

Head 198 – Ministry of Irrigation

1. Financial Statement

1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Irrigation for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 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 containing my comments and observations on the financial statements of the Ministry of Irrigation was issued to the Chief Accounting Officer on 29 June 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report of the Ministry was issued to the Chief Accounting Officer on 30 July 2021 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a true and fair view of the financial position of the Ministry of Irrigation as at 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Accounting Officer is 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 the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry 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 summary 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 and its materiality depends on the influence on economic decisions taken by users 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 skepticism throughout the audit. I also ;

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the 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.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act No. 19 of 2018.

- (a) The financial statements are in consistent with those of the preceding year.
- (b) The recommendations made by me regarding the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Cash Flow Statement

(a) Recurrent Expenditure

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(i) Even though the personal emoluments and operating expenses under the operating activities of the cash flow statement had been stated as Rs.100,036,149 as that value was Rs.6,355,033,487 net cash flow generated from operational activities had been increased by Rs.6,254,997,338.	As per the trial balance, a sum of Rs.100,036,149 has been calculated as personal emoluments and operating expenses according to the Table 01. Since a sum of Rs.6,257,018,350 were the constructions of physical assets or purchases and other investment acquisitions, it has not been included in personal emoluments and operating expenses.	Actions should be taken to accurately state the net cash flow generated from operational activities.

(ii) Although the transfer of subsidy was Rs.10,314,847 since it was stated as Rs.10,423,489 in the cash flow, the transfers of operating and subsidies amounting to Rs.108,642 had been overstated in the cash flow statement.

As a sum of Rs.108,642 that should be included in the personal emoluments and operating expenses of the cash flow statement has been incorrectly entering into transfers of subsidy, the personal emoluments and operating expenses has decreased by the same amount and the subsidy transfers has increased by the same amount and the total cost has adjusted itself accordingly.

The Cash flow should be accurately stated in the financial statements.

(b) Capital Expenditures

Audit Observation

Comments of the Chief Accounting Officer

Recommendation

Even though the constructions of physical assets or purchases and other investment acquisitions had been stated as Rs.6,257,018,350 under investment activities in the cash flow statement, thus it was Rs.2,221,417 according to the Treasury Printouts, the net cash flow generated from investment activities had been understated by Rs.6,254,796,933.

It is stated that the constructions of physical assets or purchases and other investment acquisitions were Rs.6,257,018,350 as per the trial balance.

Actions should be taken to reconcile according to the Treasury Printouts and to state the accurate value itself.

1.6.2 Statement of Financial Statement

Audit Observation

Although the opening balance of the property, plant and equipment in the statement of financial position was Rs.432,177,817 it had been shown as Rs.432,588,643 in the statement of non-financial assets (A.C.A.06) submitted with the account. Therefore Rs.410,826 different has been observed.

Comments of the Chief Accounting Officer

The balance of the statement of financial position is accurate and it is acknowledged that the opening balance has been double counted in the statement of non-financial assets (A.C.A. 06) under the assets category 9152.

Recommendation

Arrangements should be made to check comparatively and enter accurate information in preparation of the financial statement.

1.6.3 Failure to Maintain Documents and Books

Audit Observation

Register of Liabilities
A Register of Liabilities had not been maintained in terms of Financial Regulation 214.

Comments of the Chief Accounting Officer

It is informed that the actions would be taken to maintain this register in future.

Recommendation

Actions should be taken to maintain the Register of Liabilities.

2. Financial Review

2.1 Imprest Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Even though an imprest of Rs.8,585,372,000 had been applied for the activities planned to be performed by the State Ministry during the year under review, a sum of Rs.6,589,060,136 had been released by the General Treasury. Accordingly, a 23 per cent had not been received from the imprest applied.	It is acknowledged that the 77 per cent which was the portion received from the imprest applied from January to December 2020 is correct.	Forecasting should be done so that to minimize the budgetary variations.

2.2 Expenditure Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The total net provision made for 03 expenditure objects amounted to Rs.1,300,000 had entirely been saved without utilize.	The matters such as lack of foreign tours, non-payment of rates due to non-receipt of documents properly, decline in use of machineries of 10 machines had caused.	Actions should be taken to utilize the provisions.

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| <p>(b) Out of the net provision totalled to Rs.20,125,000 made for the 10 expenditure objects, a total of Rs.8,698,120 or 43 per cent had been saved due to making provisions without identifying the requirements in preparing estimates and failure to carry out the works as planned. The savings under expenditure objects had ranged from 20 per cent and 96 per cent.</p> | <p>The expenditures had not occurred as estimated upon closing of offices and calling officers for duties on a roster basis due to the Covid 19 situation.</p> | <p>Arrangements should be made to make maximum use of the allocated provisions.</p> |
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2.3 Commitments and Liabilities

Audit Observation -----	Comments of the Chief Accounting Officer -----	Recommendation -----
<p>Even though it had been instructed that each expenditure unit should upload the information on commitments and liabilities and settle those liabilities to that website, to update the amount of commitments and liabilities as at 31 December 2020 daily for the information systems maintained by the Department of State Accounts in accordance with the instructions of the Circular, the information had not been updated accordingly.</p>	<p>As only 2 projects have been connected with CIGAS system and accounted for, out of 15 projects exists under the Ministry of Irrigation, the liabilities of projects are being collected monthly and sent to the Treasury Operations Department to obtain monthly imprests. Because of the Ministry of Irrigation is working to keep the accounts according to the ITMIS system, this issue will be resolved.</p>	<p>The liabilities should be reported in accordance with State Accounts Circular No. 255/2017 .</p>

2.4 Advance Account Balances

----- Audit Observation -----	Comments of the Chief Accounting Officer -----	Recommendation -----
Actions had not been taken in accordance with the Sections 4.2.2, 4.2.4, 4.2.5, 4.3, 4.4, 4.6 and 6.3 of Chapter XXIV of the Establishments Code with regard to loan balances pertaining to the officers who had retire or deceased or terminated their service before the loan was settled . As a result, there was an unrecovered debt balance of Rs.1,443,234 as at 31 December 2020	Instructions have been given to settle these balances in the year 2021 and the balances which could not be recovered are being submitted to the Department of Public Finance to write off. After submitting to the Attorney General on the recovery of the debt balances that could not be recovered since the Attorney General Department had informed that to send those balances to the Department of Public Finance to write off because it is not effective to recover that balance through a legal action, accordingly, actions are being taken to write offs.	Actions should be taken in accordance with the provisions of the Establishments Code.

2.5 Non-compliance with Laws, Rules and Regulations

The instances of non-compliance with the provisions in the laws, rules, and regulations observed during the audit test checks are analyzed below.

Observation -----	Non-compliance -----	Comments of the Chief Accounting Officer -----	Recommendation -----
Reference to Laws, Rules and Regulations -----	Non-compliance -----	Comments of the Chief Accounting Officer -----	Recommendation -----
<p>(a) Financial Regulations of Democratic Socialist Republic Sri Lanka</p>			
<p>(i) F.R 134 (2) DMA/1-2019</p>	<p>Although the Internal Audit Plan should be prepared after carrying out discussions with the Auditor General at the beginning of the year in terms of Financial Regulations, it had not been so done.</p>	<p>The Annual Audit Plan is Submitted to the Audit and Management Committee and obtain the approval and the Audit Plan for the year 2021 has been approved by the Audit and Management Committee in the first quarter of 2021.</p>	<p>Actions should be taken to prepare the internal audit plan should be prepared with the concurrence of the Auditor General.</p>

(ii) Financial Regulation 571 (2) (3)	Although the lapsed deposits should be checked and taken to the revenue in terms Financial Regulations, it had not been so done.	There is a deposit of Rs.1,251,774 pertaining to a contractor for more than two years and because of the completion works of that contract has been planned by another contractor it had not been credited to the government revenue.	Actions should be taken in accordance with Financial Regulations in respect of Deposits.
(b) Public Administration Circular No. 171/2004 dated 11 May 2014	When using the Government Payroll Software Package, it had not been functioned under the control of the Accountant.	Actions are being taken with the Department of State Accounts to change the Passwords.	Actions should be taken to execute under the control of the Accountant.
(c) Paragraph 3.1 of Public Administration Circular No. 2016/30 dated 29 December 2016	Actions had not been taken to re-check the fuel combustion in the vehicles	It is kindly informed that the arrangements would be made to carry out the vehicle fuel combustion checking activities just after the end of the current Covid-19 epidemic situation.	Actions should be taken to check the fuel combustion in terms of the Circular

(d)	Ministry of Public Administration and Management Circular No. 05/2008 and 05/2018 (1)	A Citizen/Client Charter had not been drafted and implemented.	Relevant information has been called from other sections so far. However, due to the epidemic situation in the country, it has not been able to reach the final stage. Accordingly, action will be taken to implement a Citizen / Client Charter and implement it promptly.	The Citizens Client Charter should be prepared and implemented in accordance with the relevant circular provisions.
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3. Operating Review

3.1 Failure to Perform Roles

Audit Observation

Although the samples should be tested in accordance with Paragraph 32.1 of the Climate Impact Mitigation Project procurement document, sample test reports stating that the soil and gravel used were in proper quality and that they were machined properly had not been obtained when developing the road on the left bank 02 canal bund and the road on the main

Comments of the Chief Accounting Officer

Unauthorized sand lorries pass through these canal bund and the situation is at a level beyond the control and also made a complaint with the Muttur Police Station obtaining sample test reports regarding soil and gravel, no action has been taken so far. Because of unauthorized sand lorries are moving the Director of

Recommendation

Actions should be taken in accordance with the Circulars.

canal bund of the Muthur Allei Project by filling the soil and laying gravel incurring a sum of Rs.42,494,417. Further, it was observed that the soil in the relevant roads had been washed away and mud had deposited.

Irrigation, Trincomalee has pointed out that the roads are in a dilapidated condition as stated by the audit.

3.2 Failure to Gain the Expected Benefits

 The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) The south bank road of Allei Project, main canal road of Kantale Wendrasan Main Canal and Pakiranwet new road were Developed at a cost of Rs.19,705,471 under the Climate Impact Mitigation Project. However, a 400m, 2850m and 100m on the above roads respectively had been carpeted and concreted under another development project. Accordingly, the money spent on this road development project was an uneconomic expenditure.</p>	<p>The development works on these roads have been commenced in March 2017 and was completed in June 2018 according to the explanations made by the Director of Irrigation, Trincomalee. About 2½ years later, that is in mid – 2020, parts of the roads have been carpeted at the strong request of the people living around these roads and with the permission of the Irrigation Department.</p>	<p>Parts of the completed road should not be re-contracted and action should be taken in respect of doing so.</p>

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| <p>(b) Even though the two culverts have been constructed on the Kantale Peraru Road at a cost of Rs.468,285 due to the fact that the relevant roads have not been constructed by now, the two culverts had not been used for two years.</p> | <p>During the identification stage, the farmers' organizations were requested for the construction of two culverts and it has been agreed that the relevant roads would be constructed with the financial and labor participation of the farmers' organization. However, the roads relevant to two culverts could not be constructed on the deterioration of their financial strength in the face of the epidemic of Covid 19 and the unavailability of the time to the farmers for turning to it.</p> | <p>Roads relevant to the contract should also be developed.</p> |
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3.3 Abandonment of Uncompleted Projects

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) The objective of the Project was to irrigate 6000 acres of land in the Kinniya and Kantale Divisional Secretariats in the Trincomalee District and to provide 2 Million cubic meters of drinking water under the Mahaweli Left Bank Development Project implemented by the Ministry of Irrigation. A sum of Rs.134,955,993 had been spent as at 31</p>		

December 2020. The following observations are made in this regard.

(i) Feasibility studies have already been conducted for this and approval has been obtained from the Department of National Planning according to the Memorandum of Cabinet of Ministers submitted by the Minister of Irrigation. Even though the loan agreement for obtaining US \$ 90 Million for the implementation of this Project had been signed in October 2017 with the Secretary of the Ministry of Finance and representatives of the Saudi Fund, due to the problems that have arisen during the acquisition of lands belonging to the Kantale Sugar Factory, providing of foreign loan had been suspended.

The Project, which aimed to provide irrigation and drinking water to Kinniya, was a Project implemented under the Saudi Funds through the Ministry. Due to the problems that have arisen during the acquisition of lands belonging to the Kantale Sugar Factory, it has been handed over to the Department of Irrigation to be implemented by a local financial source by suspending the providing of foreign loans .

The acquisition of lands related to the Project should be done in a timely manner and actions should be taken to start the Project.

(ii) Even though it had elapsed for more than 4 years since the project was commenced, the Project Environmental Assessment Report (EIA) had not been completed even by the 30 April 2021 .

It has been entered into agreement with the Department of Irrigation for the environmental report related to the Project and the report has been submitted to the Department of Forest Conservation on 28 October 2019 . The first technical committee meeting of it has been held on 11 March 2020. The observations of the

Actions should be taken to carry out the Environmental Assessment Report relevant to the project in a timely manner.

Department of Wildlife for the issues raised there have been submitted on 07 December 2020. Further, 02 reminder letters have been sent requesting to submit this environmental report. Nevertheless, the recommendations of the Technical Committee or the relevant approval have not been received so far from the Department of Forest Conservation, which is the approving agency here.

(iii) Appointing a staff of 27 including a Project Director for this Project and had run a Project Office in Trincomalee area paying salaries from 2017 to May 2020 and a sum of Rs. 135 Million had been incurred during the period from 2017 to 2020.

A staff consisted of 27 officers had been recruited to the Project Management Unit based on the approval received from the Department of Management Services to this Project. It is observed that this project could not be implemented due to unexpected reasons. The access road to the proposed Kalu Ganga reservoir should pass through the area belonging to the Kantale Sugar Factory. This access road passes through the land of Kantale Sugar Company and although several discussions were also held with the Minister of Plantation Industries to protest, it was not successful. The Ministry of Finance or the Government has to come to a policy decision for this. The

Identifying weaknesses in the way the project staff has been working towards achieving the targetted objectives within 04 years, the necessary internal control requirements should be strengthened to prevent such situations in future.

Department of National Planning (NPD) has also submitted to the “Gunaruwan Three-Member Committee” in 2020 and a decision has not been taken there either. Neither the Department of Irrigation nor the Ministry of Irrigation can be borne directly responsible for the stop or delay in the implementation of this Project. It is observed this as a matter for the government to come to a policy decision.

(iv) The lands had not been acquired for the activities such as construction of Irrigation Tank in Kantale, Kinniya, construction of Kalu Ganga Reservoirs with a capacity 15 metres, construction of 03 canals and cultivation of 3000 acres of new land in Nintaravedi which were to be performed under the Project had been abandoned by 31 December 2020. Further, the 02 buildings that were built had been abandoned without completion of construction.

A 15.5 MCM reservoir has been proposed with the aim of providing irrigation water to 1,214 hectares of new lands and 8,094 hectares of existing lands in the Kantale area in Kinniya and providing drinking water to the people in the area. Further, it has been proposed to feed Janaranjana Wewa, Sinha Wewa, Suriya Wewa, Kanthi Wewa, Kurangupanchayan Wewa, Wele Wewa and two other small tanks from this. Lands had not been acquired for these purposes and the Project had been abandoned by 31 December 2020. Further, 2 buildings that were built had been abandoned without completion of the constructions.

Actions should be taken to complete the works of the buildings which has been stopped at some point and to hand over to the parties required for use for effective work.

(v) Due to relevant tasks were not performed properly, it had failed to deliver the desired economic and social benefits to the public in the inability to execute the project as expected. The cost incurred for this amounting to Rs. 135 Million had been an uneconomic expense.

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The steps should be taken to complete the Project and provide the objective benefits to the public and arrangements should be made to take necessary actions by finding reasons to terminate the project.

3.4 Projects Implemented with Local Funds

 The following observations are made.

Audit Observation

Comments of the Chief Accounting Officer

Recommendation

 (a) Activities of preparation of Environmental Impact Assessment Report for Lower Malwathu Oya Reservoirs had been transferred to the Mahaweli Consultancy Services Bureau (Pvt) Ltd. in the year 2013. That institution had observed that there are discrepancies in between the facts mentioned in the report of the Environmental Assessment Technical Committee (EIA Tech Team) submitted in May 2018 and the current situation in the field. Two instances are mentioned below.

 It was handed over to prepare the Environmental Impact Assessment Reports for the Lower Malwathu Oya Reservoir Project to the Mahaweli Consultancy Services Bureau (Pvt) Ltd. in 2013 . However, the Company has submitted its final report in May 2018 and it was submitted to the Central Environmental Authority. Environmental Assessment Technical Committee (EIA Technical Team) which was appointed by the Central Environmental Authority, a field observation was carried out in the Lower Malwathuoya Reservoir Project and it was revealed

 The Environmental Assessment Reports should be done in a timely manner and actions should be taken to resolve the issues that have arisen in this regard.

(i) Including only lands that the Wildlife Department has agreed to release, marking the Wilpattu border, by finding alternative lands for the remaining required lands and obtaining the consent of the Department of Wildlife and Forest Conservation.

(ii) The matters such as obtaining the consent of the Department of Forest Conservation to identify shrubby forest areas for new cultivated lands in Vavuniya District had been stated.

(b) The deficiencies such as failure to obtain the approval of the Central Environmental Authority for the Environmental Impact Assessment Report on the area belonging to the reservoir during the inspection of the Lower Malwathu Oya reservoir project, although the survey of 13,349 acres of land submerged in the reservoir has been completed not taking actions to acquire those lands, failure to reach an agreement regarding compensation to be paid to the families affected by the

that there were discrepancies in between some of the issues mentioned in the Environmental Impact Assessment Report prepared by the Mahaweli Consultancy Services Bureau (Pvt) Ltd. and the current situation in the field.

Due to the above factors, the following decisions were taken at a meeting of the Environmental Impact Assessment Technical Committee held at the Central Environmental Authority.

(i) Including only lands that the Wildlife Department has agreed to release, marking the Wilpattu border, by finding alternative lands for the remaining required lands and obtaining the consent of the Department of Wildlife and Forest Conservation.

The activities such as Environmental Impact Assessment Reports before starting the project, acquisition of lands should be done.

construction of reservoirs, failure to take necessary steps to improve the infrastructure in the area identified for resettlement of those families and to allot plots of land, failure to complete preliminary measures required to commence for the construction of the reservoir, incurring a sum of Rs. 22,088,598 for the ceremony organized for laying the foundation stone for the Lower Malwathu Oya Reservoir Project on 30 August 2019 were observed.

(ii) Identifying the shrubbery forest areas for new cultivated lands instead of dense forest areas in Vavuniya District by obtaining the consent of the Department of Forest Conservation.

However, all the reports required for granting the necessary environmental approval for the project and the recommendations of the relevant agencies were submitted to the Central Environmental Authority by June 2020. But that approval was obtained by the letter dated 20 January 2021.

Further, the “National Association of Professionals for Environmental Protection” had also informed to the Central Environmental Authority that the project was not legally permitted to proceed until obtaining the environmental approval and the legal action could have been taken for that by them.

Laying the Foundation Stone for the Reservoir

The approval of the Cabinet of Ministers required to implement the Lower Malwathu Oya Reservoir Project in the year 2009 and thereafter, the approval of the Cabinet of Ministers to

implement the revised estimate under expenditure in the 2016 had been received.

The recommendations required for granting environmental approval had been received from the Department of Archeology and the Department of Wildlife Conservation by August 2019. The requirement for recommendation was left only from the Department of Forest Conservation.

The government needed to start this Project soon and according to a decision taken at a meeting held at the Ministry of Agriculture on 06 August 2019,

- (i) Issuing of the letter of release of lands belonging to the Department of Forest Conservation requested for the Lower Malwathu Oya Reservoir Project by the Department of Forest Conservation before 09 August 2019.
- (ii) After submitting that letter, granting environmental approval for the Project by the Central Environmental Authority before 20 August 2019.

Accordingly, the foundation stone laying ceremony for the Lower Malwathuoya Reservoir was confirmed to be held on 30 August 2019 under the patronage of His Excellency the President.

Expenditure Made for the Ceremony

Although a large sum of money had not been allocated for 2019, as there is a potential to transfer the funds remained from other projects to this Project, the foundation stone was laid on 30 August 2019. An amount mentioned in the audit query had been spent for that event, since the proposed ceremony is a national event under the patronage of His Excellency the President and with the participation of a large number of Government Ministers including the Hon. Prime Minister, because it has to be organized of the President and the Prime Minister with the consent of the security forces and also there should be with the relevant standards.

3.5 Failure to Achieve the Desired Output Level

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) Climate Change Mitigation Project</p>		
<p>(i) A sum of Rs.4,544,430 had been paid for the laying of grass pods on both sides of the left bank canal bund of the Mannar Yoda Wewa. According to the physical inspection, the contractor had not laid the grass pods on both sides of the canals as required and as a result, both sides of the bank had washed away. Further, even though the surface should have been contracted with a width of 4 metre of the bund, the surface width had not been built to the required size and it had taken different sizes. As a result, there was a possibility of occurring damages to the bund.</p>	<p>The Director of Irrigation Mannar has said that the contract was commenced in March 2017 and completed in March 2018 and about 03 years have elapsed since the completion of the contract work and due to the severe drought in the Mannar area, the grass pod layer has destroyed and furthermore, that the both sides of the canal bank had damaged. The Director of Irrigation has informed that the canal bank is damaged Cattle and goats move by moving cattle and goats on the bank and that the damage is unavoidable, the steps will be taken to repair these damaged sections under the annual provisions provided by the Department of Irrigation for maintenance.</p>	<p>Arrangements should be made to carry out the constructions as planned.</p>

(ii) Even though it was mentioned in the initial estimate that the soil for construction of tank bund of Wellakkambimbu reservoir in Mannar would be brought 1.2 km from that place, the contractor had obtained the soil required for the tank bund from the bottom of the tank. Further, even though it was estimated Rs.659,214 under the work item 6.4 for applying grass pods on the bund of the tank, The contract was terminated without fulfillment of that work item.

The Irrigation Engineer Mannar had informed that as the soil at the bottom of the tank was tested in an engineering laboratory and confirmed to be suitable for the tank bund, the soil was used for that bank. The work of laying of grass pods on the tank bund was done by the contractor and it has been informed furthermore, because of the grass pods were not protected by applying water and also the grass pods had destroyed in the dry zone the payments would not be made for that.

Arrangements should be made to carry out the activities of projects as planned.

4. Human Resources Management

The following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) The approved cadre of the Ministry during the year under review was 179 and the actual staff was 139. Accordingly, there were 40 vacancies in 09 senior level posts, 02 tertiary level posts, 27 secondary level posts and 02 primary level posts. Actions had not been taken to fill them.	Requests have been made to the relevant institutions to fill the approved cadre for the year under review. Out of 09 existing vacancies at senior level majority is relevant to the Sri Lanka Engineers' Service and the Engineers' Services Board has conducted the examinations and sent the matter to the Public Service	Actions should be taken to fill the required staff vacancies reviewing the posts requirements.

Commission for approval to recruit. It is stipulated to fill the relevant vacancies after receiving the approval. Further, the Ministry of Public Administration has filled a large number of other posts, including secondary level development officer posts by now.