

## **Head 123 – Ministry of Housing, Construction and Cultural Affairs**

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### **1. Financial Statements**

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#### **1.1 Qualified Opinion**

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The audit of the financial statements of the Ministry of Housing, Construction & Cultural Affairs for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 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 Housing, Construction & Cultural Affairs was issued to the Chief Accounting Officer on 31 May 2019 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 31 May 2019 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 give a true and fair view of the Ministry of Housing, Construction & Cultural Affairs as at 31 December 2018 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**

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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 qualified opinion.

#### **1.3 Responsibilities of Chief Accounting Officer and the Accounting Officer on Financial Statements**

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The Chief Accounting Officer is responsible for preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .

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 annual and periodic financial statements to be prepared.

The Chief Accounting Officer shall ensure that an effective internal control system is maintained and maintained for the financial control of the Ministry in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

#### **1.4 Auditor's Responsibility on Audit of Financial Statements**

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My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General 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 skepticism 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.
- It is not intended to express an opinion on the effectiveness of internal control of the Ministry to plan appropriate audit procedures in a timely manner.
- Evaluate the structure of financial statements including disclosures and content-based transactions and events the structure that the financial statements are appropriate and reasonable.
- The transactions and events underlying the structure and content of the financial statements are appropriately and fairly when submitting financial statements as a whole.

The Chief Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

**1.5 Report on other legal requirements**

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In terms of Section 6 (d) of the National Audit Act No 19 of 2018, I declare the following.

Since there was no need to prepare financial statements for the previous year, the financial statements for the year under review cannot be compared with the previous year. Also, the report does not make recommendations on the financial statements of the previous year.

## 1.6 Comments on financial statements

### 1.6.1 Statement of Financial Performance

The following observation are made.

	<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Chief Accounting Officer</b>
(a)	A sum of Rs. 28,460,000 received under Supplementary Estimate No. 5531 under Expenditure No. 02-03-02-1503 Construction Industry Development Program has been recorded in the account as the provisions received under FR 66.	Supplement and FR 66 Must be accurately recorded in the account.	A sum of Rs.28,460,000 received under Supplementary Estimates for the Expenditure No. 02-03-02-1503 Construction Industry Development program had been recorded as receipts Under FR 66.
(b)	Other receipts amounting to Rs.25,544,280 had been disclosed in the account, but details of the account have not been submitted with the account.	Submit the relevant details with the accounts.	I will take action to submit the relevant details to the audit relating to the amount of Rs. 25,544,280.

## 1.6.2 Statement of Financial Position

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The following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Chief Accounting Officer</b>
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(a) Although as per the accounts for the year under review, the value of non-financial assets was Rs. 276,442,420 the value was Rs. 9,685,160 as per the asset register.	All information relating to the assets of the institution should be recovded in the statement of Non financial assets and financial statements as per the Treasury circular No 842 of 19 December 1978 and appendix 2 of FR 504(2).	I will be furnished after identifying of correct – balances.
(b) According to the MF / CG / 02 / (Cir) circular of the Ministry of Finance and Mass Media dated 28th June 2017, every government organization should submit accurate information of all assets to the Comptroller General. However, according to information submitted to the Comptroller General by the Ministry, the value of non-financial assets was Rs. 257,511,861 but the value shown in the Financial statements was Rs. 276,442,420. Accordingly, a difference of Rs.18,930,559 was observed.	According to the circular No, MF / CG / 02 / Cir. dated 28th June 2017, the accurate information of all the assets of the institution should be submitted to the Comptroller General.	After identifying the correct balances, I will provide them.

### 1.6.3 Balances of Advance Account

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The following observation is made.

Audit Observation	Recommendation	Comment of the Chief Accounting Officer
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According to the Advance B Account of the Government Officers prepared and presented as at December 31, 2018, the total value of debts outstanding for more than two years from a suspended officer amounted to Rs. 199,460.	Action should be taken to recover the loans promptly.	The officer concerned has died and has requested the Pensions Department to pay him a compassionate allowance from which the loan will be deducted.

### 1.6.4 Not maintained Books and Registers

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It was observed during sample audit examination that some of the following Registers had not been maintained by the Ministry.

Audit Observation	Recommendation	Comment of the Chief Accounting Officer
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<p>(a) <b>Fixed Assets Register</b></p> <p>-----</p> <p>The Fixed Assets Register was not updated as per Appendix II to the Treasury Circular No. 842 of the Treasury and FR No. 502 (2) of 19 December 1978.</p>	<p>Fixed assets register should be properly prepared in terms of circulars and financial regulations.</p>	<p>Non-Financial Assets - Officers were advised to update immediately.</p>
<p>(b) <b>Register of Damages</b></p> <p>-----</p> <p>There was not maintained a register for record of damages in terms of the Financial Regulations 110.</p>	<p>Registration of damages shall be made in terms of the provisions of financial regulation 110.</p>	<p>Officers of the Finance Division have been informed to commence this document immediately and it is possible to submit it for</p>

audit. However, a damage register for the Ministry vehicles is currently maintained by the Administration Division.

### 1.6.5 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the Laws, Rules, and Regulations observed during the audit test checks carried out are analyzed below.

<b>Observation</b>	<b>Reference to Laws, Rules and Regulations</b>	<b>Non-compliance</b>	<b>Recommendation</b>	<b>Comment of the Chief Accounting Officer</b>
(a)	Article 38 of the National Audit Act, No. 19 of 2018	The Chief Accounting Officer should ensure that an effective internal control system is developed and maintained for the financial control of the Ministry, and periodically review the effectiveness of the system and make necessary changes to ensure that the system is operated effectively. These reviews should have been made in writing and submitted to the Auditor General, but the claims of such reviews were not submitted to the audit.	According to the National Audit Act No 19 of 2018 Shall act in accordance with the provisions of Article 38.	Action will be taken to send the relevant report to the Auditor General from 2019 onwards.

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| (b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka No. 94                                   | According to the Financial Regulations 94, liabilities should never exceed the allocation of funds. But expenditure for 8 subjects / items were exceeded by Rs. 314,125.                                    | Compliance with the provisions of the Financial Regulations No. 94.  | Out of the sum of Rs. 314,125, Rs. 250,255 spent as officers overtime & fuel expenditure. Note that the remaining commitments are also made on demand.               |
| (c) Procurement Guidelines 2006 Guidelines No. 5.4.12  | The details of VAT payments were not sent to the Inland Revenue Department with a copy to the Auditor General as per the Procurement Guidelines.  | Act according To comply with paragraph 5.4.12 of the Procurement Guidelines.   | I have taken notes to inform the relevant officers to send a report to the auditor general about the payment of VAT to the Department of Inland Revenue with a copy. |
| (d) Department of Management Audit No. 01/2016 dated 1st January 2016 Paragraphs 06 (i), (ii) and 07 of the circular | At the end of the quarter, information must be sent to the Audit Department of Management Audit on newly assembled vehicles, vehicle misuse and changes within the first quarter of the 15th of next month. | According to comply with Section 06 (i), (ii) and 07 of the Management Audit Department Circular No. 01/2016 dated 1st January 2016. | No answer is given.  |



## 2. Financial Review

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### 2.1 Expenditure Management

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The following Observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comment of the Chief Accounting Officer</b>
(a) The total allocation for the ministry was Rs. 11,389,000,000 Out of the full amount Rs. 9,643,761,105 were used and it represent a 85 per cent of the total amount.	The spending should be clearly identified and allocated to the needs.	Note that the situation in the country at the end of last year was mainly influenced by the savings on capital expenditure.
(b) In the formulation of estimates for the coming year, provisions were allocated in the range of 10 per cent to 100 per cent of the requirements for the 18 expenditure items as the expenditure was not clearly identified.	Should clearly identify expenditure and make allocations according to needs.	The situation in the country at the end of 2018 led to these savings.
(c) As for the expenditure item 01-01-1408; an allocation of Rs. 5,940,000 has been allocated to lease a vehicle, but a vehicle had not been leased, Therefore, that provision had been transferred to other spending subjects under Rule 66 of the Financial Regulations.	Identify the asset purchase needs and should make allocations.	Despite the provision of Rs. 5,940,000 was made, The Ministry later discontinued the purchase of vehicles.

(d) Changes between the initial cost estimates and actual expenditure range from 10 percent to 123 percent, and the reasons for those changes were not stated in ACA-2 (iii) of the account.	The ACA 2 (iii) of the Financial Statement states the reasoning should be made for the difference between the initial expenditure estimate and the actual expenditure.	The reasons for the savings will be addressed within two weeks. (Not submitted)
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### 3. Operational Review

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#### 3.1 Planning

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The following Observation is made.

##### Audit Observation

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The Action Plan for the year 2018 had been prepared in accordance with the Public Finance Circular No. 2014/01 dated 17th February 2014. But the plan had been changed on two occasions during the year, and two months after the end of the year, on March 12, 2019, the action plan for 2018 was changed.

##### Recommendation

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If it is necessary to change the action plan, the changes to be made during the year must be done in accordance with the approvals and no changes to the action plan after the end of the year.

##### Comment of the Chief Accounting Officer

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The annual action plan was prepared to provide housing and infrastructure belonging to low income people but it has been changed from time to time and has been taken for approval. Accordingly, the action plan for the changes made at the end of 2018 has been changed.

#### 3.2 Delays in Execution of Projects

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The following Observations are made.

##### Audit Observation

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##### (a) Model Villages Programme (New)

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Estimated cost for the year 2018 was Rs. 937 million, and the as for the progress report expenditure was

##### Recommendation

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Plans should be prepared so that the project can be

##### Comment of the Chief Accounting Officer

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No answer is given.

Rs. 581 million. Accordingly, the financial progress was 62 per cent. Although the target number for the year was 20,375, at the end of the year under review, the total number of completed housing units were up to 1,555 and the physical progress was only 8 per cent as of December 31, 2018.

completed in time.

(b) **Scattered Housing Project (New)**  
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Estimated cost of this project was Rs. 709 million. According to the Progress Report as at 31 December 2018, the expenditure incurred was Rs. 637 million. Accordingly, the financial progress of the project is 90 per cent. Although number of targeted housing units were 7000, 4879 were completed up to roof and it represent a physical progress of project was 70 per cent.

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(c) **North Province Housing Programme (New)**  
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Estimated cost for the year 2018 was Rs. 1,844 million out of an estimated cost of Rs. 2,401 million. Accordingly, the financial progress of the project as at 31 December 2018 was 77 per cent. Out of the 5,000 targeted homes, 4,511 were completed with top of roof and it represents a physical progress of 90 per cent, completed and only 90 per cent of the targeted houses were built.

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(d) **Bogaswewa Special Housing Project (Continuous)**  
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Estimated cost for the above project was Rs. 449 million and the total expenditure was 200 million, where it represents a financial progress of 45

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per cent. Out of the target 1566 housing units, 978 housing units were completed up to roof level and fully completed, it showcased a physical progress of 62 per cent.

(e) **Virusumithuru Housing Programme (New)**

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The project was implemented in collaboration with the Ranaviru Authority in the year 2018 at a cost of Rs. 116 million. The total expenditure was 113 million, with financial progress of 97 per cent. However, the physical progress of the project was only 74 percent, with the target number of 550 houses up to the roof and 405 completely completed.

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(f) **Gramashakthi Udagammana Housing Programme (New)**

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Although the estimated cost for the year was Rs.100 million, the expenditure incurred in the year 2018 was Rs.234 million including additional provisions. Accordingly, the financial progress was 234 per cent. But although the number of targeted houses was 1,200 houses during the year, the total number of completed houses up to roof and fully completed houses were 255 and therefore the total number of houses completed was only 21 percent of physical progress.

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(g) **Model Villages Programme (Continuous)**

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The estimated cost of the project for the year 2018 is Rs. 632 million but the expenditure incurred is Rs. 486 million. Accordingly, the financial progress of the project was 76 per cent. Out of the 4,960 targeted

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houses, only 3,099 were completed. There were 1,743 completed houses with roof and 664 houses were completed up to the roof level. The project should be completed by September 30, 2018 but the provision for delay, is three months.

(h) **Grama Shakthi Model Villages (Continuous)**

Estimated cost for the year 2018 was 543 million and expenditure for the year was 316 million. According to the financial progress represents 58 per cent. Out of the 1,301 targeted houses, 844 were completed. Accordingly, the physical progress of the project was 65 per cent. The project should be completed by September 30, 2018, but the provision for delay was three months.

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### 3.3 Management Inefficiencies

The following Observations are made.

Audit Observation	Recommendation	Comment of the Chief Accounting Officer
<p>(a) Following are the recommendations of the Standard Technical Committee:</p> <p>i. From May 20, 2014 to December 31, 2017, 71 contract files sent for approval by the Standing Technical Committee for Public Institutions had not been evaluated and approved by the end of 2018.</p>	<p>Granting of Standing Technical Committee approval should be done without delay.</p>	<p>In the case of contract files submitted to the committee, the evaluation could not complete due to lack of relevant details, lack of inform. of 95 per cent. of completed items, 95 per cent of subject to change of work, non-completion of contract and change of base year.</p>
<p>ii. From December 23, 2015 to</p>	<p>Giving approval for</p>	<p>Evaluation could not be</p>

<p>October 18, 2018, it was observed that contracts approved by the Standing Technical Committee had lasted more than six years.</p>	<p>Permanent Technical Evaluation Committees should be done without delay</p>	<p>completed due to lack of Cabinet decisions and memorandums required for approval and lack of adequate details from the relevant institution.</p>
<p>iii. There were instances of delays between one year and six years in granting approval for certain contract values even though the contract estimates had been evaluated for a period of one month, irrespective of the order sent by the contracting agencies for the approval of the Standing Technical Committee.</p>	<p>Should be mindful of the order sent by the Institutions when approving the TEC.</p>	<p>Due to delays in responses received from some organizations, The approval cannot be granted with according to received order. Priority is given to evaluations by considering The factors such as delays in response, delays in response to multiple contracts of the same agency, and ease of appraisal of similar projects simultaneously.</p>
<p>iv. The delay in the approval of the Permanent Technical Committee has resulted in delays in the approval of the Permanent Technical Committee for constructions under the provisions approved by the Cabinet for the purpose of providing services to the public. Doubt in paying excess capital for projects. also cannot be ruled out in the audit.</p>	<p>The technical evaluation committee reports should be obtained expeditiously.</p>	<p>Preparation of the contract size of the contracting firms was done by applying the gross unit prices and analyzing the market prices and the approved prices and prices.</p> <p>Excessive bids for approved quotations will reduce the contract price and the failure to meet the cost estimates specified in the original estimate will result in a decrease in the contract price.</p> <p>It is also the responsibility of the contracting agency to pay the contractor a certain percentage of the price until a fixed technical committee approval is obtained several years after the commencement of the contract and the committee</p>

**(b)** Acquisition of Lands for Model Villages and Housing Projects

i. The letter dated 8/4/1/1/76/3 dated May 01, 2018 addressed to the Secretary of the Ministry by the Chairman of the National Housing Development Authority and the Additional Secretary of the Housing and Development Ministry of Housing and Cultural Affairs dated 28 August 2018. According to the letter No. 3/1/2/33, there are 304 state owned lands and 64 private lands that have been completed by the end of 2018 Had to take over to the authority Even private land has not been acquired under the Land Acquisition Act by the State.

Acquisition of lands before construction of houses / Acquisition should take over.

approves the request and the contractor has used higher bids.

By the end of 2018, 260 state-owned lands under new and old housing projects are being transferred under the State Land Ordinance. It should be noted that the number of lands has increased to 304 with the construction of new projects.

By the end of 2018, the acquisition is underway. The number of such lands includes lands that have been paid by the Divisional Secretary under Section 17 of the Land Acquisition Act and those that are in the lower stages. All of these private land are old housing schemes.

ii. Although the amount requested by the Divisional Secretaries for the 14 lands acquired in the year 2018 was Rs. 27,744,486, The capital of 10 million that was given by the treasury was paid only for lands along with another part of a land only. The remaining Rs. 17,744,486 had not been paid and the interest paid had been continuously added.

Timely payment of compensation for lands to be paid.

A sum of Rs.27,744,486 / - is required to pay compensation and compensation interest for 14 lands by the beginning of 2018. 10 million was paid on the request of the Treasury for the above amount, on the financial provisions received from two lands and only part of the compensation of the land. However, due to delay in payment of compensation, the interest payable as per the provisions of the Act is increased.

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| <p>iii. The BD / RDS / 123/1/9/4 dated December 29, 2017 addressed to the Secretary of the Department of National Budget, by the Secretary to the Ministry of Housing and Cultural Affairs stated that immediate action should take to end the acquisition of land for the purpose. But, It has been revealed that the construction of houses has been carried out without any land acquisition.</p>   | <p>Land acquisition or acquisition should be carried out before the commencement of housing projects.</p>          | <p>According to the document submitted, the relevant District Managers have forwarded recommendations to the Property Management Division to acquire the 26 lands according to the information list of the 38 lands. Once the information was given to head office, the transfer of the remaining land will be carried out during the construction period.</p>           |
| <p>iv. The ownership of the land belonging to the National Housing Development Authority of Gampaha District Office, was taken over by the Divisional Secretary of Gampaha on 30th September 1999 but the office building of the Authority was built and maintained by the National Housing Development Authority without having the legal ownership of the land. According to the letter dated 29<sup>th</sup> September 2016, the Divisional Secretary of Gampaha had been asked to pay the rent of Rs. 2,280,000.</p> | <p>Construction of buildings should be done without taking over the land to avoid paying rent</p>                  | <p>It is observed that the land, which is located in an urban area of 52.4 perches in size, has the potential to house an apartment complex with office space. Therefore, the Divisional Secretary has been requested the ownership of the land to be transferred back by a grant under the State Land Ordinance to enable such a housing project to be implemented.</p> |
| <p>v. The audit revealed that there were problems due to the lack of water for the housing projects being built. In the year 2016, 36 houses in the</p>  | <p>A feasibility study should be carried out according to the recommendations with regard to housing projects.</p> | <p>In the year 2016, 36 houses were built in the village of Boraluwalaiyaya in the Thanamalwila Divisional Secretariat area. Where there was an issue of drink</p>   |



Boraluwallayaya Model Village in the Thanamalwila Divisional Secretariat Division in the Moneragala District were having issues of handing over to the public due to the lack of genetic water facilities.

water. As a remedy the ministry had taken steps to provide drinking water by provide a temporary solution with water tanks where each tanks will be refilled ever 2 weeks from bowsers to provide drinking water for people.

vi. On May 6, 2000, the UDA had announced the payment of Rs. 8,686,000 should be paid to the land of Ratnapura Galkaduwatte and the payment had made on 12<sup>th</sup> March 2012. However, due to the delay the Urban Development Authority (UDA) had once again paid a new assessed value of Rs. 145,530,000

Should be discussed and corrected, the present condition.

Rs. 8,686,000 / - has been paid to the UDA for the acquisition of the Galkaduwatte land. However, the management has taken a decision not to transfer the land at the new valuation value. Therefore, the company has been requested to return the money. According to the request, the UDA has informed the National Housing Development Authority (UDA) in writing that the land value of the land excluded will be reduced and the balance will be returned to the National Housing Development Authority.

(c) According to the Ministry of Housing and Construction Board Paper, cabinet memorandum paper no. 25/2018 of 11 June 2018 and letter dated 22 June 2018 of Ministry of Finance and Mass media circular No. PED/INF/123/000/CM/389 required the report of panel of experts for the reorganisation of government factories, to play a pivotal role in the development of the construction industry

Action to obtain the Report of the Expert Committee and to implement the recommendations of the Report.

According to the Cabinet Memorandum, the report of the Panel of Experts Committee has not been completed yet and I will kindly inform you that it will be prepared and submitted to the Audit Committee soon.

where the report of expert for the reorganisation of government factories was not submitted end of April 2019.

#### 4. Good Governance

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##### 4.1 To Provide Services to the Public

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The following Observations are made.

#### Audit Observation

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(a) The Director General of the National Budget Department addressed the then Secretary of the Ministry of Housing and Cultural Affairs with the 29 December 2017 dated letter of BD/RDS123/1/9/4. The lands that were requested to pay the compensations from that letter, had been acquired by the ministry 20 years ago, but the relevant land owners were not paid the compensations. to the then Secretary of the Ministry of Housing and Constructions. It is observed that houses have been built. But the relevant landowners were not paid compensation.

(b) private and state owned lands have been used to built houses and settle people without formal procedure of handing over. Furthermore, formal deeds have not been given to people

#### Recommendation

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Acquisition of lands and payment of compensation, should be done.

Taking action to issue deeds to the residents.

#### Comment of the Chief Accounting Officer

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The National Housing Development Authority (NHDA) has a large number of privately-owned land on which the old housing schemes were built. Currently the acquisition procedures are in placed and in progress. Where only 64 private lands are remaining for the acquisition. Requests are being made from each Divisional Secretariat to expedite the acquisition of lands. Delays in legal proceedings, led to delays in acquisitions.

The ownership of the land / land will be given first and the ownership of the land will be formally handed over to the

and therefore they have been subjected to injustice due to lack of ownership of the houses.

In the audit, it was revealed that the beneficiaries of the land, often provided with the land, had built their houses with government-funded loans.

National Housing  
Development Authority.

## 5. Human Resource Management

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The following Observations are made.

### Audit Observation

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- (a) There were 34 vacancies in the Ministry and during the year under review, 17 salaried officers from the institutions belonging to the Ministry were recruited from time to time for the duties of the Ministry from December 2007 to December 2018. Despite vacancies in the Ministry, a salaried officer of the Ministry had been released to the duties of the National Housing Development Authority.

### Recommendation

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The Ministry should take action to fill the vacancies or suppress them if they are not needed.

### Comment of the Chief Accounting Officer

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Seventeen salaried officers from institutions belonging to this Ministry have been deployed in the Ministry. When the vacancies in the Ministry of Combined Services are filled, the relevant officers are released to permanent post. However, the Ministry has released a salaried officer for the duties of the National Housing Development Authority.

While the officer in charge of the Ministry was trying to get the official to the Ministry in 2015 I have kindly informed her that she has been reassigned to the National Housing Development Authority in the letter No. 1352 and dated 23 May 2016. However, I am further informed that this officer

has been in the process of releasing her back to the Ministry.

(b) During the Audit of the staff training of the Ministry in 2018, the following were observed.

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| i.  | According to the Public Administration Circular No. 02/2018 of the Ministry of Public Administration and Management dated 24th January 2018, it is emphasized that the need to utilize human resources centered in the public service of Sri Lanka for efficient and effective development of the country. Accordingly, on the need for systematic development of public sector human resources, a human resource development plan should be prepared to ensure that each member of staff has at least 12 hours of training per year. However, the Ministry had not prepared the plan and trained the staff accordingly. | Should act according to the circular and provide training opportunities to all the staff. | Acknowledge that the Human Resource Development Plan for 2018 has not been prepared as of public Admin circular No.02/2018. According to the above circular a human resource development plan will be prepared and the officers will be trained. |
| ii. | In the year 2018, there were only 10 Senior and Tertiary Level Officers, 36 Secondary Level Officers and 9 Primary Level Officers recruited from the Ministry's actual staff. Accordingly, 107 officers (66% of the total number of employees) have not been given any training.   | Take measures to provide training opportunities for all employees.                        | On the recommendation of the Heads of the Training Programs, about 60 subject officers participated in the training programs and I will provide training opportunities for other officers by 2019.   |

