

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statement of the Department of Sports Development for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. The summary report including my comments and observations on the financial statements of the Department of Sports Development was issued to the Accounting Officer on 10 June 2020 in terms of Section 11 (1) of the National Audit Act, No. 19 and the Detailed Annual Management Audit Report relating to the Department in terms of Section 11 (2) of the National Audit Act, No. 19 of 2018 was issued to the Accounting Officer on 18 December 2020. This report is presented in Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the accompanying financial statements prepared in accordance with the State Account Circular, No. 271/2019 dated 03 December 2019, give a true and fair view of the financial position of the Department of Sports Development as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Department of Sports Development is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Department exists, and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, significant audit findings, any significant deficiencies in internal control and other matters that I identify during my audit.

1.5 Report on Other Legal Requirements

I express the following matters in accordance with Section 6 (1) (d) and Section 38 of the National Audit Act, No. 19 of 2018.

- (a) The financial statements are consistent with the preceding year.
- (b) The recommendations made by me with respect to the financial statements of the preceding year, had been implemented.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Position

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
Stadiums and hostels have been established at 09 locations belonging to the Department, and those assets had not been brought to accounts.	Action should be taken to record those assets in the relevant Registers.	Action has been taken to take over the rights to the Kotawila stadium in Matara, the land where the district sports complex of Kaluthara, Bandaragama had been established, and the land where the district sports complex of Polonnaruwa had been established. The Divisional Secretariat, Thimbirigasyaya was requested to take measures to vest the Department with rights to 04 lands where the Department had been established. Furthermore, Secretary to the Ministry of Youth and Sports has been requested to vest the Beliatta stadium with the PradeshiyaSabha, Beliatta.

1.6.2 Non-compliances with Laws, Rules, and Regulations

Instances of non-compliances with provisions of Laws, Rules, and Regulations observed in the audit test checks are given below.

Reference to Laws, Rules and Regulations -----	Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
	Non-compliance -----		
a) Directives 7 (x) and 7(xii) of National Associations of Sports, No. 01 of 2016.	The National Associations of Sports should prepare an annual Action Plan for the ensuing year, and the Plan so prepared, should be presented to the Director General before 03 months of the end of the current year. However, the	Action should be taken to obtain the annual Action Plan from the National Associations of Sports in terms of Directives of the National Associations of Sports.	Considering the estimate of expenditure presented by the relevant National Association / Federation, action will be taken to grant the financial provision subject to the approval of the Hon. Minister of Sports, Secretary to the Ministry, or the Director General of the Department of Sports Development

Department of Sports Development had not taken action to obtain the Action Plans of the National Associations of Sports for the year 2019.

- b) Directives 7 (x) of National Associations of Sports, No. 01 of 2016. Without entering into agreements with Sports Associations, a sum of Rs. 204,001,938 including expenses for purchasing air tickets and equipment, had been granted to 35 Sports Associations in the year under review. Action should be taken in terms of Directives of the National Associations of Sports to enter into agreements when providing financial assistance for the National Associations of Sports. The Director General has already instructed the Director (Sports) to prepare and implement a formal methodology in the future in that connection. As such, it is informed that all the National Associations of Sports and federations will be apprised in due course, thereby correcting the deficiencies.
- c) Directives 7 (vi) of National Associations of Sports, No. 01 of 2016. (i) The National Associations of Sports are responsible for selecting sportsmen by properly considering the criteria specifically set out by the International Sports Federation, and preparation of criteria with transparency under the coordination of Director General to select the team for representing international or regional. The activities such as, coordination of selection criteria prepared by the National Associations of Sports for National Selection Committees; collection of reports, and regulation, should be done by the Department. In case of irregularities regarding the selection of sportsmen and sportswomen for sporting events, the supervisors of the relevant Associations/ Federations look into the issue thus taking suitable action. Hence, the Department of Sports Development examines, directs, and supervises the activities of the Sports Associations/ Federations.

sporting events. However, no information was revealed to the Audit that the National Associations of Sports had done so. Furthermore, information that the Department had examined the activities of Sports Associations so as to formulate criteria thereby taking action either to direct or supervise the activities of the Associations, was not revealed to the Audit.

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| <p>(ii) National Selection Committees had not been appointed by 37 Associations for the year 2017, twenty five Associations for the year 2018, and 35 Associations for the year 2019. However, sums of Rs. 33,028,040, Rs. 1,023,330, and Rs. 17,700,623 had been paid</p> | <p>It is necessary to confirm that funds of the Department are utilized on qualified sportsmen by means of the activities of, appointment of annual Selection Committees to select sportsmen for local and international sporting events, and supervision, directing & regulation of the activities thereof.</p> | <p>It is kindly informed that, by taking all the matters into consideration, action will be taken in due course by avoiding such deficiencies.</p> |
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in the years 2017, 2018, and 2019 respectively by the Department of Sports Development to those National Associations of Sports with respect to purchasing air tickets for participating in the international sporting events and conducting sporting events.

2. Financial Review

2.1 Management of Imprests

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
<p>According to the estimates of imprests prepared by the Department for the year under review, the value of imprests expected and applied to be obtained, totaled Rs. 4,832,159,000 whereas the value of imprests received from the Treasury amounted to Rs. 1,824,270,000. As such, the infrastructure development activities could not be executed properly.</p>	<p>Imprests should be obtained as planned, thereby completing the relevant activities.</p>	<p>South Asian Games and the National Sports Festival had been held in late 2019, and there is no possibility for those events to be held at the beginning or middle of the year. Although imprests had been requested by us from the beginning of the year, imprests had not been received as planned.</p>

2.2 Management of Expenditure

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
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(a) Of the net provision totaling Rs. 1,461,000,000 made on Capital Objects of the Department, a sum of Rs. 280,407,661 representing 19 per cent had been saved.	The time of executing the activities should be determined thus allocating provision suitable for the activities that can be executed within the year.	Due to non-receipt of imprests although projects had been implemented, the Department had bills with a payable value of Rs. 538 million as at 2019. 12.31
(b) As 13 Objects had been overprovisioned, the saving after utilization of the provision ranged between 25 per cent and 97 per cent of the net provision made for those Objects.	Estimates for expenditure should be prepared correctly in terms of Financial Regulation 50.	As expenses had been restricted with respect to certain Objects in terms of Budget Circular, No. 2019/04, thus managing the expenditure, provision had been saved in the said Objects.

2.3 Incurring Liabilities and Commitments

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
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(a) The net provision made in the year under review on an Object totaled Rs. 600,000,000, and a sum of Rs. 578,719,272 had been utilized therefrom by the end of the year. Accordingly, a sum of Rs. 21,280,727 had been saved from the net provision though, liabilities valued at Rs. 49,936,273 had been incurred in excess of	Liabilities and commitments should be incurred in accordance with Section 02 (d) of the State Accounts Circular, No. 255/2017 dated 27 April 2017.	Due to the commitment incurred with respect to the 13 th South Asian Games held in Nepal, a liability valued at Rs. 49,936,273 exists in excess of the net provision.

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| (b) | Liabilities valued at Rs. 32,401,954 incurred under a certain Object, had not been shown in the financial statements, and the Committee appointed to give recommendations to settle the accounts, had not recommended the payment of Rs. 20,544,471 from those liabilities. | Action should be taken to properly recognize the liabilities thus disclosing them in the financial statements. | The Committee to give recommendations to settle the accounts had recommended that a sum of Rs. 20.5 million should not be paid as bills had been presented after a delay. Accordingly, no payments were made. |
| (c) | Liabilities valued at Rs. 7,152,080 payable to a supplier, had not been shown in the financial statements as at 31 December 2019. | - Do. | The relevant institution had requested only for the advance as at 2019. 12.31, and the supply had not been completed. |

2.4 Balances of the Deposit Accounts

----- Audit Observation -----	----- Recommendation -----	----- Comment of the Accounting Officer -----
Action had not been taken in terms of Financial Regulation 571 on 36 deposit balances totaling Rs. 29,020,437 that had continued to exist over a period of 02 years.	Action should be taken on those deposits in terms of the Financial Regulations.	Imprest sufficient for the release of deposits had not been received, and action will be taken to release them as soon as imposts are received.

2.5 Reconciliation Statement on the Advances to Public Officers

----- Audit Observation -----	----- Recommendation -----	----- Comment of the Accounting Officer -----
According to the reconciliation statement on the Advances to Public Officers Account, the balances that remained outstanding as at the end of the year under review, totaled Rs. 100,250. Even though those balances	Provision stated in Section 04 of Chapter XXIV of the Establishments Code should be followed.	Recovery of the balances failed. Action will be taken to write them off after obtaining approval of the Secretary of the Treasury.

remained outstanding for more than 05 years, the Department failed to recover them.

3. Operating Review

3.1 Assets Management

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
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(a) Due to a defect occurred at ordering the electronic judgment device valued at Rs. 12,995,000 used for weight lifting that had been received by the stores on 23 December 2016, that device could not be made use of as the supplier had not provided the essential items. The said device, having been obtained on rent for 04 days at a sum of Rs. 220,000, had been used to judge only one tournament.	Assets belonging to the Government should be used productively and efficiently.	Agreed. Digital screens had not been purchased at the time of purchasing the device; hence, they had been obtained on rent and used.
(b) A Van belonging to the Department had temporarily been released to the Media Unit of the Ministry of Sports on 21 January 2019, but no action had been taken to obtain the Van even by October 2020.	Such assets should be released in a manner that achieving the objectives of the Department is not hampered.	As the said Van had been attached to the Media Unit of the Ministry, the Secretary to the Ministry informed through the letter dated 2020.01.17 that the Van could not be released.
(c) A Jeep belonging to the Ministry of Sports had been obtained by the Department since the year 2015.	Action should be taken to properly vest the Department with assets obtained from external parties.	Provided that the Department did not have a vehicle suitable for use of the Director General, a Jeep belonging to the Ministry of Sports, had been obtained for use of the Department since the year 2015.

3.2 Construction of Provincial and District Sports Complexes

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
(a) Provision totaling Rs. 675 million had been made for the construction of 12 district sports complexes and 05 provincial sports complexes. The construction works for 12 district sports complexes and 05 provincial sports complexes had been commenced in the year under review, and a sum of Rs. 125 million had been spent thereon. Of that, constructions of 03 district sports complexes had been completed whereas constructions of 09 district sports complexes and 05 provincial sports complexes, had not been completed.	The timeframe for constructions should be correctly planned. The construction works should be supervised and regulated in view of completing the planned activities.	Construction works of 04 district sports complexes are scheduled to be completed by utilizing provision for the year 2021. Constructions of 03 district sports complexes have not yet been commenced.
(b) Provision totaling Rs. 475 million had been made for improving 52 stadiums in 15 districts. Provision totaling Rs. 240,105,000 had been made with respect to 38 stadiums that had been commenced in the years 2016, 2017, and 2018, and works of 35 of them had been completed. For 14 stadiums the constructions of which had been commenced in the year under review, provision totaling Rs. 127,178,000 had been allocated, thus completing 08 stadiums whereas 05 stadiums remained incomplete. Likewise, works of a stadium for which provision amounting to Rs. 6,068,000 had been made, were not commenced.	The other plans required to execute the planned activities along with the timeframe should be prepared accurately.	It is accepted that 52 stadiums had been improved in 15 districts whilst acknowledging that works of 38 stadiums had been commenced in the years 2016, 2017 and 2018, and works of 35 of those stadiums have been completed. Works of 08 projects commenced in the year under review, have been completed. Of the 05 stadiums the constructions of which had been delayed, the constructions of 02 stadiums have reached the final stage. The works of 02 stadiums the constructions of which had been delayed due to Covid outbreak, are scheduled to be fully completed by the year 2021. The works of the first stage of the other project, are scheduled for completion. The project not commenced, is scheduled to be completed by the year 2021.

3.3 Management Inefficiencies

The following observations are made.

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
<p>(a) Estimates had been presented by 27 Associations of Sports to purchase sporting equipment and sportswear for the sportsmen and sportswomen participating in the 13th South Asian Games, and a sum of Rs. 25,773,000 had been given to 20 Associations of Sports in July 2019. Additionally, a sum of Rs. 4,863,468 had been given by the Department in favor of sporting equipment purchased by a certain Association of Sports which had not presented estimates. Sportsmen from 03 Associations of Sports that had presented estimates, and sportsmen from another 03 Associations of Sports that had not presented estimates, had participated in the South Asian Games, but no financial provision had been provided for the purchase of sporting equipment and sportswear. Bills had not been made available to verify that the relevant purchases had been made from the sum of Rs. 8,712,000 granted to 08 Associations of Sports. Three Associations of Sports had not purchased the sporting equipment in required quantities, but no action had been taken to settle a sum of Rs. 412,794 that had not been spent.</p>	<p>When equipment and funds are granted to the Associations of Sports, the relevant requirements should be taken into consideration. Once the funds are granted, follow up action should be taken to ensure that the funds have been utilized on the intended purpose. It is necessary to verify through the relevant documents that the expenses have been incurred properly. Moreover, it should be verified that the relevant parties have been provided with the equipment and clothing.</p>	<p>The Paragraph has been prepared in accordance with the internal Audit Report, No. ක්වීසංඥ/අවී 17/01/05/01/ of the Department of Sports Development</p>

- (b) A sum of Rs. 627,000 given to an Association of Sports for the purchase of sporting equipment, had been spent on the payment of salaries of the coaches and reservation fees for the stadiums. Of the sum amounting to Rs. 3,700,000 granted to another Association of Sports, Rs. 2,215,528 had been retained over a period of one year without being spent before being settled on 15 July 2020. The sum of Rs. 400,000 granted in July 2019 to an Association of Sports functioning as an interim association, had been credited to the Department on 09 August 2019.
- Once the funds have been granted, follow up action should be taken to ensure that those funds have been spent on the intended purpose
- The Paragraph has been prepared in accordance with the internal Audit Report, No. ක්‍රීඩාංශ/අච්චි 17/01/05/01/ of the Department of Sports Development

3.4 Procurements

Audit Observation	Recommendation	Comment of the Accounting Officer
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<p>Considering the value of purchasing 02 electric generators each costing Rs. 5,290,000 for the 02 hostels of the Department, to be less than Rs. 10 million, the procurement had been made under shopping method in accordance with Annexure 34 dated 09 July 2018 amended by Guideline 2.14.1 of the National Procurement Guidelines. However, open bids had not been called for the said procurement the cost of which had exceeded Rs. 10 million; instead, quotations had been called by selecting only 05 suppliers from the telephone directory.</p>	<p>Action should be taken in terms of Annexure 34 dated 09 July 2018 amended by Guideline 2.14.1 of the National Procurement Guidelines.</p>	<p>It is informed that the national competitive bidding process will be followed when such projects are implemented in the future.</p>

3.5 Failure to Obtain the Expected Benefits

The following observations are made.

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
(a) 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. However, after a period of 02 years and 05 months as at 15 December 2020 since the constructions, the pavilion had not been properly handed over to any party. The building of the pavilion had not been built facing the stadium making it not possible to spectate the stadium. It was observed that a feasibility study had not been carried out properly and the constructions had not been properly planned for the stadium. As such, the objective expected from the project had not been achieved.	The constructions of the project should be planned so that the expected benefits can be obtained.	At present , discussions have been held with the relevant parties with respect to the stadium, thus taking action to legally hand over the stadium to the Pradeshiya Sabha, Panduwasnuwara East. Moreover, action has been taken to provide water and electricity.

- (b) An agreement had been entered into with the contractor for constructing the pavilion of the 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 been handed over to the Pradeshiya Sabha, Kuliyaipitiya after 21 months on 17 December 2019 by correcting the defects in constructions. A certificate from the Technical Officer that the identified defects in the pavilion had been corrected, was not made available to the Audit as at 09 December 2020.
- Plans should be prepared properly by identifying the requirements so that the project could be completed within 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.
- It is informed that pavilion has been handed over to the Pradeshiya Sabha, Kuliyaipitiya after correcting the defects.

3.6 Projects without Progress Despite the Release of Funds

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
(a) The amount estimated for the construction of playground at SubharathiVidyalaya, 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	Constructions should be made in accordance with the standard. It is necessary for the constructions to be managed and regulated.	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.

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.

- (b) 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 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 Projects should be properly planned and regulated by identifying the requirements. Administration of contracts should be done properly.
- After being informed by the then Principal that due to activities executed by the multi sporting unit, other buildings should be allocated for constructions to proceed with the rest of the works of the school. As such, those works had not been executed. The reason for the said situation was that there was no basic plan for the school.

requirements, and failure to properly conduct a feasibility study, it was observed that the expected objectives could not be achieved.

- (c) 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 so that it was not possible to use the front seats and the building. As such, 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.
- (d) As for the constructions of indoor stadium, main stadium, 400 m long running track, and the swimming pool consisting of 06 lanes each with 25m in length, pertaining to the sports complex in Puttalam, agreements had been entered into with 03 private construction companies at a value of
- Plans should be properly prepared by identifying the requirements so that the project could be completed within the specified duration and timeframe.
- 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 thus signing the agreement. Those buildings had been constructed by taking into account the characteristics of the school. The front seats can be considered as **open tires** – a feature of a normal pavilion.
- Do.
- Despite the lapse of several years since the date of completion of works, the taking over had delayed due to political interferences. However, the sports complex has been taken over by the Urban Council, Puttalam, and it is informed that the sports complex is in use by the sportsmen whilst being maintained properly.

Rs. 162,241,004 on 27 September 2012 and 31 December 2013. The period of those contracts had been extended until 15 May 2018, 30 November 2016 and 31 December 2015. Considerable delays were observed as a period of 05 years had elapsed since the date of completion as per the contract agreement and the date of completion. Outer constructions and additional works of the 400 m running track had been assigned to the Land Reclamation and Development Company Limited under 02 contracts on 01 September 2014 and 26 September 2016 at a value totalling Rs. 23,084,184. Those works should have been completed by 15 December 2014 and 31 December 2016, but completed after a delay of over 02 years and handed over on 23 March 2019. Due to variances and additional works that had considerably exceeded the total contract value agreed for the entire construction, by a sum of Rs. 79,727,399, the total estimated value of Rs. 205,304,705 had been revised to the value of Rs. 285,032,104. Accordingly, the amount paid to the contractors as at 31 December 2020 totalled Rs. 276,560,406 (excluding taxes). After

completion, there were many defects in the constructions, and even after several years since those defects had been corrected, the sports complex remained idle without being used. The sports complex was handed over to the Urban Council, Puttalam on 22 March 2019. As such, a feasibility study had not been properly conducted for this project, and it was also observed that a proper project management had not been done on planning the project, construction, and usage as well.

3.7 Uneconomic Transactions

----- Audit Observation -----	----- Recommendation -----	----- Comment of the Accounting Officer -----
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 programme, and those items had been received by the stores on 05 July 2017. The parties responsible therefor had not been identified. No further action had been taken by the parties responsible on this stock that had not been made use of even by 30 December 2020 after being retained at the stores for about 2 1/2 years.	A formal inquiry should be held to identify the parties responsible for the deficiencies of this procurement, thereby taking further action.	Approval has been granted by the Secretary to 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.

4. Sustainable Development

The following observations are made in this connection.

Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
(a) The Department had become aware of the “2030 Agenda” of the United Nations on Sustainable Development Goals through the Internet and the relevant Circulars. Having prepared a draft relating to the Sustainable Development Goals and targets, the draft had been presented to the Ministry through the Sustainable Development Council. The Ministry of Sports & the institutions affiliated thereto, Sustainable Development Council, sportsmen & sportswomen, and the general public, had been identified as the parties interested in the Sustainable Development Goals. Furthermore, methodologies relating to the sustainable development targets had been identified, but the sustainable development targets had not been included in the Action Plan of the Department.	Plans should be prepared properly in view of the preparedness of the Department for the achievement of Sustainable Development Goals.	Although the sustainable development targets had not been directly included into the Action Plan, the projects and programs relating thereto had been included in the Action Plan.
(b) Due to reasons such as, lack of provision received annually from the budget of the Government, and lack of imprests, it was observed that the achievement of sustainable development	Efficient financial management should be ensured with respect to the Department preparing for the achievement of Sustainable Development Goals.	Agreed.

targets had been hindered.

5. Human Resource Management

The following observations are made.

Audit Observation	Recommendation	Comment of the Accounting Officer
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(a) Four posts in the senior level had fallen vacant. It was observed that those vacancies having a direct impact on the performance of the Department, existed over a longer period.	Measures should be taken to promptly fill the vacancies in essential posts.	Officers had reported for duty on 2020.01.20 and 2020.10.12 with respect to the posts of Director (Administration) and Engineer respectively. The Ministry of Public Administration has been requested since the year 2018 to take action to fill the vacancy in the post of Accountant.
(b) There existed 38 vacancies in 7 posts related to sports affairs. Due to failure in taking action over a period of 02 years to appoint the staff for vacancies, it was observed in audit that this scenario would have an adverse impact on the sports development activities of the Department.	Those vacancies affecting the performance of the sports, should be filled with immediate effect.	Action is being taken to call for applications to fill vacancies in the post of Coach. Action will be taken to recruit new sports officers by considering the vacancies resulted in with the sports officers being promoted to the post of Coach.
(c) There existed 47 vacancies in 09 posts relating to administration and other affairs. Action had not been taken to fill those vacancies that had existed over a period of 01 – 07 years.	Action should be taken without delay for filling the vacancies in essential posts.	Vacancies occur from time to time due to officers being transferred. Thus, the posts of Development Officer, and Management Services Officer have become vacant.

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