

Head 332 – Department of National Community Water Supply

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of National Community Water Supply 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 Department was issued to the Accounting Officer on 17 June 2021 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Department was issued to the Accounting Officer on 21 June 2021 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka 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 financial statements give a true and fair view of the financial position of the Department of National Community Water Supply as at 31 December 2020 and its financial performance and its cash flows 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 described 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 Responsibility of the Accounting Officer for the Financial Statements

The 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 Department 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 Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Department 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 scepticism 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 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 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 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, 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 and Regulatory Requirements

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

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

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Performance

The following observations are made.

Audit Observation	Comment of the Accounting Officer	Recommendation
-----	-----	-----
(a) As per the treasury final statements, the other capital expenditure was Rs. 902,764,920. However, it had been shown as Rs.900,988,360 in the statement of financial performance of the Department with a decrease of Rs. 1,776,560.	Actions will be taken to account for this as departmental expenses in the preparation of accounts for the coming year.	The financial statement should be prepared in accordance with paragraph 7 (vi) of guideline No. 06 of the Public Finance Circular No. 02/2020 dated 10 October 2020.

(b) The receipt of funds from the UNICEF Project amounting to Rs. 1,776,560 under the expenditure subject 332-1-1-2 was had been shown in imprest adjustment account considering as expenditure incurred by other departments instead of shown under other capital expenditures in the statement of financial performance.

-do-

-do-

1.6.2 Statement of Financial Position

Property, Plant & Equipment

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
<p>As per the statement of financial position and the ACA 6 format, the value of vehicles and equipment owed by the department was Rs.37,967,000. However, during the audit of departmental books and fixed assets registers, it was revealed that 13 motor vehicles owed by other institutions had also been included in it. Further, the car valued Rs.800,000 and four motor vehicles valued Rs.7,500 which were recorded in the statement of financial position and the ACA 6 format could not be physically verified in audit. Due to the above deficiencies the accuracy of value of fixed assets included in the departmental financial statements could not be satisfied in audit.</p>	<p>As the actions have already been taken to formally take over vehicles of the department, I would like to inform you that further actions will be taken after investigation.</p>	<p>Departmental fixed assets should be accurately included into the financial statements and fixed asset register.</p>

1.6.3 Statement of Cash Flows

Audit Observation	Comments of the Accounting Officer	Recommendation
A sum of Rs.1,069,628,013 and Rs. 202,731,621 respectively had been shown as personal emoluments & operating expenses and expenditure on other heads under cash generated from operating activities in the statements of the cash flows of the department. However, as per the information furnished to audit Rs, 1,071,404,573 as personal emoluments & operating expenses and Rs.200,955,061 as expenditure on other heads had been incurred. And hence a difference of Rs.1,776,560 on each expenditure was observed.	Actions will be taken to account for this as departmental expenses in the preparation of accounts for the coming year.	The financial statement should be prepared in accordance with paragraph 7 (vi) of guideline No. 06 of the Public Finance Circular No. 02/2020 dated 10th October 2020.

1.6.3 Non – maintenance of Registers and Books

During the audit test check, it was observed that some of the following registers had not been maintained by the department and some of them had not been maintained properly and update.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Security Register A Security Register containing the details of all officers and employees required to give security had not been prepared in terms of Financial Regulation 891(1).	Actions will be taken to open security deposit pass books and maintain the security register.	A Security Register containing the details in Financial Regulation 891(1) of all officers and employees required to give security should be maintained.

(b) **Register of vehicles**

In terms of the Financial Regulation 1646 (e), a vehicle register containing the details of those vehicles owned by the Department had not been maintained.

Arrangements have been made to maintain a vehicle register.

A vehicle register containing the details mentioned in Financial Regulation 1646 (e) should be maintained.

(c) **Vehicle log books**

Even though vehicle log books were maintained in terms of the Financial Regulation 1645 (b), they were not updated.

Arrangements have been made to maintain and update the vehicle log books..

Vehicle log books should be maintained properly.

(d) **Records of losses**

A record of losses had not been maintained in terms of Financial Regulation 110.

Arrangements have been made to prepare records of losses.

A records of losses containing the details in Financial Regulation 110 should be maintained

(e) The register of vehicle accidents had not been maintained.

Action had been taken to prepare the vehicle accident register.

Vehicle accident register should be maintained.

2. Financial Review

2.1 Management of Imprests

Audit Observation

Comments of the Accounting Officer

Recommendation

The net provision received for capital expenditure during the year under review was Rs.1,324.5 million and the net expenditure was Rs.905.02 million. Hence Rs.419.48 million had been saved. Accordingly, the saving out of the net provision had been 32 percent.

The projects could not be completed due to insufficient funds at the end of the year, problems in going to the field in the corona situation in the country, staff calling problems and inability to make payments. Hence the respective provisions had been saved.

Expenditure estimates should be prepared accurately in terms of the Financial Regulations 50.

2.2 Management of Expenditure

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
The percentage of saving out of net provision relating to six (06) object codes of recurrent and capital nature had taken a range from 18 percent to 68 percent.	Allocated funds had saved due to the corona epidemic in 2020.	Expenditure estimates should be prepared accurately in terms of the Financial Regulations 50.

2.3 Non-compliance with Laws, Rules and Regulations

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

Reference to Laws, Rules, and Regulations -----	Observation ----- Non-compliance -----	Comments of the Accounting Officer -----	Recommendation -----
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i) Financial Regulation 570	Actions had not been taken to credit 287 deposits aggregated to Rs. 27,340,534 pertaining to the General Deposit Accounts of the Department to the government revenue for more than two years.	Actions are being taken to release the retentions of the year 2016 and 2017. Actions are being taken to send retentions of the completed projects out of funds received from various institutions during those years to those institutions.	Deposits should be credited to government revenue in terms of the financial regulation.

(ii) Financial Regulation 371 (c)	Sub imprests of Rs. 117,150 which had been issued for various activities in 6 occasions during January 2020 to December 2020 had not been settled immediately after the respective activity.	The settlement of advances were delayed due to the corona situation prevailed throughout the year 2020, the officers were called to the office only when required and due to the delay in completion of each functions.	Sub imprests should be settled immediately after the completion of respective function.
(iii.) Financial Regulations 104 (3) and 104 (4)	<ul style="list-style-type: none"> • The investigation activities relating to the vehicle bearing number HP6442 which was involved in the accident on 25 July 2020 had not been carried out even 7 months after the accident. • Determination of losses and submission of final report for the accident which occurred on 10 November 2018 at the office of Anuradhapura officer in charge had not been completed even by 10 May 2021. • Although an investigation report had been submitted regarding the loss of Rs. 101,800 worth of computer equipment at the Nuwara Eliya Officer-in-Charge's office, the persons responsible for the loss had not been identified in it. As a result, the Secretary to the Line Ministry had recommended a re- 	<ul style="list-style-type: none"> • Investigations regarding the HP 6442 have been completed and reports have been submitted. • The relevant reports regarding to the losses in Anuradhapura office had not been handed over yet. • Preparation of report had been delayed due to this epidemic. However so far the report has been prepared. 	<p>Should act in accordance with financial regulations regarding losses and damages.</p> <p>-do-</p> <p>-do-</p>

investigation. However, those investigations had not been completed even by 20 April 2021.

- | | | | | |
|------|------------------------------|--|---|---|
| (iv) | Financial Regulation 394 (b) | Eight cheques worth Rs. 42,090 which had not been cashed for more than six months had not been canceled or other action taken even by 30 April 2021. | Cheques had been issued in lieu for Rs.25,090 worth of cheques on 05 May 2021 and cheques worth of Rs.17,000 had been credited to government income on 07 May 2021. | Should act in accordance with financial regulations regarding the cancellation of cheques which had not been cashed for more than six months. |
|------|------------------------------|--|---|---|

(b) **Public Finance Circulars**

- | | | | | |
|-----|--|--|---|--|
| (i) | Section 3.2.2 of the Public Finance Circular No. 05/2016 dated 31 March 2016 | No actions had been taken on items identified as to be destroyed or repaired as per the 47 report included in the physical verification report of the year 2019 even by 30 April 2021. | Measures have been taken to destroy unusable items in Anuradhapura, Ratnapura, Mullaitivu, Kilinochchi and Mannar districts and actions will be taken to dispose of unusable scrap items in the remaining districts after the completion of the 2020 Board of Survey. | Immediate actions should be taken on the items identified in the board of survey as to be destroyed or repaired. |
|-----|--|--|---|--|

- (ii) Public Finance Circular No. 01/2012 dated 05 January 2012 -Section 3.1

- | | | |
|--|---|---|
| During the audit test check, it was observed that the construction work contracts had not been awarded to the Community Based Organizations after verification of qualifications by a three-member committee | Contracts are awarded to community water societies that have an understanding of the concept of community water for projects. | Should act in accordance of the provisions in Public Finance Circulars to when awarding construction contracts to the Community Based |
|--|---|---|

	consisting of two representatives nominated by the Head of the Department and the Divisional Secretary of the area.		Organisations.
-Section 3.2 (iv)	After awarding the procurement activities, the relevant organizations had handed over the items of works to the subcontractors.	Handing over the contracts to subcontractors by the societies was not reported.	Should act in accordance of the provisions in Public Finance Circulars when awarding construction contracts to the Community Based Organisations.
(c) Section 07 of the Asset Management Circular No. 01/2017 dated 28 June 2017 of Ministry of Finance and Mass Media	Details of all assets owned by the institution should be submitted to the Comptroller General's Office. However, it had not been done even by 30 May 2021.	Information on newly purchased machinery and equipment for the year 2020 were sent to the Comptroller General's Office on 31 December 2020.	Reports on all assets of the organization should be submitted to the Comptroller General's Office on due dates.
(d) Public Administration Circulars -----			
(i) Section 6.5 of Public Administration Circular No. 02/2018 dated 24 January 2018	An officer responsible for preparing a human resource plan and organizing capacity development programs and conducting skills development programs had not been appointed.	A separate division had been set up for this purpose and responsible officers had been appointed.	Should act in accordance with the provisions of the Public Administration Circular regarding the preparation of human resource plan, organizing capacity development programs and conducting skills development programs.

(ii)	Section 3.1 of Public Administration Circular No. 30/2016 dated 29 December 2016	It was observed during the inspection of the log books of the vehicles belonging to the department that the fuel consumption had not been tested.	It is planned to be done immediately.	Fuel test of vehicles should be carried out in accordance with Public Administration Circulars.
------	--	---	---------------------------------------	---

3. Operating Review

3.1 Vision and Mission

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
Nearly six years after the establishment of the Department at the end of the year under review, the management had failed to pass an Act to establish the Department by the end of the year under review. As a result, the legal validity of the department as well as the authority to regulate the community based organizations registered under it are contentious in audit.	At present, the National Drinking Water Development Act has been prepared and submitted to the Legal Draftsman's Department for approval.	Immediate actions should be taken to pass the relevant bill to establish the department.

3.2 Planning

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
An action plan for the year 2020 had not been prepared for the Department in terms of the Public Finance Circular No. 2014/01 dated 17/2/2014.	It was not possible to prepare a formal action plan for the year 2020 as the approval of the provisions under budget estimates had been done in four stages.	An action plan should be prepared for each year in terms of the Public Finance Circular.

3.3 Projects abandoned without completing

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
<p>Three Hundred Twenty Nine (329) water projects of CBOs in 22 districts registered under the Department were inactive from the year 2005 to the end of the year under review. However out of these it was observed that no sufficient actions had been taken to reactivate the inactive projects in Kegalle, Mannar, Trincomalee and Matara districts. Further it was observed that water projects belonging to eight community based organizations which were registered and completed in the Mannar District at a cost of Rs. 57.5 million were inactive due to the reasons such as malfunction of motors, damage to the tanks and non-payment of electricity bills. However no actions had been taken to reactivate and commission those even at the end of the year under review.</p>	<p>It is planned to rehabilitate all the projects within the next 05 years through the allocations approved by the budget proposals.</p>	<p>Actions should be taken to implement projects that are inactive and can be reactivated.</p>

3.4 Delays in the Execution of Projects

The following observations are made.

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
<p>(a) Thirty Five (35) projects costing Rs. 597 million out of 123 projects costing Rs.1,778 which were implemented under "Praja Jala</p>	<p>The delays had been due to the reasons beyond the control of the Department such as delays in obtaining permission from</p>	<p>Actions should be taken to complete the projects as planned.</p>

Abhimani Scheme” during 2019 and scheduled to be completed as at 31 December 2019 had not been completed even by the end of the year under review. Further, the physical progress of the project activities of the Prathibha Community Based Organization implemented in the Grama Niladhari Division of Porambakananke in the Matara District on a cost estimate of Rs. 59,218,151 was as low as 40 percent as at 31 December 2020.

the Road Development Authority for laying of pipes, delays in issuing estimates by the Electricity Board and delays in the supply of goods to suppliers due to the corona situation in the country.

- (b) The construction of the Angunakolapelessa Pahalagama Integrated Community Water Supply Project in the Hambantota district Costing Rs.55.9 million which was commenced on 17 June 2018 under the provisions of Ministry of Housing and Construction and scheduled to be completed by the end of the year under review had not been completed even by 30 March 2021. -do- -do-
- (c) Out of the water projects started in 2018, 2019 and 2020 under the provisions of the Department of National Community & Water Supply, works of 25 projects costing Rs. 50,483,201 had not been completed and it was observed that physical progress of four projects out of these was less than 50 percent. Provisions required to complete the remaining work on the projects estimated in 2019 were approved during the period of September-December 2020. Even though the procurement activities required in purchasing for many projects had been done, the construction activities were delayed due to delay in supplying equipment required to those projects due corona situation prevailed in the country. -do-

3.5 Projects without Progress despite the release of Money

The following observations are made.

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
(a) Estimates had been prepared for total pipe laying of 36,110 metres under Pannanwela Mee-Ella Community Based Organisation Water Supply Project of estimated value of Rs.55,571,391 implemented in Matara District in 2019 under the Praja Jala Abhimani Programme and pipes and fittings were purchased by incurring Rs.8,837,496. However, the total length of water pipes laid was only 30,214m even by 01 February 2021,and hence the remaining pipes of 5,896m worth Rs.1,389,982 were not used and were stored on the land of the Secretary of the Pananwela Community Based Organization. However, the payments had been done for the total distance of 36,110 meters to be laid under the project and hence an excess payment of Rs. 1,482,790 had been made to the community based organizations for unfulfilled tasks as Rs.126,710 for skill labours and Rs. 1,356,080 for excavation and refilling.	Laying of the pipeline was delayed for a distance of 5 km due to lack of road clearance and the laying of the pipeline is currently in its final stage. Investigations have been initiated against the officers who submitted bills for payment as the laying of the pipes was completed.	Should comply with financial regulations in approving, certifying and paying bills.
(b) Further, it had been planned to lay 19,900m of water pipes under the Water Supply Project of Lenabatuwa Sapugoda Shakthi Community Based Organizations with an estimated cost of Rs. 38,028,244 implemented in Matara district in 2019 under the above programme and for that the	Investigations have been initiated against the officers who submitted bills for payment as the laying of the pipes was completed.	Should comply with financial regulations in approving, certifying and paying bills.

Department had purchased pipes and fittings by incurring Rs. 5,433,810 . However, the total length of the pipe laying was only 11,974m even by 12 February 2021 and hence it was observed that the water pipes purchased at a cost of Rs. 2,158,979 had not been used to lay 7,926m. However, due to the payment of bills for the entire distance of 19,900m to be laid under the project an excess payment of Rs. 1,890,870 had been made to the community based organizations for unfulfilled tasks as Rs.164,490 for skill labours and Rs. 1,726,380 for excavation and refilling.

3.6 Annual Performance Report

Audit Observation	Comments by the Accounting Officer	Recommendation
-----	-----	-----
<p>Even though in terms of paragraph 10.2 of Public Finance Circular No.2/2020 of 28 August 2020, the Annual Performance Report should have been prepared in accordance with the Format specified in guideline 14 issued by the Department of Public Finance, it had not been done. Further, the departmental performance reports for the years 2015 to 2019 that should be tabled in the parliament in terms of Public Finance Circular No. 402 dated 12 September 2002 had not been tabled in Parliament even by 31 May 2021.</p>	<p>Preparation of performance reports from 2015 to 2019 had been completed. Action will be taken to table it within the next 02 months.</p>	<p>The Annual Performance Report should be prepared in accordance with the format given in guideline no. 14 issued by the Department of Public Finance and the Annual Performance Report should be tabled in Parliament within 150 days from the end of the financial year in terms of the Public Finance Circular.</p>

3.7 Assets Management

The following observations are made.

Audit Observation	Comments by the Accounting Officer	Recommendation
--------------------------	---	-----------------------

(a) **Unused vehicles**

During physical inspection conducted on 15 February 2021, it was observed that five vehicles belonging to the department were in running condition but had been parked at the department premises for a long time without taking any actions to repair.

Three vehicles were currently repaired and in working condition. With regard to one cab, it is scheduled to take further actions as per the recommendations given by the Automotive Technical Officer of the Department Of Motor Traffic after investigation. It is possible to get repaired the rest of the vehicle after setting aside additional provisions.

Action should be taken to use the existing vehicles those are in running condition.

(b) **Underutilization of departmental assets**

(i) Although the Department has five vehicles that can be repaired and used as mentioned in (a) above, Rs. 3,905,625 had been spent during the year under review for using five motor vehicles procured on rent basis instead of repairing them.

The allocation for vehicles repairs in 2020 was not sufficient to repair all the vehicles, and funds received from United Nations Development Program to procure five vehicles on rent basis. Accordingly these vehicles were provided to Kurunegala, Anaradhapura, Puttalam and Vavuniya districts. At present all these vehicles had been returned and out of the provisions received in the year 2021, 03 vehicles were repaired and handed over to the above districts.

Action should be taken to use the existing vehicles those are in running condition.

- | | | |
|---|--|---|
| (ii) Due to insufficient drivers attached to the Galle and Kandy District Offices of the Department, two vehicles attached to those offices remained idle from October 2020 and August 2020 to 30 April 2021 without using. | The number of drivers approved for the department is 36 and at present there are 20 vacancies. | Adequate drivers should be attached so that all vehicles can be utilized and used idle vehicles for running before procuring on rent basis. |
|---|--|---|

3.8 Security of public officers

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
Officers who are bound to keep securities in accordance with the section 128 (1) (n) of Financial Regulations of the Democratic Socialist Republic of Sri Lanka should keep securities as per the prevailed law and regulations. However it had not been done so and the security register had not been maintained in terms of section 891 (1) of financial regulation.	Actions will be taken to open deposits pass books and maintain the security register.	Action should be taken to keep securities from officers who are bound to keep securities and maintain the security register.

3.9 Uneconomic Transactions

Audit Observation	Comments of the Accounting Officer	Recommendation
-----	-----	-----
In accordance with paragraph 5.6.1 (a) of the Procurement Guidelines, the specifications for goods or works to be procured should be as detailed as may be necessary to achieve the relevant procurement objective.	The Technical Evaluation Committee had recommended further simplification of the specification and re-call for tenders as the prices were not bid in line with specifications.	The specifications of goods should be determined accurately before the commencement of the

However, the Procurement Committee later decided that the specifications of the tender for pumps and accessories, which had been quoted on 19 June 2020 would be complicated and recalled the bid and hence the sum of Rs.177,660 incurred on first bid had become uneconomical. Accordingly procurement activities were carried out after changing the specification again. procurement process.

4. Achievement of Sustainable Development Goals

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Water for all, sustainability management and confirming the receipt of sanitation had been identified as sustainability development goals of the Department of National Community Water Supply. However, any internal circulars, guidelines and workshops had not been conducted by the department to aware in this regard. Further, two officers had not been nominated for coordination activities to achieve the Sustainable Development Goals in terms of the Ministry of Sustainable Development and Wildlife Circular No. MSDW / 08/65 dated 27 April 2018.</p>	<p>Officers had not been nominated yet and will send nominations in the future.</p>	<p>Action should be taken to issue circulars on sustainable development and to conduct relevant guidelines and workshops. Further, action should be taken in accordance with the circular issued by the Ministry of Wildlife in this regard.</p>

5. Human Resource Management

The following observations are made.

Audit Observation	Comment by the Accounting Officer	Recommendation
-----	-----	-----
(a) It was observed that the percentage of vacancies ranging from 44 per cent to 100 per cent of the approved number of employees under each category of employees at the end of the year under review. It accounted as high as 51 percent of the total approved cadre.	So far 144 out of the total 247 vacancies had been filled and actions had been taken to fill the remaining vacancies.	Action should be taken to fill the essential posts.
(b) Although 12 officers were approved for the post of Engineer (Civil) by 31 December 2020, only seven officers had been recruited and one officer had been assigned to supervise several districts without filling the remaining five vacancies.	It is unable to fill vacancies due to shortage of officers. Measures had been taken to complete the targets set for the districts by the 07 officers attached to the department.	-do-
(c) Although 30 posts of Technical Officers had been approved, no action has been taken to recruit a single officer on a permanent basis by 31 December 2020 for that post. However, five employees had been recruited for the post on contract and training basis and during the field audit it was observed that they were also engaged in engineering work such as preparation of estimates related construction activities of community based organizations water projects and monitoring physical progress.	Five Technical Officers had been recruited on contract basis as at 31 December 2020, and they are assisting the District Engineers. Twenty three (23) technical officers had been recruited so far on contract basis. Gazette notification had been published on 23.04.2021 for permanent recruitment.	-do-

- (d) Even though only one officer had been approved for the post of Deputy Director (Development and Planning), two officers had been recruited for the post. Three posts in the Sri Lanka Planning Service have been approved for the Department of National Community Water Supply. Accordingly, there is no overstaffing at the senior level. Only the approved number of officers should be recruited.
- (e) During the audit test check conducted on 15 February 2021, it was observed that the duties for the posts of Officer-in-Charge, Development Officer, Technical Assistant and Technical Officer attached to the district Offices had not assigned through a duty list. A formal duty list is provided for all officers. Official duties should be formally assigned to the officers through a list of duties