<p>(c) The Railway Department had lost</p>	<p>Action should be taken to avoid this situation by</p>	<p>Introducing a devolved control</p>	<p>It has not been settled.</p>	

	lease revenue due to breach of contract terms, sub-leasing, non-compliance with the original purpose and non-revision of lease rents in respect of land leases.	expeditious use of computer software related to land leasing.	system under the supervision of a responsible officer.	
(d)	According to the letter No. 10/8/387 dated 10 September 1998 of the Director of the Urban Development Authority, the land was leased under a lease agreement LA 34817 and the said lease agreement was not in the possession of the Department. 2019	Action should be taken to keep all documents safe.	Preparing a mechanism for keeping lease files safe.	It has not been settled due to failure in receiving any response from the Urban Development Authority so far.
(e)	According to the financial statements presented to Audit, the arrears of railway warrants income for the year under review amounted to Rs. 848,334,880 and a balance of Rs.769,194 that continued to exist for more than a period of 23 years under the Railway Warrant 01 remained un-recoverable. Fifty-five per cent of Rs.847,565,686 due under the arrears of Railway Warrant 02 was the outstanding balances older than 05 years.	Measures should be taken expeditiously to recover the old outstanding balances.	Special arrangement has not been made so far for the recovery of arrears of revenue.	There is no detailed schedule relating to the outstanding income of Warrant 01 in the Department and only Rs. 40 million has been recovered by now. The arrears was Rs. 807 million.

(f)	A sum of Rs. 119 million was recoverable from 31 institutions in respect of freight transportation by trains and 25 per cent of them were the balances older than 18 years.	Expeditious action should be taken to recover the arrears of revenue.	Even though the letters have been sent to those institutions, letters have been returned as those institutions have been closed down and no alternative measures have been taken therefor.	Recoveries have not been made due to lack of evidence and information.
(g)	The total arrears due from railway stations amounted to Rs.16,792,829 including arrears of passenger revenue of Rs.10,879,857 parcels and freight transport revenue of Rs. 4,992,485 and arrears of miscellaneous revenue of Rs. 920,487. When taking into consideration the period of outstanding, no action had been taken to settle the passenger revenue as well as to prevent the occurrence of arrears in parcels. 2019-2020	Action should be taken to find out the reasons for not settling the revenue in arrears and to recover the arrears expeditiously.	Action had not been taken to recover the arrears of revenue and to prevent the loss of that revenue.	The arrears of revenue have not been recovered.
(h)	The arrears of other revenue as at the end of the year 2020 was Rs. 556,205,725 and no proper control system had been put in place to minimize that revenue in arrears. The revenue in outstanding relating to warehouse income,	A proper control system should be put in place to minimize the arrears of revenue.	Action had not been taken to prevent the arrears of revenue.	It has not been recovered.

		stationed canteen, advertisements, promotion, and small trade shops amounted to Rs. 506,507,273 and it represented 90 per cent of the other outstanding revenue. 2020			
7.		<u>Utilization of Provision made by other Ministries and Departments</u>			
		Provision of Rs. 18,930,500 and Rs. 7,812,182 made from the Object of the Ministry of Tourism for the years 2019 and 2020 respectively for the development of railway stations, had not been utilized.	Action should be taken to utilize provision made from other Ministries and Departments expeditiously.	No preventive measures had been taken.	Development activities have not been completed and development activities in Kandy have been completed.
8.		<u>Advance Balances</u>			
		Even though a sum of Rs. 7,957,438 had been paid to suppliers, those had not been settled.	Even though advances had been paid, steps should be taken to get relevant goods delivered.	No preventive measures had been taken.	It is attempted to get those goods delivered.
9.		<u>Unauthorized Working Loss</u>			
		In the Stores Advance Account, there was a working loss of Rs. 13 Million, and action has not been taken to settle this amount up to now 2019	Arrangements should be made to make provision from the Treasury to cover the relevant working losses as per the Financial Regulations.	Reporting on working losses to the Committee on Accounts.	Approval has not been received for writing off.
10.		<u>Non-compliance with Laws, Rules, Regulations</u>			

	<p>(a) Action had not been taken in terms of Financial Regulations 102 – 109 of the Democratic Socialist Republic of Sri Lanka to initiate disciplinary action against the responsible persons for loss of Rs.48 million caused by the accident occurred when the Power Engine No S11-902 collided with another train on 30 April 2014. Further, the Treasury approval had not been taken to dispose of the said engine. 2018</p>	<p>Disciplinary action should be taken against those responsible parties.</p>	<p>No preventive measures had been taken.</p>	<p>Even though disciplinary action has been taken, responsible parties have not been identified. It has not been disposed of.</p>
	<p>(b) According to the letter No. PED/RED/07/FR/GE N dated 25 April 2016 of the Director General of Public Finance, the income generated by a public asset should be credited to the Government revenue. However, contrary to that, a sum of Rs.10,308,233 earned by renting out of Mount Mary ground and clubs during 2012 to 2017 had been spent for various events without crediting to the Government revenue. 2018</p>	<p>Income generated from Government owned assets should be credited to the Government revenue.</p>	<p>No preventive measures had been taken.</p>	<p>It has not been rectified.</p>

	<p>(c) According to Paragraph VIII of the Establishments Code of the Democratic Socialist Republic of Sri Lanka, overtime is generally calculated based on the number of hours worked in excess of the average working hours of each day. But when working hours are set on a weekly basis, overtime should be calculated based on the number of hours worked in excess of the allotted number of hours per week. However, the Train Guards had taken overtime pay, including the normal working hours, even though they were required to receive overtime pay only for those who worked more than 42 hours a week for 7 hours a day. 2019</p>	<p>Action should be taken in accordance with paragraph VIII of the Establishments Code.</p>	<p>No preventive measures had been taken.</p>	<p>Even though a circular has been issued, it has not been effective so far.</p>
	<p>(d) According to Section V of Paragraph 03 of the Pensions Circular No.3/2015 dated 24 April 2015, a database relating to the officers who have exceeded 54 years of age, should be maintained in an updated manner, such database was not in operation in any sub-departments of the</p>	<p>A database on the officers to be retired should be prepared and maintained in an updated manner.</p>	<p>It has been informed that necessary instructions have been given to prepare a proper procedure in this regard.</p>	<p>It has not been rectified so far.</p>

		Department of Sri Lanka Railways. 2020			
11.		<u>Non-achievement of expected Outcome</u>			
		Due to the delay in the installation of water filters under the project for the Installation of water filters at the railway stations in the year 2017, a sum of Rs. 1,636,640 should have been recovered from the supplier. Nevertheless, it had not been so done. Further, 17 water filters installed at 17 railway stations in Anuradhapura Division had become defunct and the value thereof was Rs. 10,211,000.	Action should be taken to achieve the expected outcome of the project.	No preventive measures had been taken.	All water filters have become inoperative. It is observed as an uneconomic expenditure.
12.		<u>Projects abandoned without completing</u>			
	(a)	For the purpose of transport of the flour, the main production of the Prima Company, that company had purchased 15 container flatbeds and 30 containers with a container handling machine on a credit basis on behalf of the Department of Railways. An agreement had been entered into to offset the cost thereof against	Attention should be focused on increasing income of the Department by operating freight trains as agreed with that company.	Not replied.	Action has not been taken as per the agreement.

		<p>the transport charges. According to the said agreement, the Department of Railways should have operated 20-22 train trips from Trincomalee to the Seeduwa warehouse within a month. Nevertheless, the number of train trips operated from 06 January to 15 February 2021 was 05 and the income earned therefrom was Rs. 2,654,750.</p>			
	(b)	<p>The Prima Company transports 18,100 metric tons of flour to the warehouses located in each district per month and if that quantity is transported by trains, the Department could have earned a monthly income of Rs.19,349,687. Accordingly, an annual income of Rs. 232,196,244 could have been earned from the transport of flour alone, whereas the Department had not focused thereon and taken steps to increase the flour transport income. 2019</p>	<p>Action should be taken to provide facilities to transport flour by trains and thereby, increase the income of the Department.</p>	Not replied.	<p>Action has not been taken as per the agreement.</p>
	(c)	<p>The Holcim (Lanka) Ltd. had withdrawn from the agreement due</p>	<p>Measures should be taken to increase the income received from transportation of coal.</p>	Not replied.	<p>It has been discontinued currently. The</p>

		to failure in supplying wagons duly for transportation of coal. As such, an income more than Rs. 28 million which could have been earned annually, had lost.			relevant institution has withdrawn ex parte from the agreement .
13.		<u>Projects without Progress despite the release of Money</u>			
		Even though a sum of Rs. 15 million had been granted for the installation of water meters for the official quarters premises of the Mechanical Sub Department of Ratmalana, the work had not been accomplished. Therefore, the water consumption of the premises had to be borne by the Department.	The Department had spent nearly Rs. 25 million annually for water consumption in official quarters. Immediate action should be taken to prevent this situation.	Prompt action should be taken to avoid such losses.	No solution has been made to minimize expenditure.
14.		<u>Performance</u>			
		(i) Although the main reasons for imposing speed limits were identified as poor sleepers, weak rails and inadequate use of ballasts. But no shortage of ballasts was observed and the main factors affecting the efficiency of	Weak spots have been identified and need to be addressed immediately.	Taking necessary action to remove speed limits and to make trains operate on time.	Steps have not been taken to reduce speed limits.

		the railway service were not taken into consideration.			
15.		<u>Underutilized Assets</u>			
		Even though equipment for railway crossings valued at Rs.26.56 million had been purchased in the year 2014 as an emergency purchase, out of them, equipment valued at Rs.6.31 million had been stored in the Signal Sub Department by now without utilizing. The 02 year guarantee period given for those equipment had expired by now.	Measures should be taken against responsible parties in terms of provisions.	Purchase of goods according to specifications by identifying the requirement.	Goods of which the guarantee period was expired, are being utilized as per the requirement.
16.		<u>Annual Performance Report</u>			
		The Annual Performance Report of the year 2020 had not been prepared even as at 30 September 2021 in accordance with the Format in Guideline 14 issued by the Department of Public Finance in accordance with paragraph 12.1 of the Public Finance Circular No. 2/2020 dated 28 August 2020. The Performance Report for the year 2019 had also not been presented to Parliament.	The report should be prepared in time and presented to Parliament in accordance with provisions in the Circular.	No preventive measures had been taken.	It has not been submitted so far.

17.		<u>Procurements</u>			
	(a)	<p><u>Purchase of S 13 Power Sets.</u></p> <p>(i) According to the engineering estimate submitted by the Railway Department for purchasing power sets, the shipping cost per unit is Rs. 1,166.70 million and the bid submitted by the bidder was Rs. 1,402.80 million. Accordingly, the value to be paid for one power set is more than the engineering estimate of Rs. 236.10 million.</p>	Procurement guidelines and prior experience should be considered.	In preparing engineering estimates, action should be taken with experiences and responsibility.	In preparing engineering estimates, it is always prepared at a low cost.
		<p>(ii) The bid submitted by the Bidding Company was US \$ 63 million. That is Rs. 9,135 million. As the price is more than the engineering estimate of Rs. 7,317.60 million, the decision taken in the discussions with the Cabinet</p>	Procurement guidelines should be followed.	-do-	In preparing engineering estimates, it is always prepared at a low cost.

		Negotiating Committee was Rs. 8,787 million. When compare with this, the revised price also more than the engineering estimate by Rs.1,469.40 million.			
	(iii)	In order to expedite the purchase of power sets, one economical class compartment (EC) has been removed from the order and the price which was agreed finally was Rs. 8,417.25 million. That price also more than the engineering estimate value of Rs. 7,317.60 by Rs. 1,099.65 million. Under those circumstances, one Economical Class Compartment has been lost.	Transactions should be approached thriftily.	Taking action to evaluate technical specifications so as to achieve more benefits to the institution.	- do -
	(iv)	The first power set should have been sent by the supplier within 14 months from	Procurement guidelines should be followed.	Delay charges should be assessed and levied duly.	Action has not been take so far.

		<p>the date of the advance payment and the date of commencement of the letter of credit or the date of conceptual planning and the other power sets should have been sent within 22 months. Also, a 0.5% of delay charge will be levied for each week following the 30-day delay. The delay charge of Rs. 35,619,617 due to non-delivery of Power Sets on time had not been recovered.</p>			
	(b)	<p>Under the Indian loan assistance, 10 M 11 locomotives had been purchased at a cost of about Rs. 850 million. Although the procurement should have been done through open bidding in India, it had been carried out as a single-source procurement. Similarly, there observed 20 instances where the specifications of the bidder did not match the specifications submitted by the Department. Of the 46</p>	<p>Action should be taken in accordance with provisions in the Procurement Guidelines.</p>	<p>Not replied.</p>	<p>Only 3 out of 10 locomotives were in operation.</p>

	<p>conditions contained in the Technical Specification, 17 or 37 per cent did not comply with the Technical Specification, and as such, it should have been canceled in accordance with Guideline 2.4 of the Procurement Guidelines.</p> <p>Nevertheless, it had not been so done. Further, in terms of Condition No. 3.2 of the Indian Engine Purchase Agreement, after considering the technical deficiencies in respect of running conditions and rectifying the issues within three months, the other shipments had to be made. But shipments had been made without being complied with it. In taking into consideration the condition of the railway lines in Sri Lanka, these engines could have caused running problems due to their length and 3 out of 10 locomotives were not in operation due to various faults by the end of April 2021. Further, due to the purchase of Indian engines despite the</p>			
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	confirmation of the Department of External Affairs that American engines are more economically viable than Indian engines, the loss incurred by the Government over the entire transaction is estimated at US \$. 10.5 million or Rs. 1,905.23 million.			
(c)	Although the procurement activities envisaged at least for a period of three years shall be listed in the Master Procurement Plan in terms of Guideline 4.2.1(b) of the Government Procurement Guidelines, despite not inclusion the purchase of CNC Vertical Turret Lathe machine in the relevant annual procurement plan of the Department for the years 2016, 2017, 2018 and 2019, it had been purchased on 07 January 2019 at a value of Rs.47,072,562. The Procurement Time Schedule describing in chronological order, steps of each individual procurement action, from the point of commencement until its completion had not been prepared in accordance with	All purchases should be made in accordance with provisions in the Procurement Guidelines.	Not replied.	It is an error in control panel and it can be repaired from the Mechanical Sub Department of Ratmalana. However, such activities have not been commenced so far.

	<p>Guideline 4.2.2 a, b of the Procurement Guidelines. Further, there were also issues with respect to the pre-eligibility test, the contracting process, and specially in scrutinizing the relevant agreement by the Legal Division of the Department. A mechanical engineer had been appointed as a member of the Procurement Committee involved in this transaction and although he had been paid Rs. 708,142 for the work, no action had been taken to obtain his services until his retirement.</p>			
(d)	<p>The installation of a closed circuit television system (CCTV) between Fort and Maradana had been completed on 17 November 2013 at a cost of Rs. 35,579,668 and after a lightning strike on 12 June 2014, thirty one (31) cameras of the Colombo Fort Railway Station and 17 cameras of the Maradana Railway Station became defunct before the warranty period expired. Although the warranty period is two years as</p>	<p>Action should be taken in terms of provisions of the Procurement Guidelines.</p>	<p>Not replied.</p>	<p>The issue has not been settled so far.</p>

	<p>per the terms of the technical agreement, it had not been repaired by the supplier till the date of this report. It was not observed that the possible damages from the lightning had been considered in advance and the contractor had falsely stated that the institution was affiliated to the University of Moratuwa and had carried out this contract. It had failed to detect this fraud at the initial stage and had failed to institute legal action against the institute even up to date.</p>			
(e)	<p>A sum of Rs.96,931,488 had been spent for installation of Event Recorder and Vigilance systems for 6 M class trains and W-3 class locomotives and no specific proposals had been made for this project, no study had been conducted on it, and no pre-identification had been made as to which engines they would be fitted with. The types of engines used to install those devices had been changed from time to</p>	<p>A pre-study should be conducted before carrying put procurement activities.</p>	<p>No preventive measures had been taken.</p>	<p>It is observed as an uneconomic transaction.</p>

	time and due to delays occurred owing to irregularities in the project, an additional amount of Rs.1,916,909 had to be paid as at 05 March 2020 on the effect of exchange rate change.			
(f)	Without being published an advertisement stating that sand could be transported by train, one private institute had been given the opportunity to transport sand by train. An agreement had not been entered into for this purpose and as measures had not been properly taken in determining the charges, the revenue due to the Department of Railways had been lost.	Action should be taken so as to earn a profit to the Department by following the procurement process.	Formalize the transport of sand by train.	Transportation of sand by train is not carried out now.
(e)	A contract worth Rs.1,323,800 had been awarded for the purchase of 200 ballast cubes of 1 ½ inches in size required to the Trincomalle District Engineering Office of the Department of Railways. In this connection, a performance security had not been obtained and a formal agreement had not been entered into as per the	Provisions in the Procurement Guidelines should be followed.	Not replied.	It has been informed that it will be reported by examining information thereon.

		Guidelines 5.4.10 and 8.9.1 of the Procurement Guidelines. Although 15 months had elapsed as of 15 February 2021 since the award of the contract, relevant task had not been carried out. Due to this, the removal of speed limit on the line has been delayed up to now.			
19.		<u>Management of Assets</u>			
	(a)	Although the Railway Security Service had informed the Legal Division through 51 files from RSS / MTL / 01/2019 to RSS / MTL / 51/2019 regarding unauthorized constructions and unauthorized activities in the railway reserve during the year 2019, those had not been acquired.	Action should be taken to expedite the legal actions against the unauthorized constructions and activities.	Special and practical measures should be taken.	Necessary steps have not been taken for formalization.
	(b)	In terms of Paragraph 07 of Asset Management Circular No. 01/2017 dated 28 June 2017, information on the purchase and disposal of assets in 2018 had not been submitted to the Comptroller General's Office.	Instructions in the circulars should be followed.	Giving instructions to take action according to circular provisions.	Relevant reports have not been submitted so far.
	(c)	It was observed that the Wheel Press machine which can be used to remove 500 tons of	Steps should be taken to ensure the maximum use of high value machinery.	No preventive measures have been taken so far.	No repairs have been made so far.

		wheels installed at the No. 22 factory at Ratmalana had not been in operation for about 2 years.			
	(d)	Out of the official quarters belonging to the Office of the Inspector of Permanent Way in Trincomalee, Matara, Polgahawela and Anuradhapura, 313 quarters remained idle including, 172 quarters of repairable level and 141 quarters that can be used for residing.	The quarters to be repaired should be repaired as expeditiously as possible and measures should be taken on the idle quarters so that an income can be earned to the Department.	No preventive measures have been taken so far.	Issues have not been settled.
	(e)	Although a period of 04 years had elapsed from causing accident to the Cab bearing No. 50 – 8777 by 02 February 2021, the date of audit, it remained decaying due to no taking steps to repair the vehicle.	Steps should be taken on the damages in accordance with Financial Regulations and repairs or disposals should be done expeditiously.	Repairs or disposals should be done before decaying the said vehicle.	No decision on repairs has been reached so far.
	(f)	It was observed that 06 vehicles parked in 18 factories were left unrepaired.	Action should be taken to repair or dispose of the vehicle.	Necessary prompt action should be taken before decaying the said vehicle.	No measures have been taken so far.
	(g)	Worth of Rs.358,940,567 non-running Locomotives, Bogies and Wheels which are exceeded their effective life span had not been removed or disposed of from fixed assets.	Action should be taken to properly dispose of unused assets.	Prompt action should be taken.	No measures have been taken so far.
	(h)	Although the Kadugannawa Railway Museum,	Since it is the responsibility of the Accounting Officer to protect public property,	Prompt necessary should be taken to protect artefacts.	No measures have been taken so far.

		which was established in 2014 to mark the 150th anniversary of the Sri Lanka Railways, has attracted a large number of local and foreign tourists, no steps have been taken to protect it and to increase revenue. 2019	appropriate action should be taken.		
	(i)	Even though the Ambepussa Quarry had millions of rupees worth of machinery and vehicles, action had not been taken to protect them. . 2019	Steps must be taken for the security.	Strengthening the security.	No safety measures have been taken.
	(j)	It is observed that 33 unauthorized occupants of the land belonging to the Ambepussa Quarry have affected the security of the assets.	Steps must be taken to prevent the misuse of land.	Eviction of unauthorized occupants should be expedited.	Necessary steps have not been taken.
20.		<u>Management Weaknesses</u>			
	(a)	The locomotive No. 984 of M 11 type brought to transport the fuel tanks had been parked at the Galle track from 16 October 2020. The engine had been so parked due to insufficient length of points and crossovers at the Galle railway station.	In purchasing new locomotives, attention should be drawn to utilize the available resources.	No preventive measures have been taken so far.	Action has not been taken to settle.
	(b)	The arrears of Rates payable for 180 railway properties belonging to	Action should be taken to identify the ownership of the properties as fines have to be	No preventive measures have been taken so far.	A number of 140 of 180 have been identified. Rates

		the Colombo Municipal Council up to 31 December 2019 was Rs.40,627,132. The Department had not taken steps to correctly identify the usage of properties related to this arrears and make the relevant payments. 2020	paid in case of failure to pay Rates on the due date.		have not been paid therefor.
	(c)	Payments for unsupplied goods had been made each year from 1980 to 2020 and 42 per cent or Rs.33,681,581 of the total payment was the payments made prior to 2010 and the remaining 58 per cent was the payments after the year 2010, of which 40 per cent or Rs. 31,900,907 was the payments made during the period of 05 years from 2016 to 2020.	Action should be taken to get the unsupplied goods.	No preventive measures have been taken so far.	The balance had decreased by Rs.19.7 million in the year 2021.
	(d)	The value of unsettled letters of credit as at the end of the year 2020 was Rs.594,378,058 of which 35 per cent or Rs.207,564,302 was the old balances between 03 and 22 years. Although a period of more than 03 years had elapsed since the payment of money, the reasons for not settling these balances through GRN were not	Action should be taken to conduct a formal investigation in this connection and settle these letters of credit.	No preventive measures have been taken so far.	The total value has not been settled.

		furnished to Audit and it was questionable during the audit whether these payments of over Rs. 207 million were paid to suppliers for non-supplied goods.			
	(e)	<p>Although bids had been called for the purchase of 663 spare parts under 09 categories for spare parts required for S 10 - Class Power Coaches, 540 spare parts of 04 types were removed from the evaluation stating that they were not required at present. It was also observed that the 4 types of spare parts were purchased despite the availability of the stocks in sufficient quantities.</p> <p>Accordingly, it was observed that the need to purchase spare parts for the Department had not been determined in a proper manner according to a proper study and Rs.19,515,262 had been spent for the collection of unnecessary stocks. 2020</p>	As this will lead to an unnecessary block of the funds of the Department and therefore, care should be exercised to prevent it.	No preventive measures have been taken so far.	Audit recommendations have not been implemented. It has been informed that those are reusable.
	(f)	Although stock purchases for the stock advance account should be made after identifying the stock requirements, due to the purchase of stocks	Attention should be focused on not retaining the limited funds unnecessarily.	No preventive measures have been taken so far.	Steps have not been taken to remedy the shortcomings.

		without identifying the requirement, a large value from the final stock balance had become unused stock items. Out of the stock balance as at the end of the year 2020, stock items worth Rs. 298,187,731 had not been utilized for any purpose during the last 05 years.			
	(g)	The stock of railway spare parts in the warehouse remained in a range between Rs. 1,905 million and Rs. 6,392 million during the last 16 years, and it was observed that issuance of spare parts in 14 of those 16 years had been less than the quantity of purchase. Similarly, the stock in hand had increased threefold during the period of 16 years.	Action should be taken to maintain the standard stock level.	No preventive measures have been taken so far.	Steps have not been taken to remedy the shortcomings.
	(h)	Although the Railway Department has spent on procurement to purchase a machine to carry out repairs to the Shock absorber in the Train Engine and Carriages machinery for 3 years period, the same machine has not been purchased up to now so as those inspections are done	Steps should be taken to make the railway service efficient by utilizing modern technology.	No preventive measures have been taken so far.	That machine has not been purchased so far.

		manually. 2019			
	(i)	Imports under the Indent number of RLM 3507/14 in 2016 and the Item valued at Rs. 1,080,340 and the specifications of those items have not been matched with the departmental specification. It was observed that the validity of the bank guarantee given for the goods had also expired, but Railway Department has not acted as to reimburse of those moneys or to obtain suitable items for those items.	Action should be taken to extend the bank guarantee period and import suitable items.	Purchase of appropriate required goods.	It has not been settled so far.
21.		<u>Losses and Damage</u>			
	(a)	The number of financial damages reported from 20 September 1990 to 14 September 2019 in the Chief Mechanical Engineering Division of the Ratmalana Railway is 37 and its value is Rs. 30,187,729. Twenty three, out of those 37 damages were due to theft and the value of them was Rs. 28,089,368. Although the Railway Security Service was deployed to secure the yard, the audit observed an increase in thefts.	Although the department has a separate security division, appropriate action should be taken as thefts at factories have not decreased.	Taking action according to Financial Regulation's and strengthening the security.	Even though the security personnel are increased, thefts at factories have not decreased.
	(b)	Although a committee has been appointed to	Action should be taken in accordance with Financial	Establishment of control and safety	Reports on investigation have

		investigate the burning and destruction of the 40 million worth of stone machine in 2015, the report thereon has not been released yet. The remaining parts of the burning machine had not been properly disposed.	Regulations.	measures.	not been submitted so far. Disposal activities as well have not been completed.
	(c)	A number of 500 meters of single copper cable 240 mm had been procured for 39 factories in the Ratmalana Mechanical Sub department in 2017, and out of that, 215 meters of cables valued at Rs 1.55 million were stolen in 2017 but was not reported in terms of Financial Regulation 104 (4) within three months from the date of the damage. 2018	A full inquiry should be conducted on the theft to determine the responsible parties therefor and legal action should be taken against them.	Strengthening the security.	Legal action has not been taken and inquiries have not been held as per Financial Regulations.
	(d)	An extensive investigation into the fire that broke out at the Anuradhapura Railway Carpentry Factory had not been carried out. Further, the damage to the building and its items had not been assessed and action had not been taken to identify the responsible parties and to take relevant measures.	Financial Regulations should be followed in connection with losses and damages.	Defects in electrical systems should be remedied and assessment of damages.	Responsible parties are unable to identify and damages are not assessed.
	(e)	As the attention of the administration had not	Prompt action should be taken for selling.	Utilization of	The Tender was cancelled. A bidder

		been focused to auction or sale by tenders the steel such as DOGSPIKES, Bearing Plates and Fish plates, the Railway Department lost an income of Rs. 27,645,400 that could have been obtained by the Department.		materials to the maximum.	instituted a lawsuit.
	(f)	It was observed that 500 base plates (instead of Bearing Plates) had been obtained on 18 November 2014 to replace the wooden beams on the Malwathu Oya bridge, whereas those spare parts had not been used for the relevant purpose up to date. 2020	Items purchased should be used for the relevant purposes to receive benefits therefrom.	Those are being used.	May be Unserviceable.
22.		<u>Financial Irregularities</u>			
		Leave had not been approved for a Deputy Superintendent of Railway Security (Coverage) who had not reported to duty from 15 August to 15 October 2019 for that period. As such, sums of Rs.160,924 and Rs.855,235 had been overpaid as salaries from 15 August to 15 October 2019 and from January to 31 October 2020 respectively despite having made	A proper coordination should be maintained among divisions of the Department.	No preventive measures have been taken so far.	Overpayments have not been recovered so far.

		retired from 09 January 2020.			
23.		<u>Improper Transactions</u>			
		Pursuant to Financial Regulation 213, the daily attendance of workers paid by check roll must be verified by an authorized officer and re-checked by a supervising officer. In addition, if there are workers working in various outdoor locations, their attendance should be accurately recorded and the locations where they are employed should also be named. However, as of September 01 to 09 of 2019, the building inspector's office has not approved the future programs of the supervisory officers of the employees who are getting salary through Check Rolls and there is no one to supervise the duties of these workers. The audit could not rule out the possibility of misuse of Government funds. 2019	According to Financial Regulation 213, the authorized officer must ensure that the daily attendance of workers paid by check roll is correct.	Subordinate officers should be supervised properly.	Supervision is not carried out properly.
24.		<u>Rendering Services to Public</u>			
		It has not been facilitated to point out requirements of the public, charges or	Facilities should be provided to point out requirements of the public, charges or appraisals on the Department	No preventive measures have been taken.	It has not been maintained in an updated manner.

		appraisals on the Department if any, on the website of the Department of Railways.	if any, on the website of the Department of Railways.		
25.		<u>Human Resources Management</u>			
	(a)	According to the staff data submitted for Audit by the Railway Department, the number of vacancies in the entire approved cadre as at 31 December of the year 2020 was 7,335 which was 37 per cent of the total approved cadre. Without being taken action to fill those vacancies, the Department had recruited staff of 355 on casual and contract basis without formal approval. 2018, 2019, 2020	Action should be taken to fill vacancies taking into account the service requirements.	No preventive measures have been taken.	Recruitments have not been made so far.
	(b)	Without being taken action to fill the staff vacancies of the Department, 234 retired officers of the Department had been reinstated. 2018, 2019, 2020	Action should be taken to make new recruitments for the vacant posts.	No preventive measures have been taken.	Recruitments have been limited.
	(c)	The performance of the officers is expected to be enhanced by signing a performance agreement in addition to the performance appraisal papers of the	Action should be taken in accordance with paragraph 01 of Public Administration Circular No. 02/2018 dated 28th January 2018 of the Ministry of Public Administration and	Evaluation of the performance should be made in an updated manner and preparation of the Human Resources Plan.	Relevant plan has not been prepared.

		<p>public sector officers as per paragraph 01 of Public Administration Circular 02/2018 dated 28th January 2018 of the Ministry of Public Administration and Management.</p> <p>Accordingly, although it was mandatory to sign the agreement from the year 2018, no such agreement had been prepared regarding the performance of the officers of the Department. According to paragraph 05 of the same circular, a human resource development plan should be prepared with effect from that date and should be updated at least once in two years. The Department had not prepared such a plan.</p> <p>2019</p>	Management		
	(d)	<p>Schemes of recruitments have not been prepared and the approval of the Public Service Commission has not been obtained in terms of Section 35 of Chapter iv of the Procedural Rules for the appointment of Public Officers of the Public Service Commission for 11 posts in the Department.</p>	<p>Schemes of recruitments should be prepared and the approval of the Public Service Commission should be obtained in terms of Section 35 of Chapter iv of the Procedural Rules for the appointment of Public Officers of the Public Service Commission for 11 posts in the Department.</p>	<p>Taking action as per Laws, Rules and Regulations.</p>	<p>No approval has been received so far.</p>

Head 307 – Department of Motor Traffic

	Audit Observation	Recommendations	Preventive Measures taken by the Entity	Current Position
1.	<p>Monies daily collected in the Werahera Office had not been kept in the safe under the supervision of a Staff Officer. Similarly, one of the keys of the safe should be kept in the custody of the Assistant Commissioner in charge of the Shroff's Division as a desirable internal control system. Nevertheless, all the keys had been kept under the custody of the officer in charge of petty cash.</p>	<p>A proper supervision should be exercised by the officers who have been assigned the custodian of the keys and monies.</p>	<p>The Accounting Officer has agreed with the Audit and to avoid such errors in future, he has indicated that instructions were given as per Letter No. DMT/WE/EST/48 /2021/1 dated 11 February 2021 of the commissioner General f Motor Traffic to the officer in charge of cash to carry out deposit of money in the safe keeping one key in the custody of a Staff Officer and banking of money under the supervision of a Staff Officer.</p>	<p>It had been informed by the Commissioner General of Motor Traffic that at present one key has been kept in the custody of the officer in charge of cash and the other key in the custody of the Commissioner (Driving Licences). However, it was observed during the audit examination carried out from 11 January to 18 January 2021 that both keys have been kept in the custody of the officer in charge of cash.</p>
2.	<p>Eight vehicle inspection equipment received by the Vehicle Examination Centre, Werahera in the year 2004 as a donation from the German Government for issuing the vehicle inspection report efficiently to the clients had remained idle even by 31 December 2018. Although those equipment had been manufactured in Germany, according to the information</p>	<p>Purchasing should be made by properly recognizing the requirements and decisions should be timely taken so as to receive more benefits.</p>	<p>The Accounting Officer has informed that these equipment could not be operated due to an electricity issue and as the wires of the computer system of those equipment have been severely damaged by rats</p>	<p>The Accounting Officer has indicated that only the usable parts thereof such as vehicle lifting equipment, steering wheel testing equipment are being used. The other parts are unused.</p>

	received, equipment with state-of-the-art technology has been introduced to the market at present. Accordingly, the technical standard of those equipment had comparatively deteriorated.		and even though attempt was made to reconstruct together with the local agency of the parent company, the said defect could not be repaired.	
3.	After the use of generator with the capacity of 500 KW by the Werahera Office, the previously used generator with 200 KW in capacity had been retained disused in the same Section instead of taking steps to install it in another Section by determining the requirement or to dispose of the same. As such, the amount of Rs.451,720 paid in respect of service agreement and the repairs had become futile.	Decisions should be taken in a manner favourable to the Government. The Generator should be suitably used.	As per letter No. DMT/H/ACC/10/AUDIT/24-2018 dated 08.08.2019 of the Commissioner General of Motor Traffic, the said machine has been proposed to be disposed of. However, the Accounting Officer has informed by his reply that the Director of the Army Information Centre and the Chief Engineer of the Generator Unit of the Ceylon Electricity Board also have been informed to get it tested by a Technical Officer with knowledge on such machines and to submit a report.	The generator still remains unused.
4.	Since the Department had entrusted the task of issuing international driving licences to the Lanka Automobile	Issuance of driving licences should be planned so as to receive an income to the Government.	As per the letter dated 04.11.2021 of the Secretary of the Lanka	As per the Gazette Extraordinary No.1594/27 of 26.03.2009, the

	<p>Association, Department had not earned income as per the Driving Licence (Surcharge) Orders No.01 of 2009 specified in the Gazette Notification No.1594/27 dated 26 March 2009 and the Department lacked any details on the number of driving licences issued during a particular period of time. Similarly, there was no evidence that any written agreement had been entered into between Lanka Automobile Association and the Department in this connection.</p>		<p>Automobile Association, it has been indicated that the agreement on fees between the Department and the Association has been confirmed.</p>	<p>Accounting Officer has informed that Rs.400 and Rs.500 is paid to the Department per each printed Driving Licence as normal licence fee and priority licence fee respectively based on the revised fee from September 2021.</p>
5.	<p>No charges whatsoever had been recovered in respect of water and electricity used by the institutions such as National Transport Medical Institute and the Milk Bar maintained at the Werahera Office premises. Likewise, any agreement entered into by those institutions with the Department relating to the use of the office premises had not been furnished to Audit.</p>	<p>Decisions should be taken in a manner favourable to the Government.</p>	<p>It has been informed that action will be taken to recover electricity charges.</p>	<p>No electricity charge is recovered.</p>
6.	<p>Although the Peoples' Bank branch located in the Departmental premises charged Rs.30 in respect of each payment made to the Departmental Account by clients, action had not been taken to recover a rental from the above bank for using a building belonging to the Department. Likewise, rentals had not been recovered from the Milk Bar, Insurance Institute, photocopy stall maintained within the Departmental premises</p>	<p>Decisions should be taken in a manner favourable to the Government and steps should be taken to look into the possibility of recovering rentals from the relevant institutions.</p>	<p>The Accounting Officer has informed that except for the Peoples' Bank branch and the Milk Bar located in the Departmental premises, recoveries will be made as Rs.20,000, Rs.12,000 and Rs.15,000 from the photocopy stall, Werahera</p>	<p>Rentals are still not recovered from the People's Bank and the Milk Bar.</p>

			Livestock Board and Werahera Commercial Bank respectively which are business institutions.	
7.	Before storing the files at the Werahera premises, 18 containers had been used in an unprotected manner for temporarily storing the files.	Proper steps should be taken to ensure protection of the vehicle files without delay.	The Accounting Officer has informed that action will be taken to store the files properly in the record room.	It was observed that the files had not been properly stored in these containers and that water had leaked into the 03 decayed containers and the files stored therein had been decayed making them difficult to be identified.
8.	Files in 06 containers had been irregularly heaped up by storing them in fertilizer sacks. Similarly, due to lack of proper maintenance, vehicle files contained in 02 containers had remained decaying.	-Do-	Vehicle files of the Department of Motor Traffic had been stored in containers in an unprotected manner. However, the Accounting Officer has indicated that a new record room was constructed in the year 2016 and files are being properly stored therein and as about 5 million files were stored inside the containers and as such, a considerable period will be taken to store all those files properly in the new record room.	Sorting of files has not been completed still.

9.	<p>In terms of F.R.177 (1), although the money collected should be banked as early as possible, there was a practice in the Werahera Office to deposit the daily collected money in the bank on the following day. Accordingly, the monies collected on Friday are kept in the safe of the Chief Shroff until next Monday. Accordingly, there may be possibility of arising a risk in misappropriating the funds. It was observed at an audit test check carried out over 03 months that a sum of Rs.39.6 million collected in 15 instances had been so retained over a period ranging from 04 to 05 days. Accordingly, the average amount of money retained in a day stood at Rs.03 million.</p>	<p>Action should be taken in accordance with the Financial Regulations.</p> <p>Attention should be drawn on establishing a Government bank branch at the Werahera premises so as to enable the clients to directly deposit his service charge in the bank, thus avoiding the above situation.</p>	<p>Income collected daily is taken by officers of the People's Bank between 09.30 and 10.30 a.m. on the following day is the current procedure. Even though the Chief Manager of the Establishments Branch of the People's Bank has been informed to make necessary arrangements to take over the daily income at 4.00 p.m. after realizing the risk, no favourable response has been made by the Bank as yet.</p>	<p>Even though it has been inquired from the Bank, no permanent solution has been made so far.</p>
10.	<p>The custody of the vehicle files had not been delegated to the officers. As a result of this, there was a need to document the details of the vehicle files that were being destroyed in the containers in the Werahera premises.</p>	<p>To act according to the relevant Laws and Rules.</p>	<p>The Accounting Officer has informed that the placement of files has been assigned to the supervision of an Administrative Officer and that action will be taken to deploy relevant officers in their duties subject to her supervision.</p>	<p>The Administrative Officer has been given a proper knowledge in the duties to be discharged.</p>
11.	<p>Liabilities had been entered into amounting to Rs. 16,260,062 for the capital expenditure in contrary to Financial Regulation 94 (2).</p>	<p>Action should be taken in accordance with Financial Regulation 94 (2).</p>	<p>Action will be taken to submit commitments and liabilities according to the</p>	<p>Such entering into liabilities still remain.</p>

			correct format.	
12.	A certificate on the quality of number plates had not been obtained as per the Condition 11.2 (a) of the contract entered into in 2019. Further, although a Performance Security valued at Rs. 200 million should be furnished in accordance with Condition 17.1 and Guideline 5.4.8 of the National Procurement Guidelines it had not been acted upon. Likewise, a full insurance coverage for expected damage had also not been obtained as per Condition 23.1 .	To take action in terms of the contract.	It is mentioned that such an insurance should be obtained and it is not mentioned therein that the copies thereof should be given to the Department.	Action had not been taken in terms of conditions as yet.
13.	Number plates had not been printed with the required details in accordance with Order 10 (v) issued by the Minister of Transport by the Extraordinary Gazette Notification No. 1704/09 dated 04 May 2011.	To act in accordance with Rules.	Action should be taken in terms of Directive No.11 in commencement of the new vehicle class after conclusion of the existing class in accordance with the Gazette.	Action has not been taken up to now in accordance with provisions in the Gazette.
14.	Even though the period of the number plates contract had been extended for a period of 48 months in 07 cases, it had not been discussed in respect of the contract price revisions at any point. However, the supplier had offered the lowest prices because of the very advantageous situation that had built up due to the skill and the ability to print number plates in a period of 09 years, completion of all the machinery and infrastructure facilities. Accordingly, it was not observed that adequate intervention had been made by	To make arrangements to secure public funds by taking every possible effort.	The Accounting Officer has informed that matters are being looked into for the possibility of getting number plates printed by the Government Factory after the end of the period of the existing contract.	The Accounting Officer has informed that the period of contract exists up to year 2024 and that two rounds of talks have been held for getting number plates printed by the Government Factory.

	the responsible parties to reap the benefits which can be obtained to the Government. The amount of public money flowed to the private sector for 5,173,526 number plates printed during the 04 years from 01 May 2015 was observed as Rs. 1,102,929,374.			
15.	It was observed that deleting all information other than the registration number and date of a Chinese-made CEYGRA three-wheeler from the computer system, a British-made MINI COOPER had been registered in that number.	To conduct an investigation on the accuracy of the vehicle registration and if any irregularities have occurred, proper steps should be taken for that.	It has been indicated that the computer system has been developed so that such deficiencies would not occur.	No investigation has been held in this connection.
16.	Even though an income of Rs.488,898,050 had been earned from the year 2018 to February 2020 under 05 revenue objects, the instructions in the Fiscal Policy Circular No. 01/2015 dated 20 July 2015 had not been followed for this.	To get approved of laws for the collection of revenue without delay.	The Accounting Officer has informed that action will be taken to follow instructions of the Fiscal Policy Circular.	Those instructions have not been followed even up to now.
17.	The Telephone Short Message System (SMS) on registration of vehicles had been assigned without calling open bids in accordance with Guideline 1.2.1 of the Government Procurement Guidelines. The composition of the Technical Evaluation Committee, which recommended the procurement, had been proposed by one of its members and approved by the Commissioner General. However, it was observed that the software had become inactive and if it does not reactivate, the expenditure incurred on it amounting to Rs. 2,160,000 was useless.	To act in accordance with the Rules and reactivating the service.	It has been indicated that the information technology system will be improved.	No improvements have been made so far.

18.	<p>Even though the computation of revenue in arrears on luxury motor vehicles tax relating to the period from the year 1995 to 2014 had been commenced in the year 2016, no action had been taken to prepare any reports on those arrears and furnish together with the financial statements. Therefore, it was not possible for the Audit to confirm the amount of arrears relating to that period. However, the arrears of revenue recovered for 13 years prior to the year 2009 was Rs. 34,898,108.</p>	<p>Action should be taken to recover the revenue in arrears expeditiously.</p>	<p>In terms of Fiscal Policy Circular No.01/2015, it has been informed that the preparation of annual, half yearly and arrears of revenue reports relating to Revenue Code 1003.01.000 - Luxury Tax of the Department of Motor Traffic, is carried out as due.</p>	<p>An appropriate procedure has not been established up to now for determining the arrears of revenue.</p>
19.	<p>No steps had been taken to systematically maintain records on arrears of revenue and prevent further accumulation of outstanding revenue, as required by Paragraph 04 of the Fiscal Policy Circular No.01/2015 dated 20 July 2015. There was a tendency of an annual increase in the total revenue in arrears continuously and the outstanding revenue had considerably increased in the year 2020 by 318 per cent as compared with the year 2016.</p>	<p>Records should be maintained as indicated in the circulars and recovery of outstanding revenue should be expedite.</p>	<p>It has been informed that the following steps have been taken to reduce arrears of revenue.</p> <p>01. Taking action to forward letters by identifying the vehicle owners who should pay tax, as two segments</p> <p>02. Taking expedite action to forward letters by identifying 4,726 vehicle owners who should pay tax continuously</p> <p>03. Sending reminders to vehicle owners who pay annual tax before the</p>	<p>It is informed that the arrears of revenue as at 31.12.2020 was Rs.216,630,800 and it was Rs.214,323,900 by 31.12.2021 which was a decrease of Rs.2,306,900 as compared with the preceding year.</p>

			payable date.	
20.	Loan balances of Rs.1,330,463 due from 19 interdicted officers had not been recovered from those officers or the guarantors up to 31 December 2020 despite lapse of 02 years from the recovery of the last installment. There were 17 loan balances totaled Rs.1,170,753 elapsed for more than 05 years in the above balances.	Legal action should be taken in this regard since it was lapsed.	It has been informed that steps will be taken to recover loan balances receivable from interdicted officers.	Loans have not been recovered so far.
21.	Loan balances of Rs. 234,042 due from 07 officers who had vacated the service had not been recovered from the relevant officers or the guarantors up to 31 December 2020 despite lapse of 05 years from the recovery of the last installment	-do-	It has been informed that steps will be taken to recover loan balances receivable from interdicted officers.	- do -
22.	There was a difference of Rs.2,359,113 according to the total of the Individual Balance Classification Summary as at 31 December 2020 and the balance as per the Department books. The accounting records stated the same to be an accounting error continued to exist over a number of years.	Transactions should be brought to account by reconciling them with relevant documents and source documents.	It has been informed that action will be taken to rectify those accounting errors.	Has not been rectified so far.
23.	Action in terms of Financial Regulation 571 had not been taken on 12 deposit balances of Rs. 24,179,394 that had lapsed 04 years as at 31 December 2020 relating to one deposit account.	Action should be taken in accordance with laws, rules and regulations.	It has been informed that necessary action will be taken in terms of F.R. 571 relating to a deposit account.	A sum of Rs.12,711,224 relating to these 04 deposit balances had been paid and the remaining deposits had remained the same.
24.	The Department had taken steps to register 03 luxury motor cars of TOYOTA LEXUS, MITSUBISHI MONTERO PAJERO and TOYOTA LAND	Legal action should be taken by conducting a proper inquiry.	In checking all documents, it was revealed that these are the motor vehicles which	An investigation had not been carried out in this connection.

	<p>CRUISER PRADO using a Customs Entry which was used to import 02 heavy vehicles and 02 heavy lifting equipment to Sri Lanka. As a result, the import duty and luxury tax revenue lost to the Government was approximately Rs. 141,174,339. Although these vehicles were recorded in the computer system as vehicles auctioned by the Customs, none of them had been subjected to a customs auction.</p>		<p>were taken into custody by the Sri Lanka Customs due to breaching of importation rules and released by imposing penalties conducting inquires thereon, that the relevant motor vehicles had been physically inspected and submitted for registration with the weight certificate and that registration has been made after levying all charges to be levied by the Government.</p>	
25.	<p>As 03 vehicles had been registered in irregular manner, a revenue of approximately Rs.114,597,000 had lost to the Government as excise duty and luxury tax. The absence of any customs data related to those vehicles in the computer system, the fact that there is no importation records of the chassis number in the customs data as stated by the Sri Lanka Customs, although the first registration was in the year 2002, the fact that the revenue license had been obtained in 2018 for all the years since that date onwards remained unrealistic.</p>	-do-	<p>As 02 Three Wheelers bearing No. GI-8030 and GY-1494 and the Motor Bicycle bearing No.GZ-8735 had been registered before introducing the computer database , it has been informed that details on the registration thereof has not been recorded in the said system.</p>	<p>In looking into matters, it was observed that an irregularity had occurred. Nevertheless, investigations thereon have not been commenced so far.</p>
26.	<p>Five new vehicles had been registered by entering incorrect data into the computer system</p>	-do-	<p>It has been informed that the current computer</p>	<p>Investigation activities on irregularities have</p>

	<p>using missed numbers pertaining to the period from 1992 to 2015. The Government had lost about Rs. 4,249,600 in excise tax revenue on one of these vehicles. The new registration fee of Rs.99,200 for 05 vehicles had also not been charged and the luxury tax payable for a single vehicle was Rs. 295,000.</p>		<p>numbers are issued automatically in order, and as per the current system, the system has been created to make registration without leaving numbers and that all necessary functions are carried out by freezing all remaining unissued numbers.</p>	<p>not been carried out.</p>
27.	<p>The Government had lost approximately Rs.297,057,788 in excise duty, luxury tax and other Government fees and revenue only for 09 vehicles out of 17 vehicles registered informally. Apart from that, the matters such as leaving of certain numbers without issuing the registration numbers in sequence, subsequently registering the vehicles using those unissued numbers, incomplete sector details of the computer system, lack of data on the Customs Entries in the computer system, computerization of the data of 14 vehicles after 8 to 25 years from their first registration between 1992 and 1997, obtaining the first revenue license for 10 vehicles on a nearest day after that computerization, and obtaining revenue licenses at once for a long period of 23 to 27 years for 05 vehicles including 04 of the above vehicles were unrealistic.</p>	-do-	<p>It has been informed that during the period in which motor vehicles in 61 category, registration certificates are issued manually and those data had been computerized later and that such numbers not entered to the computer have been entered recently.</p>	<p>The Accounting Officer has notified to all Commissioners in respect of issuance of revenue licenses by the Circular DMT/G/E/01 of 14.10.2020 to prevent making payments later, despite having registered a motor vehicle without obtaining revenue license for a long period.</p>

28.	First registration of a vehicle in 302 category, for which revenue license had been obtained at once in 2018 for the past 18 years, had been informally entered in the computer system as the year 2006 and as a result, the Government incurred a loss of Rs. 652,500 in luxury taxes.	-do-	It has been informed that all semi-luxury taxes relating to the motor vehicle bearing No.302-2033, to be recovered according to the Tax programme, have been recovered.	Investigations have not been completed by collecting information.
29.	The registration of a Government-owned cab had been later transferred to an individual. The customs duty of Rs. 3,175,774 exempted in 2013 on the vehicle imported on behalf of the Government had not been recovered. Similarly, although the Licensing Authority of this vehicle was in the North Western Province since 2013, it was also problematic that the Revenue Licensing Authority in the Western Province had levied revenue license fees for the period from 2014 up 2018 at once in 2019.	Legal action should be taken to recover the exempted customs duty of Rs.3,175,774 from the person after conducting a proper investigation.	It has been informed that there were no legal restrictions at the time of the transfer after 06 years of registration.	Investigations had not been conducted for the recovery of taxes.
30.	As the vehicles imported for special purposes had been registered under the registration numbers for dual purpose vehicles without including any special conditions in the registration certificate, the Government incurred a loss of Rs. 27,472,988 in customs duty on 09 vehicles alone in the years 2018 and 2019.	Legal action should be taken by conducting a proper inquiry.	Motor vehicles are not registered based on the tax levied and only motor vehicles networked by the Sri Lanka Customs are registered. Out of these 09 motor vehicles, registration of all other motor vehicles other than the vehicle bearing	It has been further informed that circular No. DMT/H/E/01 Internal Circular/13/2020(1) dated 10.08.2020 and 04.09.2020 have been issued for the registration of motor vehicles based on HS CODE and that officers have been briefed to avoid such errors again.

			No.PK-3175, are classified according to provisions of the Motor Vehicles Act. The vehicle bearing No. PK-3175 has been networked as a Nissan Van on the website of the Department. As such, it has been registered as dual purpose vehicles by mistake.	
31.	As a result of printing provincial letters on vehicle number plates, new number plates had to be purchased when the ownership of a vehicle is transferred between provinces. It was not observed any utility available to any party other than the profit made by the supplier by printing these letters. Accordingly, the productivity of Rs. 778,448,278 paid to the supplier for number plates of 376,233 vehicles transferred between the provinces during the last 03 years alone was questionable during the audit. Similarly, about Rs. 260 million in foreign exchange had been annually spent for the plates imported for this purpose.	Management decisions should be taken to ensure the safety of the public funds.	Provincial letters are important to the security forces due to the war situation prevailed in the country .and national security and for identification of vehicles. However, as that requirement is not essential under the current peaceful situation, it has been informed that decision has been taken to remove the provincial letter in number plates after identifying the said matter and action is being taken thereon.	Regulations have not been prepared to remove the provincial letter so far.
32.	Since the radio frequency identification sticker, which had been introduced to recognize the	Public funds should be used in such a way that derives benefits in commensurate	It has been informed that the possibility of using this sticker	Measures have not been taken so far to incur this expenditure

	<p>identity of the vehicle, was not in use practically, no benefit was observed to any party except the profit gained by the private company printing them. Although there is a utility, as it provides only limited data such as vehicle number, province, chassis number, the amount of Rs. 153,059,534 paid to the private company for 302,192 stickers issued from December 2019 to August 2020 was observed as a fruitless expenditure.</p>	with the amount spent.	by the Sri Lanka Police, Road Development Authority and Local Authorities, has been taken into consideration.	effectively.
33.	<p>The contract had been awarded to the same supplier until 30 June 2020, extending the contract period in 05 instances at the prevailing prices for printing driving licenses. That is, no negotiations on the price revision had been done on at least one of 05 occasions when the dates were extended for a period of 51 months. However, the supplier had agreed to reduce the price of a driving licence up to Rs.1000 by Rs.340 for a period of 06 months since 01 June 2020. Whilst inflation continues in the island and the Sri Lankan rupee continues to depreciate, the agreement to reduce the unit price by Rs. 340, or 25 per cent, shows that the purchase cost of Rs. 1,340 per driving license charged from the year 2009 contained a high profit margin. Therefore, if the formal procurement process was implemented within the pre-agreement period or if price</p>	Public funds should be used in such a way that derives benefits in commensurate with the amount spent.	It has been informed that the purchase cost of Rs.1,340 per driving license charged from the year 2009 contained a high profit margin, after announcing the price of Rs.1,000, it was observed that it is not practicable and reasonable, negotiations were made for the reduction of the said price of Rs. 340 and that the first purchase cost of Rs.1,340 was a price determined under open and competitive quotations.	It is observed that a huge loss had occurred to the Government.

	reduction was negotiated with the supplier, the audit could not rule out the possibility that the lowest bids were likely to be offered either from that supplier or from a new supplier. However, due to the failure of the Ministry / Departmental Management to make such decisions efficiently for the better use of public funds, the amount of public money that flowed non-frugally to a private company for 3,075,625 driving licenses printed during the 51 months from March 2016 to June 2020 was observed as Rs. 1,045,712,500.			
34.	Although details of 21 CMT chassis numbers to be printed were communicated to the Government Factory during the period from 2015 to 2019, vehicles with such chassis numbers had not been registered until January 2021. Further, 06 vehicles for which the Government Factory had been informed to print CMT chassis numbers had been registered as normal vehicles.	Determination of the necessary procedure for proper internal control.	The Accounting Officer has informed that instructions have been given to brief the relevant registration divisions, when referring printed CMT chassis numbers to the new registration divisions for registration.	It has been informed that when referring to the Government factory for printing CMT chassis numbers, a copy of that letter should be forwarded to the new registration division to inform the registration is done.
35.	Although the existing chassis number should have been canceled after the new chassis number is issued, there were 03 instances where vehicles had been registered for both the old and new chassis numbers, and 02 motorcycles had been registered under the same chassis number.	-do-	Instructions have been given to issue CMT chassis numbers after conducting a formal inquiry by forwarding the relevant file to the Investigation Unit and obtaining the approval of the Commissioner	It has been informed that new chassis numbers are issued only on the approval of the Commissioner General as per recommendations of the Investigation Unit after conducting a formal inquiry by that Unit and the original of

			General and only after cancelling or backlisting the existing chassis numbers.	the relevant file is forwarded to the registration division and necessary photocopies thereof are attached to the file on issuing CMT chassis numbers.
36.	During the registration of CMT chassis numbers issued by the Department during the period from 2015 to 2019, thirty cases were observed where the registration certificate of the motor vehicles released by the Customs after levying customs duty had been marked as 'Recondition' instead of being marked as 'Brought From Auction'.	-do-	It has been informed that instructions have been given to record the status of the CMT75 Weight Certificate with the final recommendation.	The note on the condition of the vehicle such as BRAND NEW, RECONDITION, BOUGHT FROM AUCTION etc. mentioned in the CMT75 Weight Certificate, is recorded with the final recommendation. Moreover, it has been informed that when computerizing by the registration division, the condition of the relevant vehicle is recorded in the Registration Certificate.
37.	There was observed 08 instances where new customs record numbers had been created and computerized in the absence of customs records for CMT chassis numbers. There were no approved legal provisions for this purpose.	-do-	It has been informed that when forwarding to the Government Factory for printing CMT Chassis numbers, copies of the letter are forwarded to the Department of Customs and to the Computer Unit in networking the chassis number for registration.	Vehicles are released by the Department of Customs only after conducting a formal inquiry and it has been informed that in case of failure in paying due taxes or charges, those vehicles are not networked.

Head 308 – Department of Posts

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Auditee Entity	Current Position
1.	Unidentified differences of Rs.2,812,091 exist between the total of individual loan balances and the balance of the Control Account of 02 District Accounting Offices and a financial fraud of Rs. 1,295,400 remaining since 08 years in one District Accounting Office too had attributed therefor.	The individual loan balance and the balances in the Control Account should tally.	Further examination is carried out for rectification.	Has not been settled so far.
2.	In terms of Section 4.5 of Chapter XXIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka, when loan balances receivable to the Government cannot be recovered from debtors, such balances should be recovered from the guarantor, but loan balances amounting to Rs. 15,776,735 existed over 05 years.	The Establishments Code should be followed.	Action should be taken for recovery.	This amount has not been recovered.
3.	Although salaries and overtime costs had increased by 12 per cent and 4 per cent in the years 2019 and 2020 respectively, the strategies needed to increase revenue correspondingly had not been identified.	Strategies needed to cover the Departmental expenditure and to increase the revenue should be introduced.	Prepare a five year plan and take action to tally the income according to the expenditure.	Strategies had not been prepared and this situation remained unchanged even in the year 2021.
4.	Action had not been taken even in the year 2020 either to write off or to recover the losses and damages valued at Rs.14,171,700 pertaining to a period ranging from 05-10 years shown in the statement of losses and omissions.	Measures suitable for losses and damages should be taken.	Action should be taken to write off losses.	Writing off losses has not been completed.

5.	In terms of Public Administration Circular No. 03/2017 of 19 April 2017, it had been indicated that all Government institutions should use the finger scanner to confirm the arrival and departure. However, these machines had not been installed in the Central Mail Exchange.	Take action in terms of Public Administration Circular No. 03/2017 of 19 April 2017	Measures had not been taken.	The finger scanner has not been made use of up to now.
6.	Even though a sum of Rs. 762,480 had been spent in the year 2020 to survey and take over the lands of 16 post offices and sub-post offices, acquisition of those lands had not been completed even by 15 March 2021.	Lands should be taken over expeditiously.	The Divisional Superintendents of Post have been instructed to take necessary steps to expedite survey activities by discussing with Divisional Survey Offices.	The land had not been taken over.
7.	It was found in the comparison of information obtained from the Department of Posts and the Department of Motor Traffic relating to the vehicles registered under Post Master General that the Department did not possess information on 87 vehicles. The bus under the registration number 60 ආඪ 7256 had been withdrawn from use, but no further action had been taken in that connection.	The Department should possess accurate information on the vehicles registered under the Department of Posts.	Action had been taken only to confirm the ownership of vehicles from the Department of Motor Traffic.	No other information except for confirming the ownership, had been obtained up to now.
8.	The physical stock of stamps of the Stamp Bureau of the Narahenpita Accounts Office as at 31 December 2019 had been understated by Rs.132,943,642.	In the event of non-reconciliation of the physical stock with the stamp stock account, prompt action should be taken to find out the reasons and reconcile it. The correct stock as at 31 December of each year should be reported.	An internal audit committee should be appointed on the approval of the Post Master General for computation and taking over of this stock in terms of Financial Regulations.	Action had not been taken so far in terms of Financial regulations relating to the said stock.

9.	A shortage of stamps worth Rs.2,476,800 existed by the end of the year 2020 between the physical balance and the stamp control ledger of the stamp division in Narahenpita.	The stocks mentioned in the registers should be tallied with the physical stocks.	Action had not been taken.	Necessary action had not been taken relating to shortages.
10.	A number of 1,965 vacancies existed in the other grades and services of the Department of Posts including 61 vacancies in the senior level. Action had not been taken either to fill those vacancies or revise the approved cadre.	Vacancies should be filled thereby ensuring efficiency and productivity of the Department.	Necessary steps are being taken to fill vacancies.	Vacancies have not been filled even by the year 2021.
11.	Approval had been given through the Letter, No. DMS/1139/VI of the Director General of the Department of Management Services dated 07 July 2016 to increase the number of posts of Assistant Superintendent of Posts by 106. However, those vacancies could not be filled.	Recruitments to the essential posts should be made expeditiously.	Necessary action is being taken.	Vacancies have not been filled.

Head 309 – Department of Buildings

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	Every State Institute is required to submit to the Comptroller General the correct information on all assets under it and the Department had only submitted information on land and vehicles.	That accurate information on all assets under the institution should be submitted to the Comptroller General.	Has been forwarded to the Valuation Department.	Has not been forwarded so far.
2.	The physical performance of seven projects with an annual allocation of Rs.413.52 million provided by Consultancy Projects alone ranged from 1 per cent	Projects should be implemented in a timely manner and action should be taken to achieve performance.	Has not taken action with maximum productivity.	The performance was at a weak level. There were projects which were abandoned half way as well.

	to 36 per cent in the year 2019 and no performance whatsoever had been achieved on a project with an annual allocation of Rs. 3.8 million.			
3.	The approved cadre of the Department stood at 613 while the actual cadre was 494. As such, the Department had not taken action to fill vacancies in 119 posts.	Action should be taken to fill vacancies in essential posts.	Action has not been taken to recruit officers to island wide services and the Combined Service.	Action has not been taken so far.

Head 310 – Department of Government Factory

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	The debtors balance totalling Rs.640,594,032 as at 31 December 2018 were balances brought forward over a period of 20 years.	Necessary measures should be taken according to the age analysis of debtors balances.	Sending reminders for the debtors balance of Rs.640,594,032 brought forward from the year 2010 to the year 2021 has been completed. However, it has not been recovered as yet.	It has not been recovered as yet.
2.	During the audit, it was observed that from 1995 to 2018 the Ministry of Housing, Construction and Cultural Affairs had to pay Rs.32,550,371.85 to the Department of Government Factory.	Action should be taken to recover debtor balances.	A list of loan balances to the value of Rs.15,586,818.83 which could be confirmed out of loan balances recoverable from the Ministry of Housing, Construction and Cultural Affairs from year 2010 to the year 2019, has	Loans have not been recovered as yet. The remaining balances have not been confirmed.

			been prepared and handed over to the present State Ministry.	
3.	Two hundred and twenty five kg of Mag welding solid wire purchased in 2012 and 2015 remained unmoved.	Purchases should be made to suit the needs at the time of purchase.	Action has not been taken to dispose (auction) the quantity remained up to now.	Is not presently being made use of. Has not been disposed of.
4.	Schedules had not been submitted for debtors amounting to Rs.55,087,507 as at 31.12.2019.	Schedules must be submitted to all debtors to confirm balances.	Action has not been taken as yet to submit schedules relating to the balance remaining after deducting Rs. 30,197,395 from the debtors balance prior to the year 2015 amounting to Rs. 85,284,890.	Has not been prepared yet.
5.	It was observed that the loan balance of Rs.446,305 due as at 31.12.2020 from seven officers who had retired / died for more than 4 years had not been recovered.	Must comply with the Establishments Code.	Action has been taken in the year 2025 to attempt recovery of Rs. 304,600 from the pension gratuity of three officers who have been compulsorily retired and Rs. 116,305 from the Widows' and Orphans' Pension.	The sum of Rs. 25,400 recoverable from deceased officers has been settled. The remainder is still unsettled.
6.	Although Rs. 22,199,572 had been paid by March 06, 2020 for the construction of a temporary building for the Transport Division of the Postal Department, no physical progress whatsoever had been made on the project until the audit date of February 06, 2021.	Action should be taken to achieve proper performance by implementing projects in a timely manner.	Action has been taken to suspend the project due to the changes in relevant plans and the location of the construction purpose of a temporary building for the Transport Division of the Postal Department.	The project has been suspended. The monies recovered are with the Department.

7.	The estimated cost for the construction of the second terminal of the Scrap metal yard of the Department was Rs. 01 million. The physical progress of the relevant construction project, which was proposed to be completed in the year under review, was about 10 per cent.	Action should be taken to achieve proper performance by implementing projects in a timely manner.	The civil engineering work related to the construction of sub-yard II of the scarp yard has been completed and the raw material for the remaining work has been purchased. This work is planned to be completed soon.	The project has not been completed even as at 31.12.2021.
8.	Six quarters belonging to the Department were not handed over and they remained underutilized as at 31.12.2021.	-do-	The said quarters remain underutilized as there were no officers to apply for quarters.	The situation remains unchanged.
9.	Unauthorized occupants had occupied the remaining 01 acre, 03 roods and 11 perches of land where the Government factory workers' quarters were located due to the failure to protect the lands owned by the Department by using boundary walls or a permanent fence.	Action should be taken to ensure security of assets.	The said unauthorized occupants have been permanently residing even by year 1986 by paying assessment tax. The Urban Development Authority and the Survey Department have been notified to take necessary measures in this regard.	No boundary wall or a permanent fence has been erected so far.
10.	The Department did not have deeds for 03 lands owned by the Department and no action had been taken to confirm the ownership through the Divisional Secretary based on the survey plan.	Action should be taken to confirm ownership of assets.	Necessary action has been in progress in this connection since 03.06.2013. Drawing of the survey plan for this purpose has been assigned to the Survey Department while assessment has been assigned to the Valuation Department.	Ownership has not been confirmed as yet.

Head 311 – Department of National Physical Planning

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
1.	<p>A total of Rs.4,316,223 was received by the Department in the year under review i.e. a sum of Rs.550,000 from the Ministry of Buddha Sasana for the preparation of development plans of the Bingiriya Devagiri Rajamaha Viharaya, a sum of Rs.1,000,000 from the Ministry of Media for the Exhibition of Enterprise Sri Lanka and a sum of Rs.2,766,223 from the Ministry of Western Development and Megapolis for the Methsith Aruna Programme. Out of the above receipts, 81 per cent, 38 per cent and 33 per cent had been respectively saved as at end of the year under review.</p>	<p>The estimates should be prepared accurately and completely as much as possible.</p>	<p>The Dodangoda Project has been abandoned due to an issue on land ownership. Three projects are carried out by the Robeco Institute on the instructions of the Ministry. The proposed project in Awissawella has been completed.</p>	<p>Only one project out of them is completed by now. One project has been abandoned.</p>
2.	<p>The Cabinet approval had been obtained since the year 2016 to implement the Lolugaswewa new Urban Development Project in Anuradapura, in order to minimize the expansion of settlements in the Anuradapura sacred city area, protection of archaeological sites, providing of facilities to devotees in Circuit Bungalows and rest rooms and providing of Urban facilities to the already residing people in the area. The project plans had been prepared accordingly, by making the allocation amounting to Rs.100 million, Rs.200 million and Rs.185 million during the years of 2016, 2017</p>	<p>Preparation of project plans and implementation activities should be efficiently performed.</p>	<p>The land has been vested in the year 2021.</p>	<p>The new urban project is in planning level.</p>

	and 2018 respectively. However, only a feasibility study report had been prepared by incurring a sum of Rs.05 million in the year 2017.			
3.	Even though the provision amounting to Rs.61,358,792 had been made by the Ministry of Megapolis and Western Development for carrying out 05 projects under Meth Sith Arana, the construction activities of the Kaduboda, Bawun Seth Manasika Suwa Sevana Meditation Centre, had not been commenced even by 31 December 2021.	Preparation of project plans and implementation activities should be efficiently performed.	The provision for the Kaduboda Bawun Seth Centre had not been received under Meth Sith Arana Project. Hence, construction works could not be commenced.	It had not even been commenced up to 28 February 2022.
4.	Quarters bearing Nos.103 and 104 purchased at Rs.5,160,000 each in the year 2015 belonging to the Department, had not been utilized since May 2017 and as such, no income therefrom has been received to the Department and the relevant quarters were being subjected to environmental risks.	The assets of the Department should be properly managed.	Remains in usable condition.	Have not been utilized up to 28 February 2022.
5.	An expenditure totalling Rs.89,609,700 has been incurred for the two rests in Kataragama in the years 2019 and 2020. However, only a sum totalling Rs.470,806 comprising Rs.383,900 and Rs.86,900 has been received as income from the two rests in the years 2019 and 2020 respectively.	Welfare activities should be maintained so as not to occur a loss to the Department.	The Kataragama rests have been repaired.	Only an income of Rs.10,450 had been received in the year 2021.
6.	Three rests in Muthiyangana, Mahiyangana and Matale Aluvihara and a vehicle park in the sacred area of Matale Aluvihara had been constructed by the Department. Nevertheless, the ownership of	Action should be taken to settle assets.	The lands relating to constructions do not belong to the Department and activities relating to their acquisition have been	The ownership had not been cleared even up to now

	the lands with the said constructions had not been acquired. Moreover, no disclosures whatsoever had been made in the financial statements in regard to the said assets.		commenced.	
7.	Even though action should be taken to allocation adequate provision from the Annual Estimates according to the requirement, a sum of Rs.2,515,200 or 287 per cent had been transferred under the FR 66 transfers exceeding the annual budgeted provision for the building constructions amounting to Rs.650,000 in the year 2020 under the Buildings and Construction Object.	Action should be taken to get adequate provisions through Annual Estimates.	According to the President's concept of "Sawbagya Dekma" and the concepts of the new government, the national physical plan had to be updated. Therefore, the Auditorium had to be renovated as per the needs and as such, the said provision had to be transferred for that purpose.	As plans are revised on time to time, expenditure has been incurred exceeding estimated provision.
8.	Out of the provisions given in the year 2020 to the Department by the other Ministries for the capital projects, a sum of Rs.2,135,588 had been saved. Out of that savings, the provision amounting to Rs.2,431,056 received from the Ministry for development of the Kataragama religious area, it was observed that a sum of Rs.2,050,294 or 85 per cent of the provisions had been saved.	The handing over projects should be completed during the scheduled time period.	As it was proposed by the Kataragama Dewale to carry out landscaping for the facility buildings in Kataragama, additional financial provision had been requested therefor. However, the landscaping activities have been discontinued as the time was inadequate for completing the project due to the Corona pandemic that prevailed in the country.	The said project has not been completed even up to now.
9.	The approved cadre as at 31 December 2020 was 283 and	Action should be taken to fill vacancies in the proper	Revision of the Scheme of	There were 122 vacancies even by

	<p>actual cadre and vacancies as at that date were 163 and 120 respectively.</p> <p>Out of them, 51 approved cadre of Executive level, 39 post were vacant. This was represented by 77 per cent. In addition, the vacancies of the tertiary, secondary and primary levels were 38, 48 and 22 per cents respectively. Thus, out of the total approved cadre, total vacancies were 42 per cent. As a result, it was observed that there was an uncertainty to carry out the activities of the Department in effective and efficient manner.</p>	<p>manner.</p>	<p>Recruitment, unable to conduct open competitive exams under the Covid-19 situation, suspending of recruitment by the Management Services Circular No.01/2020, had attributed therefor.</p> <p>The Ministry of Public Administration, Provincial Councils and Local Government has been informed to fill vacancies.</p>	<p>15.02.2022 and it comprised 07 posts of Director and 30 posts of Deputy Assistant Director (Town Planning)</p>
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Head 320 – Civil Security Department

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
	Year 2018			
1.	(a) An acre of land belonging to a sacred place had been obtained on lease basis for 30 years to construct a headquarters building for the Department and it has come to an agreement to handover the building including the property to the sacred place after the expiry of the lease.	Action should be taken to take over the ownership of the land before constructing the building.	In consideration of the building lease and rentals of the area in which the institution is located, agreements had been entered into in this manner considering the decrease in relation to the cost incurred by the Department for this matter, benefit for the Government and the net value of the asset after 30 years.	No measures whatsoever had been taken up to now relating to the ownership of the land.
	(b) This construction was commenced on 15	It is emphasized that it is needed to get the prior	Arrangements are being made to submit	Relevant approval had not been

	September 2015 but the approval of Cabinet of Ministers had been obtained on 12 July 2017. A written agreement in this regard had been signed on 16 November 2016 between the landlord and the Civil Security Department. Further, approval for the initial plan of the building had not been obtained from the Urban Development Authority even up to 31 December 2018.	approval as prescribed.	Structural Drawings of the current Head Quarters building with necessary incidental documents for the approval of the relevant authorities after obtaining the approval of Chartered Engineers.	obtained as yet.
2.	The total cadre of the Civil Security Department was 36,399 as at 31 December 2018. As no new recruitments are made, the Department will be terminated in the year 2058 after retirement of present staff. As the buildings under construction and property within the leased land would have be given back to the lessee after 30 years it was observed that there is a risk of necessity of such buildings if the role of the Department continues to evolve in the future.	Action should be taken by considering the future existence of the Department.	Action has been taken to extend the existing agreement relating to the ensuing period or to obtain legal advice for taking action in terms of Land Acquisition Act, No.09 of 1950 and Compensation for Temple Lands Act, No.24 of 1944.	Even though action was taken to obtain legal advice, adequate measures had not been taken relating to the future existence of the Department.
Year 2020				
3.	The value of 51 plots of land, 113 buildings and 48,470 trees pertaining to 1,360 acres of permanent crops owned by the Department of Civil Security had not been computed and accounted for.	These assets need to be documented and accounted for and the values should be disclosed to the Audit.	Necessary measures are being taken to value and account 51 plots of land and 113 buildings owned by the Department. Permanent crops have been numbered and reports have been prepared as projects by now. Necessary steps are	Action has not been taken to rectify the financial statements and it had not been reported whether these assets are indicated in the financial

			being taken to value and account the permanent crop cultivations.	statements of the year 2021 as well.
4.	The information on the ownership of 85 buildings of 91,349 square feet and 2,380 square meters used by the Department in various parts of the Island and 66 plots of land pertaining to 214 hectares utilized for cultivation, temporary constructions and other purposes had not been revealed to Audit.	Documents confirming the ownership of the relevant plots of land and buildings should be submitted to Audit.	Information on 363 plots of land of on which forces, training schools, sub forces and projects of the Department are carried out, have been identified by now and they have been entered in the Ledger of the Head Quarters. Moreover, duties relating to proper take over of 87 plots of land out of them to the Department and proper take over the remaining plots of land are being carried out at present.	Documents confirming the ownership of the relevant plots of land and buildings had not been made available to Audit so far.
5.	Evidence to prove the assets valued at Rs. 37 million disclosed as fixed assets in financial statements were not made available to audit.	Action should be taken to identify the differences between the balances and to provide the values related to the accounted assets to Audit.	Plans have been made to establish the present Assets Management Unit for clearing this observation and to physically verify the balance (CIGAS) according to Departmental books.	Action had not been taken up to now to identify the differences between the balances and to provide the values related to the accounted assets to Audit.
6.	Recovery of the loan balances of Disaster, Festival and Special Advances receivable amounting to Rs. 10.5 Million from 76 officers who had left the service had been at a weak level and these loan balances had exceeded three years.	These loan balances should be recovered promptly as per the provisions of Paragraph 4.3 of Chapter XXIV of the Establishments Code.	A sum of Rs.3,572,954.52 has been settled out of the sum of Rs.10.5 million by 11 February 2022 and an arrangement has been made to settle the remaining sum as well.	The loan balance further recoverable was Rs.6.9 million.
7.	The values of unidentified deposits and unidentified payments remained in a bank account for a	Action should be taken to identify and settle these balances.	Out of unidentified receipts of Rs.15.79 million relating to the	Unidentified deposits of Rs.5.04 million

	period of two months to twelve months were Rs.15.79 million and Rs.145,979 respectively and action had not been taken to identify and settle these balances.		year 2020, a sum of Rs.5,044,947.17 remains as at 31 December 2021. Action is being taken to identify and settle that too. Moreover, unidentified payment of Rs.145,979 has been settled by now.	had remained further.
8.	In terms of Financial Regulations 770 (4) and 770 (a) (b), action should be taken to dispose the vehicles removed from being used. However, action had not been taken to dispose the vehicles removed before the year 2020 from use.	Action should be taken in terms of the said Financial Regulations in respect of vehicles that have been determined as not suitable for running.	As pointed out by Audit, reports have been called for by a valuation committee in respect of 26 vehicles removed before the year 2020 in terms of Financial Regulations 770 (4) and 770 (a) (b).	Action had not been taken to dispose of so far.
9.	In terms of Paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016, fuel tests had not been carried out in the year under review or in previous years regarding 554 vehicles used by the Department.	Action should be taken to carry out fuel tests and balance the running charts base on it in accordance with the above circular provisions.	Necessary arrangements have been made to carry out fuel tests and action will be taken to complete the test before 31 March 2022 and to submit a report thereon to Audit.	Action has not been taken thereon as per the said circular provisions.
10.	The Department has run a cashew cultivation project for about 1,200 acres (approximately 45,000 cashew trees) in the Kondachchi area in Mannar for a long period and there was expenditure over revenue amounting to Rs. 12.6 Million in comparing the last four years. Further, it was observed that the loss of the project will further increase when considering the salary and expenditure of 262 Civil Security personnel deployed in this purpose. Due to the threat of wild elephants, 186 troops were deployed for security alone and the cashew trees were not numbered	Arrangements should be made to minimize the costs and reap the expected benefits by properly managing of cultivation, harvesting and storage.	The troops, who were deployed in the cashew project, are responsible for the maintenance of the cultivation and safety of the land and the cultivation. The Cashew Corporation is taking action to construct an elephant fence at present. Numbering of cashew trees has been carried out exceeding 14,000 trees by 11 February 2022 and remaining trees are also being	A number of 186 troops, who were deployed in the security service against the threat of wild elephants, are still in the service and about 31,000 cashew trees have not been numbered so far. However, temporary stores had been built and those are in

	and documented. Further, the harvesting and documenting of cashew production are being done without proper supervision and adequate storage facilities had also not been provided for storing cashew nuts.		numbered. Harvesting of cashew as well is carried out properly under a supervisory board and storage facilities have been provided.	progress.
11.	Thirty three vehicles and 19 motorcycles belonging to the Ministry of Defense, Presidential Secretariat, Cabinet Office and several other Ministries and Departments are being used by the Department for a long time and arrangements had not been made to take over the legal ownership of these vehicles.	The legal ownership of the relevant vehicles should be taken over expeditiously.	Registration of 10 vehicles has been completed by 11 February 2022 and necessary documents have been submitted to take over the remaining vehicles..	The legal ownership of 23 vehicles and 19 motorcycles has not been taken over even by now.
12.	The damages occurred to a bicycle, a set of amplifier due to the fire at Trincomalee Brigade Headquarters Main Warehouse Building, valued at Rs. 342,320 and the damages caused to 26 vehicles by road accidents had not been revealed in the financial statements. Of that, the loss occurred to 10 vehicles had been estimated as Rs.141,359 and the losses of remaining 16 vehicles had not been calculated.	Losses and damage occurred to assets should be disclosed in the Financial Statements.	Action has been taken to include the losses and damage pointed out by Audit in the final accounts report of the year 2021.	These activities have not been completed.
13.	Even though the Board of Inquiry had recommended on 03 July 2018 to recover the loss occurred due to the shortage of 782,326 bricks in the Maha Oya Force Brick Production Project, from the responsible officers, action had not been taken to recover the loss even by now.	Action should be taken to recover the losses without delay.	Inquiries thereon were recommended as per instructions of the Audit and Management Committee. Instructions have been given to complete inquiries before 15 March 2022 and to take action regarding losses.	Relevant losses and damage had not been recovered so far.
14.	The Seva Vanitha Union had deployed 239 Kantale Force personnel from 12 September to 28 December of the year under review to manufacture and distribute	Action should be taken to reimburse the relevant cost of salaries to the Department.	It is kindly informed that as the service of Force personnel has been obtained for a Seva Vanitha welfare activity	The relevant cost of salaries had not been reimbursed so far to the

	exercise books to the children of the members of the Department and although a salary of Rs. 45.1 million had been incurred for the relevant troops during this period, that amount had not been reimbursed to the Department.		without interfering with normal duties, it is unable to reimburse the said cost of salary to the Department. Action has been taken to purchase exercise books from the Department of Government Printing in the year 2021. Accordingly, it is informed that exercise books will be manufactured without labour of civil security personnel.	Department.
15.	There were a total of 4,786 vacancies in the staff of the Department including 03 in the senior level and 54 in the tertiary and secondary levels.	Action should be taken to fill vacancies considering the service requirements.	New recruitments relating to civil security personnel are not made at present. One vacancy in the senior level has been filled. Requests from relevant institutions have been made to fill vacancies in the secondary and tertiary levels. Until those vacancies are filled, officers in Three Forces have been attached to cover essential duties.	Apart from the vacancy in the senior level which has been filled by now, two vacancies in the senior level and 54 in the tertiary and secondary levels should have been further filled. Other recruitments have been discontinued by the Government.

Head 322 – Department of National Botanical Gardens

	Audit Observation	Recommendation of the Auditor General	Preventive Measures taken by the Entity	Current Position
	Paragraphs included in the Report of the Auditor General for year 2019			
1	The solar power system had been installed at the Gampaha Botanical Gardens in May in the preceding year at a cost of Rs. 2,475,200, and the relevant institutions had stated that it would generate 2400 kilowatts per month. However, the system had provided only 677 kilowatts (350-1000) or 28 per cent per month.	Steps should be taken to find out the reasons for not generating sufficient electricity capacity and make the relevant repairs.	Further action will be taken in this connection immediately after receiving the status report on performance relating to the spot inspection.	Recommendations have not been carried out as yet.
2.	Without making any enquiries from 05 contractors who had submitted minimum bids for the construction of the chain link fence in the forested area of the Seethawaka Wet Zone Botanical Gardens, and deviating from the provisions of Guideline 7.9.2 of the Government Procurement Guidelines and even without considering the recommendations of the Technical Evaluation Committee, the contract had been awarded to the 6 th bidder who had presented a bid valued at Rs. 4,053,000. Accordingly, financial loss of Rs.1,158,400 had been incurred due to awarding the bid. Further, without obtaining high performance security as per the Guideline 7.9.11 (c), a security of 5 per cent of the contract value or Rs.202,650 had been obtained.	Action should be taken in accordance with the Government Procurement Guidelines.	A detailed bid evaluation has been carried out relating to 3 institutions and the contract had been awarded to the 6 th bidder.	The observation remained unchanged.

3.	According to the functions mentioned in the Gazette of the Democratic Socialist Republic of Sri Lanka dated 10 November 2006, although the new Botanical Gardens may be established in a suitable area in Sri Lanka as per the decision of the Cabinet of Ministers dated 22 March 2006, the management's attention had not been drawn to establish a National Botanical Gardens covering the North, North Central and Eastern Provinces.	Attention should be paid to establish new Botanical Gardens in suitable areas of Sri Lanka.	Letters have been forwarded to District Secretaries relating to the said matter.	Have not been established as per recommendations.
4.	(a) The project for the construction of a restaurant at the Mirijjawila Botanic Gardens with a contract value of Rs. 6,677,573 entered into on 4 August 2016 had been completed and handed over to the garden on 21 December 2016. However, nearly four years have elapsed from that date to 31 December 2020, the constructed building had not been used for the intended purpose.	Action should be taken to achieve the expected objectives.	Action has been taken to maintain as an information centre and a resting place for tourists.	Action has not been taken to achieve expected objectives.
	(b) It was agreed to construct a research center at the Mirijjawila Botanic Gardens at a contract value of Rs. 26,567,937 and this research center was completed and handed over on 26 November 2019. But construction had not been utilized to achieve the expected objectives until 31 December 2020.	Relevant assets should be used to obtain the expected benefits.	Payments have been made to get electricity connection and further action will be taken in the year 2022.	Assets have still not been utilized for obtaining the expected benefits.
5.	(a) The constructions of the office building of the Seethawaka Wet Zone Botanical Garden have been commenced at a contractual value of Rs. 30,357,738 (excluding	Action should be taken to utilize assets belonging to the Department efficiently and effectively.	Payments have been presently made to obtain electricity connection.	Not being utilized as recommended.

	VAT) and completed and handed over on 20 August 2020. Nevertheless, it had not been utilized as the electricity connection to the relevant building could not be obtained even by 03 February 2021.			
	(b) A ½ acre of paddy land belonging to the Seethawaka Wet Zone Botanic Gardens is occupied by an unauthorized occupant. Even though the Divisional Secretary of Seethawaka had been informed about this, a solution had not been found even by 3 February 2021.	Action should be taken to settle all the lands enjoyed by the department and take over the ownership	The Divisional Secretary has been briefed again in August 2021.	Recommendations have not been carried out as yet.

Head 325 – Department Sri Lanka Cost Guard

	Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
1.	It was observed that the department had used 2.1374 hectares of land belonging to various public and private institutions without any formal acquisition and by the end of the year under review the land and buildings had been developed at a total cost of Rs.52,327,020. 2018	-Do-	Necessary arrangements have been made to take over the ownership of the lands properly.	The acquisition process has not yet been completed.
2.	An amount of Rs.30.09 million was spent for the construction of an advanced training and administrative building in the Rohana Institute of the Department and then the work on the project was abandoned from 22 July 2017. 2019	Proper plans should be prepared and implemented.	Construction is currently underway.	The construction work has not been completed till now.

3.	According to 4.2.2 (a) of the Government Procurement Guidelines Code, a document should be prepared regarding the procurement actions from the initial stage of the procurement to the final stage, but it was not done accordingly.	The relevant work should be done.	It has forgotten to prepare.	A Register had not been prepared.
4.	In 2016, cost estimates were prepared as Rs. 102.36 million and Rs. 55.40 million respectively for the construction of advanced training administrative buildings and residential buildings, which are nationally important needs of the time, and Rs. 14 million were spent on basic works. The two subject construction projects had been suspended mid-way so far.	The subject construction should be started and completed promptly.	Action had been done to restart the project.	Construction work has not been completed so far.
5.	During the year under review, the department had handed over to the Sri Lanka Police the seized drugs valued at Rs.722,523,850, but no attention was paid to the follow-up of those deliveries.	Attention should be paid to the follow-up of seized prohibited drugs.	Follow-up reports on the seized prohibited drugs have been requested from the Sri Lanka Police Department.	The reports have not been received till now
6.	The increase in the number of vacancies had hindered the effective performance of the functions of the department as an independent institution in the future. 2020	Vacancies should be filled promptly for efficient performance of duties.	The Ministry of Defense has informed the Navy Headquarters.	The vacancies have not been filled till now.

Head 326 –Department of Community Based Corrections

Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
2018			
1. Due to the fact that the convicts will be re-entered into their usual environment after the correctional process, in order to prevent the convict from re-offending, the convicts should be given religious	It is suitable for the top management to take steps to build a center covering several jurisdictions.	Currently, many regional community corrections offices are established in the space provided by the courts. As the available space	At present, there is not enough space and office facilities required to carry out these activities.

counseling and personal counseling according to their level of risk, but the environment and space needed for that was not available in the community correctional offices.		in these offices is not enough, instructions have been received to use public places.	
2. Most of the community corrections offenders are related to narcotic offences. Although, directed to necessary treatment for they have to wait a long time to get treatments as result of not having necessary facilities in hospitals. There had been existing problems to continue corrections process while the offenders fall into the narcotic again and there were instances of violation of offence but no remedies for that.	As it is the responsibility of the management to achieve the objectives of the institution, to explore the possibility of establishing one correctional center at least at the district level to carry out the correctional work more efficiently and effectively.	No action has been taken in this regard.	This problem still exists at present.
3. In terms of the Section 40 of the National Audit Act No.19 of 2018 An Internal Auditor had not been appointed and also an audit plan had not been prepared.	Planning internal audit activities in accordance with the provisions of the National Audit Act No. 19 of 2018.	An internal audit position has been approved.	Internal auditor has not been appointed so far.

Head 327 - Land Use Policy Planning Department

	Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
	2018, 2019 and 2020			
1.	Out of the estimated allocation of Rs.2,650,000 for one expenditure subject, the balance as of 30 November 2020 was Rs.418,720. In spite of that, Rs. 1,500,000 had been transferred from another expenditure subject stating that it was based on urgent needs, but only Rs. 336,663 of it had been spent and Rs. 1,582,057 had been saved.	Provisions transferred from other expenditure subjects should be fully utilized to achieve the respective objectives.	Notice to officers to exercise caution in transferring such provisions during epidemic situations.	Poor financial management.

2.	Although revising the National Land Use Policy is a primary task of the department, it was not possible to revise and finalize it even by the end of 2020.	Work should be done to achieve the basic goals of the department.	Officials have been deployed to expedite the adoption of the policy.	The related activities have not been completed till now.
3.	Vision of the department is to use Sri Lanka's land resources in an optimal and sustainable manner, and the main mission of the department is to support the formulation and implementation of policies and plans for sustainable and optimal use of land while maintaining ecological balance. The Department has so far failed to pass the National Land Use Act, which is necessary to achieve that vision and mission.	In order to achieve the vision and mission, the National Land Use Act should be adopted.	A legal situation has arisen that the department cannot control.	Till now the Land Use Act has not been adopted.

Head 328 - Department of Manpower and Employment

	Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
1.	By January 2018, the Ministerial Coordination Program on Human Resources and Employment Policy had been completed. However, although letters were presented from various ministries informing that they need to clarify the future measures regarding the implementation of this policy, it was not confirmed that these explanations were made to them. Therefore, it was observed that the identified ministries have not clearly inform about it.	Since the responsibility of implementing the nationally important human resources and employment policy has been assigned to the department on behalf of the government, it should be done according to the proper procedures related to its implementation.	In order to implement the policy of the Ministries, it is essential to inform the department by assigning it to the officers and assigning the task to the successors when the officers change. This situation has arisen due to the failure of the concerned ministries to do so. The updating of that information should be done at the level of relevant ministries and institutions and they should inform	The work has not been completed till now.

			our department about it according to office procedures.	
2.	In the year 2018, Rs. 5 million had been allocated for installation management information system, but before developing the system, a process analysis should have been carried out according to the action plan, but it had not been done. Instead, 47 computers were purchased for field officers at Rs. 4,925,000 and distributed and in the year 2017 also 70 laptops computers had been purchased for the field officers at a cost of Rs. 6,971,300.	Provisions for setting up the system should be used in a planned manner in an effective manner.	In 2018, according to the departmental reorganization process, ICTA also worked under full guidelines to select an institution to conduct a process analysis (BA Study) for the entire department. Due to the fact that the prices offered for that were several times the allocated amount, the process analysis was not done at that time. Also, since mid-2018 till now, a system has been developed using the Google.doc software application and monthly progress summaries of 10 districts are being collected at the head office on a pilot basis. For this entire MIS project Rs. 117.74 million was estimated. Meanwhile, for the provision of IT/computer office equipment for regional secretariats, Rs. 97.5 million have also been allocated. Thus, the Treasury received in 2017 and	So far the system has not reached a usable level.

			2018 Rs. 15 million, 70 laptops and 47 computers have been provided to the field officers of this department to implement the project at the pilot level.	
3.	At the end of 2018, the audit was informed that the human Resources and employment policy could not be implemented due to the change of ministries. The planned value for that is Rs. 1,750,000 for the IT system improvement, the section of physical development (Monitoring Unit) assigned to oversee the progress of the policy, reporting the progress of the policy (quarterly/annually) and holding a meeting of the Ministry Secretaries on the implementation of the policy had not been able to be carried out.	Considering the national importance of the human resources and employment policy, efforts should be made to implement it.	Provisions were allocated under the Sunisi mission for proper installation of the computer server procured for the coordination of the implementation of this policy. The financial support of the World Labour Organization was also received for those works. Furthermore, due to the unforeseeable reasons mentioned in the audit inquiry, the relevant conference could not be held, thus the remaining funds were used for other tasks. In the last months of that year, it was difficult to carry out the planned tasks as the operational scope and assignment of duties of the ministries was problematic due to the state of affairs.	Until now, the desired objectives had not been achieved.
4.	Computer hardware and software worth Rs. 8,335,000 purchased in 2015 to implement the human resource policy was remained and unused.	Assets owned by the department should not be left idle and should be utilized.	Although the computer hardware assigned to this department by the Senior Minister's	Part of them is underutilized and part of them has been used for other purposes.

			<p>Office was reserved for the functions of the relevant operational unit, the approval for the required staff for that unit had not been received from the Department of Management Services. Therefore, the relevant equipment was underutilized.</p> <p>However, at present, the amount of computer equipment required for this unit has been retained from the relevant equipment and the additional equipment has been used in other units and district offices of the department.</p>	
5.	<p>According to paragraphs 2 and 3 of Public Administration Circular No. 02/2018 dated 24 January 2018, a human resource development plan had not been prepared and staff skill requirements had not been identified according to paragraph 3 of the said circular.</p>	<p>Action should be taken according to the Public Administration Circulars</p>	<p>In preparing the human resource development plan related to the Public Administration Circular 02/2018, we have a problematic situation regarding the number of officers who are integrated into the combine service from this department. (As the proposed recruitment procedure for these officers is yet to be approved) Also, while collecting relevant information, this activity had been done by relating to each service category as well as the sections of</p>	<p>Not prepared yet.</p>

			<p>the department. The largest group of employees in our department are field officers (548 of the total number of employees are field officers) and they have to be brought in by the district and divisional secretariat offices. We needed some time to collect that information.</p> <p>Accordingly, I would like to inform you that we are collecting the relevant information and preparing the relevant human resource development plan.</p>	
6.	<p>During the year under review, 25,864 job candidates were registered in the department and the number of registered job vacancies was 23,266. However, only 3,392 of the job candidates had been employed and thus the percentage of job candidates in 2019 was as low as 13 percent. During the last 5 years, the employment rate of the job candidates was at the lowest level and the necessary timely measures to increase it had not been taken by the responsible officials.</p>	<p>The department should implement an efficient and effective program to achieve the specific objectives and roles of the department. .</p>	<p>This is due to the lack of regular information on whether the vacancies have been filled by the organizations availing the employment services of the department. The motivation needed to get this response done properly is currently being done.</p>	<p>Actions had not been done to improve performance.</p>
7.	<p>As on 31 December 2020, the department had a total of 95 vacancies including 07 senior level vacancies, 04 tertiary level vacancies, 80 secondary level vacancies and 04 primary level vacancies.</p>	<p>Filling staffing gaps in the department as needed.</p>	<p>Requests have been made to the Secretary of Public Administration and the Director General of Combined Services for filling up senior</p>	<p>Action had not been taken to fill vacancies.</p>

			and tertiary level vacancies. In the promotion procedure for field officers sent for approval even though 56 career guidance posts have been approved as private and subject to subsequent cancellation, no re-recruitment. Combine Services General has been informed about Development Officer vacancies and currently 18 people have been recruited.	
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Head 331 – Department of Samurdhi Development

	Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
1.	Transactions in the Nature of Frauds			
	(a) The investigations on financial frauds totalled to Rs. 34,057,051 those were reported from 2014 -2018 at the Kandy District Secretariat as the financial fraud of Rs. 23,406,847, subsidized cash frauds in 06 Community Based Banks amounting to Rs. 4,136,984 and the fraud reported at 03 occasions in Livelihood Development Programmes for Empowering Samurdhi Beneficiaries amounted to	That all financial fraud investigations should be completed as soon as possible by following formal methods and the losses incurred for the government should be recovered and formal internal control methods should be established to prevent mistakes and frauds.	Charge sheets are being drafted.	The amount recovered from three (03) frauds is Rs. 4,270,000 or 12.5 percent were only. Investigations and recovery of losses incurred had not been completed, and proper internal control systems had not been established to prevent errors and frauds.

	Rs. 6,513,220 had not been completed. The amount recovered from two frauds was Rs. 1,520,000 or 4.5 per cent only.			
	(b) Disbursement of Samurdhi Subsidy and Livelihood benefits in 6 banking zones contrary to circular instructions, collection of funds for International Anti-Tobacco and Drug Flag Day 2017 by pressuring beneficiaries, misappropriation of Social Security Trust Fund benefits, burning of 2 Samurdhi Banks, By preparing fake documents in the form of giving loans to the beneficiaries, a sum of Rs. 3,082,999 fraud in 12 irregularities detected as cheating and 107 disciplinary violations and criminal offenses detected by officials between 2002 and 2018 have not been completed.	That all financial frauds, disciplinary violations and criminal offenses related investigations should be completed as soon as possible by following formal methods and the losses incurred to the government should be recovered and formal internal control methods should be established to prevent errors and frauds. To properly study the matters included in the audit queries and audit reports and should give correct answers to them.	74 out of 107 offenses related to disciplinary violations and crimes have been closed. Most of the other charges are in the final stages. Two of the 03 irregularities related to the collection of funds for the 2017 International Anti-Tobacco Flag Day have been closed.	Samurdhi Bank defrauded Rs. 1,408,133 out of Rs. 3,082,999 had been recovered and 39 out of 107 disciplinary violations and criminal offenses detected had not been completed. Formal internal control procedures had not been established to recover the losses caused to the government and to prevent errors and frauds by following formal procedures and completing the investigations regarding all financial frauds, disciplinary violations and criminal offenses as soon as possible.
2.	Operating Bank Accounts			
	Bank current accounts were maintained in 03 training centers without Treasury approval as per Money Regulation 381 (i).	Action should be taken to compliance with financial regulations.	Reference has been made to Treasury for approval to open current accounts in 03 training centres.	No approval has been obtained so far.
3.	Failure to perform duties			
	(a) Out of 589,472 families included in the waiting lists in 21 districts, 135,106	That a national policy should be prepared and grants of subsidies	The activity of entering the names of the subsidy claim	A national policy had not been prepared to carry

	families had not been given Samurdhi subsidy. Also, out of 43,853 families included in the waiting lists of the Divisional Secretariats of Gampaha district, 33,398 families selected out of the waiting list had been given subsidies.	should be made accordingly and a data system containing the information of the beneficiaries should be prepared.	forms was done directly under the supervision of the minister in charge at the ministerial office premises, and the selection of families outside the waiting list was also done at the ministry level.	out the main subsidy and a data system containing the information of the beneficiaries had not been prepared.
	(b) Rs. 1,000,000 was paid to the Kothmale Institute for the construction of cattle sheds out of the Rs. 1,820,000 allocated in the year under review, based on 50 beneficiaries for the management of cows in Demadaoya Village, Pallepola, Matale by the Samurdhi Production Model Village Program. The project was stopped due to the non-delivery of dairy cows by the supplier who agreed to provide them, and the beneficiaries rejected the equipment due to the increase in the price of the equipment.	Planned activities should be properly implemented for development programs to empower the Samurdhi beneficiaries.	The programs could not be carried out as planned due to the delay in providing funds from the treasury and the covid epidemic situation in the country. At present, measures have been taken to deal with the observation.	The activities planned for development programs to empower the Samurdhi beneficiaries had not been implemented properly.
	(c) Two suwabojunhal which the cost of Rs. 5,133,875 completed in 2019 and 4 Suvabojunhal which the cost of Rs. 11,314,925 completed in 2020, only Hambantota Suvabojunhala was opened in the year under review.	Planned activities should be implemented properly.	Suva Bojunhala, which was built in Kalutara Matugama Divisional Secretariat Division in 2019 and in Monaragala Medagama Sub-Divisional Secretariat Division in 2020, is to be handed over to the people in the first quarter of 2022.	Planned activities had not been implemented properly.
	(d) In the year 2017, the first phase related to the	Planned activities should be implemented	Suva Bojun Hala is planned to open in the	Planned activities had not been

	<p>construction of a building with a total of 5218 square feet, 2 storeys Suva Bojun Hall and a Samurdhi Rest House on a half acre land belonging to the Ampara Mahaoya Forest Conservation Department was started. From the year 2017 to the year 2020 the total value of Rs. 43,457,347 was estimated and till the year 2020 Rs. 35,042,514 had been allocated from the head office to the district office. Rs. 13,812,142 had been paid to the contractor for the first and second phase, the second phase should be completed and handed over in the year 2018, but the activity had not been completed until the year 2021.</p>	properly.	first quarter of this year.	implemented properly.
4.	Management weaknesses			
	<p>(a) During the period 2015-2017, surveys were conducted to re-identify the subsidy beneficiaries at a cost of Rs. 107,535,031. Nevertheless, without considering that information, 9250 selected families in Matale and Polonnaruwa districts had been subsidized from October to December 2018 at a cost of Rs. 75,333,000.</p>	<p>Selection of beneficiaries should be done according to the prescribed methods and arrange to pay the benefits.</p>	<p>Based on a policy decision taken by the new government that came to power in the year 2018, the new Samurdhi subsidy program for one hundred and fifty thousand (150,000) families covering 25 districts had to be carried out quickly within the financial allocation limit set aside to provide subsidies for that year. Accordingly, new</p>	<p>Selection of beneficiaries and paying benefits had not been done according to the prescribed methods.</p>

			subsidies were issued only for Polonnaruwa and Matale districts, while the implementation of new subsidies for other districts was suspended due to the change of government.	
	<p>(b) Having completed 06 years of active service in an executive position of "senior level" as referred to in Public Administration Circular No. 6/2006 dated 25 April 2006 for obtaining motor concession permit as per paragraph 1.1 of Trade Investment Policy Circular No. 01/2016 dated 14 July 2016 And should be government officials who have been fixed in the post. However, in accordance with paragraph 2.3 of the said circular, while it has been specified that the officers who have been appointed as personal or on seniority basis are not entitled to this, without paying attention to the circular, the post of assistant director who has passed the efficiency bar examinations but has not received permanent appointment, who have been appointed as personal basis, concessional car permit has been given to 20 officers on 26 February 2020.</p>	Action should be done according to the circular provisions	In the staff approved by the Department of Management Services dated 15.09.2016, these positions have been approved as personal to the holder, but under the approved staff composition of the Department of Management Services dated 05.07.2019, the personal to the holder has been removed. Accordingly, according to the Trade and Investment Policy Circular No. 1/2018, these officers are also eligible to get a concessional free vehicle permit.	Action had not been according to circular provisions

	(c) In relation to the continuation of the Employee Loan Revolving Fund, which was given loans to officials during the existence of the Samurdhi Authority, under the issue of advances to government officials without consulting the Treasury, in the year 2020, for 302 officials, Rs. 66,257,360 had been given disaster loans. In this way, although loans were continuously given from the Employee Loan Revolving Fund, the financial statements of 8 years from the year 2014 to the year 2021 for the fund had not been prepared and submitted to the audit.	Action should be taken to obtain advice from the Treasury and submit the accounts of the fund for audit.	The financial statements of the Employees' Loan Revolving Fund are being prepared and will soon be submitted for audit.	The Treasury had not been consulted and the accounts of the fund had not been submitted for audit.
5.	Asset management			
	(a) During the year under review Rs. 2,300,000 had been earmarked for the acquisition of the 2.178 hectare plot of land where the Samanala Lake Training Center is situated had not been make acquisition and .action had not been taken to acquire the land and buildings of the Nillamba Training Center which the appraised value of Rs. 132,746,000 and Rs. 525,000 which due to charge from squatters collect and hand over.	That the activities of acquisition and appropriation of land and building properties should be carried out without delay.	On January 04, 2022, advice has been sought from the Ministry of Lands on how these assets purchased by Samurdhi can be done an acquisition to the department. After receiving it, the relevant acquisitions are to be started.	According to section 44 (b) of Divineguma Act No. 1 of 2013, all movable and immovable properties belonging to the authorities had not been taken over to the government with effect from the due date.
	(b) The land of 1 acre where the Bandarawela tourist bungalow is located and the land of 1 rood and 3.82	Acquiring and expropriating the relevant land and building properties	The survey activity for acquisition of this land has been done on 09.12.2021 and the	Estimated value had been entered in the financial statements without

	perches where the Kandy office premises are located had not been acquired regularly, these land parts are respectively Rs. 20,000,000 and Rs. 21,900,000 were valued in the financial statements.	should be carried out without delay.	Bandarawela Divisional Secretary has taken necessary steps for the transfer activities. The land is owned by the University of Peradeniya and the Upland Development Authority has enjoyed it under a long-term lease agreement. The lease agreement has expired in the year 2012. We do not own the right of this land and therefore cannot be taken over.	taking acquisition the land and buildings and entering into a lease agreement.
	(c) Failure to assess and account for 10 lands assigned to the department between 1996 and 2013.	To be assigned, appraised and accounted for by the Land Department.	Out of the 10 lands mentioned in the survey, Akuessala Galagava land and Galkawatta Madawala land have been assessed and accounted for.	During the period from 1996 to 2013, 8 lands transferred to the department had not been assessed and accounted for.
6.	Human Resource Management			
	(a) Service minutes and recruitment procedures for 4 departmental posts and promotion procedures for 13 posts were not approved.	That the proceedings should be expedited and the administrative issues resolved.	The recruitment and promotion procedure related to the staff working under the Employee Benefit Fund has been revised and forwarded to the Management Services Department for approval.	Recruitment and promotion procedures were not approved.
	(b) 06 posts of Sri Lanka Administrative Service district director in grade I and 16 posts of accountant grade I had been assigned on the duty assigning basis and duty covering basis.	That the proper appointments should be made in the approved cadre.	The Ministry of Public Administration has been informed several times to fill up the above mentioned vacancies in the Combined Services.	No arrangement had been made to appoint the approved staff.

			However, since there is a shortage of Grade I officers in the executive service category in all services, qualified officers of lower grades have been appointed to perform duties and cover duties subject to the approval of the Public Service Commission.	
7.	Accounts Receivable			
	(a) Action had not been taken to settle money obtained from Social Security Trust Fund Rs. 218,493,601 and Community Banking Sector Rs. 100,000,000 for conducting subsidy awarding ceremonies.	That the necessary arrangements should be made to settle the expenses incurred outside of the budget allocations.	The expenditure has been approved as the fund management boards have approved the expenditure.	Expenditures incurred outside of the budget allocations have not been settled.
	(b) As on 31 December 2020, the outstanding advance loan balance of 220 officers was Rs. 4,801,126. Of this loan balance, the balance beyond 5 years is Rs. 751,999 and the old loan balance between 4 years to 5 years is Rs. 580,701 and the outstanding loan balance between 1 year to 3 years is Rs. 3,434,065 had been included.	Issuance of loans for officers, collection of loans and calculation of balance due etc. should be done correctly and financial statements should be prepared.	Recognizing the problematic situations for settling the debt balances, a debt balance of Rs. 370,042 has been settled in the form of debt balances that have exceeded five years and some of the debt balances belonging to later periods. Actions are being taken to settle the balance.	Issue of loans to officials, recovery of loans and calculation of balance due etc. had not been done properly.
	(c) Although the sum of Rs. 2,374 million received from the banking finance sector for the payment of samurdhi subsidy in the months of August, September and October 2013 was a credit to be	That the proper steps should be taken to settle the debt and proper disclosure should be made in the accounts.	In the year in which this loan was obtained, the Samurdhi Commissioner General's Department recorded a balance in the deposit account on the concurrence of the	Correct disclosure was not made in the accounts.

	settled, it was not disclosed as a credit and it was continuously shown as a balance in the general deposit account.		Treasury. Despite constant requests to settle this amount from the Treasury, the necessary funds have not been received, so this balance continues to remain in the deposit account.	
8.	Procurement			
	Rs. 14,681,351 expenditure on distribution of appointment letters to Samurdhi Development Officers and conduct of ceremony, Rs. 2,296,464 for the purchase of 72 tires and Rs. 246,283,828 for 4 procurement in the provision of Samurdhi subsidies had been spent without following instructions and storage procedure of Government Procurement Guidelines 2006.	That the activities should be carried out in accordance with the instructions contained in the Procurement Guidelines and the Financial Regulations.	Steps have been taken to proceed as per the procurement guidelines and Financial Regulations.	The instructions contained in the Procurement Guidelines and the Financial Regulations had not been followed.
9.	Performance			
	(a) Considering the need to maintain the Divineguma Fund, Social Security Trust Fund, Housing Development Lottery Fund, Bank Union Stationery Revolving Fund and Employee Loan Revolving Fund established as funds in accordance with paragraph 15 of the Public Finance Circular No. 01/2020 dated 18 August 2020, action had not been taken to constitutional.	Funds should be made constitutional by Acts of Parliament.	At present, the action plan of the department has been prepared to include the entire role.	Funds had not been codified by Acts of Parliament.
	(b) Covid 19 social benefits Rs. 5,000 gratuity payment			
	10,021,055 families and 71,383 disabled and kidney			

	disease elderly beneficiaries under Phase I and II for the 5 benefit groups Rs. 50,462.19 million and for indirect expenses on behalf of officials Rs. 34.63 million and as bank loan interest Rs. 542.10 million, including a total of Rs. 51,038.92 million had been spent and observations are follows.			
	i. According to the information presented by the microfinance sector, to obtain the money required to pay the above subsidies, the bank loan (fixed deposit as collateral), the investment acquisition of the microfinance banking sector, the savings of the microfinance sector and Samurdhi Bank, totaled Rs. 53,588.96 million had been obtained. Out of these provisions, the official bank account receive Rs. 34,225.63 million and through the compulsory savings account of Samurdhilabhi Rs. 7,893.26 million and direct payments from Samurdhi Community Banks Rs. 11,363.32 million and the total is Rs. 53,482.21 million had been remitted to the Community Banks. In that regard, the information had not been maintained formally and arrangements had not been made to reconcile the expenses of the regional offices with the money used.	To maintain the information in a formal manner and arrange to reconcile the used money and the remaining money.	A formal report regarding these payments was obtained from Samurdhi Bank on the intervention of the Internal Audit Division of the Samurdhi Department. Accordingly, a detailed report is promptly submitted for audit. In the future, all relevant officials have been informed to properly maintain information in such tasks.	Information was not maintained formally.
	ii. Compulsory savings of the samurdhi beneficiaries who had invested in 31 fixed	Mandatory savings investment of samurdhi people should be	The treasury has been asked to reimburse the interest foregone on	Till now the related amount has not been reimbursed.

	deposits amounted to Rs. 22,754 million had been obtained before maturity of the investment and due to this the compulsory savings interest of Rs. 556.46 million had been lost.	arranged to provide the lost interest money.	pre-maturity of the investments as well as the amount incurred for payment of social benefits.	
	iii. Out of the money obtained from various sources, Rs. 51,038.92 million, the bank loan amount is Rs.16,000 million and the interest on it is Rs. Only 542.10 million had been reimbursed from the treasury and there was no confirmation on how to settle the remaining amount.	Action should be taken to settle the remaining amount.	To settle the remaining amount, despite constantly submitting requests for cash to the treasury, no cash has been received to settle the amount.	Action had not been made to reimburse the relevant money

Head 332 – Department of National Community Water Supply

Audit Observation		AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
1.	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
	Financial Regulation 570	287 deposits totaling Rs. 27,340,534 related to the general deposit accounts of the department had not been taken to be credited to the public revenue for more than two years.	Deposits should be credited to Public Revenue as per the Financial Regulation.	At present, the activity is being done to release all the retention money which is more than two years and the concerned officials had been instructed to take steps to release the retention money within the specified period of 2 years.
				The relevant activities have not been completed till now.

2.	Public Finance Circular No. 01/2012 dated 5 January 2012 - Paragraph 3.1	It was observed during the sample audit that construction work contracts had not been awarded to community-based organizations after the qualifications were checked and confirmed by a three-member committee consisting of two representatives nominated by the head of the department and the regional secretary of the area.	When assigning construction work contracts to community-based organizations, they must follow the provisions of the Public Financial Circular.	In order for the project to be sustained by the community, the societies must have an understanding of the construction. Therefore, these projects are awarded contracts to community water societies that understand the concept of community water.	Circular provisions had not been followed.
3.	By the end of 2020, almost six years have passed since the establishment of the department, but the management had failed to pass an act related to the department by the end of the year under review. As a result, it was observed that there is a problematic situation regarding the legal validity of the department as well as its authority to control the community-based organizations registered under it.	Urgent measures should be taken to pass the Act related to the establishment of the department.	Due to the delay in the preparation of the Act during the Covid epidemic situation, the activities are to be carried out expeditiously.	So far the bill has not been approved.	
4.	329 water projects of community based organizations belonging to 22 districts registered under the department remained inactive from the year 2005 till the end of the year under review. However, out of these, it was observed that sufficient steps have not been taken to restore the	Actions should be taken to implement projects which can be reactivated which are in inactive status.	As about Rs.200 million are allocated annually to the department for rehabilitation and improvement, it is difficult to	All projects had not been completed.	

	inactive projects in the districts of Kegalle, Mannar, Trincomalee and Matara.		implement all the dormant projects within the existing allocation.	
5.	Out of 123 projects with a cost of Rs.1,782,992,419 implemented in 25 districts under the National Community Water Pride Project in the year under review, only 03 projects with a cost of Rs.16,187,182 had been completed by the end of the year under review. It was observed that the progress of 46 projects with a total cost of Rs.785,058,909 implemented in 16 districts was less than 75 percent.	Action should be taken to complete projects as planned.	As there is no possibility in the existing allocation to complete a whole water project 100% in one year, the entire work of one project will be completed in a few years.	There are still many projects to be completed.
6.	According to paragraph 5.6.1 (a) of the Procurement Guidelines, the specifications for the goods or works to be procured should be detailed to the extent necessary to achieve the relevant procurement objective. But the procurement committee later decided that there are deficiencies in the specifications of the tender for pumps and accessories that were called for on 19 June 2020, and due to re-calling for the price, the cost incurred for the first quotation of Rs. 177,660 had been lost.	Product specifications should be determined before procurement begins.	Action had not been taken	For the first price call, Rs. 177,660 had been an idle expenditure.
7.	(a) At the end of the year under review, it was observed that the percentage of vacancies in the approved number of employees under each employee category ranges from 44 percent to 100 percent. It was as high as 51 percent of the total number of approved employees.	Action should be taken to fill the vacancies of essential posts.	Instructions have been given to the concerned officers to inform the concerned agencies to fill up the vacancies continuously.	No recruitment has been done so far.
	(b) Although 12 officers had been approved for the post of Engineer (Civil), only seven officers had been recruited as on 31 December 2020 and one officer had been assigned supervisory duties in several districts without filling up the remaining five officer vacancies.	Action should be taken to fill the vacancies of essential posts.	Instructions have been given to the concerned officers to inform the concerned agencies to fill up the vacancies continuously.	The total number of Engineer (Civil) posts approved so far is 15 and out of them 10 have been recruited and allocated to the districts at the zonal level and employed.

Head 334 - Department of Multipurpose Development Task Force

	Audit Observation	AG's Recommendation	Preventive measures taken by the Auditee entity	Present situation in that regard
1.	The advance B account for government officials for the year 2020 had been submitted for audit on 05 May 2021 and the approved maximum debit balance limit was Rs. 30,000,000 and the actual balance at the end of the year under review was Rs.38,930,765, Rs.8,930,765 had exceeded the final debit balance limit.	Adherence to advance "B" account limits.	As per the amendments made to F.R. 503 (1), it should not be considered as an excess of the limit which has arisen during the settlement of the credit balance of the officers between the departments.	Approval not received. Exceeding the maximum debit balance is not covered by amendment F.R 503(1).

Annexure - 1

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
4	2018	149,700,000	63,400,000	213,100,000	218,600,000	63,400,000	282,000,000	
	2019	260,330,000	67,900,000	328,230,000	260,330,000	67,900,000	328,230,000	
	2020	224,360,000	18,910,000	243,270,000	233,973,000	40,234,000	274,207,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
4	2018	203,506,983	60,155,453	263,662,436	15,093,017	3,244,547	18,337,564	Qualified audit Opinion
	2019	212,307,573	39,247,692	251,555,265	48,022,427	28,652,308	76,674,735	Qualified audit Opinion
	2020	218,310,144	12,799,422	231,109,566	15,662,856	27,434,578	43,097,434	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
5	2018	94,350,000	12,650,000	107,000,000	93,350,000	13,650,000	107,000,000	
	2019	109,670,000	29,000,000	138,670,000	123,183,000	32,204,000	155,387,000	
	2020	148,420,000	16,900,000	165,320,000	148,420,000	16,900,000	165,320,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
5	2018	85,786,364	6,497,536	92,283,900	7,563,636	7,152,464	14,716,100	Qualified audit Opinion
	2019	114,631,211	5,291,929	119,923,140	8,551,789	26,912,071	35,463,860	Qualified audit Opinion
	2020	116,640,236	10,812,564	127,452,800	31,779,764	6,087,436	37,867,200	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
16	2018	2,555,700,000	646,650,000	3,202,350,000	2,550,400,000	651,950,000	3,202,350,000	
	2019	2,779,250,000	813,050,000	3,592,300,000	2,863,888,000	813,375,000	3,677,263,000	
	2020	2,511,350,000	210,700,000	2,722,050,000	2,511,350,000	210,700,000	2,722,050,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
16	2018	2,370,363,709	218,511,241	2,588,874,950	180,036,291	433,438,759	613,475,050	Qualified audit Opinion
	2019	2,647,272,845	176,043,096	2,823,315,941	216,615,155	637,331,904	853,947,059	Qualified audit Opinion
	2020	2,302,552,491	162,443,253	2,464,995,744	208,797,509	48,256,747	257,054,256	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
17	2018	40,060,000	1,050,000	41,110,000	40,510,000	1,050,000	41,560,000	
	2019	43,890,000	1,600,000	45,490,000	45,335,800	1,600,000	46,935,800	
	2020	48,150,000	1,750,000	49,900,000	48,150,000	1,750,000	49,900,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
17	2018	38,870,116	544,630	39,414,746	1,639,884	505,370	2,145,254	Qualified audit Opinion
	2019	43,090,816	1,377,677	44,468,493	2,244,984	222,323	2,467,307	Qualified audit Opinion
	2020	47,010,126	1,602,974	48,613,100	1,139,874	147,026	1,286,900	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
18	2018	83,610,000	1,900,000	85,510,000	84,210,000	1,900,000	86,110,000	
	2019	77,160,000	2,850,000	80,010,000	77,160,000	2,850,000	80,010,000	
	2020	79,650,000	2,850,000	82,500,000	79,650,000	2,850,000	82,500,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
18	2018	58,822,817	1,332,780	60,155,597	25,387,183	567,220	25,954,403	Qualified audit Opinion
	2019	60,709,197	1,572,639	62,281,836	16,450,803	1,277,361	17,728,164	Qualified audit Opinion
	2020	72,207,653	1,229,925	73,437,578	7,442,347	1,620,075	9,062,422	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
19	2018	82,800,000	7,850,000	90,650,000	82,100,000	8,550,000	90,650,000	
	2019	86,915,000	8,800,000	95,715,000	139,519,000	64,964,000	204,483,000	
	2020	116,600,000	16,800,000	133,400,000	116,600,000	16,800,000	133,400,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
19	2018	69,175,041	7,720,746	76,895,787	12,924,959	829,254	13,754,213	Qualified audit Opinion
	2019	119,911,033	60,703,290	180,614,323	19,607,967	4,260,710	23,868,677	Qualified audit Opinion
	2020	104,238,610	13,959,128	118,197,738	12,361,390	2,840,872	15,202,262	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
22	2018	24,535,000	550,000	25,085,000	24,009,000	1,233,000	25,242,000	
	2019	25,265,000	650,000	25,915,000	28,470,000	1,100,000	29,570,000	
	2020	28,220,000	300,000	28,520,000	28,220,000	300,000	28,520,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
22	2018	23,868,866	1,164,082	25,032,948	140,134	68,918	209,052	Qualified audit Opinion
	2019	27,966,083	647,275	28,613,358	503,917	452,725	956,642	Qualified audit Opinion
	2020	26,317,458	186,578	26,504,036	1,902,542	113,422	2,015,964	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
201	2018	504,285,000	54,700,000	558,985,000	1,347,005,000	54,700,000	1,401,705,000	
	2019	1,377,000,000	84,500,000	1,461,500,000	1,378,154,000	86,252,000	1,464,406,000	
	2020	1,452,500,000	50,600,000	1,503,100,000	1,446,950,000	56,150,000	1,503,100,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
201	2018	1,188,615,778	50,219,210	1,238,834,988	158,389,222	4,480,790	162,870,012	Qualified audit Opinion
	2019	1,312,038,993	43,252,987	1,355,291,980	66,115,007	42,999,013	109,114,020	Qualified audit Opinion
	2020	1,185,595,774	50,976,817	1,236,572,591	261,354,226	5,173,183	266,527,409	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
202	2018	91,000,000	59,700,000	150,700,000	248,200,000	59,700,000	307,900,000	
	2019	125,700,000	49,650,000	175,350,000	132,990,000	50,150,000	183,140,000	
	2020	122,100,000	20,900,000	143,000,000	118,210,000	24,790,000	143,000,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
202	2018	233,789,150	47,701,853	281,491,003	14,410,850	11,998,147	26,408,997	Qualified audit Opinion
	2019	123,674,698	25,023,385	148,698,083	9,315,302	25,126,615	34,441,917	Qualified audit Opinion
	2020	116,026,284	24,338,237	140,364,521	2,183,716	451,763	2,635,479	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
203	2018	73,747,000	32,070,000	105,817,000	185,147,000	57,420,000	242,567,000	
	2019	183,960,000	51,885,000	235,845,000	183,960,000	251,385,000	435,345,000	
	2020	183,350,000	80,200,000	263,550,000	183,350,000	80,200,000	263,550,000	

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
203	2018	167,099,582	48,936,146	216,035,728	18,047,418	8,483,854	26,531,272	Qualified audit Opinion
	2019	157,446,116	78,997,894	236,444,010	26,513,884	172,387,106	198,900,990	Qualified audit Opinion
	2020	168,392,901	79,046,224	247,439,125	14,957,099	1,153,776	16,110,875	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
204	2018	154,460,000	94,650,000	249,110,000	195,960,000	94,650,000	290,610,000
	2019	194,960,000	94,800,000	289,760,000	194,960,000	94,800,000	289,760,000
	2020	238,700,000	108,900,000	347,600,000	238,700,000	110,900,000	349,600,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
204	2018	169,496,690	93,715,232	263,211,922	26,463,310	934,768	27,398,078	Qualified audit Opinion
	2019	183,372,074	92,901,645	276,273,719	11,587,926	1,898,355	13,486,281	Qualified audit Opinion
	2020	229,678,781	109,759,634	339,438,415	9,021,219	1,140,366	10,161,585	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
205	2018	59,235,000	6,800,000	66,035,000	56,980,000	11,055,000	68,035,000
	2019	65,050,000	7,500,000	72,550,000	65,050,000	7,500,000	72,550,000
	2020	57,080,000	1,271,000	58,351,000	57,080,000	1,271,000	58,351,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
205	2018	55,310,355	10,972,915	66,283,270	1,669,645	82,085	1,751,730	Qualified audit Opinion
	2019	60,933,034	5,168,969	66,102,003	4,116,966	2,331,031	6,447,997	Qualified audit Opinion
	2020	56,904,153	1,065,833	57,969,986	175,847	205,167	381,014	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
206	2018	665,092,000	62,600,000	727,692,000	673,373,072	104,218,928	777,592,000
	2019	698,000,000	877,000,000	1,575,000,000	698,000,000	877,000,000	1,575,000,000
	2020	694,350,000	188,900,000	883,250,000	694,350,000	188,900,000	883,250,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
206	2018	624,243,160	82,904,062	707,147,222	49,129,912	21,314,866	70,444,778	Qualified audit Opinion
	2019	643,567,840	51,244,223	694,812,063	54,432,160	825,755,777	880,187,937	Qualified audit Opinion
	2020	638,584,000	47,519,813	686,103,813	55,766,000	141,380,187	197,146,187	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
207	2018	896,550,000	107,800,000	1,004,350,000	928,550,000	107,800,000	1,036,350,000	
	2019	965,000,000	112,000,000	1,077,000,000	967,715,000	112,485,000	1,080,200,000	
	2020	1,049,212,000	154,246,000	1,203,458,000	1,049,212,000	154,246,000	1,203,458,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
207	2018	919,927,142	95,605,613	1,015,532,755	8,622,858	12,194,387	20,817,245	Qualified audit Opinion
	2019	961,065,438	85,089,323	1,046,154,761	6,649,562	27,395,677	34,045,239	Qualified audit Opinion
	2020	1,006,235,731	88,888,190	1,095,123,921	42,976,269	65,357,810	108,334,079	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
208	2018	187,593,000	94,040,000	281,633,000	192,593,000	94,040,000	286,633,000	
	2019	210,000,000	136,000,000	346,000,000	222,600,000	136,000,000	358,600,000	
	2020	243,550,000	95,900,000	339,450,000	240,480,000	98,970,000	339,450,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
208	2018	189,904,445	77,978,789	267,883,234	2,688,555	16,061,211	18,749,766	Qualified audit Opinion
	2019	210,752,163	75,073,977	285,826,140	11,847,837	60,926,023	72,773,860	Qualified audit Opinion
	2020	225,259,171	67,137,924	292,397,095	15,220,829	31,832,076	47,052,905	Qualified audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
209	2018	111,420,000	226,650,000	338,070,000	109,810,000	228,260,000	338,070,000	
	2019	115,000,000	445,000,000	560,000,000	134,500,000	445,000,000	579,500,000	
	2020	135,850,000	160,700,000	296,550,000	135,850,000	160,700,000	296,550,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
209	2018	100,783,729	31,205,596	131,989,325	9,026,271	197,054,403	206,080,674	Qualified audit Opinion
	2019	127,001,054	240,075,951	367,077,005	7,498,946	204,924,049	212,422,995	Qualified audit Opinion
	2020	117,619,179	112,822,311	230,441,490	18,230,821	47,877,689	66,108,510	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
210	2018	608,930,000	139,500,000	748,430,000	602,291,100	146,138,900	748,430,000
	2019	226,650,000	57,150,000	283,800,000	256,751,000	81,549,000	338,300,000
	2020	240,222,000	27,066,000	267,288,000	241,527,160	27,910,000	269,437,160

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
210	2018	515,321,155	45,285,582	560,606,737	86,969,945	100,853,318	187,823,263	Qualified audit Opinion
	2019	253,634,436	62,828,823	316,463,259	3,116,564	18,720,177	21,836,741	Qualified audit Opinion
	2020	238,614,583	26,687,035	265,301,618	2,912,577	1,222,965	4,135,542	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
211	2018	2,403,725,000	107,885,000	2,511,610,000	2,505,725,000	127,885,000	2,633,610,000
	2019	2,851,950,000	142,250,000	2,994,200,000	2,824,680,000	187,100,000	3,011,780,000
	2020	3,045,919,000	195,747,000	3,241,666,000	3,045,919,000	195,747,000	3,241,666,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
211	2018	2,450,765,730	112,291,130	2,563,056,860	54,959,270	15,593,870	70,553,140	Qualified audit Opinion
	2019	2,789,977,589	163,047,971	2,953,025,560	34,702,411	24,052,029	58,754,440	Qualified audit Opinion
	2020	2,881,162,801	152,744,484	3,033,907,285	164,756,199	43,002,516	207,758,715	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
212	2018	3,133,000,000	319,000,000	3,452,000,000	3,212,800,000	819,000,000	4,031,800,000
	2019	4,265,000,000	730,000,000	4,995,000,000	4,665,000,000	730,000,000	5,395,000,000
	2020	4,857,810,000	502,500,000	5,360,310,000	4,857,810,000	502,500,000	5,360,310,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
212	2018	3,161,005,240	662,785,350	3,823,790,590	51,794,760	156,214,650	208,009,410	Qualified audit Opinion
	2019	4,392,202,472	181,793,435	4,573,995,907	272,797,528	548,206,565	821,004,093	Qualified audit Opinion
	2020	3,504,162,871	79,310,703	3,583,473,574	1,353,647,129	423,189,297	1,776,836,426	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
213	2018	58,660,000	73,600,000	132,260,000	58,660,000	73,600,000	132,260,000
	2019	60,000,000	40,000,000	100,000,000	60,000,000	40,000,000	100,000,000
	2020	64,770,000	24,450,000	89,220,000	64,770,000	24,450,000	89,220,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
213	2018	54,447,235	68,809,326	123,256,561	4,212,765	4,790,674	9,003,439	Qualified audit Opinion
	2019	57,909,987	20,202,507	78,112,494	2,090,013	19,797,493	21,887,500	Qualified audit Opinion
	2020	63,180,344	9,733,423	72,913,767	1,589,656	14,716,577	16,306,233	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
214	2018	30,825,000,000	13,500,000,000	443,250,000,000	36,785,500,000	19,454,000,000	32,954,000,000
	2019	45,625,000,000	13,750,000,000	59,375,000,000	46,076,000,000	13,980,000,000	27,730,000,000
	2020	49,496,500,000	9,544,600,000	59,041,100,000	49,496,500,000	9,544,600,000	19,089,200,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
214	2018	35,934,738,500	14,098,060,000	50,032,798,500	850,761,500	5,355,940,000	6,206,701,500	Qualified audit Opinion
	2019	45,544,317,000	10,820,050,000	56,364,367,000	531,683,000	3,159,950,000	3,691,633,000	Qualified audit Opinion
	2020	49,456,921,000	9,544,530,000	59,001,451,000	39,579,000	70,000	39,649,000	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
215	2018	1,959,816,000	237,850,000	2,197,666,000	1,958,206,000	239,460,000	2,197,666,000
	2019	1,907,000,000	363,000,000	2,270,000,000	1,907,000,000	363,000,000	2,270,000,000
	2020	2,013,350,000	160,750,000	2,174,100,000	2,024,239,360	160,750,000	2,184,989,360

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
215	2018	1,850,561,220	226,711,192	2,077,272,412	107,644,780	12,748,808	120,393,588	Unqualified Audit Opinion
	2019	1,853,791,590	204,658,950	2,058,450,540	53,208,410	158,341,050	211,549,460	Unqualified Audit Opinion
	2020	1,983,056,701	155,575,495	2,138,632,196	41,182,659	5,174,505	46,357,164	Qualified audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
216	2018	553,460,000	154,200,000	707,660,000	552,780,000	154,880,000	707,660,000
	2019	582,000,000	171,000,000	753,000,000	580,740,000	172,260,000	753,000,000
	2020	541,000,000	98,000,000	639,000,000	539,352,000	99,648,000	639,000,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
216	2018	521,040,448	142,539,504	663,579,952	31,739,552	12,340,496	44,080,048	Qualified Audit Opinion
	2019	543,414,006	101,409,029	644,823,035	37,325,994	70,850,971	108,176,965	Qualified Audit Opinion
	2020	520,386,362	96,199,038	616,585,400	18,965,638	3,448,962	22,414,600	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
217	2018	270,340,000	79,340,000	349,680,000	271,081,000	79,349,000	350,430,000	
	2019	294,110,000	79,400,000	373,510,000	298,093,000	79,417,000	377,510,000	
	2020	324,870,000	35,910,000	360,780,000	324,870,000	35,910,000	360,780,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
217	2018	266,970,132	75,757,088	342,727,220	4,110,868	3,591,912	7,702,780	Qualified Audit Opinion
	2019	295,142,331	64,921,475	360,063,806	2,950,669	14,495,525	17,446,194	Qualified Audit Opinion
	2020	323,940,873	35,149,112	359,089,985	929,129	760,886	1,690,015	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
219	2018	1,094,450,000	1,853,600,000	29,480,050,000	1,144,450,000	2,259,300,000	3,403,750,000	
	2019	1,257,025,000	1,336,000,000	2,593,025,000	1,257,025,000	1,461,000,000	2,718,025,000	
	2020	767,260,000	689,646,000	1,456,906,000	604,360,000	999,046,000	1,603,406,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
219	2018	972,295,504	1,084,298,781	2,056,594,285	172,154,496	1,175,001,219	1,347,155,715	Qualified Audit Opinion
	2019	1,096,256,006	774,764,385	1,871,020,391	160,768,994	686,235,615	847,004,609	Qualified Audit Opinion
	2020	581,714,803	792,201,163	1,373,915,966	22,645,197	206,844,837	229,490,034	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
220	2018	1,356,450,000	651,000,000	2,007,450,000	1,590,600,000	651,000,000	2,241,600,000	
	2019	1,667,000,000	477,000,000	2,144,000,000	1,733,517,000	499,483,000	2,233,000,000	
	2020	1,708,000,000	87,500,000	1,795,500,000	1,708,000,000	87,500,000	1,795,500,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
220	2018	1,558,332,012	473,710,970	2,032,042,982	32,267,988	177,289,030	209,557,018	Qualified Audit Opinion
	2019	1,569,305,143	138,785,593	1,708,090,736	164,211,857	360,697,407	524,909,264	Qualified Audit Opinion
	2020	1,654,472,090	74,078,172	1,728,550,262	53,527,910	13,421,828	66,949,738	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
221	2018	1,614,100,000	2,211,000,000	3,825,100,000	1,619,100,000	2,211,000,000	3,830,100,000	
	2019	2,207,000,000	776,000,000	2,983,000,000	2,207,000,000	1,522,010,000	3,729,010,000	
	2020	2,051,750,000	1,053,800,000	3,105,550,000	2,051,750,000	1,053,800,000	3,105,550,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
221	2018	1,615,472,155	1,813,658,098	3,429,130,253	3,627,845	397,341,902	400,969,747	Qualified Audit Opinion
	2019	1,801,750,264	1,307,883,463	3,109,633,727	405,249,736	214,126,537	619,376,273	Qualified Audit Opinion
	2020	1,941,023,284	981,560,511	2,922,583,795	110,726,716	72,239,489	182,966,205	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
222	2018	149,536,395,000	6,987,328,000	156,523,723,000	149,135,195,725	9,037,699,275	158,172,895,000	
	2019	153,771,000,000	9,724,000,000	163,495,000,000	156,669,800,000	9,979,000,000	166,648,800,000	
	2020	161,186,325,000	3,388,054,000	164,574,379,000	161,976,325,000	3,628,554,000	165,604,879,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
222	2018	142,393,544,488	5,907,348,552	148,300,893,040	6,741,651,237	3,130,350,723	9,872,001,960	Qualified Audit Opinion
	2019	149,638,941,882	5,629,449,466	155,268,391,348	7,030,858,118	4,349,550,534	11,380,408,652	Qualified Audit Opinion
	2020	160,759,000,003	3,095,191,398	163,854,191,401	1,217,324,997	533,362,602	1,750,687,599	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
223	2018	50,368,948,000	7,108,621,000	57,477,569,000	48,950,654,000	11,408,950,000	60,359,604,000	
	2019	53,005,000,000	7,935,380,000	60,940,380,000	52,934,090,000	8,006,290,000	60,940,380,000	
	2020	51,639,655,000	4,914,150,000	56,553,805,000	51,464,655,000	4,914,150,000	56,378,805,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
223	2018	48,789,653,513	11,330,723,388	60,120,376,901	161,000,487	78,226,612	239,227,099	Qualified Audit Opinion
	2019	50,612,137,594	5,764,332,773	56,376,470,367	2,321,952,406	2,241,957,227	4,563,909,633	Qualified Audit Opinion
	2020	50,631,132,176	3,619,717,036	54,250,849,212	833,522,824	1,294,432,964	2,127,955,788	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
224	2018	36,512,600,000	6,687,837,000	43,200,437,000	35,855,800,000	7,972,037,000	43,827,837,000
	2019	38,214,000,000	7,760,000,000	45,974,000,000	37,951,200,000	8,750,900,000	46,702,100,000
	2020	37,746,699,000	6,490,166,000	44,236,865,000	37,746,699,000	6,490,166,000	44,236,865,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
224	2018	34,624,003,616	6,857,861,965	41,481,865,581	1,231,796,384	1,114,175,035	2,345,971,419	Qualified Audit Opinion
	2019	35,598,676,638	3,961,269,858	39,559,946,496	2,352,523,362	4,789,630,142	7,142,153,504	Qualified Audit Opinion
	2020	36,225,047,507	4,353,571,960	40,578,619,467	1,521,651,493	2,136,594,040	3,658,245,533	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
225	2018	66,734,033,000	3,909,000,000	70,643,033,000	65,939,033,000	5,449,000,000	71,388,033,000
	2019	69,826,000,000	3,850,000,000	73,676,000,000	72,128,000,000	3,854,150,000	75,982,150,000
	2020	77,348,200,000	1,336,350,000	78,684,550,000	77,988,200,000	1,455,350,000	79,443,550,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
225	2018	62,651,065,107	3,507,497,928	66,158,563,035	3,287,967,893	1,941,502,072	5,229,469,965	Qualified Audit Opinion
	2019	71,255,797,202	2,397,304,266	73,653,101,468	872,202,798	1,456,845,734	2,329,048,532	Qualified Audit Opinion
	2020	77,864,492,409	1,429,043,829	79,293,536,238	123,707,591	26,306,171	150,013,762	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
226	2018	1,725,428,000	661,500,000	2,386,928,000	1,713,928,000	1,073,000,000	2,786,928,000
	2019	1,746,600,000	633,000,000	2,379,600,000	1,743,600,000	704,700,000	2,448,300,000
	2020	1,594,760,000	780,900,000	2,375,660,000	1,594,760,000	780,900,000	2,375,660,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
226	2018	1,675,480,879	1,051,768,007	2,727,248,886	38,447,121	21,231,993	59,679,114	Qualified Audit Opinion
	2019	1,691,604,799	642,236,363	2,333,841,162	51,995,201	62,463,637	114,458,838	Qualified Audit Opinion
	2020	1,542,029,090	735,306,965	2,277,336,055	52,730,910	45,593,035	98,323,945	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
227	2018	1,029,105,000	129,975,000	1,159,080,000	1,027,588,000	131,492,000	1,159,080,000
	2019	1,030,000,000	134,000,000	1,164,000,000	1,067,600,000	205,000,000	1,272,600,000
	2020	1,212,120,000	201,100,000	1,413,220,000	1,212,120,000	201,100,000	1,413,220,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
227	2018	974,550,891	55,674,090	1,030,224,981	53,037,109	75,817,910	128,855,019	Qualified Audit Opinion
	2019	1,055,336,444	198,697,919	1,254,034,363	12,263,556	6,302,081	18,565,637	Qualified Audit Opinion
	2020	1,173,115,117	131,497,388	1,304,612,505	39,004,883	69,602,612	108,607,496	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
228	2018	5,825,312,000	2,235,650,000	8,060,962,000	6,514,382,000	3,210,650,000	9,725,032,000	
	2019	7,112,150,000	2,021,670,000	9,133,820,000	7,316,150,000	2,519,310,000	9,835,460,000	
	2020	7,642,701,000	1,779,657,000	9,422,358,000	7,903,098,000	1,805,077,000	9,708,175,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
228	2018	6,499,118,540	1,925,089,852	8,424,208,392	15,263,460	1,285,560,148	1,300,823,608	Qualified Audit Opinion
	2019	7,269,555,689	2,362,407,128	9,631,962,817	46,594,311	156,902,872	203,497,183	Qualified Audit Opinion
	2020	7,717,499,834	1,753,918,075	9,471,417,909	185,598,166	51,158,925	236,757,091	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
229	2018	739,300,000	484,500,000	1,223,800,000	1,209,040,000	484,500,000	1,693,540,000	
	2019	1,433,100,000	208,400,000	1,641,500,000	1,627,404,000	489,600,000	2,117,004,000	
	2020	1,654,071,000	775,917,000	2,429,988,000	1,654,071,000	775,917,000	2,429,988,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
229	2018	1,206,795,286	402,184,835	1,608,980,121	2,244,714	82,315,165	84,559,879	Qualified Audit Opinion
	2019	1,619,179,576	477,393,541	2,096,573,117	8,224,424	12,206,459	20,430,883	Qualified Audit Opinion
	2020	1,533,820,333	374,854,405	1,908,674,738	120,250,667	401,062,595	521,313,262	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
230	2018	102,792,000	38,200,000	140,992,000	122,492,000	38,200,000	160,692,000	
	2019	132,670,000	37,500,000	170,170,000	134,670,000	37,500,000	172,170,000	
	2020	121,393,000	4,018,000	125,411,000	120,068,000	5,343,000	125,411,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
230	2018	118,882,573	31,271,586	150,154,159	3,609,427	6,928,414	10,537,841	Qualified Audit Opinion
	2019	116,929,800	31,748,785	148,678,585	17,740,200	5,751,215	23,491,415	Unqualified Audit Opinion
	2020	115,549,267	4,824,309	120,373,576	4,518,733	518,691	5,037,424	Unqualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
231	2018	27,720,000	850,000	28,570,000	27,720,000	850,000	28,570,000
	2019	22,410,000	1,150,000	23,560,000	28,780,000	1,150,000	29,930,000
	2020	27,669,000	1,515,000	29,184,000	27,669,000	1,515,000	29,184,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
231	2018	14,250,337	605,456	14,855,793	13,469,663	244,544	13,714,207	Qualified Audit Opinion
	2019	23,975,241	866,894	24,842,135	4,804,759	283,106	5,087,865	Qualified Audit Opinion
	2020	19,532,795	1,424,663	20,957,458	8,136,205	90,337	8,226,542	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
232	2018	5,170,594,000	896,100,000	6,066,694,000	5,297,074,000	896,100,000	6,193,174,000
	2019	5,614,500,000	323,000,000	5,937,500,000	5,933,600,000	868,480,000	6,802,080,000
	2020	6,834,951,000	421,349,000	7,256,300,000	7,033,751,000	421,349,000	7,455,100,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
232	2018	5,169,546,549	422,925,301	5,592,471,850	127,527,451	473,174,699	600,702,150	Qualified Audit Opinion
	2019	5,756,359,923	451,641,682	6,208,001,605	177,240,077	416,838,318	594,078,395	Qualified Audit Opinion
	2020	6,801,874,512	257,561,753	7,059,436,265	231,876,488	163,787,247	395,663,735	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
233	2018	263,855,000	98,500,000	362,355,000	336,955,000	98,740,000	435,695,000
	2019	391,300,000	108,500,000	499,800,000	396,100,000	109,000,000	505,100,000
	2020	395,082,000	44,948,000	440,030,000	401,082,000	44,948,000	446,030,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
233	2018	319,794,307	70,397,740	390,192,047	17,160,693	28,342,260	45,502,953	Qualified Audit Opinion
	2019	330,604,191	83,221,789	413,825,980	65,495,809	25,778,211	91,274,020	Qualified Audit Opinion
	2020	382,346,529	43,625,936	425,972,465	18,735,471	1,322,064	20,057,535	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
234	2018	169,912,000	8,865,000	178,777,000	177,308,000	8,865,000	186,173,000
	2019	182,320,000	13,270,000	195,590,000	186,390,000	13,270,000	199,660,000
	2020	200,735,000	6,200,000	206,935,000	200,735,000	33,900,000	234,635,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
234	2018	163,704,335	4,758,687	168,463,022	13,603,665	4,106,313	17,709,978	Qualified Audit Opinion
	2019	180,369,578	10,579,174	190,948,752	6,020,422	2,690,826	8,711,248	Qualified Audit Opinion
	2020	187,913,178	18,496,451	206,409,629	12,821,822	15,403,549	28,225,371	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
235	2018	71,683,000	1,800,000	73,483,000	74,509,000	2,400,000	76,909,000	
	2019	76,580,000	9,600,000	86,180,000	91,395,800	9,600,000	100,995,800	
	2020	106,610,000	5,450,000	112,060,000	106,610,000	5,450,000	112,060,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
235	2018	68,144,690	2,301,653	70,446,343	6,364,310	98,347	6,462,657	Unqualified Audit Opinion
	2019	83,302,928	3,187,258	86,490,186	8,092,872	6,412,742	14,505,614	Qualified Audit Opinion
	2020	94,417,966	275,250	94,693,216	12,192,034	5,174,750	17,366,784	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
236	2018	139,265,000	14,000,000	153,265,000	136,934,000	16,331,000	153,265,000	
	2019	144,140,000	15,000,000	159,140,000	149,926,000	15,000,000	164,926,000	
	2020	146,100,000	8,500,000	154,600,000	146,100,000	8,500,000	154,600,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
236	2018	133,252,995	13,820,325	147,073,320	3,681,005	2,510,674	6,191,679	Unqualified Audit Opinion
	2019	141,328,070	12,703,052	154,031,122	8,587,930	2,296,948	10,884,878	Unqualified Audit Opinion
	2020	128,547,063	5,528,434	134,075,497	17,552,937	2,971,566	20,524,503	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
246	2018	3,520,000,000	903,500,000	4,423,500,000	3,530,000,000	1,403,500,000	4,933,500,000
	2019	3,999,650,000	2,907,000,000	6,906,650,000	3,956,255,000	2,950,395,000	6,906,650,000
	2020	4,571,550,000	763,500,000	5,335,050,000	4,445,250,000	889,800,000	5,335,050,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
246	2018	3,440,162,341	694,138,002	4,134,300,343	89,837,659	709,361,998	799,199,657	Qualified Opinion
	2019	3,812,734,099	722,401,576	4,535,135,675	143,520,901	2,227,993,424	2,371,514,325	Qualified Opinion
	2020	3,661,682,989	828,039,220	4,489,722,209	783,567,011	61,760,780	845,327,791	Qualified Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
247	2018	3,315,650,000	299,750,000	3,615,400,000	3,269,070,500	346,329,500	3,615,400,000	
	2019	2,814,100,000	326,850,000	3,140,950,000	2,782,500,000	358,450,000	3,140,950,000	
	2020	3,416,000,000	162,200,000	3,578,200,000	3,416,000,000	162,200,000	3,578,200,000	
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		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
247	2018	2,167,952,738	109,972,279	2,277,925,017	1,101,117,762	236,357,221	1,337,474,983	Qualified Audit Opinion
	2019	2,591,824,119	91,583,006	2,683,407,125	190,675,881	266,856,994	457,542,875	Qualified Audit Opinion
	2020	2,718,523,215	58,449,678	2,776,972,893	697,476,785	103,750,322	801,227,107	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
248	2018	1,154,700,000	452,500,000	1,607,200,000	1,127,226,000	529,974,000	1,657,200,000	
	2019	1,168,500,000	325,000,000	1,493,500,000	1,168,500,000	325,000,000	1,493,500,000	
	2020	1,033,200,000	160,900,000	1,194,100,000	1,033,200,000	160,900,000	1,194,100,000	
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		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
248	2018	817,685,455	183,786,421	1,001,471,876	309,540,545	346,187,579	655,728,124	Qualified Audit Opinion
	2019	936,801,576	110,015,053	1,046,816,629	231,698,424	214,984,947	446,683,371	Qualified Audit Opinion
	2020	1,015,522,563	128,591,332	1,144,113,895	17,677,437	32,308,668	49,986,105	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
253	2018	229,181,180,000	61,250,000	229,242,430,000	229,177,900,000	64,530,000	229,242,430,000	
	2019	254,834,000,000	64,000,000	254,898,000,000	274,632,574,900	69,201,100	274,701,776,000	
	2020	301,857,860,000	25,200,000	301,883,060,000	301,857,860,000	25,200,000	301,883,060,000	
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		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
253	2018	225,403,976,456	63,910,066	225,467,886,522	3,773,923,544	619,934	3,774,543,478	Qualified Audit Opinion
	2019	272,952,068,331	58,628,076	273,010,696,407	1,680,506,569	10,573,024	1,691,079,593	Qualified Audit Opinion
	2020	295,940,873,969	15,923,205	295,956,797,174	5,916,986,031	9,276,795	5,926,262,826	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
254	2018	1,354,000,000	37,000,000	1,391,000,000	1,410,000,000	58,270,000	1,468,270,000	
	2019	1,468,000,000	100,000,000	1,568,000,000	1,670,900,000	100,000,000	1,770,900,000	
	2020	1,827,800,000	62,900,000	1,890,700,000	1,827,800,000	62,900,000	1,890,700,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
254	2018	1,395,867,930	48,073,212	1,443,941,142	14,132,070	10,196,788	24,328,858	Qualified Audit Opinion
	2019	1,617,560,575	53,694,538	1,671,255,113	53,339,425	46,305,462	99,644,887	Qualified Audit Opinion
	2020	1,765,935,799	48,125,243	1,814,061,042	61,864,201	14,774,757	76,638,958	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
281	2018	6,827,600,000	2,176,500,000	9,004,100,000	6,827,001,888	2,789,891,813	9,616,893,701	
	2019	6,931,200,000	4,009,000,000	10,940,200,000	7,270,359,582	4,048,051,418	11,318,411,000	
	2020	7,830,100,000	1,670,300,000	9,500,400,000	7,826,389,000	1,709,411,000	9,535,800,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
281	2018	6,659,995,068	1,325,526,583	7,985,521,651	167,006,820	1,464,365,230	1,631,372,050	Qualified Audit Opinion
	2019	7,248,520,844	1,730,463,535	8,978,984,379	21,838,738	2,317,587,883	2,339,426,621	Qualified Audit Opinion
	2020	7,770,878,001	1,454,682,772	9,225,560,773	55,510,999	254,728,228	310,239,227	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
282	2018	3,115,670,000	10,975,200,000	14,090,870,000	3,115,670,000	11,475,200,000	14,590,870,000	
	2019	3,078,940,000	13,068,650,000	16,147,590,000	3,078,940,000	13,368,650,000	16,447,590,000	
	2020	3,137,200,000	8,472,360,000	11,609,560,000	3,168,200,000	8,472,360,000	11,640,560,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
282	2018	2,831,380,884	8,263,124,897	11,094,505,781	284,289,116	3,212,075,103	3,496,364,219	Qualified Audit Opinion
	2019	2,995,846,604	9,196,845,011	12,192,691,615	83,093,396	4,171,804,989	4,254,898,385	Qualified Audit Opinion
	2020	3,130,206,255	8,465,997,028	11,596,203,283	37,993,745	6,362,972	44,356,717	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
283	2018	1,404,954,000	912,600,000	2,317,554,000	1,400,554,000	913,600,000	2,314,154,000	
	2019	1,459,500,000	890,500,000	2,350,000,000	1,459,500,000	890,500,000	2,350,000,000	
	2020	1,495,743,000	669,255,000	2,164,998,000	1,495,743,000	669,255,000	2,164,998,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
283	2018	1,324,065,871	911,947,526	2,236,013,397	76,488,129	1,652,474	78,140,603	Qualified Audit Opinion
	2019	1,432,475,438	805,757,478	2,238,232,916	27,024,562	84,742,522	111,767,084	Qualified Audit Opinion
	2020	1,481,820,526	667,477,432	2,149,297,958	13,922,474	1,777,568	15,700,042	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
284	2018	1,100,000,000	829,800,000	1,929,800,000	1,100,000,000	924,800,000	2,024,800,000
	2019	1,190,600,000	701,200,000	1,891,800,000	1,237,380,000	702,794,000	1,940,174,000
	2020	1,601,235,000	169,382,000	1,770,617,000	1,603,485,000	180,632,000	1,784,117,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
284	2018	1,097,244,062	546,616,705	1,643,860,767	2,755,938	378,183,295	380,939,233	Qualified Audit Opinion
	2019	1,234,138,672	468,247,901	1,702,386,573	3,241,328	234,546,099	237,787,427	Qualified Audit Opinion
	2020	1,581,182,019	150,249,417	1,731,431,436	22,302,981	30,382,583	52,685,564	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
285	2018	5,282,043,000	1,933,650,000	7,215,693,000	5,327,930,000	2,133,046,837	7,460,976,837	
	2019	4,761,183,000	1,363,150,000	6,124,333,000	4,771,076,000	2,273,303,000	7,044,379,000	
	2020	4,957,200,000	989,200,000	5,946,400,000	4,957,200,000	989,200,000	5,946,400,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
285	2018	4,412,333,165	1,197,073,426	5,609,406,591	915,596,835	935,973,411	1,851,570,246	Qualified Audit Opinion
	2019	4,665,237,659	1,623,724,781	6,288,962,440	105,838,341	649,578,219	755,416,560	Unqualified Audit Opinion
	2020	4,835,053,331	978,938,963	5,813,992,294	122,146,669	10,261,037	132,407,706	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
286	2018	353,340,000	67,100,000	420,440,000	361,840,000	67,500,000	429,340,000	
	2019	405,700,000	79,300,000	485,000,000	413,600,000	80,400,000	494,000,000	
	2020	461,900,000	32,100,000	494,000,000	459,450,000	34,550,000	494,000,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
286	2018	354,532,563	40,799,963	395,332,526	7,307,437	26,700,037	34,007,474	Qualified Audit Opinion
	2019	407,308,491	52,216,587	459,525,078	6,291,509	28,183,413	34,474,922	Qualified Audit Opinion
	2020	445,698,420	32,585,972	478,284,392	13,751,580	1,964,028	15,715,608	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
287	2018	380,835,000	4,582,000	385,417,000	392,835,000	4,582,000	397,417,000	
	2019	421,000,000	5,500,000	426,500,000	433,060,000	5,500,000	438,560,000	
	2020	476,500,000	3,100,000	479,600,000	476,500,000	3,100,000	479,600,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
287	2018	390,027,604	4,551,458	394,579,062	2,807,396	30,542	2,837,938	Qualified Audit Opinion
	2019	424,557,756	4,395,644	428,953,400	8,502,244	1,104,356	9,606,600	Qualified Audit Opinion
	2020	471,036,399	3,006,339	474,042,738	5,463,601	93,661	5,557,262	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
288	2018	3,673,265,000	372,318,000	4,045,583,000	3,673,265,000	372,318,000	4,045,583,000	
	2019	3,692,300,000	323,200,000	4,015,500,000	3,806,350,000	333,200,000	4,139,550,000	
	2020	3,898,100,000	215,600,000	4,113,700,000	3,898,100,000	215,600,000	4,113,700,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
288	2018	3,483,542,680	226,021,979	3,709,564,659	189,722,320	146,296,021	336,018,341	Qualified Audit Opinion
	2019	3,691,670,116	164,331,414	3,856,001,530	114,679,884	168,868,586	283,548,470	Qualified Audit Opinion
	2020	3,828,362,066	169,484,203	3,997,846,269	69,737,934	46,115,797	115,853,731	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
289	2018	615,655,000	555,500,000	1,171,155,000	623,965,000	555,500,000	1,179,465,000	
	2019	677,000,000	666,000,000	1,343,000,000	677,000,000	666,000,000	1,343,000,000	
	2020	739,600,000	635,200,000	1,374,800,000	739,600,000	635,200,000	1,374,800,000	

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
289	2018	621,415,000	488,194,000	1,109,609,000	2,550,000	67,306,000	69,856,000	Qualified Audit Opinion
	2019	658,290,000	407,854,000	1,066,144,000	18,710,000	258,146,000	276,856,000	Qualified Audit Opinion
	2020	702,901,000	562,666,000	1,265,567,000	36,699,000	72,534,000	109,233,000	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
290	2018	443,115,000	400,000,000	843,115,000	505,615,000	820,090,925	1,325,705,925
	2019	516,400,000	138,400,000	654,800,000	569,794,000	566,630,000	1,136,424,000
	2020	756,400,000	98,000,000	854,400,000	778,930,000	98,000,000	876,930,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
290	2018	477,352,881	160,476,592	637,829,473	28,262,119	659,614,333	687,876,452	Qualified Audit Opinion
	2019	562,670,249	187,863,333	750,533,582	7,123,751	378,766,667	385,890,418	Qualified Audit Opinion
	2020	745,333,012	72,498,619	817,831,631	33,596,988	25,501,381	59,098,369	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
291	2018	226,200,000	942,620,000	1,168,820,000	227,350,000	1,367,620,000	1,594,970,000
	2019	234,045,000	760,900,000	994,945,000	248,482,000	760,900,000	1,009,382,000
	2020	288,913,000	1,311,960,000	1,600,873,000	288,913,000	1,311,960,000	1,600,873,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
291	2018	225,074,612	448,835,549	673,910,161	2,275,388	918,784,451	921,059,839	Qualified Audit Opinion
	2019	244,470,351	384,598,493	629,068,844	4,011,649	376,301,507	380,313,156	Qualified Audit Opinion
	2020	285,175,957	1,275,429,129	1,560,605,086	3,737,043	36,530,871	40,267,914	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
292	2018	540,700,000	1,165,000,000	1,705,700,000	540,700,000	1,165,000,000	1,705,700,000
	2019	574,000,000	724,000,000	1,298,000,000	586,766,000	888,000,000	1,474,766,000
	2020	647,300,000	605,700,000	1,253,000,000	647,300,000	605,700,000	1,253,000,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
292	2018	526,257,000	535,369,000	1,061,626,000	14,443,000	629,631,000	644,074,000	Qualified Audit Opinion
	2019	580,708,000	793,458,000	1,374,166,000	6,058,000	94,542,000	100,600,000	Qualified Audit Opinion
	2020	616,171,000	481,358,000	1,097,529,000	31,129,000	124,342,000	155,471,000	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
293	2018	337,000,000	976,000,000	1,304,000,000	339,000,000	967,000,000	1,306,000,000
	2019	328,000,000	846,000,000	1,174,000,000	370,668,000	846,000,000	1,216,668,000
	2020	380,000,000	1,030,000,000	1,410,000,000	379,800,000	1,030,200,000	1,410,000,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
293	2018	323,229,812	635,652,759	958,882,571	15,770,188	331,347,241	347,117,429	Qualified Audit Opinion
	2019	365,441,690	594,027,637	959,469,327	5,226,310	251,972,363	257,198,673	Qualified Audit Opinion
	2020	355,428,690	847,503,618	1,202,932,308	24,371,310	182,696,382	207,067,693	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
294	2018	421,210,000	583,500,000	1,004,710,000	421,210,000	733,500,000	1,154,710,000
	2019	434,000,000	681,500,000	1,115,500,000	468,450,000	681,500,000	1,149,950,000
	2020	525,430,000	384,234,000	909,664,000	528,930,000	384,234,000	913,164,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
294	2018	420,923,374	298,482,535	719,405,909	286,626	435,017,465	435,304,091	Qualified Audit Opinion
	2019	457,814,943	457,890,816	915,705,759	10,635,057	223,609,184	234,244,241	Qualified Audit Opinion
	2020	518,851,140	214,770,638	733,621,778	10,078,860	169,463,362	179,542,222	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
295	2018	128,550,000	10,400,000	138,950,000	136,850,000	13,900,000	150,750,000
	2019	142,000,000	14,000,000	156,000,000	140,750,000	15,250,000	156,000,000
	2020	137,150,000	7,260,000	144,410,000	137,150,000	7,260,000	144,410,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
295	2018	131,825,093	12,806,117	144,631,210	5,024,907	1,093,883	6,118,790	Qualified Audit Opinion
	2019	133,528,213	12,353,350	145,881,563	7,221,787	2,896,650	10,118,437	Unqualified Audit Opinion
	2020	125,857,442	5,539,837	131,397,279	11,292,558	1,720,163	13,012,721	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
296	2018	60,690,000	2,350,000	63,040,000	63,330,270	2,981,730	66,312,000	
	2019	64,000,000	2,000,000	66,000,000	67,371,000	1,800,000	69,171,000	
	2020	75,470,000	3,350,000	78,820,000	75,920,000	4,585,000	80,505,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
296	2018	60,288,767	2,973,314	63,262,081	3,041,503	8,416	3,049,919	Qualified Audit Opinion
	2019	65,084,448	1,672,771	66,757,219	2,286,552	127,229	2,413,781	Qualified Audit Opinion
	2020	72,244,377	4,101,769	76,346,146	3,675,623	483,231	4,158,854	Unqualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
297	2018	53,900,000		53,900,000	58,400,000		58,400,000	
	2019	68,000,000		68,000,000	68,000,000		68,000,000	
	2020	73,500,000		73,500,000	73,500,000		73,500,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
297	2018	58,033,367		58,033,367	366,633		366,633	Unqualified Audit Opinion
	2019	66,198,635		66,198,635	1,801,365		1,801,365	Qualified Audit Opinion
	2020	72,154,589		72,154,589	1,345,411		1,345,411	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
298	2018	111,350,000	26,500,000	137,850,000	111,350,000	26,500,000	137,850,000
	2019	111,000,000	10,000,000	121,000,000	132,149,000	10,000,000	142,149,000
	2020	148,100,000		148,100,000	148,100,000		148,100,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
298	2018	105,849,946	1,470,603	107,320,549	5,500,054	25,029,397	30,529,451	Qualified Audit Opinion
	2019	129,816,400		129,816,400	2,332,600	10,000,000	12,332,600	Qualified Audit Opinion
	2020	147,375,112		147,375,112	724,888		724,888	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
299	2018	30,350,000		30,350,000	31,850,000		31,850,000	
	2019	36,000,000		36,000,000	36,293,000		36,293,000	
	2020	45,100,000		45,100,000	45,100,000		45,100,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
299	2018	31,723,724		31,723,724	126,276		126,276	Unqualified Audit Opinion
	2019	36,251,684		36,251,684	41,316		41,316	Unqualified Audit Opinion
	2020	43,069,939		43,069,939	2,030,061		2,030,061	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
300	2018	88,720,000	99,950,000	188,670,000	85,670,000	133,200,000	218,870,000	
	2019	298,000,000	301,962,000	599,962,000	298,000,000	496,962,000	794,962,000	
	2020	91,550,000	786,950,000	878,500,000	91,550,000	786,950,000	878,500,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
300	2018	83,909,991	132,492,492	216,402,483	1,760,008	707,507	2,467,515	Qualified Audit Opinion
	2019	93,217,202	279,152,800	372,370,002	204,782,798	217,809,200	422,591,998	Qualified Audit Opinion
	2020	80,865,953	489,749,550	570,615,503	10,684,047	297,200,450	307,884,497	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
301	2018	70,300,000	32,000,000	102,300,000	71,067,000	32,375,000	103,442,000	
	2019	75,000,000	34,000,000	109,000,000	76,300,000	34,000,000	110,300,000	
	2020	81,250,000	6,310,000	87,560,000	81,250,000	6,310,000	87,560,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
301	2018	70,510,955	14,882,778	85,393,733	556,045	17,492,222	18,048,267	Qualified Audit Opinion
	2019	75,657,819	23,311,380	98,969,199	642,181	10,688,620	11,330,801	Qualified Audit Opinion
	2020	78,572,774	5,889,665	84,462,439	2,677,226	420,335	3,097,561	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
303	2018	76,450,000	36,950,000	113,400,000	74,350,000	39,050,000	113,400,000
	2019	80,000,000	58,000,000	138,000,000	76,100,000	61,900,000	138,000,000
	2020	179,470,000	26,120,000	205,590,000	177,470,000	28,120,000	205,590,000

Head		Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
303	2018	71,985,408	32,370,367	104,355,775	2,364,592	6,679,633	9,044,225	Qualified Audit Opinion
	2019	74,428,415	49,368,973	123,797,388	1,671,585	12,531,027	14,202,612	Qualified Audit Opinion
	2020	166,749,309	22,247,512	188,996,821	10,720,691	5,872,488	16,593,179	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
304	2018	272,400,000	155,000,000	427,400,000	292,800,000	355,000,000	647,800,000
	2019	286,520,000	190,000,000	476,520,000	304,070,000	218,250,000	522,320,000
	2020	324,430,000	41,160,000	365,590,000	324,430,000	41,160,000	365,590,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
304	2018	286,270,906	74,495,923	360,766,829	6,529,094	280,504,077	287,033,171	Qualified Audit Opinion
	2019	299,945,581	31,824,713	331,770,294	4,124,419	186,425,287	190,549,706	Qualified Audit Opinion
	2020	308,952,853	30,784,687	339,737,540	15,477,147	10,375,313	25,852,460	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
306	2018	15,368,037,000	13,349,700,000	28,717,737,000	14,435,684,046	16,874,650,954	31,310,335,000
	2019	16,070,450,000	21,129,200,000	37,199,650,000	15,624,950,000	24,916,038,000	40,540,988,000
	2020	15,117,030,000	34,331,790,000	49,448,820,000	14,705,605,000	38,350,315,000	53,055,920,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
306	2018	14,380,549,167	15,248,636,210	29,629,185,377	55,134,879	1,626,014,744	1,681,149,623	Qualified Audit Opinion
	2019	15,463,534,601	20,402,252,273	35,865,786,874	161,415,399	4,513,785,727	4,675,201,126	Qualified Audit Opinion
	2020	14,617,616,177	34,119,511,824	48,737,128,001	87,988,823	4,230,803,176	4,318,791,999	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision		
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure
307	2018	1,891,600,000	1,057,000,000	2,948,600,000	2,142,682,000	1,189,000,000	3,331,682,000
	2019	2,315,000,000	1,814,000,000	4,129,000,000	2,067,731,000	2,067,932,000	4,135,663,000
	2020	1,657,382,000	1,006,058,000	2,663,440,000	1,657,382,000	1,006,058,000	2,663,440,000

Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
307	2018	2,100,215,294	1,182,615,813	3,282,831,107	42,466,706	6,384,187	48,850,893	Qualified Audit Opinion
	2019	1,692,493,988	1,601,472,133	3,293,966,121	375,237,012	466,459,867	841,696,879	Qualified Audit Opinion
	2020	1,483,244,742	850,879,219	2,334,123,961	174,137,258	155,178,781	329,316,039	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
308	2018	12,932,500,000	301,600,000	13,234,100,000	12,932,500,000	301,600,000	13,234,100,000	
	2019	12,873,200,000	405,000,000	13,278,200,000	13,794,122,000	406,220,000	14,200,342,000	
	2020	14,440,484,000	340,755,000	14,781,239,000	14,439,337,138	341,901,862	14,781,239,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
308	2018	12,896,565,753	277,881,402	13,174,447,155	35,934,247	23,718,598	59,652,845	Qualified Audit Opinion
	2019	13,720,793,756	301,849,738	14,022,643,494	73,328,244	104,370,262	177,698,506	Qualified Audit Opinion
	2020	14,021,050,196	245,965,542	14,267,015,738	418,286,942	95,936,320	514,223,262	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
309	2018	325,950,000	91,500,000	417,450,000	355,350,000	91,500,000	446,850,000	
	2019	380,000,000	91,000,000	471,000,000	398,710,000	91,000,000	489,710,000	
	2020	435,924,000	11,001,000	446,925,000	435,924,000	11,001,000	446,925,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
309	2018	354,627,119	75,494,020	430,121,139	722,881	16,005,980	16,728,861	Qualified Audit Opinion
	2019	395,112,214	66,852,087	461,964,301	3,597,786	24,147,913	27,745,699	Qualified Audit Opinion
	2020	434,494,413	10,056,520	444,550,933	1,429,587	944,480	2,374,067	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
310	2018	100,950,000	204,500,000	305,450,000	100,950,000	204,500,000	305,450,000	
	2019	117,000,000	195,000,000	312,000,000	117,000,000	195,000,000	312,000,000	
	2020	244,206,000	27,634,000	271,840,000	244,206,000	27,634,000	271,840,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
310	2018	100,168,221	63,732,948	163,901,169	781,779	140,767,052	141,548,831	Qualified Audit Opinion
	2019	115,666,245	161,158,644	276,824,889	1,333,755	33,841,356	35,175,111	Qualified Audit Opinion
	2020	230,782,983	21,257,087	252,040,070	13,423,017	6,376,913	19,799,930	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
311	2018	198,360,000	198,700,000	397,060,000	198,360,000	13,700,000	212,060,000	
	2019	200,000,000	56,000,000	256,000,000	200,000,000	56,000,000	256,000,000	
	2020	217,240,000	86,430,000	303,670,000	165,003,000	10,654,000	175,657,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
311	2018	181,710,164	28,706,664	210,416,828	16,649,836	-15,006,664	1,643,172	Qualified Audit Opinion
	2019	180,670,252	11,502,433	192,172,685	19,329,748	44,497,567	63,827,315	Qualified Audit Opinion
	2020	160,241,929	9,224,330	169,466,259	4,761,071	1,429,670	6,190,741	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
320	2018	17,268,120,000	315,000,000	17,583,120,000	17,268,120,000	315,000,000	17,583,120,000	
	2019	18,367,050,000	244,000,000	18,611,050,000	18,360,550,000	250,500,000	18,611,050,000	
	2020	19,060,536,000	122,357,000	19,182,893,000	18,980,536,000	202,357,000	19,182,893,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
320	2018	16,112,041,343	236,555,627	16,348,596,970	1,156,078,656	78,444,374	1,234,523,030	Qualified Audit Opinion
	2019	16,641,951,953	170,631,823	16,812,583,776	1,718,598,047	79,868,177	1,798,466,224	Qualified Audit Opinion
	2020	17,629,294,784	105,694,848	17,734,989,632	1,351,241,216	96,662,152	1,447,903,368	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
322	2018	412,510,000	387,700,000	800,210,000	412,510,000	397,700,000	810,210,000	
	2019	417,600,000	431,700,000	849,300,000	490,960,000	431,700,000	922,660,000	
	2020	498,677,000	183,962,000	682,639,000	498,677,000	183,962,000	682,639,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
322	2018	403,062,454	346,846,531	749,908,985	9,447,546	50,853,469	60,301,015	Qualified Audit Opinion
	2019	489,781,689	396,545,386	886,327,075	1,178,311	35,154,614	36,332,925	Qualified Audit Opinion
	2020	491,404,236	128,268,255	619,672,491	7,272,764	55,693,745	62,966,509	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
325	2018	38,250,000	53,200,000	91,450,000	38,250,000	53,200,000	91,450,000	
	2019	75,000,000	360,000,000	435,000,000	75,000,000	372,170,000	447,170,000	
	2020	47,412,000	173,834,000	221,246,000	49,912,000	173,834,000	223,746,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
325	2018	36,901,069	53,166,113	90,067,182	1,348,931	33,887	1,382,818	Unqualified Audit Opinion
	2019	71,116,960	271,379,666	342,496,626	3,883,040	100,790,334	104,673,374	Qualified Audit Opinion
	2020	49,081,179	152,093,635	201,174,814	830,820	21,740,366	22,571,186	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
326	2018	276,958,000	15,000,000	291,958,000	271,497,000	20,461,000	291,958,000	
	2019	296,870,000	16,450,000	313,320,000	298,092,000	18,500,000	316,592,000	
	2020	322,644,000	13,866,000	336,510,000	322,644,000	13,866,000	336,510,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
326	2018	264,490,303	16,774,345	281,264,648	7,006,697	3,686,655	10,693,352	Qualified Audit Opinion
	2019	281,128,056	13,411,232	294,539,288	16,963,944	5,088,769	22,052,713	Qualified Audit Opinion
	2020	309,126,531	10,237,142	319,363,673	13,517,469	3,628,858	17,146,327	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
327	2018	375,802,000	43,500,000	419,302,000	375,802,000	45,000,000	420,802,000	
	2019	384,000,000	36,000,000	420,000,000	395,295,000	38,726,000	434,021,000	
	2020	430,200,000	40,400,000	470,600,000	428,700,000	41,900,000	470,600,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
327	2018	352,718,926	39,668,450	392,387,376	23,083,074	5,331,550	28,414,624	Qualified Audit Opinion
	2019	385,125,222	32,186,220	417,311,442	10,169,778	6,539,780	16,709,558	Qualified Audit Opinion
	2020	416,742,718	37,448,949	454,191,667	11,957,282	4,451,051	16,408,333	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
328	2018	348,950,000	31,100,000	380,050,000	352,655,000	32,000,000	384,655,000	
	2019	387,000,000	35,000,000	422,000,000	387,000,000	35,000,000	422,000,000	
	2020	415,965,000	36,397,000	452,362,000	414,583,000	37,779,000	452,362,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
328	2018	348,649,227	31,236,447	379,885,674	4,005,773	763,553	4,769,326	Qualified Audit Opinion
	2019	374,398,137	25,433,883	399,832,020	12,601,863	9,566,117	22,167,980	Qualified Audit Opinion
	2020	410,774,727	35,287,822	446,062,549	3,808,273	2,491,178	6,299,451	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
331	2018	14,163,700,000	2,038,400,000	16,202,100,000	53,763,700,000	2,038,400,000	55,802,100,000	
	2019	64,160,000,000	787,000,000	64,947,000,000	64,197,045,000	787,000,000	64,984,045,000	
	2020	106,159,890,000	201,540,000	106,361,430,000	106,159,890,000	201,540,000	106,361,430,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
331	2018	52,234,807,774	1,097,667,567	53,332,475,341	1,528,892,226	940,732,433	2,469,624,659	Qualified Audit Opinion
	2019	58,152,809,591	521,640,525	58,674,450,116	6,044,235,409	265,359,475	6,309,594,884	Qualified Audit Opinion
	2020	79,940,454,399	161,915,315	80,102,369,714	26,219,435,601	39,624,685	26,259,060,286	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
332	2018	168,067,000	204,500,000	372,567,000	168,067,000	204,500,000	372,567,000	
	2019	148,000,000	1,704,400,000	1,852,400,000	156,310,000	1,704,400,000	1,860,710,000	
	2020	171,447,000	1,322,714,000	1,494,161,000	171,447,000	1,322,714,000	1,494,161,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
332	2018	134,544,949	57,345,279	191,890,228	33,522,051	147,154,721	180,676,772	Qualified Audit Opinion
	2019	153,339,695	435,600,800	588,940,495	2,970,305	1,268,799,200	1,271,769,505	Qualified Audit Opinion
	2020	168,407,977	903,251,425	1,071,659,402	3,039,023	419,462,575	422,501,598	Qualified Audit Opinion

Head	Year	Total Provision			Net Provision			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
334	2018							
	2019							
	2020	7,900,000,000	312,000,000	8,212,000,000	7,900,000,000	312,000,000	8,212,000,000	
Head	Year	Actual Expenditure			Savings			Audit Opinion
		Recurrent Expenditure	Capital Expenditure	Total Expenditure	Recurrent Expenditure	Capital Expenditure	Total Expenditure	
334	2018							
	2019							
	2020	1,705,186,411	61,320,603	1,766,507,014	6,194,813,588	250,679,396	6,445,492,984	Qualified Audit Opinion

Annexure - 02

Head and Name of the Institution	Year	Estimated Revenue Rs:	Actual Revenue Rs:
206- Department of Cultural Affairs	2018	3,700,000	22,474,568
	2019	4,500,000	31,611,423
	2020	42,100,000	9,787,246
211- Department of Government Printing	2018	850,000,000	865,910,551
	2019	950,000,000	1,117,942,396
	2020	800,000,000	1,040,558,609
212 – Department of Examinations	2018	450,000,000	287,176,086
	2019	350,000,000	325,961,506
	2020	350,000,000	311,718,845
226- Department of Immigration and Emigration	2018	16,000,000,000	17,266,141,560
	2019	19,000,000,000	14,098,237,046
	2020	8,000,000,000	5,571,975,463
227- Department of Registration of Persons	2018	425,000,000	422,242,766
	2019	635,000,000	660,046,032
	2020	380,000,000	323,945,765
229- Attorney General's Department	2018	40,000,000	36,658,189
	2019	62,000,000	52,331,183
	2020	60,000,000	25,758,111
246 – Inland Revenue Department	2018	1,028,265,000,000	853,988,904,918
	2019	1,038,129,000,000	975,942,616,973
	2020	723,710,000,000	511,189,500,590
247 Sri Lanka Customs	2018	831,290,000,000	716,277,377,520
	2019	902,775,000,000	619,458,070,988
	2020	634,560,000,000	566,462,925,974
248 – Department of Exercise	2018	125,040,000,000	113,935,699,217
	2019	135,045,000,000	114,474,225,601
	2020	130,035,000,000	120,681,437,164
253- Department of Pensions	2018	26,000,000,000	25,213,646,619
	2019	30,000,000,000	28,984,852,661
	2020	30,700,000,000	32,417,052,244
254 – Registrar General's Department	2018	1,515,000,000	1,421,402,161
	2019	1,470,000,000	1,696,533,184
	2020	1,605,000,000	1,404,691,034
283 – Department of Forest Conservation	2018	1,910,000,000	2,011,405,009
	2019	2,745,000,000	1,946,052,102

	2020	1,610,000,000	1,394,002,274
284 – Department of Wildlife Conservation	2018	25,000,000	24,614,885
	2019	25,000,000	24,644,545
	2020	20,000,000	18,813,594
285- Department of Agriculture	2018	300,000,000	343,293,044
	2019	315,000,000	377,720,602
	2020	340,000,000	488,134,208
286 – Land Commissioner General’s Department	2018	65,000,000	55,324,037
	2019	80,000,000	110,745,021
	2020	100,000,000	105,011,391
288- Survey Department	2018	350,000,000	608,799,198
	2019	420,000,000	432,574,895
	2020	238,000,000	327,820,232
296 – Import and Export Control Department	2018	1,500,000,000	1,554,482,324
	2019	1,600,000,000	1,542,976,673
	2020	1,450,000,000	2,025,977,883
297 – Department of Registrar of Companies	2018	230,000,000	263,294,178
	2019	288,000,000	398,028,316
	2020	398,000,000	391,787,205
298 – Measurement Units, Standards and Service Departments	2018	873,000	5,995,797
	2019	-	-
	2020	-	-
307 – Department of Motor Traffic	2018	1,033,000,000	11,667,979,957
	2019	10,580,000,000	13,936,840,933
	2020	8,445,000,000	8,676,733,464
308 – Department of Posts	2018	8,000,000,000	7,709,579,363
	2019	8,000,000,000	8,396,064,408
	2020	6,500,000,000	6,360,685,035
322 – Department of National Botanic Gardens	2018	900,000,000	861,958,651
	2019	1,000,000,000	713,347,445
	2020	550,000,000	286,772,138