

Head 122 - Ministry of Lands

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Lands 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 these financial statements of the Ministry of Lands was issued to the chief Accounting officer on 5th September 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 Chief Accounting Officer on 11 October 2022 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 paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the Ministry of Lands 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 for the Financial Statements

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

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

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

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional 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 Ministry's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on Other Legal Requirements

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

- (a) The financial statements are 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 Receipts of Revenue

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>Sales revenue of Rs.11,665,800 to be received from the sale of 777,720 kg of fertilizer produced under the organic fertilizer production project initiated by the Ministry in the year under review at a rate of 01 kg at Rs.15 to the Colombo Commercial Fertilizer Company should be submitted with the financial statements of the year under review. However, it had not been submitted by the Statement of Deficit Revenue (ACA-1(i)).</p>	<p>The invoice number 001 for 777.72 metric tons had been issued on 31.12.2021 by the LRC Organic Fertilizer Project of the Land Reform Commission to sell the fertilizer of the project for the production of organic fertilizer to the Colombo Commercial Fertilizer Company Limited. Since the government accounts are prepared on cash basis, the amount related to the invoice issued on 31.12.2021 has not been received in the relevant year, so it is not possible to bring to account on accrual basis. Accordingly, this has not been disclosed in the accounts in the year 2021.</p>	<p>The revenue due on sale of organic fertilizers during the year under review should be presented by way of Statement of Arrears of Revenue (ACA-1(i)) to be submitted with the financial statements</p>

1.6.2 Property, Plant and Equipment

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>(a) There was a difference of Rs.91,550 between the statement of non-financial assets presented on 31 December of the year under review (ACA-06) and the value of non-financial assets included in the fixed assets register (BOS Report) of CIGAS computer application.</p>	<p>A difference had been identified between the CIGAS web interface and the CIGAS computer application on 31 December 2021 and the relevant correction has been made by the Public Accounts Department in January 2022.</p>	<p>Measures should be taken to compare ministry account balances with Treasury printouts and correct the differences.</p>
<p>(b) Even though an advance amount of Rs.22,813,779 had been paid to the National Machinery Institute on 05 October of the year under review for the construction of 05 storage centers required for the organic fertilizer production project</p>	<p>In the currently used CIGAS program, assets can be recorded as work in progress for payment for any construction only when expenses are incurred under object code 2104 and expenses under the organic fertilizer project</p>	<p>Expenditure incurred for the construction of buildings should be brought to accounts as non-current assets.</p>

implemented under the Ministry, the relevant value had been shown as ministry expenditure instead of being shown under work in progress in the statement of non-current assets prepared as at the last day of the year under review. The Chief Accounts Officer had reported that there was no facility in the CIGAS computer program to account for this expenditure as work in progress.

- are incurred under object code 122-01-03-2509. Accordingly, it is not possible to account for the cost of related constructions as assets.
- (c) When the value of Rs.30,200,495 shown as agricultural equipment under non-financial assets as at 31 December of the year under review is compared with the expenditure report of the fertilizer production project, there was a shortfall of Rs.4,483,650 in the total of 06 types of assets.
- According to the fixed assets register signed by the Accountant of Organic Fertilizer Project of the Land Reform Commission, the said assets are correctly included under non-financial assets.
- As per the expenditure report submitted to the audit by the Regional Assistant Director of Anuradhapura Land Reform Authority, the accounts should be rectified as there are relevant changes.
- (d) An advance amount of Rs. 10,986,567 had been paid by the Ministry to the Central Engineering Consultancy Bureau on 21 December of the year under review for the first phase of the construction of the fourth floor of the Mihikatha Madura building, which belongs to the Land Commissioner General of Battaramulla, but where this Ministry is located. The relevant value had been brought to accounts as an expenditure of the Ministry instead of being recorded under Work in Progress in the non-current assets register. The Chief Accounting Officer had reported that there was no facility in the CIGAS computer programme to bring this expenditure to accounts as work in progress.
- This advance had been incurred under the object code 2001 and not under the object code 2104 since it is not for the construction of a new building but for the improvement of the existing building. Accordingly, it is not possible to bring into accounts as work in progress. In case of payment for improvements, the value can be added to the value of the asset.
- The expenditure incurred for the construction of the fourth floor of the Mihikatha Madura building where the Ministry is located should be brought in to accounts as non-current assets.

2. Financial Review

2.1 Management of Expenditure

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
11 percent of the net provision of Rs.428,118,160 allocated for recurrent expenses of the year under review or Rs.48,963,553, and 23 percent or Rs.699,261,648 of the net provision of Rs.2,987,400,000 allocated for capital expenses had been left.	It was not possible to incur expenses as expected as the institution's activities had not been carried out as usual due to the situation in the country with the resurgence of the Corona epidemic and due to unavoidable reasons such as restrictions in calling officials in the year 2021. Furthermore, it had been agreed to save a provision of Rs.7,900,000 as per the instructions of the Cabinet Memorandum No. MF/NB/07/CM/2021/163 dated 28.08.2021.	Allocated provisions should be fully utilized.

2.2 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	Non-compliance	Comments of the Chief Accounting Officer	Recommendation
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
	F.R.104 (3) and (4)	Even though the preliminary report should be sent immediately in case there is a delay of more than 07 days in submitting a complete report of loss or damage, preliminary reports regarding 03 vehicle accidents that occurred from the year 2019 to the end of the year under review and complete reports regarding 8 vehicle accidents had not been submitted by the end of the year under review.	The appointment of officers for related investigations and the multiplicity of duties of the appointed officers hindered the conduct of investigations due to the Covid 19 global epidemic situation commenced at the beginning of year 2020, and quarantine reasons, the office had to be closed and the staff had to be called in groups with restrictions. The reports are expected to be submitted promptly after the completion of the relevant investigations.	Reports should be submitted immediately as the regulations.

(b) **Public
Administration and
Management
Manistry Circulars**

- (i) Paragraph 3.1 of Circular No. 30/2016 dated 29 December 2016
- Even though a fuel check should be carried out after a period of 12 months after each fuel check or after running 25,000 km or after a major engine overhaul, whichever occurs first, fuel check had not been carried out for 33 vehicles belong to the ministry.
- During the year 2020 and 2021, there were obstacles to conduct fuel inspections due to the Covid 19 global epidemic situation and expenditure management in Sri Lanka. Fuel inspection of 02 vehicles had been carried out by 31.01.2022.
- Fuel inspections should be done as per the circular rules.
- (ii) Circular No. 05/2008 dated 06 February 2008 amended by the Circular No. 05/2018 (1) dated 24 January 2018.
- Even though the Citizen/Beneficiary Charter should be prepared and implemented by the Ministry in terms of the circular, it had not been done accordingly.
- The Citizen Charter/Client Declaration related to the Ministry of Lands was prepared and displayed in the official website of the Ministry as at 29.12.2021. The prepared declaration had not been displayed due to the change in the selection of the venue for the display of the Citizen Declaration and the change in the role of the Ministry, and The Citizenship Charter has not been printed as unnecessary expenditure had to be curtailed.
- The Citizen /Client Charter should be prepared and implemented as per the circular.

(iii) Circular No. 02/2018 dated 24 January 2018	Even though annual performance agreements had to be signed for the entire staff of the institution based on the Annexure 01 format of the circular, no action has been taken accordingly.	The performance agreement has been prepared by now.	Performance agreements should be signed as per circular terms.
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3. Operating Review

3.1 Planning

Audit Observation -----	Comments of the Chief Accounting Officer -----	Recommendation -----
<p>15 years had been completed by the end of the year under review since the commencement of the Bimsaviya project in the year 2007, and the total cost incurred for that was Rs.5,635,684,728. Furthermore, this project had been implemented only in 68 divisional secretariat divisions in 18 districts. No measures had been taken to commence this programme in the 07 districts of Vavuniya, Ampara, Mullaitivu, Kilinochchi, Batticaloa, Mannar and Trincomalee by the end of the year under review.</p>	<p>This project was commenced in year 2007 according to the Registration of Title Act, No. 21 of 1998 and has been implementing for almost 15 years. An amount of Rs. 5,635,684,728 had been spent by now as mentioned in your report, and 1.6 million plots of government and private land have been surveyed, investigated and the final decision has been given only for 580,000 plots. Certificates had been issued to only 285,000 legitimate claimants. Accordingly, considering the amount spent during this period, Rs. 9,717 has been spent for one claim decision. Since we are not satisfied with the results obtained, it may be mentioned that plans are being made to present a new program in due course.</p>	<p>Bhimsaviya program should be implemented throughout the island.</p>

3.2 Non- performance of Functions

Following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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<p>(a) The tasks planned to be implemented under the land data infrastructure and land information service system between 2020-2023 under Korean loan assistance are obtaining consultancy and technical assistance from Sri Lanka Information and Communication Technology Agency (ICTA), information analysis and data base preparation, procurement of hardware and related services, implementation of a pilot project. Those tasks had not yet been commenced even at the end of the year under review.</p>	<p>Even though it had been planned to obtain a foreign loan project for the Sri Lanka Survey Department under Korean Credit Line, the main functions related to foreign projects are performed by the Ministry of Finance and the Department of Foreign Resources. So far, the project has not been commenced because the Sri Lankan government and the Korean government have not signed the relevant loan agreement yet. Furthermore, the ministry is studying further whether this project should be implemented as the system maintenance costs to be incurred after the implementation of the relevant project are high.</p>	<p>Measures should be taken to carry out the planned tasks.</p>
<p>(b) Even though the information about the land required for the cultivation of grass, maize and other crops for the promotion of local agricultural and industrial production included in the action plan 2021 of the Ministry of Lands has been identified at the level of the Divisional Secretariat, measures had not been taken to give the relevant lands under long-term lease basis to suitable investors by the end of the year under review as planned jointly with the Board of investment of Sri Lanka.</p>	<p>The Ministry of Tourism and Lands has not received recommendations for the disposal of lands under that programme in the year 2021, and even though the investors had to be referred to the respective divisional secretariat divisions and other government agencies under the first step, the work had stopped from time to time due to reasons such as rejection of the land selected at the beginning by the land investors, not proceeding with the projects by the investors even though they agreed to the projects, even though the investors had requested permission for the field inspection of certain lands, the land owning institutions did not agree to it and the relevant institutions did not give recommendations for disposal.</p>	<p>Planned tasks should be carried out.</p>

- (c) The task of preparing the revised forms and guideline for the purpose of making the implementation of the land acquisition process more efficient, which had been included in the action plan for the year 2021, had not been completed. A guideline has been drafted. The Guideline is expected to be issued after the amendment of the Land Acquisition Act. Planned tasks should be carried out.

3.3 Non-achievement of expected Output Level

 Following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Even though it had been planned to provide 20,000 plots of land by the end of year 2021 through a programme implemented with the objective of “encouraging local products and providing the necessary institutional support through providing land entitlement to youth who engaged in various products representing agriculture, commerce, tourism and other service production sectors in Sri Lanka and having such entrepreneurship ability ,but have not yet received basic resources and government support” according to the action plan for the year 2021, only 402 plots of land or 2 percent of the planned amount had been given for the same.	The programme of providing investment opportunities in government land to encourage youth entrepreneurship had been implemented in 263 divisional secretariat divisions except in the Northern Province. 419,135 applications had been received, and about 100,000 appeared for interviews and 50,000 had been selected for allotment of land. Even though it was impossible to reach the plan to distribute 20,000 plots of land in the year 2021 due to the problem of land identification, the Covid epidemic situation in the country etc., out of them land had been given for 1098 had been given lands by 31.07.2022.	Actions should be taken to achieve the goals incorporated in the action plan.
(b) Even though it had been planned to acquire land under 11 sectors such as urban development, low-lying land development, village expansion, irrigation works, etc. according to the action plan related to the year 2021, out of them land acquisition had started under 07 sectors only. Accordingly, only 707 hectares or 10 percent of the planned 7383 hectares of land had been acquired by the end of the year under review.	The programme of providing investment opportunities in government land to encourage youth entrepreneurship had been implemented in 263 divisional secretariat divisions except in the Northern Province. 419,135 applications had been received, out of which about 100,000 appeared for interviews and about 50,000 had been selected for allotment of land. Even though it was not possible to reach the plan to distribute 20,000 plots of land in the	Actions should be taken to achieve the goals included in the action plan.

year 2021 due to the problem of land identification, the Covid epidemic situation in the country etc., lands had been given for 1098 out of them by 31.07.2022.

Lands had not been identified during the initiation of this project, and the lands identified later had been also rejected stating that they had not been suitable for the projects of the entrepreneurs.

3.4 Delays in the Execution of Projects

Following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Even though it had been planned to revise the Land Acquisition Act to expedite the acquisition process with the intention of reducing high interests to be paid on payment of compensation related to acquisition of lands for government development projects without delay and due to delay, the relevant amendment had not been made by the end of year 2021.	The bill had been prepared and forwarded to the legal draftsman, and the initial bill had been prepared after several discussions in this regard with the legal draftsman. Arrangements are being made to refer the observations related to the original bill back to the legal drafman.	The Land Acquisition Act should be amended immediately.
(b) The number of files of which payment of compensation had been completed out of the ongoing files to acquire lands related to 2019,2020 and the year under review was less than 2 %,and the number of files that completed out of the 9073 ongoing files in year 2021 was 13. Accordingly, measures had not been taken by the ministry to join with the other institutes related to acquisition process and to expedite the lands acquisition.	These 9073 files are ongoing files since few years ago ,and the number of files that had been completed by paying compensation and interest for all plots and registering the government entitlement is 13. Presence of large number of plots in one file, treating that file as a work-in-progress file until payment of compensation and interest for all plots of land have been completed, weaknesses in the system of receiving acquisition information to the Ministry and the situation in the country in the year 2021 had been caused for reduced progress.	Land acquisition should be completed immediately.

3.5 Assets Management

Following observations are made.

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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Even though 02 vehicles belong to the Ministry of Public Services and Provincial Councils are used by this ministry, no measures had been taken to take over the said vehicles and to include in the Financial Statements.	Even though the vehicle bearing numbers KQ-6211 and JO-9536 is physically in possession of the Ministry, there is no possibility to bring it's possession to accounts as our assets because it is owned by the Parliamentary Reforms Division. These two vehicles had been recorded in the accounts under Head 130 in the year 2021.	The relevant vehicles should be taken over and included in the financial statements.

3.6 Losses and Damage

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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No records had been made in the Register of Losses regarding the vehicle accident that occurred on 19 July of the year under review to the vehicle bearing No. KV-0433 under note (ii) submitted under the financial statements of the year under review and in terms of the F.R. 110.	The vehicle bearing number KV-0433 had been temporarily transferred to the Land Commissioner General Department, and this accident had been taken place in that department. The ministry had not been informed regarding the incident, and preliminary investigations had been started under F.R. 104 after accepting the vehicle back to this ministry.	Damages and losses should be recorded in terms of the F.R. 110.

3.7 Management Weaknesses

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) Even though a license should be obtained for the fertilizers produced by this project from the National Fertilizer Secretariat in terms of Section 2 (1)(2) of the Fertilizers Act No. 68 of 1988	Even though applications had been forwarded to the National Fertilizer Secretariat on 07.12.2021 and the related fertilizer samples had also been given to that office in order to	A license should be obtained for production of fertilizer in terms of Fertilizer Act No. 68 of 1988.

according to the decision of the Cabinet No. 21/0949/322/010 taken on 07 June of the year under review for Cabinet Memorandum No. 5/6/1/1/CM/21/III submitted by the Minister of Lands to the Cabinet on 25 May of the year under review regarding the organic fertilizer project, No measures had been taken to obtain the relevant license even by the end of the year under review.

obtain a license from that office, the relevant registration number and fertilizer sales license had not been issued so far. However, it had been decided to terminate this pilot project for the time being and transfer the property, equipment and fertilizers related to it to the Armed Forces and Civil Defense Department to continue as one of their project due to the reason such as the practical impossibility and weaknesses of implementing the relevant project, the increase in transportation costs due to the increase in fuel prices, the shortage of raw materials and their price increase, and the change in government policies that used organic fertilizers as a priority need.

- (b) According to Section 35 of the Land Acquisition Act No. 09 of 1950, although amount shall be paid with interest thereon at a prescribed rate from that date up to the date of payment, where the amount of compensation payable under this Act to any person for the acquisition of any land or servitude is not paid to him or into court before the date on which an Order under section 38 in respect of that land or servitude is published in the Gazette, Rs.602,135,211 or 50 percent out of the total interest amount of Rs.1,206,317,960 that had been paid in the year under review was the interest expenses incurred for the acquisition of land before more than 15 years ago due to non-compliance with the terms of the Act.

I agree with the facts pointed out. The acquisition process involves the participation of many agencies and takes a long time to finalize the acquisitions as per the provisions of the Act. There are cases where you have to pay huge interest due to those delays. Interest has to be paid for land acquisitions only in cases where the enjoyment of the land has to be accepted before compensation is paid as per the Land Acquisition Act, and the relevant institutions had been informed to follow that method only in cases of necessity.

Acquisition and compensation should be done on time and interest payments should be minimized.

- (c) Although a provision of Rs.2,513,476,724 had been released by the Ministry to the District Secretariats in the year under review to pay compensation for acquired lands, measures had not been taken by the Ministry to obtain a confirmation that the relevant provisions had been paid to the beneficiary.
- The relevant information has been called from the district secretaries and divisional secretaries for follow-up in this regard, and the information has now been received and a review is currently underway.
- Confirmation that the relevant money had been paid to the beneficiary should be obtained from the district secretariats.
- (d) In the year 2012, 98 acres had been acquired from Gangabada Kumbura, Moonamalwatta, Gangabada Owita, Delgaha Owita, Yal Kumbura lands in Boralasangamuwa Lake to create a water reserve in the abandoned swamp area between Pitawella Road and Borupana Bridge in Boralasangamuwa under the Verassa River Development Project. Even though the order under section 2 of the Land Acquisition Act No. 09 of 1950 had been issued on 16 July 2012 and the interim order under section 38(a) had been published in Gazette No. 1830/51 dated 14 October 2013, payment has not yet been made due to the reasons such as acquisition of compensation and interest had not been completed for the entire land acquired, insufficient provisions etc.
- After conducting the title inspection and confirming the entitlement by the land acquisition officer, the provision will be released to the Colombo District Secretary by this ministry according to the order of forwarding the compensation applications for the plots of land of which title is confirmed. Accordingly, further work is carried out.
- The related land acquisition activities should be completed and compensation should be paid promptly.
- (e) The advertisement had been published on 21 April of the year under review to take over 10 acres 02 roods 27.26 perches of land located in Gandara and Talalla villages in Devinuwara Divisional Secretariat Division of Matara District for the construction of Gandara Fishing Port according to section 2 of the Land Acquisition Act, and the interim order had been published in Gazette No. 2266/51 dated 10 February 2022 in terms of the section 38(a) of the
- As Gandara fishing port construction work has been started, the interim order 38 (a) has been issued for the emergency and now Proclamation 5 of the Act has also been issued. As per the Acquisition Act, compensation will be paid after completion of the further work related to confirmation of the entitlement.
- The relevant land acquisition activities should be completed and compensation should be paid promptly.

Land acquisition act no. 09 of 1950. An amount of Rs. 31,500,000 had been paid by the Ministry of Fisheries to the Divisional Secretariat of Devinuwara on 06 January of the year under review to pay the related compensation. The amount had been kept in a current account belonging to the Divisional Secretariat without proceeding to pay the compensation to the beneficiaries. The interest amount to be paid for compensation increases due to this reason.

- (f) 38 years had passed by the end of the year under review since the interim order had been issued in year 1984 in terms of Section 38(a) of the Land Acquisition Act for the acquisition of land for the Iginimitiya Reservoir Project. It had been observed that more than 07 years have passed since an allocation amount of Rs.5,122,123 was issued by the Ministry to the divisional Secretary of Navaghattagama in the year 2014 for the payment of the relevant compensation amount, but the said amount had not been paid. Furthermore, it had been reported to the Ministry by the letter of Divisional Secretary of Nawakathagama bearing the number NWG/LSD/1/ACQU1/1/6 dated 21 February 2022 that the land plot numbers for which compensation should be paid for acquisition of land for the Iginimitiya Reservoir Project could not be identified.
- An amount deposited during the life of a project. Since there is no clear information in this regard, instructions had been given to the Divisional Secretary to use the provisions in the public deposit account to pay compensation for the land plots that had not been compensated so far.
- The relevant land acquisition activities should be completed and compensation should be paid promptly.
- (g) A 05 acres of land belonging to the Land Reform Commission for the construction of the Vocational Training Center on Information Technology, Baddegama, Galle
- Acquisition had been initiated in year 2000, and interim directive order 38(a) had been issued in year 2001 as per the request of the concerned ministry and
- The related land acquisition activities should be completed and compensation should be

had been acquired in the year 2000 by publication of notice under section No. 02 of the Land Acquisition Act, and interim order had been issued under section No. 38(a) in the year 2001. Interest amounting to Rs.10,790,740 at 07 percent had to be paid for 19 years due to delay in payment of compensation amounting to Rs.8,000,000 until 27 October 2020.

Proceedings of the acquisition had been done by the divisional secretary. Approval for payment of compensation through collective provisions of the Ministry of Lands had been received in the year 2010 under F.R. 53. However, since the compensation application form had been submitted by the divisional secretary in the year 2019, the interest had to be paid for the period in between. All compensation and interest for the acquisition has been released by now.

paid immediately.

- (h) Even though the notice required to be published in accordance with section 02 of the Land Acquisition Act regarding the acquisition of land, 01 acre 03 roods and 34.5 perches in extent belonging to Dora Jayasuriya for a sports field for Walatara Junior School had been published in July 2005 and no further work on land acquisition had been carried out although a period of 16 years had passed from the year 2005 to the year under review. Furthermore, the Ministry of Lands had been informed that the proposed land is already being used for the purposes of the school by letter of Secretary of the Ministry of Education dated 05 February 2018. However, the acquisition of the land had not been completed even by the end of the year under review.

As it had been observed that its further work has not been done for many years even though acquisition proceedings had been initiated by publication of Section 02 notice in the year 2005, Ministry of Education and Ministry of Local Government had been asked from time to time to send a new acquisition proposal. Since no new acquisition proposal had been submitted so far, the existing acquisition is considered as an inactive file and if an acquisition proposal is submitted, it can be restarted as a new acquisition.

The related land acquisition activities should be completed and compensation should be paid promptly.

4. Human Resource Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
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(a) The approved cadre of the Ministry of Lands was 638 as at 31 December of the year under review, and the actual staff was 569, with 69 vacancies.	Since the senior and secondary level posts that were vacant as at 31.12.2021 are the All Island service posts, the Ministry of Public Administration had been informed in this regard. As instructions had been given to postpone the recruitment for the positions by the National Budget Circular No. 03/2022 to that make appoints for the posts that have not been appointed so far, measures had been taken accordingly.	Measures should be taken to revise the approved cadre or fill the vacancies.
(b) There were 08 vacancies in 08 senior level positions one vacancy in tertiary level position, 44 vacancies in 05 secondary level positions, 14 vacancies in 02 primary level positions relevant to 02 vacancies related to 02 other positions, which are approved by the Ministry.	The senior and secondary level posts that were vacant as at 31.12.2021 are posts in all island service; therefore, the Ministry of Public Administration had been informed in this regard. Since it had been instructed to postpone the recruitments for the posts that have not been appointed so far by the National Budget Circular No. 03/2022, measures had been taken accordingly.	Measures should be taken to revise the approved cadre and to fill the vacancies.