

Head 409 - State Ministry of National Security, Home Affairs and Disaster Management

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the State Ministry of National Security, Home Affairs and Disaster Management for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 was issued to the Accounting Officer on 16 June 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Ministry was issued to the Accounting Officer on 12 July 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report is presented to 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 Paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the State Ministry of National Security, Home Affairs and Disaster Management as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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

The Chief Accounting Officer and Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for 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 State 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 Accounting Officer shall ensure that an effective internal control system for the financial control exists in the State 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 judgement 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 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 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 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 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

The following observations are made.

Audit Observation -----	Comment of the Accounting Officer -----	Recommendation -----
(a) An expenditure entitled to the Security Division amounting to Rs.423,867 had been incurred from the expenditure objects of Home Affairs Division.	It has been done as per the instructions of Secretary to the Cabinet.	It should be accounted for under accurate expenditure objects.
(b) Even though the value of Machinery and Equipment of the Internal Affairs Division as per the Ministry books was Rs.54,416,774, the value as per the Treasury Printouts (SA 82) was Rs.51,093,634 the difference was Rs.3,323,140.	The assets of the National Security Division and the assets of the National Secretariat for Non-Governmental Organizations were not properly accounted for through transfer papers.	Corrections should be made and maintain the accounts in an updated manner.
(c) Even though the assessed value and the development cost of the building should be accounted for as per the Letter of the Department of State Accounts No.SA/GFS/01/01/09- volume ii dated 24 February 2021, only then assessment value of the year 2015 amounting to Rs.419,000,000 had been stated in the Financial Statements.	A sum of Rs.419,000,000 had been assessed for the Nila Madura Administrative Building Complex and that amount has been stated in the financial statements.	Due to the constructions cost of the building has been accounted for as work-in-progress in the financial statements of Colombo District Secretariat, the action should be taken to account for the development cost also after consulting the relevant parties related to this.

2. Financial Review

2.1 Management of Expenditure

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though estimates should be prepared as accurately as possible according to the Financial Regulation 50(ii), a total of Rs.356,145,000 as the total provision of 16 capital expenditure objects and 16 recurrent expenditure objects amounting to Rs.341,400,000 and Rs.14,745,000 respectively had been saved.	It is informed that the saving of provisions had occurred due to the failure to fulfill the activities pertaining to the expenditure objects because of not occurring the expenses as expected due to the Covid- 19 epidemic and the implementation of the proposals given to curtail the expenses as per the Decision of Cabinet of Ministers No.21/1596/304/134 dated 31.08.2021.	Estimates should be prepared in terms of FR 50(ii).
(b) The total net provision related to 38 capital expenditure objects and 48 recurrent expenditure objects was Rs.6,569,467,625 and thus the total expenditure related to those expenditure objects as at the end of the year under review was Rs.3,579,472,619, the saving was Rs.2,989,995,006. It had ranged from 16 per cent to 99 per cent from the total provision.	do	do

2.2 Exceeding of Limits

Audit Observation	Comment of the Accounting Officer	Recommendation
<p>Despite the approved minimum limit of receipts had dropped by Rs.142,047,589 less than the actual minimum limit of receipt of Rs.600 Million, the recommendation had been received from the National Budget Department on 14 December 2021 to reduce the approved minimum limit of receipts to Rs.525 Million by only Rs.75 Million. Accordingly, an exceeding of limit was observed from the saving amounted to Rs.67,047,589.</p>	<p>A sum of Rs.457,952,116.16 received for 409011 and Rs.114,901,392.09 for 409012 had been received under the Advance B Account as at 31.12.2021 and accordingly, as the total of receipts was Rs.572,853,803.25 there was no exceeding of limits.</p>	<p>Actions should be taken to follow the approved limits.</p>

2.3 Entered into Liabilities and Commitments

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) A sum of Rs.512,354,690 which was stated in the CIGAS Programme as liabilities had not been included in the statement of liabilities of the financial statements and, liabilities amounting to Rs.11,378,934.00 that had stated in the statement of liabilities and commitments in the financial statements had not been shown in the CIGAS Programme.</p>	<p>Even though the data had been entered in to the CIGAS Programme, the liabilities could not be uploaded due to an error in the system.</p>	<p>Liabilities should be shown accurately in the financial statements.</p>

- (b) Even though it had been identified a sum of Rs.242,662,629 to be paid as the liabilities to the Ministry of Highways and Road Development by the Home Affairs Division under Pibidemu Polonnaruwa Project as at the 31 December 2019, the liabilities had not been settled even by 31 December 2021.
- Despite requests from the treasury to provide sufficient provisions and funds, it has not been able to settle these liabilities due to non- receipt of necessary provisions and funds.
- Action should be taken to settle the liabilities.

2.4 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) Section 1.2 of the Chapter IX of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	Even though a sum of Rs.827,530 had been given as incentives to the officers involved in the organizing activities of the Independence Day Festival in the year under review, the prior approval of the Director General of Establishment had not been obtained for that.	The prior approval of the Director of Establishment has been obtained for the payment of incentives to the officers involved in the organizing activities of the Independence Day Festival 2022.	Payments should not be made without obtaining prior approval.
(b) F.R 427 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka	Although the Departmental Books should be compared with Treasury Books, a difference of Rs.2,175,542 was observed between the advance balances of public officers in 4 Districts.	Necessary actions are being taken to identify the difference between the balances and settle.	Actions should be taken in terms of financial regulations.

3. Operating Review

3.1 Foreign Aid Projects

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>It had been allocated Rs.150,000,000 and Rs.130,000,000 from foreign grants under the expenditure code 409-2-11-13-2509(13) and 409-2-11-9-2509(13) respectively from the Annual Estimates of the Disaster Division for the Programme of the Mitigation of Landslides. When giving reasons for those savings these allocations had been stated as entire savings and, it had been stated as non-submission of expenditure reports since this programme was implemented through the Department of External Resources. Nevertheless, it was not acceptable that the total amount as savings without taking actions to verify the amount of expenditure incurred under this programme during the year or regarding non-incurring of expenditure.</p>	<p>These provisions have been allocated through the Department of External Resources for the implementation of the project under the technical assistance of the Japan International Cultural Agency and the funds allocated by the donor agency had not directly received to the National Building Research Organization and all project costs including the grant of technical equipment are born by it. The Disaster Management Division has informed that those expenditure reports were not submitted to the National Building Research Organization.</p>	<p>Details of the amounts received as grants should be obtained and entered in the financial statements.</p>

3.2 Procurements

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Completion of Nila Madura Building Stage III and Supply of Maintenance Services.		
(i) Even though the Approval of Cabinet of Ministers' had been obtained on No.අමප/21/1689/303/063-I dated 27 September 2021 to extend the date of the Construction of Stage III of the 'Nila Madura' building up to 26 December 2019, the works had been completed on 26 December 2020 as per the performance certificate submitted by the Central Engineering Consultancy Bureau (CECB). Therefore the actions had not been taken to recover a sum of Rs.174.35 Million as Liquidation Damages for a period of one year from the contractor as per the agreement. However, Colombo District Secretary had paid an interest of Rs.17,112,625 to the contractor due to the making of payments to the contractor in delay.	There was a period of one year (365 days) as Defect Notification Period in the Date of Completion of Contract as per the 11.3.7 of the Contract Data of the Contract Agreement. Accordingly, there is no need to charge the Liquidation Damages of one year from the contractor and that the payment is delayed due to the delay in receipt of imprests.	Liquidation Damages should be levied and actions should be taken in accordance with the Financial Regulations for failure of preventing Liquidation Damages.
(ii) The Cabinet Memorandum No. HA/07/2020 dated 22 September 2020 had been submitted to assign the duty of providing maintenance services of building to the	The Additional Secretary (Technology) has pointed out that the relevant service requirement cannot be completed from the staff of the engineering	Necessary actions should be taken to reduce the maintenance cost.

CECB due to the lack of sufficient staff to carry out the supervision and maintenance. Even though paragraph No.1.5 of the said memorandum had mentioned that the maintenance service staff as 04, it had not been mentioned that the ability to get the support of 03 employees of the staff in the maintenance division of the District Secretariat according to the notification of the Department of Management Services. Therefore, it was unable to accept to the audit that the commenting as the number of employees was not sufficient for maintenance. Further, the actions had not been taken to set up a maintenance unit even by the date of audit of 18 April 2022.

- (iii) Even though the said memorandum had been submitted to entrust the maintenance works and service providing activities to CECB, the Decision of Cabinet of Ministers No.අම/20/1432/303/016 dated 13 October 2020 had given a decision to call for quotations from government institutions for that work. Accordingly, bids had been offered by Central Engineering Consultancy Bureau for Rs.25,500,000 and State Engineering Cooperation for submitted Rs.35,068,272 and, the
- division who was engaged in the service. Therefore, considering the need of urgent service in the maintenance unit of the Nila Madura building premises, the top management of the Ministry has decided to hand over the maintenance work to CECB which has worked as a consultant in the construction of the Nila Madura building and has long term experience. Accordingly, further actions have been taken as per the Approval of Cabinet of Ministers’.
- Even though the Engineering Division had only submitted a preliminary proposal to the Procurement Division, the procurement activities had been conducted in a formal manner after conducting discussions with Ministry, other related divisions including the Colombo District Secretariat.
- It should be the responsibility of the Procurement Committees to make procurements to receive the maximum benefits to the Government.

contract had been awarded by increasing the value up to Rs.28,689,501 and the number of employees expected to be employed for this work from 9 to 11. Without taking action to prepare an independent engineering estimate in order to obtain transparently and maximum benefits of procurement in accordance with Guideline 1.2.1 of the Procurement Guidelines in this procurement, an engineering estimate had been prepared using the proposed estimate prices obtained from CECB. In spite of that, it was a controversial matter that the contract had been awarded to the same company by calling the quotations from the same company.

(b) Purchase of Furniture and Office Equipment.

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| <p>(i) The Decision of Cabinet of Ministers' No. 17/2912/721/003-I dated 10 January 2018 had been obtained to offer this procurement to the same contractor of the building construction by raising various reasons such as the inadequacy of time available to carry out according to the provisions of the procurement guidelines, and the need to built in some furniture and finish them, to expedite the purchase of furniture and office equipment. However, the</p> | <p>The establishment of the Ministry in this building has been done on 25.07.2019 after a period delayed by 1 ½ years due to various reasons. There was no difficulty in fulfilling the expected requirement due to the awarding of the contract for the purchase of this furniture and office equipment on 30.04.2019 simultaneously with the establishment of the Ministry.</p> | <p>Actions should be taken to act in planned manner after determine time frames.</p> |
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approval of the bid documents for purchasing had been delayed by a one year and done on 14 January 2019.

- (ii) Although the approved provision for the purchase was Rs.200 Million, the bid value submitted by the contractor who construct the building for the that purchase was Rs.229,000,000. Therefore, the Ministry Procurement Committee had decided on 25 April 2019 to reduce the number of mobile racks from 448 to 150 and award the procurement for Rs.199,068,993. Nevertheless, the Committee had decided on 03 July 2019 to purchase the remaining 298 racks for Rs.29,9002,424 at the above prices without having necessary provisions. Nevertheless, the approval for the provision for the purchase had been obtained through the Approval of Cabinet of Ministers' No. ए०अ/21/1921/303/152 dated 15 November 2021.

- (iii) Even though this procurement had been offered to the same building construction contractor on the Approval of Cabinet of Ministers, there had been a loss of Rs.17,484,813 to the Government due to some furniture and equipment had been purchased from other institutions and provided by receiving a profit margin of 10 per cent.

The letter of acceptance has been issued to the contractor after obtaining the procurement decisions and the contract has been legally stabilized accordingly.

The provisions in Financial Regulations and Procurement Guideline should be followed.

Thus offering sub-contracts by the main contractor is a normal practice in the Government Procurement Procedure and a clause should be included in the bid documents if it is necessary to avoid doing so. The normal procedure has been followed as no such clause has been included in the bid

The actions should be taken in a way that the government gets maximum benefits.

document in respect of this contract.

(c) Construction of Galle Auditorium.

(i) Even though the initial cost estimate had been prepared for Rs.1700 Million without carrying out a formal feasibility study and the contract had been awarded to a Rs.2,656.88 Million, the estimated value had been Rs.3,154.88 Million as at the date of audit.

Even though there were several bidders at the beginning of the bidding process, only 02 bids qualified for cost proposals. The value of the selected bid was Rs.2,656.88 Million. But the allocations were not enough due to the situation occurred to the ground unexpectedly, the actions has been taken to allocate an additional amount of Rs.498 Million.

Actions should be taken with a formal feasibility study and plan.

(ii) A sum of Rs.717 Million (including taxes) including advances had been paid to the contractor at the date of audit and the bills in hand as recommended by the consultant were Rs.238.95 Million (including taxes). However, the amount spent had been an uneconomical expenditure as only the initial stage of construction of the auditorium had been completed.

Even though the provision has been made, it has been informed that the payment of bills has been delayed due to non-availability of imprest and the contract period has expired on 29.01.2021. An amount of Rs.475,958,822.38 has been paid to the contracting company as advance. Since the full advance has been paid to the contractor, it is assumed that only a small amount remains to be paid to the contractor after deducting the value of the bills in hand submitted by the contractor.

Relevant officers should be responsible for the loss occurred to the government.

(d) Purchase of 50,000 Polysack bags- National Disaster Relief Service Center.

Even though the quotations had been called from 35 institutions to purchase 15,000 polysack

Due to the North-East Monsoon did not active strongly as expected in

It should be the responsibility of officers to make only essential

bags to be used for the emergency need that may arise in the North and Eastern Provinces and other areas of the island due to the activation of the North-East Monsoon in the future, only 03 institutions had been submitted the quotations. Again, increasing the polysack bag requirement up to 50,000 stating as it was an urgent need the above 03 institutions had been informed on 8 November 2021 to submit the quotations on the same day by fax/ email and, the purchase had been made on 24 December 2021 for Rs.3,024,000. Even though this purchase had been done by considering as an emergency before the North-East Monsoon become powerfully active, this purchase had not been an emergency situation due to the fact that the polysack bags had not been used.

2021, there was no need to use these polysack bags. However, these polysack bags will be kept as a buffer stock that can be used in any future disaster situation.

3.3 Assets Management

 The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Even though the assessed value of the land where the Nila Madura building constructed had been accounted for as Rs.458,900,000 but the land had not been handed over to the Ministry by now.	A formal request has been already submitted through the Thimbirigasyaya Divisional Secretary to the Land Commissioner General to formally hand over the Land where this building is located.	The land should be acquired.

- (b) Actions had not been taken to remove 71 furniture and office equipment amounting to Rs.1,258,061 that had been handed over to two other ministries by the Ministry in the year 2020. Only the receipt orders related to the goods given to the Public Administration, State Security and Disaster Management Division have not been received so far. Receiving orders should be obtained and assets should be removed from the books.
- (c) Eighteen pedestals which were received as accessories in the purchase of tables had been given to the State Ministry of State Security and Disaster Management in the year 2021. The actions had not been taken to get these pedestals and use for the tables. It has been informed by the letter dated 03.03.2021 that 18 pedestal which were received as accessories during the purchase of tables by the then State Ministry of State Security and Disaster Management will be retained at that place. The Ministry has given approval for that on 05.03.2021. Eighteen pedestals should be obtained and used for tables.
- (d) The action had not been taken to acquire 35 circuit bungalows belonging to the Ministry and their lands or to enter the assessed value to the financial statements. A letter dated 25.05.2022 has been sent to all the District Secretariats asking about the ownership (deed/folios/plan) of the land where the circuit bungalows are located and the details regarding building and the valuation reports for the buildings. The ownership of circuit bungalows should be settled and entered in the financial statements.
- (e) Even though 7 vehicles belonging to the Home Affairs Division and 06 vehicles belonging to the Disaster Management Division had been given to other Departments and Ministries, the action had not been taken to formally hand over the said vehicles to the relevant institutions or get returned. Although requests have been made on number of occasions to hand over the vehicles given on temporary basis to this Ministry, they have not been returned so far. Actions should be taken to properly hand over or to get them back.

- (f) While 28 generators were in stores for more than 05 years, 14 generators had been purchased by the National Disaster Relief Service Center in the last year and kept them in stores without distribution. Hence, 225 Tarpaulin Seats purchased in 2019 had not been distributed.
- Even though arrangements had been made for distribute to the Districts, actions had not been taken to carry them by some Districts due to the difficulties in transporting the generators. Also, 03kw capacity generators have been purchased for safe centers used to hold people in the times of disasters and failure to use the high capacity generators received as donations for that has caused for this.
- Unnecessary purchases should not be made and generators should be distributed or used for productive work.

3.4 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation	
(a) The debt balances to be received from government officers was Rs.22,671,704 as at 31 December of the year under review. Out of that among the balances of more than 03 months a total of Rs.12,477,146 as a sum of Rs.8,415,764 from the officers transferred out, a sum of Rs.1,225,452 from retired officers, a sum of Rs.1,316,782 from the officers who had left the services, a sum of Rs.1,186,395 from deceased officers, a sum of Rs.332,753 from interdicted officers had not been recovered and out of this the balance exceeded a period of 5 years was Rs.951,530 .	The relevant District Secretariats have already been informed regarding the recovery of these outstanding balances and further actions are being done.	The outstanding balances should be recovered.	
(b) Disaster Management Division	The Resettlement Project of Displaced People due to the threat of landslides had been planned to commence in 2017 and complete in 2021. Even though a sum of Rs.850 Million had been allocated for this project in the year under review, a sum of Rs.651 Million had been spent.	The Approval of Cabinet of Ministers' has already been obtained for the construction of houses by a contractor for the beneficiaries who are not being able to construct	Actions should be taken to minimize the delays to achieve the objective of the Project.

Out of that, although it had been planned to complete the works of 250 houses, 36 houses had not been completed. houses using their own labour resource, in order to avoid the delay in the construction of houses. Further actions are being done accordingly.

- (c) Even though it had been allocated Rs.70 Million for the construction of 124 houses under the project of building houses on damaged lands in Kegalle areas, the construction of 34 houses had only been completed at a cost of Rs.13.67 Million only. Comments have not been given yet. do
- (d) Resettlement of the people who had faced the risk of landslides in Kandy District.
- (i). The physical progress of providing benefits related to removal and resettlement of families living in high risk areas had been at a minimum level of 0 per cent to 19 per cent in 8 Divisional Secretariat Offices out of 20 Divisional Secretariat Offices in Kandy District. Comments have not been given yet. Disbursement of benefits should be completed promptly.
- (ii). It was observed that the circular had not been issued to affect all Districts until a permanent legal action is given to prevent resettlement in risky areas according to the recommendation No.10 dated 24 February 2021 of the Committee on Public Enterprises and amendments to the Disaster Management Act No.13 of 2005 are being prepared. Amendments to the Disaster Management Act are being done by now. It should be followed the recommendations of the Committee on Public Enterprises.
- (iii).As per the audit test check carried out, because of the rejection of alternative methods of resettlement of 272 disaster-affected families in 07 Divisional Secretariat Offices of Kandy District, no other method of removing them from the risky areas had been established as at the date of audit. Comments have not been given yet. An urgent programme should be implemented to remove families from risky areas.

- (e) Resettlement of the people who had faced the risk of landslides in Matale District.
- (i). The physical progress of removing families living in high risky areas and resettlement in 5 Divisional Secretariats of Matale District had been at a minimum level from 13 per cent to 38 per cent. do The immediate actions should be taken to remove families living in high risk areas and resettle them in other places.
- (ii). Even though more than 01 year had passed since a sum of Rs.400,000 each had been released as 3rd installment to three resettlement beneficiaries of Ratthota Divisional Secretariat on 31 May 2020, actions had not been taken to release the balance installments and resettle as at the date of audit. do The remaining installments should be released and resettlement should be done immediately.
- (iii). Even though a total of Rs.1,800,000 had been paid in the year 2019 to three beneficiaries at the time of resettlement under the alternative opportunity of buying a land and building houses in the Ukuwela Divisional Secretariat, it was observed that they are living in the risk area. do Funds should be released to beneficiaries under proper supervision and actions should be taken to encourage them to moving out from risk areas.
- (iv). Even though Rs.6,400,000 had been given to 25 beneficiaries by 13 December 2019 for the construction of 25 houses in the Enasalmada government land of Ukuwela Divisional Secretariat, as the construction works had not been completed, weeds have grown and being dilapidated at the date of audit, and the beneficiaries are still living in unsafe houses. do do

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| (v). The benefits had not been provided even by 14 February 2020 for 152 families identified as living in high risk areas in the Matale Divisional Secretariat area. 09 beneficiaries who had been registered in the year 2018 had also not been provided with benefits as at the date of audit. | do | Actions should be taken to provide benefits to the identified families immediately. |
| (vi). It was observed that 70 families who need to be resettled in Yatawatta Divisional Secretariat are residing in risk areas. Further, Certificate of Compliance should be taken to release the fourth instalment of Rs.25,000 for construct house as per the 10.3 of the Resettlement Guideline, the entire amount of Rs.300,000 had been paid to a beneficiary in December 2021 without obtaining it. | do | Families should be removed from the risk areas and re-settled. |