

Auditor General's Triennial Report

2021-2023

Environmental Audit

and

Performance Audit

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1. Executive Summary

Environmental Audit

The environmental audit is conducted by the National Audit Office in accordance with the provisions of Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka and the provisions of the Section 13 of the National Audit Act, No. 19 of 2018.

The performances, compliance or financial audit; that has been done giving attention on the approach executed by the responsible institutions regarding the performance in managing a specific environmental issue or economic policies or programs as well as the environmental issues, is regarded as the Environmental Audit.

The issues such as waste, water, air, biodiversity, as well as soil erosion, groundwater reduction, water pollution, marine and coastal pollution, deforestation, quality of air and wastes and hazardous wastes are discussed under this purview, and the legal provisions received for a performance audit as well as the ISSAI 5110, 5120, 5130 and 5140 under the International Auditing Standards are used as bases in conducting the environmental audits.

The recommendations to rectify the deficiencies identified during environmental audits are given by the Audit, and the responsibility for implementing such recommendations is borne by the Management. Four (04) environmental audit reports have been tabled in Parliament in the years 2021, 2022 and 2023 and this triennial report has given its focus on the observations and recommendations that have not been implemented as of 31 December 2024 out of the recommendations given by those reports.

Performance Audit

The performance audit is carried out in terms of the provisions of Article 154(1) of the Constitution of Democratic Socialist Republic of Sri Lanka and as the provisions of section 13 of the National Audit Act No.19 of 2018.

Since the achievement of the expected objectives in the establishment of the public institutions is not broadly inspected by the traditional financial audit, it is inspected by the performance audit whether the institute had been directed to achieve the expected objectives of such institute having efficiently and effectively utilized the resources belonging to each institution as economically.

Accordingly, an independent audit is carried out by institute in compliance with the updated performance audit standards submitted by INTOSAI in the performance audit and it is inspected by an independent audit whether the institute had been directed for achievement of objectives by efficiently and effectively utilizing the resources of institute in the most appropriate manner by the management in the audit.

The recommendations required for rectifications the shortcomings identified at the performance audit are provided by the audit and the management should be responsible for implementation of those. 20 audit reports issued in relation to the performance audits carried out under selected various topics in 2021, 2022 and 2023 had been tabled in the Parliament and the attention had been paid on the observations and recommendations which had not been implemented even up to 31 December 2024 from the observations and recommendations provided by such reports in this triennial report.

2. Observations in the Environment and Performance Audit

2.1 Progress of Implementation of MARPOL Convention Executing in Sri Lanka for Preventing Marine Pollution by Ships

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Legal status of the implementation of the MARPOL Convention in Sri Lanka.</p> <p>The Cabinet Memorandum was presented by the Minister of Ports, Rehabilitation and Reconstruction with the aim for the adoption in Sri Lanka of the International Convention for the Prevention Of Marine Pollution (MARPOL) by the Alliance 1973, as amended by the Alliance 1978, and for the submission of legislation and bills on 10 January 1997 for the enhancement of the provisions of this convention locally in Sri Lanka , the approval had been given for that Memorandum by the Decision of</p>	2021	<p>Giving special priority to the implementation of the legal provisions locally for establishing MARPOL Convention for the prevention of maritime solutions by ships in Sri Lanka and to establish and enforce the convention by specifically identifying the institutions responsible for implementing those laws and follow up on that process.</p>	<p>A Memorandum of Cabinet of Ministers has been submitted through the Authority to incorporate the provisions of the MARPOL Convention and the Alliance in full into this Authority Act and the approval of the Cabinet of Ministers was not obtained for this and the Ministry has provided instructions to discuss this with several relevant institutions and submit a Cabinet paper again according to the observations made regarding the Cabinet</p>	<p>The initial draft of the bill has been prepared. A committee has been appointed to further drafting activities.</p>

Cabinet of Ministers
CMP//97/0113/116/00
5 dated 06 February
1997 for the
following 02 proposals
contained in the above
Memorandum .

i. Recognition of
the International
Convention for the
Prevention of
Pollution, 1973 from
ships, amended by the
Alliance 1978 .

ii. Describing the
Department of Legal
Draftsman to draw
legislation necessary
to give effect to the
provisions of this
convention .

According to the
above Decision of
Cabinet of Ministers,
the Legal Draftsman
Department had
informed to amend
the Act and
accordingly the
Marine Pollution
Prevention Act has
been amended from
1997 to 2008 and
accordingly, the
prevention of marine
pollution Act No. 35
of 2008 was enacted
as a new Act with
effect from 01 January
2009. It was observed

papers submitted
by the Minister
in charge of
Ports. Actions
have been taken
to appoint a
committee of 07
members for
further drafting
of the bill, which
was initially
drafted
internally.

Accordingly, the
draft bill is
scheduled to be
presented to the
Cabinet of
Ministers.

The scope of the
Cabinet of
Ministers and
separation of
institutions are
done based on
government
policy decisions
and a making
inquiries or
recommendation
s are not being
made with this
authority for this
purpose.

However, the
Authority took
steps to prevent
marine pollution
during that
period as well in
accordance with
the provisions of
the Act.

that the necessary provisions for the full implementation of the MARPOL Convention have not being included in the provision Act.

2 **Acting as an active member of the International Maritime Organization (IMO)** 2021

The membership of the organization is important as a platform for making International Convention and domestic contribution to this matter by reaching and international consensus on the issues and challenges faced by regional and local shifting through its active membership and although the membership was received to Sri Lanka, its active participation will help to acknowledge the problems faced by Sri Lanka as a Maritime hub on the Silk Road and the need to play the leading role in the shipping of Sri Lanka in the future. However, it was

Taking action to make Sri Lanka an active member of the International Maritime Organization (IMO)

Sri Lanka has obtained membership in the International Maritime Organization and its Focal Point in Sri Lanka is the Director of Merchant Shipping Secretariat under the Ministry of Ports and Shipping. In addition to that, implementing international maritime treaties and alliances introduced by that organization, Sri Lanka as a member of the International Maritime Organization for preventing

Although this Authority has taken actions to identify relevant conventions and alliances and to obtain membership in them to prevent marine pollution caused by ships, as introduced by the International Maritime Organization, it is not possible to become a party to those conventions and agreements without incorporating their provisions into domestic law. Accordingly, even though the approval of the Cabinet of Ministers has been sought to

observed that the contribution of Sri Lanka to the issues and necessary improvements that have been actively contributed to as a member of this organization in the recent past is unsatisfactory.

marine pollution and protecting the marine environment is very important for the development of Sri Lanka's shipping industry as well as the protection of the marine environment. amend the Act with the relevant provisions, the approval has not been received for that and actions will be taken for that for that after discussing with the relevant institutions once again and submitting it for approval to the Cabinet of Ministers, and receiving approval.

However, identifying the conventions and agreements related to the prevention of marine pollution by ships introduced by the International Maritime Organization, their provisions should be incorporated into domestic law to obtain their membership as well.

Accordingly, the amendment to the Act with the relevant provisions has not yet received approval from the Cabinet of Ministers and actions will be

taken for that after discussing with the relevant institutions once again and submitting it for approval to the Cabinet of Ministers, and receiving approval.

Similarly, to improve relations with the International Maritime Organization, it is necessary to participate in committee meetings held by that organization and to be aware of the latest activities of that organization and to strengthen relationship. Nevertheless, it is not possible to spend money for such activities according to the existing circulars.

3 **Functioning as a 2021 Contractual Salver**

If one has been involved in the rescue of a ship in the event of a shipwreck as a

Considering the potential to act as a Statutory Salvage and focus on the The conventions and organizations of the International The Salvage Convention and the Search and Rescue

contracted rescuer, he will be able to cover the cost of rescue operations and Hull and Machinery Insurance. But Sri Lanka was not a party to the Salvage Convention. It is important for Sri Lanka to complete its preliminary work as statutory arbitrator to act in a more proactive and environmentally sound manner, protecting property, in the event of a risk in acting as a statutory saviour. It was observed that the inclusion of provisions in future plans for Sri Lanka to act as statutory arbitrator in accordance with the provisions of the Merchant Shipping Act was a primary task but had not been acted upon in such a vision.

potential for setting up such industries for Search and Rescue.

Maritime Organization are divided into 3 main groups.

1. Safety and security
 2. Marine environment protection and prevention of marine pollution.
 3. Obtainin g compensation for marine environmental pollution.
- Out of the above, the scope of this institution includes conventions and agreements related to the protection of the marine environment and the prevention of marine pollution and obtaining compensation for them.

Convention are both connect with safety and security and the implementation is the responsibility of the Merchant Shipping Secretariat. Accordingly, working towards becoming a party to those agreements and implementing them should be done through those Secretariats.

The Salvage Convention and the Search and Rescue

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the Merchant Shipping Secretariat. Accordingly, working towards becoming a party to those agreements and implementing them should be done through those Secretariats.

4 Physical and Human Resources of the Marine and Management Authority

The Marine Environment Protection Authority had established 14 Regional Offices, covering 05 Coastal Districts, 05 Provinces and 14 Districts and the following details were observed in this regard.

(a) There were no employees for the Mullaitivu Regional Office and it was observed that only one employee has been deployed for the Puttalam Regional Office.

(b) It was observed that the above 14 Regional

Improving the human and physical facilities required for institutional strength.

Recruitment and assignment of employees to each District will be done according to the organizational structure of the Authority. Accordingly, employees have been assigned based on the available number and need. Although letters have been sent to the relevant institutions stating the need for the relevant service to carry out activities in accordance with

The number of employees has been managed according to the current situation and actions have been taken to recruit employees quickly.

Offices do not have any equipment required for emergency oil spills.

(c) Out of the 14 Regional Offices, only the Galle Regional Office has laboratory facilities and it was observed that no other office has laboratory facilities. Even the Galle Laboratory did not have facilities to test all the pollutants (suspended particles of marine water, chemical, oil, etc.) related to the pollution of the ocean water.

the Act of the Authority, approval has not yet been received from the relevant institutions to recruit new employees.

Therefore, the existing number of employees has been deployed based on need.

Although it would be suitable to provide each office with some equipment for handling oil spills, it is not possible to provide equipment as there are insufficient funds for that.

It is not practical and economically effective to establish laboratories at each Regional Office level. The laboratory of the Authority has been opened at the Galle Provincial Office to deal with the Southern and

Western Provinces and to provide facilities to other Districts when necessary. Similarly, some facilities have been established in this laboratory and since the Authority currently does not have the capacity to employ the required number of employees, the Authority does not have a possibility of expanding the activities of the laboratory at present. After obtaining the required number of employees, the activities will be expanded accordingly in the future.

5 Provisions of the 2021 prevention of marine pollution act in 35 of 2008

The International Monetary Fund for the compensation of oil corruption define pollution as the 04 main instances of clean-up operations

Expediting the All legal It is stipulated to formulation and provisions will include relevant legalization of be added to provisions for this formal constitution enable full when amending for the compensation implementation the Act.. of marine damages. in Sri Lanka, in accordance with

and property damage costs, ancillary losses and net economic damages, and compensation and environmental measures taken to prevent for minimize pollution compensation is covered for environmental damage other than economic damage caused by the damage. Formal statutes had not been drafted to recover these damages.

the Fund Convention in amending the Marine Pollution Act.

6 Naval Accidents in 2021 the Maritime region of Sri Lanka

The amount of physical resources available in Sri Lanka and their Tier 1 identified for oil spill management as per the National Oil Dispersion Plan (NOSCOP) sufficient for dispersal of up to 50 metric tons. However, the above information observation shows that the existing human and physical resources are insufficient to minimize future risks and damage to the marine environment.

Considering the possibility of establishing Multi-Purpose Vessel under the Sri Lankan Flag with the necessary trained human resources to be able to operate immediately in Maritime accidents. There is a potential for large oil and chemical spills due to the large number of ships sailing around Sri Lanka. Sri Lanka does not have adequate equipment to face this threat. However, although the Authority has taken the necessary steps to acquire a multi-purpose ship and other equipment with Although the Authority has taken the necessary steps to acquire a multi-purpose ship and other equipment with

the assistance of other countries, it was not possible to make it success.

7 National Workshop on Pre-preparation for Marine Pollution Reduction	2021	Establishing and monitoring of facilities to obtain Maritime information related to marine pollution through satellite technology in Real Time.	<p>A pilot project to obtain satellite data for oil spill monitoring in the maritime region around Sri Lanka was successfully carried out from September 2023 to September 2024 in collaboration with the CLS Institute in France. CLS has provided theoretical and practical training to the officers of the Marine Environmental Protection Authority who are performing duties in this regard. Further, making aware of the relevant Sri Lankan stakeholders who is working on this matter was also done.</p> <p>During this project period, CLS has monitored oil</p>	<p>In addition to continuing this satellite project and identifying oil spills, continuing the project obtaining information through this project for subject areas such as fisheries, shipping, environmental protection, disasters, etc. and discussions regarding the construction of Ground Station to obtain accurate and fast satellite data are being carried out.</p>
<p>A National workshop on Pre-preparation for Marine Pollution Reduction was held on 16 and 17 December 2014 with the participation of the international Maritime organization (I M O) in program (SACEP). Here are the South Asian Oil Chemical An Action Plan had been drawn up for a debt disbursement and Sri Lanka is also a party to this plan. Despite such a plan, it was revealed that the activities were not fully coordinated under the South Asian Cooperation Environment Program and that there was no systematic plan on how to implement them in the event of a large- scale oil spill in the South Asian region.</p>				

spills by ships in the ocean area around Sri Lanka and provided an accurate report on the source of the pollution to the Maritime Safety Authority. Based on those reports, fines were collected from ships that were causing marine pollution in accordance with the Marine Pollution Prevention Act. Further, making aware the ships that have released oil while passing through Sri Lankan waters about the relevant incidents and informing relevant international institutions were done based on satellite data provided by CLS.

**8 National workshop on 2021
Pre-preparation for
Marine Pollution
Reduction**

A National workshop

Capacity

According to the Plans have been

on Pre-preparation for Marine Pollution Reduction was held on 16 and 17 December 2014 with the participation of the international Maritime organization (I M O) in program (SACEP). Here are the South Asian Oil Chemical An Action Plan had been drawn up for a debt disbursement and Sri Lanka is also a party to this plan. Despite such a plan, it was revealed that the activities were not fully coordinated under the South Asian Cooperation Environment Program and that there was no systematic plan on how to implement them in the event of a large- scale oil spill in the South Asian region.

9 Workshop on Chemical Dispersion Reactions

Two day workshop was held on 14th and 15th May 2015 at the Central environmental Authority to develop the capacity to react with the dispersion of the chemical. It was

development for control of oil and chemical spill related to ports.

Emergency Oil made to make aware ports to establish equipment reserves and training teams to respond to chemical spills. Further, it has been planned to conduct a workshop to educate officers involved in this matter at ports and their operating port terminals in November 2024. Further, information about ports and ports with oil spills for updated National Oil and Chemical Spill Response Plans for Digital Dashboard has been included and they are also updated. Provisions regarding the signing of the OPRC-HNS Convention to the Marine Pollution Prevention Act, which is being amended in relation to Sri Lanka becoming a party to the

decided that the national plans should be registered to include the action to be taken in the event of a chemical dispersion, that pre-activation training be carried out in the event of a chemical dispersal, and that personnel be trained to operate in the event of a chemical dispersal. It was also decided that Sri Lanka should be a partner in the existing OPRCHNS protocol for the disintegration of the chemical. However, it was observed that the work required to become a party to the existing OPRC-HNS protocol for the implementation of a chemical dispersal and to legislate accordingly had not been completed by 31 December 2020.

OPRC-HNS Convention has been included and after receiving the approval for bill Sri Lanka may become a party to the OPRC-HNS Convention.

10 Marine Disasters by Ships in the Maritime Areas of Sri Lanka

Section 34 of Part IX of the Marine Pollution Prevention Act No. 35 of 2008 states the civil liability for the prevention of

Focusing on the establishment of Forensic Laboratory to identify the causes of accidents and deaths of marine life. The powers of action under this subject are vested to the Department of Wildlife.

It has been included in the list of duties related to the Department of Wildlife in the National Oil and Chemical Spill Response Plan that the laboratory

pollution.

According to this Section, in the event of any act causing pollution of Sri Lankan waters or any other maritime areas, the owner of such ship, person in charge of the ship or the owner of any such equipment shall be liable for any damage caused by the discharge or escape of any oil or other polluting substance and for the costs incurred in preventing, reducing or eliminating such damage. Similarly, this section includes marine, coastal port or coastal activities including fishing activities, promotion of tourism activities, protection and development of beaches and coral reefs, health and welfare of coastal people and protection and conservation of living marine resources and wildlife.

However, the following observations were made in this regard.

facilities needed to conduct tests on marine organisms should be improved in the event of a marine disaster such as an oil spill by the Department of Wildlife as a member agency of the National Oil and Chemical Spill Plan Emergency Response Team.

The Department has been informed about this.

i. The recovery of damages has not been done under the section 34 of the Act, until April 30, 2021, regarding the marine disaster by the ship, New Diamond which was taken place in the Exclusive Economic Zone of Sri Lanka on 03 September 2020.

ii. Although the Section 34 of the Act also includes the protection and consideration of living marine resources and wildlife, actions had not been taken to recover the loss under the above mentioned matter in relation to the accident that occurred with the ship MT New Diamond.

iii. It was observed that although the action should have been taken to identify the sensitive areas for the protection and conservation of living Marine resources and wildlife and gazetting, actions had not been taken even up to the date of audit.

11	State responsibility of the state for the implementation of	2021	Considering the possibility of establishing funding	the Legal provisions required to implement	The concept of the polluter in should pay has
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the MARPOL Convention

The responsibility of the state for the use of a formal legal system for the supervision and certification on sponsorships, the prevention of maritime disasters, and the provision of port received facilities for the disposal of waste from the ship should be fulfilled.

According to the Budget Speech presented in the year 2016, Sri Lanka is targeted to be among the top 20 shipping ports in the world by 2025 and the Budget Speech for 2018 aims to expand the Continental Shell in line with Maritime Growth Strategy.

In addition, the necessary legal framework for the recovery of damages caused to the ocean and the living environment by marine pollution caused by ships, as set out in Articles 192 and 194 and 235 of Chapter XII of the Convention on the Law of the Sea, should be effectively

mechanism and the concept that the polluter should pay so as to be able to cope with the maritime accident without incurring the cost of their Treasury. this should be entered in the Marine Pollution Prevention Act. regard been included in the Marine Pollution Prevention Act, which is currently being amended.

established or domestic provisions should be established in a manner consistent with international legal provisions are the responsibility of the state .

The following observation is made in this regard..

(a) It was observed that there is not a single specific body in the local mechanism responsible as a whole for the implementation of all existing technical attachments to this convention in Sri Lanka in relation to the aforesaid subject.

(b) Although it has been stated that the mandatory charter of the International Maritime Organization (IMO) should be incorporated into the local law and it should be done before 31 December 2018 in accordance with the recommendations of the report of the International Maritime Organization (IMO) on maritime affairs audits

conducted in Sri Lanka in the year 2016, it had not been acted accordingly.

2.2 Evaluation the efficiency of Waste water management in Sri Lanka

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Obtaining Environmental Protection License</p> <p>Out of the 17 hospitals which were physically inspected during the audit, 02 hospitals namely, Hospitals in Trincomalee District and Pollonnaruwa Hospitals had not been taken any action to obtain the Environment Protection Licence. At the same time no action has been taken to obtain an Environmental Protection License for the wastewater treatment plant at Kataragama and the wastewater treatment system associated with the Mattegoda Housing scheme.</p> <p>The Central Environment Authority (CEA) had not conducted</p>	2021	<p>Arrangements should be done to obtain environmental protection license for all hospitals and all wastewater treatment plants.</p>	<p><u>Ministry of Health</u></p> <p>Peradeniya Teaching Hospital, Kandy Teaching Hospital, Kantale Base Hospital, Nuwara Eliya District Hospital, Matara District Hospital, Badulla General Hospital and Tissamaharama Base Hospital have taken steps to obtain environmental protection licenses.</p> <p>Trincomalee District Hospital has not obtained environmental protection license due to a problem in the sewage system. Environmental protection</p>	<p>Environmental protection licenses have been issued for 362 government hospitals as at 31.12.2023. Also, actions are being taking to issue the environmental protection license for 17 more government hospitals that have applied for the environmental protection license.</p>

adequate follow up on not obtaining of Environment Protection License for waste wastewater treatment plants and the impact on the environment due to discharging waste water into the environment by such places. It was observed that a significant attention of the central Environmental Authority and the hospital authorities are not sufficient to direct the necessary procedures to bring the hospital system of Sri Lanka to the level of international standards which has the highest contribution to the health and well-being of its citizens through its contribution to the protection of the environment.

license of Polonnaruwa District General Hospital has not been granted due to a problem with the waste incinerator.

**Central
Environment
Authority**

1. Forwarding the letter No. ernv/epcm/04/03/06/890 YD and dated 29.02.2022 to the Secretary of the Ministry of Health requesting that the necessary arrangements be made to direct the Government Hospitals to obtain the Environmental Protection License and the Scheduled Waste Management License for the Government Hospitals.

2. Taking actions to intervene for Ragama Hospital, North

Colombo Teaching Hospital, Anuradhapura Teaching Hospital, which have not obtained the Environmental Protection License and the Scheduled Waste Management License and have not completed the requirements for issuing such licenses.

i. Mediati on related to issuance of Environmental Protection License to Anuradhapura Teaching Hospital.

ii. Lawsuit against Halawata Hospital for running the hospital without obtaining environmental protection license and waste management

license.

iii. Referral of waste water generated in Teaching Hospital of Peradeniya and Teaching Hospital of Kandy to Kandy Municipal Wastewater Management System.

iv. The environmental protection license was not granted due to public complaints regarding the problematic situation of clinical waste management and the performance of the incinerator installed for burning clinical waste in Polonnaruwa District Hospital. A field test has been conducted on 25.06.2024. The wastewater generated from the hospital is

directed to the treatment system.

Environmental Protection Licenses have been issued to Matara General Hospital, Kantale Base Hospital.

v. An analysis report has been called for regarding the wastewater discharged from the Kataragama wastewater treatment system.

vi. Environmental protection license of Badulla General Hospital has not been renewed as the conditions related to its environmental protection license have to be fulfilled. But this authority has made arrangements to give necessary recommendations and instructions for that.

<p>2 There is a risk of 2021 being able to admit the infectious agents including Mercury, Antibiotics, Radioactive waste and Bacteria Virus and Parasites from disinfectants of the chemicals used for laboratory activities, x-ray antimicrobial compounds containing absorbable organic matter, dental amalgam or laboratory chemicals in the laboratory wastewater of the Hospitals. Therefore, the pre-treatment of the waste water generated by the laboratories should be identified as recommended conditions although it is not acted accordingly.</p>	<p>Making arrangements to connect clinical materials and chemical fluid wastes discharged from hospital laboratories to the wastewater treatment system after pre-treatment. .</p>	<p>The Central Environment Authority had informed that it will check whether the conditions are being followed in the issuance of the Environmental Protection License and the Scheduled Management License. Actions are being taken to provide guidelines regarding waste water management for the hospitals under the line ministry and for the hospitals under the provincial councils by the Ministry and the Ministry of Health has informed that instructions have been given to the Environmental, Occupational Health and Food Safety Division of the</p>	<p>In disposing of hospital laboratory fluid waste, many hospitals have resorted to adopting proper disposal methods in accordance with the conditions of the Scheduled Waste Management License and Environmental Protection License for each waste category.</p>
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Ministry in this regard.

- | | | | | | |
|---|---|------|--|--|--|
| 3 | <p>It is important to pay specific attention to wastewater management and to maintain accurate data on capacity development of wastewater treatment plants should be established in parallel with hospital development. Accordingly the responsible parties should pay attention to the inadequacies of the existing capacity of the wastewater treatment plants and take necessary steps to prepare the necessary financial and physical plans and implement them, but they have not been acted accordingly.</p> | 2021 | <p>Taking actions to increase the capacity of the wastewater treatment system to accommodate the future upgrades of the hospitals.</p> | <p>The relevant officers of the Ministry have been instructed to draw attention to this recommendation in the future improvements of the hospitals, prepare the necessary plans and get the approvals in relations to that and to inform the hospitals regarding this.</p> | <p>Instructions have been given to act according to the audit recommendations.</p> |
| 4 | <p>The nature of the activity of waste water treatment plants and the adding of waste water to the external environment.</p> <p>Sewage waste water would also be</p> | 2021 | <p>Following a national policy especially on</p> | <p>Wastewater of Kantale</p> | <p>Wastewater of Kantale Hospital is</p> |

connected to the newly constructed natural waste water system at Kanthale Hospital. However no specific methodology was used to maintain the level of Coliform Bacteria within the holding limits after refining. Although all the toilets were diverted to the sewage pits which absorb sewage waste, the pits had been overflown due to insufficient capacity. It was also observed that the waste water from the 02 wards of the hospital is discharged through canals without any treatment.

hospital wastewater disposal.

Hospital has connected to the common Wastewater Treatment Plant.

connected to the common wastewater treatment plant.

Central Environmental Authority

In order to reduce the risks that may be caused to patients and external parties due to the unsafe overflow of wastewater within the hospital grounds, the excess is removed by gully bowers. There is currently only one unit that is not connected to the common treatment system and until it is connected to the common treatment system, it will be removed through the gully.

The Ministry of Health and the National Water Supply and Drainage Board are working together in relations to prepare these guidelines.

Ministry of Health

It was advised to follow a national policy regarding waste water disposal in the future.

Central Environmental Authority

Currently, the Ministry of Health is preparing

guidelines for the management of hazardous waste water generated from other institutes providing healthcare facilities including hospitals with the National Water Supply and Drainage Board and the Central Environment Authority is participating as a stakeholder.

5 **Disposal of sludge** 2021

As shown in table 2.3 of the National Environment (safety and quality) Regulations No 01 of 2008 the sludge remains in the wastewater treatment plants are toxic when they are presented in the wet nature and there is a need for eco-friendly disposal. It was observed that the sludge had not been disposed in an environmentally friendly and healthy manner.

i. It was observed that the sources of water can be polluted by mixing the sludge with the rainwater and adding it to the canal through drainage systems and the drying beds constructed for the sludge remaining after the wastewater treatment process of the Polonnaruwa Hospital will be completely submerged due to floods during the rainy season.

ii. The sludge remaining after the treatment of the wastewater of the Matara General Hospital has been discharged in the open ground.

Taking necessary measures to prevent sludge from mixing with rainwater after treatment and taking necessary measures to dispose of sludge safely and properly.

Central Environment Authority
Conditions have been included in the Environmental Protection License and the Scheduled Waste Management License relating to the disposal of sludge.

Ministry of Health

In this regard, instructions have been given to the Environmental, Occupational Health and Food Safety Division of the Ministry related to this scope to do the necessary actions to provide the necessary technical instructions to the hospitals under the line ministry and the hospitals under the provincial councils.

Trincomalee District

The sludge generated from common wastewater treatment systems is dried and used as fertilizer in most of the hospitals.

Hospital has not obtained environmental protection license due to a problem in the sewage system. Environmental protection license of Polonnaruwa District General Hospital has not been granted due to a problem with the waste incinerator. In this system established in 1975, 03 drying beds have been constructed to dispose of sludge and natural sunlight is used to dry them. There is no rain cover or roof to prevent rainwater from falling into the drying yards and the rainwater filters are collected back into the main wastewater collection tanks. A pipeline is constructed and

maintained by using concrete cylinders in March 2024 to further facilitate the disposal of sludge to drying yards.

- | | | | | | |
|---|---|------|--|--|--|
| 6 | <p>It was observed that a wastewater treatment plant is not operational for the treatment of wastewater discharged by the Katargama Hospital. Although it has been planned to connect the wastewater of the hospital to the public wastewater treatment plant, which operates under the Water Supply and Drainage Board, it had been completed by the 26 June 2020. Over flowing of waste water was observed at various places in Katargama Hospital premises and non-eco-friendly discharge of wastewater generated by the hospital had increased the risk to the groundwater and surface environment.</p> | 2021 | <p>Taking actions to expedite the sewerage pipe connections planned to be provided by the Water Supply and Drainage Board.</p> | <p>There is an external sewerage system operated by the Kataragama National Water Supply Board and requests have been made from the Monaragala Regional Health Services Directorate office to connect the hospital's internal sewerage system with that system.</p> <p><u>National Water Supply and Drainage Board</u></p> <p>The hospital had been informed to submit an application form for getting the new wastewater</p> | <p>The National Water Supply and Drainage Board has informed that the Kataragama Hospital has not been connected to the sewage system as no application form has been received so far.</p> |
|---|---|------|--|--|--|

				connection. Steps have been taken to inform the Director of Monaragala Regional Health Services to take necessary measures in this regard at the ministry level as well. However, I would like to further inform that in case of overflowing of gully pits in the hospital, the Gully Bowser service of the Monaragala Regional Health Services Directorate office will be taken to the hospital and removed.	
7	Waste water treatment plant- Kurunegala The Kurunegala wastewater treatment plant which commenced operations on the 16 August 2018, is expected to cover about 43,000 beneficiaries. The expected treat capacity is around	2021	Taking actions to get the maximum use of the capacity of wastewater treatment plants.	The National Water Supply and Drainage Board has said that the provision of all connections planned for maximum utilization of the capacity has been included in the capacity improvement	The project has not been implemented so far as it is not possible to spend the allocation as each project needs separate NPD approval. However, 302 sewerage connections have been provided between 2020 and 2024.

4500 m³ per day and this is the largest sewerage project constructed outside Colombo. Here a biological method is used to treat the wastewater and it is purified by microbial activity through aeration.

Although the volume of water expected to be treated by this treatment plant is 4500m³ per day, as of 26 June 2020, the actual volume to be treated was around 2600m³. It was observed that the management of these wastewater treatment plants costs Rs.5 million per month and its capacity is underutilized.

project.

8 **Malfunctioning of the system** 2021

i. It was observed that both the Wellawatte and Madampitiya wastewater treatment systems are inactive and discharged waste water into the sea without any treatment. It was

Taking necessary action to repair the pumping station to operate efficiently which are inactive status and the pumping station which are not functioning properly.

Regarding these observations, the following information was provided by the Central Environment Authority and the Government Audit Division of the Colombo

Primary treatment process is not done in both these pumping stations by 30 November 2024.

observed that the direct discharge of sewage into the sea causes marine pollution deviate from the qualitative conditions of the marine water may adversely affect the marine environment and health as well as directly affect to the tourism industry.

ii. Wastewater management in the city of Colombo

According to the observations regarding the pumping stations Maligawatte and Borella pumping stations were inactive at the time of audit. Further the pumps belong to the pumping stations such as Polwatta, Wellawatte, S8 peters lane, Madampe, Hettiyawatte, Stace road, Crow Island, Achillies square, Vauxhall Street and Maligawatte were observed to be non functioning. It was revealed that the solid waste is also discharged directly

Municipality.

A primary treatment process is not done in both Wellawatta and Madampitiya pumping stations.

In the letter dated

13/03/2024 for the inquiries made by the Central

Environment

Authority, it is stated that the proposed

wastewater

treatment

system plans

are being

reviewed and

steps will be

taken to install

the treatment

systems in the

future in

relation to the

environmental

protection

license and the

wastewater

treatment

system for the

above two

pumping

stations.

Arrangements

have not been

made to recruit

sufficient staff

into the sea as the wastewater pumping stations are not functioning properly.

up to 30 November 2024 and Only limited parameters will be tested in the sample of wastewater and hazardous industrial waste.

9 Lack of Laboratory facilities 2021

It was revealed that due to the inadequate laboratory facilities and staff of the operational laboratory under the Madampitiya pumping station, all the waste water (gully bowers) brought from outside is not treated for compliance with the relevant parameters before being discharged into the sea after treatment. As a result, it was possible to discharge sewage waste directly into the sea.

Continuous testing of the quality of waste water discharged into the sea by the Colombo Municipality's waste water system and taking actions to meet the necessary laboratory facilities and staff requirements for that purpose.

Not taking actions to recruit the required staff even as at 30 November 2024. Therefore, only a preliminary sample test is conducting before discharging the waste water into the sea. Recommendations are no longer being implemented.

10 Obtaining a Marine Environmental Protection License. 2021

Although the Marine Environment Protection Authority

Taking actions in accordance with the Prevention of Marine Pollution Act against industries discharging waste

Licenses for disposal of treated waste into the sea are issued by this authority and Obtaining Licenses have been issued for only 200 hotels by 06 October 2004.

has identified 315 institutions as discharging the wastewater into the sea as at 31 December 2019, it was observed that 115 of these institutions discharge waste without obtaining water into the sea the relevant permits. Although the main objective of marine zone management is to manage marine resources in a sustainable manner and thereby bring economic and social benefits to the people, it was observed that it had not been acquired the expected sustainability due to non-complying with the above legal provisions to prevent pollution since more than 50 percent of the total number of institutions identified for discharging wastewater for the into the ocean.

water into sea
without permit.

licenses has increased from 2019 to by now. For this purpose, the district offices of the authority inspect the hotels and industries located in the coastal area and supervise the obtaining of licenses. However, due to the downturn in the tourism sector due to the Easter attack and the subsequent economic crisis, the closure of tourist hotels mostly took place in 2021 and 2022. At present, the situation has somewhat recovered and the number of licenses obtain will increase in the future. During this period, instructions have been sought from the Attorney General's

Department
regarding taking
legal action
against hotels
related to the
failure to obtain
licenses and
marine
pollution.

11 **Disposal without refining** 2021

Absolutely violating the provisions of the National Environmental Act 47 of 1980 and prevention of Marine Pollution Act no 35 of 2008 has resulted in a large amount of sewage generated in the city of Colombo being discharged into the environment, although these untreated wastes are discharged more than one kilometre away from the beach, there is a risk of the above pathogens entering the beach, because of the natural process of the sea. However the responsible institutions have not taken the necessary measures to remove

Caring should be taken in directing wastewater primarily, internally to rivers and other canals, especially in the cities near coastal including Colombo, and to ensure a proper disposal of wastewater in a proper manner.

Preparing an action plan related to the development of the environmental condition in the Colombo Municipal Council area and providing the necessary coordination support to the Colombo Municipal Council regarding wastewater management. Article related to improving the environmental condition of Galle face, Kelani river estuary and Beira lake. Planning are being made to repair the main wastewater system from getting the necessary provisions by the Colombo Municipal Corporation.

adverse effects on environment, health and the lives of the people due to the failure of checking the purity of the marine water and the composite of the sea water and not taking necessary actions.

2.3 Conservation of Coastal and Marine National Parks in Sri Lanka

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Coast Conservation Act- Legal provisions</p> <p>Although 45 locations in 12 districts have been identified as proposed areas which are to be declared as Special Management Areas in accordance with the 22(e) of the section III c of the Coast Conservation and Coastal Resource Management Act No. 49 of 2011 through the Gazette Notification No. 2072/58 dated on 25 May 2018, those areas have not been declared as Special Management Areas and attention was not paid to the conservation of those areas.</p>	2022	<p>Declaration of proposed sites as special coastal management areas in accordance with the provisions of the coast conservation act.</p>	<p>The coastal Conservation and Coastal Resource Management Plan is an integrated plan. Although special management areas have been identified due to non-availability of necessary financial allocations, non-inclusion of annual plans by other institutions and non-allocation of funds could not be able to declare as Special Management Areas.</p>	<p>Identified Special Management Areas could not be able to declare.</p>
<p>2 Antiquities Ordinance No. 09 of 1940</p> <p>i. All the sites of archaeological value located in the coastal area had not been</p>	2022	<p>Taking necessary actions for the conservation of antiquities located in the coastal zone.</p>	<p>Due to the inclusion of area names as toponyms and The inclusion of</p>	<p>According to the Coastal Resource Management Plan, among the identified sites 68</p>

identified and action had not been taken to publish them in a gazette notification.

ii. According to the Sri Lanka Coastal Zones and Coastal Resource Management Plan, it has been identified 259 sites of archaeological, historical, religious and cultural value in the coastal zones. However, Out of these sites, the Department of Archeology has identified the sites as archeological sites by 30th November 2020, and had not been submitted and published by a Gazette.

iii. According to the answers given by the Trincomalee Regional Office, it was observed that the boundaries of 05 archeological sites have not been demarcated or published in a gazette notification. Further a plan had been drawn up for the archaeological place of Senbimalei and it has been proposed to gazette as an archeological site which would be separated in the future.

unidentifiable places have been monuments gazetted and 86 made it is places are difficult to proposed to be provide accurate gazetted. There are information 66 locations to be about certain inspected and 30 sites. Among unidentified sites. that, 68 places have been gazetted and 86 places are proposed to be gazetted. There are 66 locations to be inspected and 30 unidentified sites.

3 Standards for classification according to the quality of seawater

2022

i In the project proposed by the Central Environmental Authority to the Government of the Netherlands in 1991, the standards for seawater quality have been proposed including four key points in relation to the aforesaid matter but the standards have not been prepared and published.

Issuing marine water quality testing standards and complying in accordance with that. So far, no standards have been issued for water quality, the ASEAN Marine Quality standards are currently being used by the Marine Environmental Protection Authority. Every year continuously, several parameters including the pH value of the water in several coastal bathing places are checked and those values are referred to be included in the data system of the Sustainable Development Council.

4 Sea turtle conservation

2022

The following observations were made.

i. About 15 turtle conservation centers which are conducted by the private sector, currently operating along the South Coast. The proposals submitted by the Minister were approved by the Cabinet to declare through the regulations, prepared under the Fauna and Floral protection Ordinance for the evaluation by regularizing the operation of these private turtle conservation centers, to

Registration of turtle conservation centers and carrying out proper monitoring activities. Actions have been initiated to publish regulations under the Fauna and Flora Protection Act to regulate turtle conservation activities by the Department of Wildlife Conservation. Unexpectedly, this task has taken a long time due to the drafts had to be revised on numerous occasions and the additional time was spent on Necessary activities are being carried out to submit the final draft of the regulations related to the regulation of turtle conservation to the minister in charge.

register them under the Department of Wildlife Conservation and to allow them to operate under annual licenses. Although 04 years have passed since this Cabinet decision, Actions have not been taken to implement this proposal.

informing the policy makers due to the scopes of the ministries changed.

5 Waste Management in Fisheries Harbors

(a) Solid waste - 2022 Dikowita

i. Accumulation of fiber waste

The fiber waste that accumulates in the port should be disposed of only by incineration using incinerators. Although this waste was removed from the port, no follow-up was done by the relevant responsible institutions on the final disposal methods of the waste.

Implementation of methods for disposal of boat, fiber and other waste at fishing harbors and acting accordingly.

Discussions have been made with Several projects to remove and recycle fiberglass waste (old vessels) and its parts piled up in fishing harbors, but it has not been successful so far due to the very high cost of purchasing incinerators.

Fiber waste is not properly disposed of.

ii. Abandoned boats

No formal action had been taken against 6 fiberglass boats that had abandoned from repairs

iii. Disposable direct foam

It was revealed that this waste, which is generated on a large scale due to the repair

of the cold rooms of the boats and it has been made mandatory for the owners of the vessels to dispose of this waste from the port and no follow up had been done on which way they dispose them.

6 **Impact on coastal stability by sand removal from fishing Harbors** 2022

Harbors of the Coastal region and related infrastructure are considered permissible applications in a protected area unless there is a significant impact on the specific location or adjacent coastal areas and the activities related to that work are governed by the development license. Guidelines had not been prepared on how to remove sand from the coast during the construction of fishing Harbors.

Preparation of guidelines on sand removal techniques by fishing harbors, acting accordingly and monitoring.

It is permitted to remove the sand fillings that are hampering the operations in fishing harbors and the removed sand is informed to be released completely to the nearby coastal or to the coastal designated by us. However, the problems that arise there are that due to the lack of funds for the relevant port corporation to remove the sand coming into the port. A part of the excavated sand have to sell at the commercial level to obtain money due to the

Recommendations have been made to dredge the sand collected in the port and release all that sand to the nearby shores so as to hamper the operations of fishing harbors indicating that the preparation of guidelines is impractical.

decision made by discussions between the respective institutions including the minister in charge of the relevant subject. A portion of the removed sand is sold commercially and monetized. Permission is given after charging the prescribed fees from time to time in relation to the quantity of sand removed and the quantity of sand to be sold.

- | | | | |
|---|--|---|---|
| <p>7 Coastal soil area is a 2022 geographical strip or strip of land that is restricted or significantly restricted in relation to any development work and is located within the coastal zone. The investigation had been conducted by the Moratuwa Regional Engineering Office regarding the 110 complaints of unauthorized construction in these areas from the year</p> | <p>1. Monitoring coastal landscaping and publishing coastal entrances.</p> | <p>Constantly necessary actions have been taken to maintain the coastal soil area. Coastal access has been published.</p> | <p>Unauthorized constructions have been detected and demolition orders have been given for them at the earliest stage and police complaints have also been filed. But due to the influence of public representatives, it has not been possible to carry out the demolition of some unauthorized</p> |
|---|--|---|---|

2018 to 26 of August 2020. No actions were taken regarding that and It was observed that due to improper maintenance of the coastal soil boundary, unauthorized constructions have been carried out as above.

constructions. Therefore, removing the illegal constructions parallel to it has become problematic by now.

2.4 Evaluation of the Legal Mechanism and the Operation of Groundwater Management in Sri Lanka

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 National Policy on Protection and Conservation of Groundwater</p> <p>Protecting rivers and streams is a basic requirement for the sustainable existence of not only the reservoirs and water surfaces in Sri Lanka but also the groundwater resources.</p> <p>Accordingly, the Water Resources Management Project implemented with the assistance of the Asian Development Bank in 1992 had indicated the need to implement a water policy for Sri Lanka, but the basic objectives expected from such a water policy had not been achieved until 2014. However, the Ministry of Lands and Land</p>	2022	<p>Establishment and implementation of a groundwater policy based on the quantity, nature and quality of groundwater according to the provinces of Sri Lanka.</p>	<p>1. The necessary contribution was provided by further reviewing the Policy and including the matters to be included pertaining to groundwater in "the Policy on Water Resources in Sri Lanka", approved by the Cabinet of Ministers in the year 2023 with the intervention of the Prime Minister's Office.</p> <p>2. The report containing the principles for formulating the groundwater policy drafted under the leadership of the Ministry of Water Supply and relevant institutions has been completed and submitted to the</p>	<p>1. Future activities regarding the National Water Resources Policy was being carried out by the Prime Minister's Office.</p> <p>2. Since the groundwater policy should be formulated in concurrence with the National Water Resources Policy, the Ministry is currently reviewing it for taking future action.</p> <p>3. Information on approximately three hundred</p>

Development had formulated a draft of a National Water Policy in 2014. It had been based on the protection and conservation of water resources and water catchment areas. Similarly, although the need to formulate a water policy was raised in the workshops held by the National Science Foundation of Sri Lanka in 2008 and 2010, plans and programmes related to groundwater management had not been prepared as a groundwater policy based on the quantity and quality of groundwater in each province of Sri Lanka had not been formulated and adopted. A background for further use of groundwater without proper management had been established.

Ministry for further action. thousand groundwater sources has been received in the level of Divisional Secretary's Divisions, and those activities are being carried out further.

3. Implementing projects required to collect information on water sources required for those activities after identifying groundwater distribution zones in Sri Lanka on a specific scientific basis. 4. Automated and Manual Monitoring is being carried out in specified intervals to study short-term and long-term changes in the quality and quantity of groundwater in sensitive areas. 4. Implementing projects to collect information on the quality and quantity of groundwater in sensitive areas.

2 **Sharing responsibilities and ownership of groundwater** 2022

After enacting the Local Government Act, No. 42 of 1987 by the 13th Amendment, the responsibility of the management of groundwater areas has been entrusted to the relevant Provincial Councils, and the responsibility of management of the other mineral resources has been entrusted by the 13th Amendment to the Constitution. The responsibility for the management of groundwater has not been specifically entrusted by the 13th Amendment to the said Act and it was observed that many landowners themselves determine the quantity of extraction of groundwater under their control. Accordingly, the utilization of groundwater by landowners, investors and in public places was carried out without any limit and

Specifically confirming the responsibility for groundwater management.

In terms of the Water Resources Board (Amendment) Act No. 42 of 1999 and the Gazette Extraordinary No. 2010/23 of 2017 (Annexure 1), the responsibility of groundwater management has been entrusted to the Water Resources Board and groundwater regulatory activities are being carried out in accordance with the existing legal provisions.

The deficiencies in the Water Resources Board (Amendment) Act No. 42 of 1999 have created problems in the current regulatory activities. Therefore, the said Act has been amended and submitted to the Ministry of Water Supply for getting the approval of the Cabinet of Ministers.

without taking into account the accepted conditions and criteria. Therefore, they were allowed to use groundwater without focusing the possible environmental impacts of groundwater consumption in the future.

3 **Provisions of the 2022
Water Resources
Board Act, No. 29
of 1964 and the
Water Resources
Board
(Amendment) Act,
No. 42 of 1999**

(a) Accordingly, it was observed that priority has been given to groundwater development over groundwater conservation, which is one of the main roles of the Water Resources Board, by excluding the matters of developing forestry and protecting the stability of the soil layer from the Act.

(b) It was observed that determination

Establishment of An Organizational Relevant objectives based Policy Framework activities are on the (ORF) has been being carried development and prepared to achieve out to achieve conservation of those objectives and these goals groundwater and targets based on the based on the implementing the development, development, conservation and conservation and sustainable management of management of groundwater, and groundwater. development, conservation and practical However, management activities are being arisen in carried out carrying out accordingly. management and regulatory activities and

of the manner and quantities of extracting groundwater for various needs and provision has not been made to extract groundwater by protecting the soil aquifers.

there is a situation where legal action cannot be taken existing Act. Therefore, amendments for that purpose have been made and submitted.

Due to this reason, it was observed that the Water Resources Board, as the closest authorized state institution capable of dealing with groundwater management, has excluded from its relevant responsibility, and as a result, it has allowed to use groundwater in a loose and irresponsible manner.

4 **Contribution of 2022 the Water Resources Board**

The National Policy on the protection and conservation of water sources, their catchments and reserves in Sri Lanka had been promulgated by

Increasing the attention paid on groundwater conservation as the contribution of the Water Resources Board is important in relation to

1. Information is being obtained from relevant groundwater sources to make decisions regarding groundwater management and

Efforts are being made to carry out the relevant functions systematically using the existing staff.

Gazette No. 1894/3 issued on 22 December 2014. Although the Water Resources Board had been identified as the primary institution responsible for the use of groundwater or surface water resources for drinking water projects and / or agricultural purposes, it was observed that sufficient attention had not been paid to groundwater conservation within the implementing mechanism.

groundwater management.

conservation.

2. Collecting information on the quality and quantity of groundwater in sensitive groundwater zones and carrying out regulation activities and providing recommendations related to the management processes.

3. The Extraordinary Gazette No. 2010/23 of 2017 has been published in order to properly carry out groundwater management and conservation activities, and relevant amendments have been made to strengthen the existing Act and submitted for approval.

5 Changes in 2022 Rainfall

In observing the rainfall patterns of the last 30 years for the 9 provinces of Sri Lanka, it was observed that the annual rainfall in the 4 main

Giving priority to the Northern, Northwestern, Uva and North Central provinces when planning groundwater conservation

1. The Automated and Manual Monitoring Network (AMN), which has been replaced to cover sensitive areas of groundwater networks. Necessary action is being taken to provide management advice through gathering of information.

provinces of North, North Western, Uva and North Central is low, and the lowest rainfall was continuously observed in the North Western Province from 2009 to 2017, while the lowest rainfall in the years 2018 and 2019 had been observed in the North Central Province.

measures.

representing the provinces for the conservation and management of groundwater resources, has collected information on water quality and quantity and is analysing information required for the management.

2. Furthermore, a project is being carried out under World Bank funding to prepare groundwater management plans for the Malwathu Oya, Deduru Oya and Jaffna geographical regions, representing the North Central, North Western and North Provinces respectively.

6 Obtaining a 2022 chemical analysis of groundwater

According to the Gazette Extraordinary No. 1894/3 dated 22 December 2014, although the capacity of the shallow groundwater

Since there is a growth in various human activities that change the chemical composition of groundwater, obtaining chemical analyses of

1. Aquifers that are affected and not affected by human activities in the Kalpitiya Peninsula and that can be conserved have been identified and an Automated and

The process of Automated and Manual Monitoring of the quality and quantity of groundwater in the area is still continuing and

reservoirs located in the Kalpitiya Peninsula is sufficient to meet the drinking water needs of a large number of people in accordance with paragraph 1.8 of the National Policy on the Protection and Conservation of Water Resources, their Catchment Area and Reserves of Sri Lanka, this water has become unpurified again due to groundwater pollution caused by chemical fertilizers, agrochemicals and pesticides accumulating in the soil. Chemical analyses of the groundwater resources in this area were carried out in the year 2014/2015 and thereafter up to the year 2019 under the "Dam Protection Project". In this regard, a recommendation was also made by the Water Resources Board in the year 2015 to conduct a chemical analysis and

groundwater and implementing recommendations related to that.

Manual Monitoring Network has been established in those places. The impacts on groundwater from human activities are being monitored. steps are being taken to provide the necessary recommendations to the relevant institutions in appropriate instances.

2. Water samples obtained from water sources used by the public in the areas identified by the Dam Protection Project have been tested for their quality and awareness programmes have been implemented in relation to sources that can be used and cannot be used in relation to their quality and current conditions.

Moreover, recommendations have been made on the network sources that need to be conserved based on the relevant chemical analysis results and the methods for doing so.

mitigate this situation. However, it was observed that identifying alternative methods and preparing for such methods to meet future groundwater demands was not sufficient.

7 Sustainable groundwater management 2022

The International Water Management Institute (IWMI) has made the following recommendations to Sri Lanka for sustainable groundwater management.

- Registration of all groundwater wells.
- Monitor coastal waterways closely as they are susceptible to salt contamination.
- Monitoring agrochemical pollution of waterways and identifying remedial measures, especially desalination in areas where

To coordinate government departments, local government institutions and state corporations to conduct basic data surveys related to hydrogeology, conduct related research, analyse reports based on numerical survey plans and proposals, coordinate projects implemented related to the conservation, utilization and development of groundwater resources in the country, and assess the sustainability, benefits and

1. Groundwater management and regulation activities are carried out in accordance with the Water Resources Board (Amendment) Act, No. 42 of 1999 and the Gazette Extraordinary No. 2010/23 of 2017.
2. Necessary activities are being carried out for conservation and management, such as obtaining information on sources of groundwater, collecting data obtained through geohydrological research, etc.
3. Information is

The institution is taking action in this regard and is taking necessary steps to establish the necessary legal framework for regulatory activities.

groundwater is used as drinking water.

- Strengthening and improving strategies and socio-economic relationships on the basic management and water use patterns of groundwater recharge areas.

- Taking necessary action to coordinate and improve the work of various government institutions and non-governmental organizations.

- Making arrangements to raise public awareness of the aquifer capacity, water use and environmental pollution risks in provinces, where water is scarce.

(iwmi.cgiar.org/publications/water-policy/briefs/PDF/wp14.pdf)

It was observed that attention should be paid further in relation to the above issues.

economic feasibility of those projects.

being collected on the quality and quantity of groundwater in sensitive groundwater zones and Automated and Manual Monitoring is being carried out, and recommendations are being made for relevant management processes.

4. Work is being carried out in coordination with other government institutions regarding projects and development schemes that may have an impact on groundwater.

2.5 Performance Audit on the Process of Leasing, and Control of State Lands for Mining of Minerals (Granite) in the Districts of Hambantota, Anuradhapura, Vavuniya and Kurunegala and Recovery of Royalty

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 When granting an industrial mining license, although a boundary post should be placed at each bend of the boundary line as per the demarcation as per the location of the area approved for excavation of the land, the cases where this had not been done were observed.	2021	When leasing government-owned land for a quarry, it is appropriate to install boundary posts at each bend in the boundary as indicated in the Survey Plan and it is appropriate to fix the geographical locations of those places so that they do not become loose.	It has been made aware to put up boundary posts.	The recommendation had not been properly implemented.

- | | | | | | |
|---|--|------|--|---|---|
| 2 | <p>Although instructions had been given to calculate the amount of stones cubes that can be quarried with the use of 01 Kg of Dynamite as 2 ½ cubes in terms of General Letter No. 04/CS/3/10/1 dated 14 April 2004 of the Additional Secretary to the Ministry of Internal Defense and recover the charges under the Forest Ordinance, attention had not been drawn on explosives such as Water gel and Black Power used for mining stones.</p> | 2021 | <p>1. It is observed that the calculation of stones that can be quarried by using electronic distance meters or other technical method thereby computing the economic value thereof, is a scientific methodology. Furthermore, it is also suitable to examine as to whether stones had been quarried in relation to the explosives actually issued within a certain frame or yearly basis, and whether the royalties have been recovered.</p> <p>2. The royalty should be recovered by taking into account the accurate market price of the stone being quarried through a proper survey, thus enabling making timely adjustments.</p> | <p>Steps have been taken to implement the recommendations.</p> <p>It is being at discussions level.</p> | <p>Planning and implementation is being done to follow a scientific method.</p> <p>Recommendations have not been implemented.</p> |
| 3 | <p>According to the amount of explosives released from 2007 to</p> | 2021 | <p>It is observed that the calculation of stones that can be</p> | <p>Since the Geological Survey and Mines Bureau</p> | <p>Due to the issue regarding arrears shown in the</p> |

September 2019, approximately 11,803 cubic meters of granite should be mined for the Thissamaharama Julpallama granite quarry, which had obtained the explosives permit number 276389 under the Industrial Mining Permit No. IML/B/HO/115/LR/09 in the Hambantota District. Nevertheless, it had been reported that approximately 17,514 cubic meters of granite had been excavated according to the calculations made based on measurements taken during the on-site inspection conducted by the officers of the Geological Survey and Mines Bureau on 16 October 2019. Accordingly, an over-excavation of 5,711 cubes was observed based on the explosives released by the excavated granite cubes and as calculated by the Geological Survey and Mines Bureau.

quarried by using electronic distance meters or other technical method thereby computing the economic value thereof, is a scientific methodology. Furthermore, it is also suitable to examine as to whether stones had been quarried in relation to the explosives actually issued within a certain frame or yearly basis, and whether the royalties have been recovered.

has not provided proper information regarding the excessive granite mining that has been carried out during this on-site inspection, a letter has been sent to the Regional Mining Engineer of the Geological Survey and Mines Bureau dated 05.11.2024 requesting a report containing information in this regard.

Performance Audit 2019, granite mining has not been carried out since 2020 and this quarry is not currently in use. Since a significant area is filled with water, the Geological Survey and Mines Bureau has been informed by letter dated 22.08.2024 to take appropriate actions regarding these very dangerous quarry.

- 4 Large water holes had formed in the excavated and abandoned granite

2021

Mining of minerals on government-owned lands and exploring and

Discussions are being conducted.

Recommendations have not been implemented.

quarries examined and there had been the risk of animals such as cattle and wild elephants falling into the holes when they come to find water and a possibility that mosquitoes will breed in those holes, which could cause health problems.

identifying abandoned and water-filled granite deposits and preparation of necessary arrangements for use as they are beneficial to the environment and wildlife.

2.6 Performance of the Programme for granting concessionary loans to Small and Medium-scale Rice Millers

	Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1	An amount of Rs. 434.87 million was provided to 228 members of rice producers' cooperative societies in 8 Districts located in 5 provinces under the programme to grant concessionary loans to small and medium-scale rice millers under the programme to grant concessionary loans to small and medium-scale rice millers and although the relevant District Societies should take steps to repay the released amount to the District Secretaries after 06 months had elapsed, the District Societies had not taken actions to pay Rs.99.38 million or 23 per cent of the loan amount issued to be paid to the District Secretaries within the stipulated time frame and the delay had ranged from a	2021	<p>1. Taking actions to issue loans at other stages only for members who have efficiently completed the task of converting paddy into rice using the loan provided in the first phase as a revolving fund and have taken steps to repay the previous amount and taking actions to issue loans provided by the programme and maintaining a database regarding the group selected under the programme.</p> <p>2. Taking necessary legal actions against mill owners who fail to repay the loans provided to District Societies at the end of the agreement period.</p>	Since this project is a failed project, a policy decision will be taken not to implement the project further and it had been decided to take necessary measures to recover the outstanding amount.	Even though the instructions had been given to provincial cooperatives to take legal actions based on the information provided by the Food Commissioner, the necessary legal actions had not been taken to recover the debts.

minimum of 5 days to a
maximum of 35 days
after 6 months had
elapsed.

2.7 Maintenance of Buffer Stocks by the Food Commissioner's Department and Performance of Warehouse Utilization

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 Even though a project report had been prepared in the year 2012 to maintain buffer rice stocks in scientific warehouses, actions had not been taken to formally approve it and due to non-provision of funds for the utilization of pilot warehouses even though the 2 warehouses were underutilized, 4 scientific warehouses had been modernized furthermore, without paying attention in respect of that.	2021	Making legal provisions for the buffer stock of 100,000 metric tons of rice as per Decisions of Cabinet of Ministers.	The Pilot Project has been implemented based on the approved project report.	Legal provisions have not been made.
2 Although the capacity of Veyangoda No 10 Only warehouse 5400 metric tons, only 12 per cent of the total capacity of rice had been stored without utilizing the full capacity of selected warehouses to evaluate the success of the pilot project. As a result, the electricity cost per	2021	To take actions to store only those things that are in accordance with scientific methods in warehouses prepared according to them and establish warehouse modernization supplies for the maximization of warehouse capacity.	Although about 5400 MT of rice is required to fill the entire warehouses of the Paddy Marketing Board, under the circumstances at that time, the paddy received by that	It has not happened to store only what is consistent with scientific methods. Financial allocation has not been made for the modernization of the warehouse.

kilogram of rice has taken a high value.

institution was registered and given to the millers and only the rice stock received from those mill owners has been used for the pilot project. The pilot project has been implemented furthermore, based on that. The reason for the high electricity consumption here is that only 12% of the warehouse capacity was used for this research. As a result, unit costs have increased.

- 3 When comparing with 2021 the monthly assessed warehouse rental income from 2015 to 31 December 2019, the recovered warehouse rental income was at a weak level.

Entering into Fifty three relevant agreements warehouses in a manner of have been setting off of provided on warehouse rent from lease basis to the deposit rent in a public and delay 3 months and private institutions. It is so that the ability to informed that acquire the the leases will warehouse to the be obtained Department. through contracts with those

The arrears of rent is being collected.

institutions for
this purpose.

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| 4 | A number of 17 warehouses belonging to the Department had been provided to the Paddy Marketing Board for storage without rent since 2007 and out of these, 10 warehouses were still in use as at 31 December 2019. Necessary arrangements had not been made to take actions with idle warehouses in a more beneficial way for the government without taking steps to make use of these stores. | 2021 | If warehouses given to government institutions on rent-free had remained unused, taking actions to get them back. | Out of the 17 warehouses made on a leasehold basis, 8 warehouses have been taken over by the Department. | Actions have not been taken to get back. |
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2.8 Evaluation of Real Estate Management Assigned to the Public Trustee

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 To control the property of John Weerasinghe and Baby Angie Abenayake an administrative license had been issued to the public trustee. The purpose of the last will was to set up a fund from the annual proceeds from the property and to distribute it equally to the Ruwanweli Seya in Anuradhapura for the development of the Dagaba and to the Mahabodhi Society of India for the development of Dambadiva Shrines. But the 32-perch land and building, numbered 03, in the plot marked 'B' in Punchipathahewatta, Gadaba Street, Matara, had not been effectively managed until 2013 and it had been leased out to a person named Y.T.K. Harischandra for Rs.8,000 per month based on Lease Agreement No. 312</p>	2021	<p>(a) When leasing out estate property to outside parties, formal lease agreements should be entered into to ensure the security of the property and the receipt of a fair income from the property and necessary legal actions should be taken to recover property that has defaulted the taxes.</p> <p>(b) Deal with the estate only if legal licenses have been obtained, do not use the property for the purpose contrary to the purposes of the estate and manage the property in a manner that does not prejudice the property.</p>	<p>The case pending in the Matara District Court No. 13736/LA to evict the unauthorized occupants of the property at No. 07, 1st Cross Road, Walpola, Matara belonging to the Weerasinghe Abeynayake estate is scheduled to be taken up on 03.12.2024 and the responses to the summons served on the defendants will be heard on that day. This property was taken into the custody of the Public Trustee on 10.05.2024 and due to the said defendants</p>	<p>It had been informed that the recommendations will be implemented once estate is confirmed in the future.</p>

dated 05 February 2013. The said lease agreement had expired on 31 December 2013. Even though permission had been obtained from the District Judge of the Colombo District Court on 29 September 2016 under case number 97/16 to sell this property, it had been leased out to the above lessee for a monthly fee of Rs. 10,000 without entering into a formal lease agreement, instead of selling the estate and crediting it to the Fund.

broke the door and locked the property on or about 14.05.2024, and forcibly entered the property, the case was filed in the Matara Magistrate's Court bearing case number BR 2821/24. Accordingly, the case number BR 2821/24 will be called on 21.10.2024 and further reports are scheduled to be called on that day.

- 2 A limited probate 2021 license was granted to the Public Trustee on 04 June 2003 regarding the administration of the property according to the last will dated 09 September 1993 of R. L. H. Chandrasekara, who died on 22 February 1998 ; a resident of Anuradhapura town, Anuradhapura District, North Central Province,

I. Even though it had elapsed 16 years since the license was

Due to the A lease unfavorable agreement has decision to the been entered into Public Trustee at present , in Case No. subject to 1/99/T relating obtaining to this estate, an permission. appeal was filed at the Anuradhapura Civil Court of Appeal. According to the settlement reached in that case, the Public Trustee received 30

obtained, actions had not been taken to measure and demarcate the land belonging to this estate, to protect the property, and to fulfill the purposes stated in the last will . The Department stated that these delays had occurred due to an estate case regarding this estate and even though the verdict in the relevant case was announced on 30 September 2019, due to filing of appeals without taking actions accordingly, the achievement of the objectives had further delayed.

II. The Public Trustee had appointed a temporary lessee on 04 July 2000 for the land in extent 18 acres 03 roods 01 perch and 17 acres 02 roods 23 perches and Lot No. 3 located at Pothanegama, Ratmalethulane, Nuwaragam Korala, Nuwaragam Palatha, Anuradhapura District belonging to this estate. Nevertheless, actions had not been taken even by January 2020 to enter into a formal lease agreement for estate

acres of land and 5 acres of paddy land.

At the time of the case being heard, the paddy land was given to a lessee and the inheritance was paid at the standard rate.

The paddy land in this estate has been provided on the basis of Memorandum of

Understanding charging government standard rates to a new buyer for cultivation in the Maha season 2024/25 .

security, cultivation activities, tax revenues and tax terms. The Department of the Public Trustee had never conducted any monitoring or follow-up regarding the number of acres of paddy cultivated by the tenant farmer specifically, the certified price for paddy in the relevant season, and the amount and yield of coconut cultivated from the land, and whether the receipt of the inheritance is correct. The inheritance paid by the tenant farmer as he wishes had been accepted and accounted for. Accordingly, from the year 2000 to the year 2019, the income received from 36 Acres, 1 Rood and 24 Perches were only Rs. 3,575,542

III. The commercial building and land located at Nos. 238 and 239 on Kurunegala Road in the old town of Anuradhapura belonging to this estate had been leased out without having a formal agreement and the lessee had defaulted of paying the lease rent since March 2000 and

thereafter, attention had not been paid to the managing of that property.

IV. The department had failed to settle the property and generate income through formal leases under the name of the estate in accordance with the judgment in case No. 14289/L regarding the commercial building and land located at No. 48/388, Harischandra Mawatha, Anuradhapura New Town.

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| 3 | <p>According to the last will of Mrs. Indrani de Zoysa, the jewellery deposited in locker number 738 of the Bank of Ceylon Premium Branch, Nugegoda had been inspected and listed by the Department's Legal and Investigation Officer on 17 September 2007 and differences were observed between the types, sizes and metals of the jewelry mentioned in the list and those mentioned in the last will.</p> | 2021 | <p>Out of the items and documents in safes, actions should be taken according to the purposes of the estate in respect of items whose owners can be identified and unidentifiable items should be presented to the court and appropriate actions should be taken with the permission of court.</p> | Mrs. Indrani de Zoysa has written her last will No. 4115 dated 02.10.2002 and she died on 14.04.2007. Accordingly, the jewelry mentioned in her last will before she died had not been available as per the property list obtained by the Departmental Officers. The late Mrs. Indrani de Zoysa may have | Taking actions according to the last will had not been done. |
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worn jewelry during her lifetime.

Accordingly, as the list of property is obtained only after death. The jewelry mentioned in the last will cannot remain the same.

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| <p>4 A list of artifacts with 2021 ancient value was provided in the last will of N.D.A. Silva Wijesinghe Mudali and stated that the artifacts should be deposited and preserved in his house. (The list of items is given in Annexure 02.) However, it was observed that only a few of the artifacts were kept in the safe of the department and the department had no record of the location of the other artifacts. The vault in the safe was also dilapidated and insufficient steps had been taken to preserve the items of historical value. Accordingly, it is observed that the purpose of transferring the property to the Public Trustee has not been fulfilled</p> | <p>Steps should be taken to preserve items of historical value and nameplates indicating the name of the Department should be displayed in the lands related to all estates controlled under the Department.</p> | <p>The artifacts mentioned in the last will have been kept in a safe at the Department and actions are being taken to identify them with the assistance of the Department of Archaeology.</p> | <p>Steps have been taken at present to display nameplates on many lands. It was announced that steps will be taken to preserve the items in the future.</p> |
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| 5 | <p>A person who was a resident of the Wellawatte area in the Colombo District and died on 28 November 1999 and the Public Trustee was given administrative powers to deposit the proceeds from the sale of Mr. C.E.Wanigasooriya's property in a trust called "Sisil Wanigasuriya" on 10 November 2005. Nevertheless, 14 years later by December 2019, the Department had failed to sell the lands and buildings located in seven regions⁰ and fulfill the objectives of the estate reliably and efficiently. Further, a programme had not been implemented to identify those lands and protect the rights of the Public Trustee .</p> | 2021 | <p>Actions should be taken to fulfill the objectives of the estate by selling lands and buildings that have been granted court permission to sell and a program should be implemented to identify and survey unidentified lands and protect them to ensure the ownership of the Public Trustee.</p> | <p>Since the property located at No. 25, Railway Lane, Wellawatte, which belongs to this estate, has an undivided right, the other part of the land has been directed to be sold to residents to obtain a government valuation. A special committee has been appointed to identify other lands and confirm the ownership of the public trustee.</p> | <p>Nameplates have been installed on the identified land plots and actions are being taken to identify other land plots .</p> |
| 6 | <p>According to the Section 8 of the Last Will No. 3911 dated 10 February 1950, although Mr. Don Simon Wijewickrama had entrusted to the Public Trustee to construct a ward in the proposed hospital in Piliyandala Town and name it after his late mother, it was confirmed according to reports obtained from</p> | 2021 | <p>The probate license was received in 1960 to execute the last will written by Don Simon Wijewickrama in 1947. Accordingly, it has been informed to reserve a ward in the hospital</p> | <p>The activities of construction of a ward at Piliyandala Hospital had not been fulfilled.</p> | |

the hospital that instead of constructing such a ward at the Piliyandala Base Hospital, only medical equipment valued at Rs. 1,014,275 has been donated.

proposed to be built in Piliyandala town at a cost not exceeding Rs. 20,000.00 and to be named in his mother, D. C. W.

Samarakoon.

The Department does not have information to determine whether any contributions were made to this work at the time the hospital was established.

According to 4.1 of that last will it has been informed that to open an account in the name of the Samarakoon

Trust Fund using the immovable and movable properties owned by him and to be fulfilled the objective mentioned in the last will using rental income and

profits.

Accordingly, a trust called the Samarakoon

Trust has been established in this Department and the income from the trust is used to provide scholarships, medical aid, relief aid, and religious

assistance to those in need throughout the island. The Trust has provided a sum of Rs. 1,700,000/- at present, for equipment and repairs to the Piliyandala Hospital.

Instead of modernizing the emergency room, the hospital has been provided with relevant medical equipment and air conditioners due to the need to prepare the hospital for the dengue epidemic situation that

occurred during the 2017/2018 period.

Similarly, the roof of the two-story ward has been repaired.

According to the above situation, since the respective objective has not been properly

fulfilled, the District Medical Officer of the Piliyandala Government

Hospital has been informed to prepare the plans for the task and send them directly to us. To do it again, letters have been sent for this purpose in November 2019 starting discussions to Piliyandala

Hospital by attending to Piliyandala

Hospital. This has been overshadowed by the Covid situation occurred subsequently

and the crisis in the country. At present, steps have been taken to resume negotiations.

7	<p>The scholar and mudali who lived in Richmond House, South Kalutara, named Nanayakkara Rajavasala Appuhamilage Don Arthur Silva Wijesinghe Siriwardena, has appointed the Public Trustee as the administrator of his estate from his last will and died on 08 July 1947 and the trusteeship of the estate had been in the hands of the Public Trustee since 30 July 1947. The main objective of the benefactor had been to establish a home for needy Sri Lankan boys called the "Silva Wijesinghe National Children's Home" and to shape the lives of the children to become true citizens through the training they receive through education, and to establish and maintain it in a manner that suits local needs, modeled after Dr. Bernardon's Home in England. It had further been mentioned</p>	2021	<p>Estimates should be prepared for the renovation of the student dormitory at Richmond House and priority should be given to its renovation work and the roof of the mansion and other dilapidated areas of the building should be repaired and made into an attractive place.</p>	<p>Preliminary work has been begun to construct a separate building for the children's home up on the intervention of His Holiness the Archbishop of Colombo.</p>	<p>The objective of the testator's will, as stated in the last will had not been fulfilled.</p>
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that the income from the 42 acres of land with rubber and coconut plantations located at Richmond Mandiraya and the income from the 81 acres of coconut estate called "Irahandayawa" located at Henegama in the Gampaha District, as the property entrusted by the last will should also be used to achieve those goals.

2.9 Evaluation on the Performance of Clinical Waste Management Project Implemented at Hospitals by the Ministry of Health under Australian and Domestic Loans.

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 Due to the failure of the Ministry of Health and Local Government Institutions to prepare a systematic programme for the systematic disposal of waste that is sterilized and burnt by Meta Miser machines and Incinerator machines, some hospitals had taken steps to burn waste that was disposed of as treated waste within the hospital premises. The environmental impacts were caused by the heavy black smoke and the strong odor in the air that was released into the environment during the entire waste sterilization process.	2021	1. A National Plan for clinical waste management should be prepared and implemented covering central government hospitals and provincial council hospitals .	The preparation of the National Action Plan on Healthcare Waste Management has been completed, Similarly, the preparation of Provincial Healthcare Waste Management Action Plans for 09 provinces based on the National Action Plan was done through the Provincial Health Directors and it has also been completed.	The recommendation had not been implemented up to October 2024 .
		2. Proper steps should be taken to prevent the risk of such waste mixing with water bodies during the rainy season by re-incinerating treated waste from Meta Miser machine ejects and by being stored for a long time in the hospital grounds, to avoid unnecessary costs incurred by engaging other suppliers to remove the treated waste at additional costs and to minimize damage		The recommendation had not been implemented up to October 2024 .

to the environment.

3. An environmental protection license should be obtained for clinical waste disposals annually by all hospital authorities. The relevant hospital authorities have been informed in this regard and satisfactory progress had not been achieved even by 2024. The recommendation had not been implemented up to October 2024.

4. Since all clinical waste is hazardous waste, a mechanism should be established that allows for the disinfection of that waste within 48 hours of its generation. It is a mechanism that cannot be implemented in practical as per the resources available. The recommendation had not been implemented up to October 2024.

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| 2 | Out of a sample of 09 hospitals that were audited the cluster system in the 8 hospitals of Marawila, Chilaw, Kuliyaipitiya, Polonnaruwa, Kegalle, Karawanella, Embilipitiya and Kurunegala had not been implemented as per the agreement and since a programme to transport sterilized clinical waste and incinerated clinical waste from those hospitals through local government institutions had not been prepared | 2021 | Proper steps should be taken to prevent the risk of such waste mixing with water bodies during the rainy season in some hospitals recycling waste processed by the Meta Mizer machine by incinerating it and storing it in the hospital grounds for a long time and to prevent unnecessary costs incurred by having other suppliers remove the treated waste at an additional cost and | As the maintenance contracts for the Meta Mizer machines used by hospitals have expired, these Meta Mizer machines are not used for the management of contaminated waste at present and hospitals are using alternative methods for this. | In this situation, the project had completely failed. |
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with the intervention of the Ministry, the relevant waste had been piled up on the hospital grounds.

to minimize damage to the environment.

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| 3 | Sharp waste disposed of at Marawila Base Hospital was set on fire within the hospital premises and plastic and sharp parts of unburned syringes had been left on the hospital grounds. | 2021 | Despite there were Meta Mizer and Incinerator machines, due to some hospitals had been illegally disposing of syringe needles and empty medicine bottles on hospital premises, proper steps should be taken by looking into in this regard. | Instructions have been given to take actions to provide proper instructions to all hospitals regarding the disposal and incineration of clinical waste. | A sufficient progress had not been obtained . |
| 4 | According to the first report dated 12 March 2012 issued in respect of the physical inspection of the Meta Mizer machines carried out in Australia by two members of the Project Committee appointed by the Standing Review Committee appointed by the Cabinet of Ministers, although it had been stated that the recurrent expenditure for the sterilization and incineration of clinical waste using the Meta Mizer Incinerator machines imported under this project is Rs. 23 per kilo of waste, and the cost of | 2021 | Due to the entering into clinical waste disposal agreements with another private entity changing the planned scope of the Australian Loan Assistance and Local Loan Assistance project by about 50 per cent, the cluster plan on waste management which was planned to be implemented under this project had been disrupted. Due to the installation of machines in other hospitals outside the hospitals where the machines were | A committee has been appointed under the chairmanship of the Additional Secretary (Engineering) and further actions should be taken based on the recommendations of the committee. | The recommendation had not been implemented up to October 2024 . |

obtaining the service from outside is Rs. 62.50 per kilo of waste, and accordingly, the Australian loan and local loan assistance project should be very effective, since it costs Rs. 212 per kilo and clinical waste can be disposed of by external parties for Rs. 103 per kilo for waste disposal under this Australian loan and local credit assistance project by the Memorandum of Cabinet of Ministers submitted to the Cabinet of Ministers by the Minister of Health on 22 June 2018, it had been informed that the government can provide it for Rs. 103 and thus the Rs. 109 will save to the government. It was observed that cost savings could not be achieved by implementing the Australian loan and local loan assistance project due to providing approval of Cabinet of Ministers. On 26 June 2018, a commercial agreement was signed with a private company, Sicily

proposed to be installed according to the original plan without having formal approval, and the failure of establishing a new cluster plan according to the hospitals where the machines were installed, actions should be taken to draw attention to the failure of the project to successfully achieve its intended objectives and to make necessary corrections.

Hanaro Encare for the contract for the disposal of clinical waste in the Western, Southern and Central Provinces considering those facts.

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| 5 | Due to the fact that the waste discharged from the Meta Mizer machine installed at the Ampara General Hospital on 27 February 2017 was fragmented and there was no method to dispose of it under this project, it had been idle since its establishment without being implemented. In addition, it was observed that Meta Mizer machines installed in other hospitals were out of service on numerous occasions from the date of installation to the date of this report. | 2021 | 1. Steps should be taken to make the Meta Mizer machine installed at the Ampara District General Hospital as soon as possible. | A committee has been appointed under the chairmanship of the Additional Secretary (Engineering) and further actions should be taken based on the recommendations of the committee. | The recommendation had not been implemented up to October 2024 . . |
| 6 | Due to the Meta Mizer machine at Marawila Base Hospital not receiving the required amount of water at the required pressure, the time taken for one machine cycle was about 51 minutes since the machine emits signals (alarm) | 2021 | 1. An appropriate mechanism should be introduced to quickly restore machines to normal in the event of machine failures and malfunctions. | It has been instructed that these audit recommendations should be implemented in a manner that covers hospitals under the Line Ministry and Provincial | The recommendation had not been implemented up to October 2024 . |

periodically and stops.

- 7 Due to an abnormal oil shortage in the oil tank that supplies the hydraulic oil required for the operation of the hydraulic system, which is an essential part of the operation of the Meta Mizer machine, it was observed that the machine installed at the District General Hospital, Chilaw was emitting signals and the machine was frequently stopping during the waste sterilization process. As a result, it was observed that the machine operator disconnect the sensor related to the machine's hydraulic system from the machine and operate the machine.

2. Actions should be taken to resolve technical issues affecting the maintenance of optimum temperatures required for the proper functioning of incinerators.

Councils regarding issues related to clinical waste management, and that supervision in this regard should be carried out through the Deputy Director General (Environmental, Professional Health and Food Safety) .

- 8 The Ministry had not confirmed through an independent investigation that the remaining materials are free of bacteria or other germs, and that they are broken into small pieces after sterilizing clinical waste entering the Meta Mizer machine and the materials that are in a

2021 Actions should be taken to independently test and confirm that the remaining material after sterilization of clinical waste fed into the Meta Mizer machine is free of bacteria or other germs.

It has been instructed that these audit recommendations should be implemented in a manner that covers hospitals under the Line Ministry and Provincial Councils. The recommendation had not been implemented up to October 2024 .

condition suitable for disposal through normal waste disposal methods. Similarly, due to the hospital enters plastic waste such as syringes and injection needles in this Meta Mizer machine, plastic and syringe fragments remained within the treated waste generated from it. As a result, there were cases where local authorities directly refused to take the materials and due to the materials being piled up on the hospital grounds, there were adverse impacts on patient care services.

regarding issues related to clinical waste management, and that supervision in this regard should be carried out through the Deputy Director General (Environmental, Professional Health and Food Safety) .

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| 9 | <p>Actions had to be taken to obtain approval from the Department of Management Services for the staff requirements and labour costs of the project, and to employ the approved staff on a part-time basis so as not to cause any disruption to the daily duties of the Ministry in accordance with Cabinet Paper No. 13/0416/509/021/TBR and the decisions taken at the Meeting of Cabinet of Ministers held on 09 May 2013.</p> | 2021 | <p>Payments made to staff appointed without having the approval of the Department of Management Services should be recovered from the responsible parties.</p> | <p>Necessary measures are being taken by the making aware of the relevant divisions regarding the recommendations made by the Auditor General.</p> | <p>The recommendation had not been implemented up to October 2024 .</p> |
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Nevertheless, without obtaining such approval, a sum of Rs. 3,945,476 had been paid to 5 project staff as labour during the period from September 2016 to October 2019 in contrary to the above-mentioned Cabinet Decision and in contrary Management Services Circulars No. 33 dated 05 April 2007 and No. 01/2016 dated 24 March 2016. Even though the Secretary of the Ministry had informed on 23 July 2020 that approval had been obtained for the project staff, written evidence to confirm this had not been submitted to the audit.

2.10 Evaluation of the Performance in the Process of Producing Vegetable Seeds Locally

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Even though the total recurrent and capital expenditures made by the institution from 2017 to 2019 for the administrative activities of the Seed and Plant Material Development Center under the Department of Agriculture, maintenance and improvement of seed production farms, seed stores, seed sales outlets and seed production machinery, as well as employee salaries were Rs. 75 million, Rs. 115 million and Rs. 127 million respectively, the progress of seed production and related seed production farms in 27 production farms had remained at a low level.</p> <p>Further, it was observed that the achievement of seed production targets was at a weak level as per</p>	2021	<p>Seed production programme prepared on the basis of growing seasons by the Seed and Planting Material Center to provide sufficient seeds for the country's needs should be planned based on accurate and timely information. Future steps should be taken to minimize variability by comparing the seed production programme with actual information.</p>	<p>The seeds of 72 varieties of 19 vegetable crops recommended by the Department of Agriculture are being produced on government farms and the requirement for local vegetable seeds is met through a contractual system entered into with contract farmers and through private sector production.</p>	<p>Steps have been taken to increase local vegetable seed production through the participation of the government seed production farms of the Department of Agriculture, contracted farmers under the Department of Agriculture, and the private sector. More than 80 fully protective polythene household rain covers have been used to produce seeds of capsicums, brinjal, tomato, and bitter gourd. Since farmers have shifted to cultivating hybrid varieties that yield higher yields, a large</p>

the information from 09 seed farms regarding the production of vegetable seeds by government seed production farms under the seed production programme.

amount of hybrid seeds are still being imported at present.

2 The Department of 2021

Agriculture operates in two main ways of providing seed certification services to ensure the quality of seeds through the Seed Certification Service and implementing the Seed Act. The health status of all breeding seed stocks produced by the Department of Agriculture has been inspected since 2017 and the Seed Certification Service checks the health status of breeding seeds belonging to categories including paddy, supplementary food crops and vegetable crops. Seed health testing of seeds belonging to other classes of vegetable seeds is carried out only on crops where disease infestations and problematic conditions are observed in the field by the certifying officers of the Seed

Developing a specific methodology by the Horticultural Crops Research and Development Center to identify seed varieties that may cause problems and resolve those issues and implementing and improving varieties of vegetables such as carrots, which are in high consumer demand, and providing them to farmers.

Due to the weaknesses of the Sri Lankan carrot variety, it was not popular among farmers as a commercial crop. Research on improving the variety is slowly processing due to a lack of personnel. Further, seed production of the New Kudora carrot variety for commercial cultivation had been begun.

Certification Service during field inspections. Similarly, it had been concluded that there are issues regarding the quality of vegetable seeds offered for sale in the market as per the researches conducted by the Socio-Economic Planning Center and Seed Certification Service of the Department of Agriculture in 2017 on "Seed Quality Attention at the Sri Lankan Market Level"

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| 3 | <p>Steps had not been taken to obtain legal ownership of the lands related to 05 farms according to information obtained from 10 seed production farms owned by the Seed and Planting Material Development Center and it was observed that most of the land available on some farms was not utilized to its maximum for seed production.</p> | 2021 | <p>Taking actions to develop the unused land available in the 27 seed production farms belonging to the Seed and Planting Material Development Center and utilize it for seed production and developing methods to solve the water problem on farms.</p> | <p>The land for cultivation in the Aluthtarama, Ambepussa and Kundasale farms belonging to the Seed and Planting Material Development Center has been developed. Methods are being prepared to address the water problem. Installation of drip irrigation systems in the seed production farms of Polonnaruwa,</p> | <p>Eight hectares of 3 seed production farms had been developed for cultivation. Development activities including the establishment of sprinkler water supply systems in 4 seed farms, the installation of tube wells in two seed farms, the installation of cultivation wells, and the renovation of existing tanks in seed production</p> |
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Malwatte, Walpita and Kundasale. farms are being carried out.

Installation of tube wells in the government seed production farms of Thelijawila and Eluwankulama.

Renovation of cultivation well in the Kundasale seed farm,

renovation of reservoirs in Polonnaruwa, Alutharama, Bataatha, Karadiyan Aru government seed farms.

Renovation of water ways related to Mahalluppallama, Paranthan, Murunkan government seed farms.

2.11 Evaluating the process of developing new renewable energy sources.

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 Although it has been included in the national policy that a central coordination mechanism will minimize the time taken for approval of renewable energy projects, which would be more than 02 years, the necessary steps for that purpose had not been taken so far. Due to this, the valuable time, money and labour of entrepreneurs were unnecessarily spent, and this will discourage them and force them to abandon projects. Thereby, opportunities to add new energy sources to the national electricity grid had been lost.	2022	Taking action to process the applications, submitted to the Sustainable Energy Authority during the period when the standard price system was active under the increase of the contribution of renewable energy in the National Electricity Policy, but that had not made progress since that system was stopped, and which had been in various stages of the approval process, by directing such applications to a competitive system through an appropriate interim mechanism.	Discussions were held with the institutions specified to extend the relevant recommendations for these projects and requests were made to issue these recommendations.	Among these projects, energy licenses have been extended for projects that have obtained their approvals extended by the Central Environmental Authority, and the relevant power purchase agreement has been signed with the Ceylon Electricity Board and construction work is being carried out.
2 The operation of 1,374 projects of 4,014.84 MW, which had been approved by the Project Approval Committee (PAC) under the role of	2022	Since 1,374 projects that have been scheduled to sign Power Purchase Agreements under the standard tariff	Project proponents were directed to obtain the relevant approvals to	Energy licenses will be extended and power purchase agreements will be signed for

the Sustainable Energy Authority and for which licenses and temporarily approval had been granted by the Sustainable Energy Authority from 01 January 2017 to 31 December 2019, and submitted for grid agreement, had been halted due to not signing of Power Purchase Agreements by the C.E.B. as C.E.B had adopted the competitive bidding process.

with the CEB from 01 January 2017 and currently holding generation licenses and have issued letters of expression of interest have been delayed up to 03 years, it is appropriate to urgently prepare appropriate measures to commence development activities.

extend the projects that relevant energy have obtained licenses for the approvals from projects that the relevant institutions. halted, and steps were taken to resolve the issues with the relevant institutions in obtaining such approvals.

- 3 The Guidelines 2022 introduced for the development of new renewable energy projects are comprised of a very complex process. It should be a simpler and more effective method. This has become a very laborious and time-consuming process that prevents investors from obtaining the necessary approvals and licenses. Developers have to obtain approvals from 10 relevant government agencies (Line Agencies) to obtain the generation license. At the time of granting the energy license, the project developer has to

1. In accordance with Section 21 of the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007, the Director General, with the approval of the Board of Directors of the Authority, shall consult with other relevant institutions and take appropriate action promptly in the event of failure to commence the project and generate electricity within a period of 02 years or in the instance of violating the terms and conditions.
- A committee consisted of representatives of the relevant institutions was conducted to resolve the issues that have arisen in obtaining approvals from various institutions related to the development of renewable energy projects, and steps were taken to resolve institutional issues through that committee.
- Accordingly, the relevant energy licenses have been issued to projects that have received approvals from the relevant institutions.

renew the approvals obtained from institutions such as the Central Environmental Authority, the Department of Forest Conservation and the Department of Wildlife due to the expiration of the approvals. Therefore, it is observed that a developer has to spend a period of 02 to 05 years to obtain the generation license

2. Since the commencement of many projects has been delayed due to delays in obtaining approvals from various institutions in relation to renewable energy projects, a mechanism should be developed to prevent such delays by coordinating the relevant institutions.

2.12 The role of the Sri Lanka Standards Institution in the sale of quality goods in the local market

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Although there should be a good inter-relationship among Sri Lanka Standards Institution, the Consumer Protection Authority and Sri Lanka Customs regarding every stock of imported goods, it was observed that there had been no mechanism prepared for this, and due to this, there is a high risk of releasing goods without quality to the market, and cases of releasing such goods without standards to the market were also observed during the examination of the files of Sri Lanka Customs. The Standards Institution had not prepared a suitable mechanism to follow up in that regard.</p>	2022	<p>Taking necessary measures to conduct sample tests as per the Guidelines of the Sri Lanka Standards Institution in considering the quality and safety of goods, and to register manufacturing establishments to ensure that they comply with the specifications approved by the Sri Lanka Standards Institution, and to inform importing countries to obtain the Sri Lankan product certification mark.</p>	<p>Thirty-four (34) new items were introduced for import inspection. (Notified by Gazette Extraordinary No. 2384/35 dated 17-05-2024)</p> <p>The procedures required to verify the conformity of the imported items to Sri Lankan Standards have been detailed in the Regulation No. 5 of the above new regulation enacted under the Import and Export Control Act.</p> <p>The submission of a personal guarantee with every import notification has</p>	<p>Recommendations are being implemented.</p>

been made mandatory from the beginning of the process.

Two awareness programmes were held for importers during this year, and action was taken to conduct three such programmes for Chambers and the Export Development Board.

The decision on the consignments subject to import inspection is communicated to Sri Lanka Customs through the system. The rejected consignments are also communicated to Customs, other relevant institutions and the Consumer Affairs Authority. Follow-up on the rejected

Recommendations are being implemented.

goods is done by the Controller of Imports and Exports. The Director General of Sri Lanka Customs has been directed to report monthly to the Controller of Imports and Exports by virtue of 8 (b) of the new regulation above.

The Sri Lanka Standards Institution has taken steps to provide reports on rejected shipments to the Controller of Imports and Exports when required.

Furthermore, the Consumer Affairs Authority and Sri Lanka Customs hold meetings in problematic instances in relation to imported goods,

thereby
ensuring good
relationship
between the
relevant
institutions.

Officials of Sri
Lanka Customs
have prepared
awareness
programmes
regarding the
new Gazette
and the import
process of Sri
Lanka
Standards
Institution.

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| <p>2 It had been informed that the Consumer Affairs Authority had no information on the brand names of brown sugar sold in the market and it was observed that although there are three local manufacturers of brown sugar in Sri Lanka who have obtained the Product Certification Logo (SLS Certificate), none of them have obtained the Sri Lanka Standards Certificate.</p> <p>Accordingly, it appears that the Sri Lanka Standards Institute does not conduct any quality checks even on</p> | <p>2022</p> | <p>1. A suitable system should be implemented in collaboration with the Consumer Protection Authority to periodically check in the market whether the product brands, for which the standard logo has been made mandatory, and which had obtained the standard logo, have been registered under the SLS logo, and whether the logo has been banned, whether the registration has expired, or whether the logo is being</p> | <p>Audits have been conducted in all four local brown sugar manufacturing factories and the final stage audits of the following three manufacturing factories have been completed.</p> <p>1. Gal Oya Plantation (Pvt) Ltd</p> <p>2. Lanka Sugar Company (Pvt) Ltd</p> <p>This company has been approved for</p> | <p>Recommendations are being implemented.</p> |
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products for which the standard is mandatory.

used without registration, and to inform the public about that.

2. Establish an appropriate system to inform the public in advance about the types of products that have obtained the standard certificate annually, and the products, for which it is essential to obtain the standard certificate, and products, for which it is essential to obtain the standard certificate, but have failed to obtain the standard certificate.

3. Action should be taken to obtain the necessary legal authority for the Standards Institute to submit proposals and recommendations to relevant responsible institutions and to influence such institutions to make the products, for which it is mandatory to have the Standard Logo (SLS) plentifully available in the market.

SLS certification. SLS certificates can be issued when the relevant fees are paid by the institution.

3. Ethimale Plantation (Pvt) Ltd (Final stage audit has been completed.)

Pre-SLS stage audits have been conducted at the Sevanagala Sugar Factory. If these institutions

complete the requirements to obtain the SLS certificate as soon as possible, the Standards Institute can provide full support and take steps to promptly issue the relevant SLS certificate to the manufacturing plants.

3	<p>Even though the Sri Lanka Standards Institution had paid Rs. 169,165,333 by the end of the year 2018 comprised of a sum of Rs. 168,000,000 that had been paid to the Urban Development Authority as the total amount for the purchase of a 03-acre land in Halbarawatta of Malabe area for constructing a laboratory building, and a sum of Rs. 1,165,333 for the construction of a fence around the land, it had not been possible to transfer the ownership of the land to the institution even by 31 July 2021. As a result, the objective of constructing a laboratory building to efficiently carry out chemical tests, which is a fundamental aspect of the operations of the Institution, had not been achieved. Moreover, the institution had to conduct laboratory tests under low and limited facilities available, and as a result, it was observed that there were limitations and delays in obtaining</p>	2022	<p>There is a risk of releasing goods in the importer's warehouse to the market on the delay in issuing laboratory reports, and there may be a risk of expiring some goods, and changes in the quality of some goods. Therefore, steps should be taken to issue laboratory reports without delay to reduce the risk of releasing substandard goods to the market.</p>	<p>A sum of Rs. 168,000,000.00 was paid to purchase a 3-acre portion of land in Halbarawaththa of Malabe. There was a certain delay in obtaining the deed of the land due to the delay in obtaining the necessary approval required to the Urban Development Authority regarding the granting of ownership of the land. At present, the relevant approvals have been obtained and the process of granting ownership of the land is in the final stage and the process of obtaining the deed is underway. The building, located at No. 02 in Dudley Senanayake Mawatha of Colombo 08,</p>	<p>Necessary steps have been taken to implement as per the recommendation s.</p>
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independent laboratory reports.

Furthermore, an external building had been obtained on lease as a temporary solution to conduct laboratory tests, and an expenditure of Rs. 11,400,000 had to be incurred annually for this.

has been acquired with the approval of the General Council for the maintenance of the Electrical and Electronic Laboratory Unit on the basis of paying an amount of Rs.1,300,000.00 monthly.

2.13 Assess the expected benefits been repeat by the Local Government Enhancement (Pura Neguma) Sector Project

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 Under this project, 04 bus stands, 04 water supply projects, 02 multi-purpose buildings and 03 sanitation centres constructed at a cost of Rs. 332.19 million had been handed over to the relevant local government institutions, and the projects that remained completely inactive are as follows.	2022	The possibility of using abandoned buildings for other productive purposes should be explored.	Four (4) water supply projects constructed at a cost of Rs. 156.61 million, out of the expenditure indicated here, 02 bus stands constructed at a cost of Rs. 64.62 million and a sanitation centre constructed at a cost of Rs. 2.81, million are being currently operated. Total expenditure Rs. 224.04 million These sub-projects have not been reported as idle or underutilized sub -projects in the management reports for the years of 2022 and 2023.	Other sub-projects have not been reported as idle or underutilized sub-projects in the management reports for the years of 2022 and 2023. The work of the project has now been completed and closed.

Serial No.	Sub-Project	Cost (Rs. Million)
1	Wanatha Willuwa Water Scheme	57.97
2	Wilgamuwa Water Scheme	57.19
3	Diklanda Water Scheme in Madurawala Pradeshiya Sabha	26.83
4	Mahawa Polpithigama Water Scheme	14.62
5	Ridigama Bus Stand	43.49
6	Meegahakivula Bus Stand	33.51
7	Kirama Bus Stand	31.11
8	Lankapura Bus Stand	11.33
9	Imbulpe Multipurpose Building	34.08
10	Haldummulla Multipurpose Building	12.46
11	Ipalogama, Palagala, Thirappane Sanitation Centres	9.60

	Total	332.19

- 2 Twelve (12) multi-purpose buildings constructed at a cost of Rs. 513.73 million, a library constructed at a cost of Rs. 18.90 million, and 03 weekly fairs constructed at a cost of Rs. 105.06 million remained underutilized due to various reasons.
- 3 It was observed during the audit test check 16 sub-projects, out of the sub-projects completed and handed over to the local government institutions under this project, had not

2022

2022

achieved the expected benefits.

- 4 It was confirmed 2022 during the audit test check that the multi-purpose buildings constructed comprised of maternity clinics, medical clinics, pre-schools, day care centres, libraries, auditoriums, etc. were being used as Pradeshiya Sabha offices instead of using them for the intended purposes.

2.14 Performance report on improving road accessibility between rural communities and socio-economic centres under the Integrated Road Investment Programme.

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 It was planned to rehabilitate 3,143 km of rural roads in the Southern, Sabaragamuwa, Central, North-Western, North-Central provinces and Kalutara district and 400 km of national roads through 05 projects under the Integrated Road Investment Programme, and the Asian Development Bank had planned to finance the project in 06 phases under the Multi-Phase Financing Facility.</p> <p>However, according to the financial plans submitted by the Asian Development Bank, a plan for the utilization of the funds required to obtain confirmation as to how much money is expected to be spent on the rehabilitation of roads in each province in each accounting year</p>	2022	<p>A methodology should be developed to specifically identify assets generated through loan agreements utilized from loans obtained in stages.</p>	<p>Since loan stages have not been separated for each road or package, it is not possible to maintain separate accounts. However, the actual cost incurred for the roads, for which Taking Over Certificates have been issued, has been calculated and accounted as assets, and until then, all payments related to road rehabilitation according to the package are accounted as work in progress and the annual financial statements will be prepared.</p>	<p>There is a situation, where the cost of the road work cannot be capitalized until it is completed. Therefore, the recommendations in the report have not been implemented.</p>

from each of the phases, and whether the funds allocated have been utilized efficiently and effectively for the rehabilitation of the relevant roads, had not been submitted to the audit.

Furthermore, it was observed that the loan agreement bearing No. 3222-SRI(SF) under Phase 02 of the Joint Road Investment Programme and Rs. 1,199 million and Rs. 3,572 million under the loan agreement bearing No. 3326SRI(SF) obtained under Phase III had been closed on 07 April 2017 and 27 March 2017 respectively. The assets generated from the funds obtained through this loan agreement could not be identified with certainty and it had been stated that the repayment of the loan should be implemented from January 2020.

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| 2 | It was observed that many of the contractors engaged in road rehabilitation activities under this programme had faced financial difficulties and liquidity problems and | 2022 | Steps should be taken to recover losses incurred due to the termination of abandoned contract packages from the relevant parties. | In the future, steps have been taken to thoroughly examine financial strength and to select the | The amounts due from contractors regarding the terminated contract packages had not been collected so far. |
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had failed to complete the road rehabilitation activities on time as sufficient attention had not been paid to the financial strength and liquidity of the contractors when they had been selected for the programme. Accordingly, it had been proposed to prepare a financial facility called ESCROW by the project to overcome the problems in the cash flow management of the contractors after a discussion held between the local commercial banks with the intervention of the Road Development Authority. Agreements had been signed with the Chairman of the Road Development Authority, representatives of 04 contractor companies and local commercial banks for ESCROW loan facilities. Furthermore, evidence of obtaining approval from the lending agency (ADB) for this had not been submitted to the audit. Due to poor performance and financial management issues of the

contractors in the process of awarding contracts.

The recovery had not been made so far due to legal situations arising from injunctions obtained by the contractors after requesting banks to recover the guarantee amounts to reimburse the employer's claim and the mobilization advances,

contractors who were provided with credit facilities, the Road Development Authority had later terminated the contract agreements of 10 contract packages related to two of the said contractor companies.

Accordingly, it was observed that the ability of the contractors to perform the relevant work had not been taken into consideration when selecting the contractors.

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| 3 | <p>Although Rs. 12,656 million had been paid as mobilization advance to the contractors engaged in road rehabilitation works, the project had failed to recover a sum of Rs. 3,522 million from the contractors even by 30 November 2019.</p> <p>As per the bill of quantities for the contract agreements for road packages No.s KU 01, KU 02, KU 03 and KU 05 of the programme, the total value of the contract amounting to Rs. 61.8 million had been paid using lump sum</p> | 2022 | <p>Action should be taken to recover losses incurred due to non-compliance with the terms of the contract agreement from the relevant party.</p> | <p>It was noted that a loss had not been incurred under the item of payment for performance securities in the preparation of the contract documents and that the contractor, who did not indicate this item in the separate bills of quantities (BOQ), will proceed to obtain that value under the overhead cost. Expert opinion</p> | <p>The recovery of the relevant amounts from the contractors has not been completed so far.</p> |
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method for providing professional indemnity insurance for the contractor's design, and providing a bank guarantee for advance payment. However, Rs. 4.7 million was paid later for those items using variation orders for the extended contract period in relation to the above packages.

on this was obtained from CIDA.

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| 4 | <p>Although the roads were prepared with quality according to the responses given by the rural people to the questionnaires submitted, the information collected from the people of the area on a sample basis confirmed that there was an increase in the tendency of traffic accidents among road users as the vehicles were driven in very high speed due to the repair of this road and the insufficient width of 3 metres in the rehabilitated road.</p> <p>It was observed that the safety of vehicles and passengers using the roads has become very risky due to non-completion of the work items of the contract</p> | 2022 | <p>Necessary measures should be taken to promptly complete unsafe constructions that have been halted in the middle of the construction activities of the contracts.</p> | <p>The restoration of unsafe and dangerous areas in contract packages of KU 03, KU 05, PU 02 and PU 03, for which contract completion orders were issued, has been completed.</p> <p>Furthermore, the road rehabilitation works are currently being completed by re-inviting bids and awarding contracts for contract packages of KU 03, KU 04, KU 05, PU 02 and PU 03.</p> | <p>The recommendation had not been implemented as all construction work had not been completed so far.</p> |
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packages of KU 04, PU 02 and PU 03 with a contract value of Rs. 4,765.4 million and roads were not prepared in compliance with proper standards. Several such very dangerous places could be identified in relation to 03 roads, out of those contracts, and there was a possibility of creating social problems due to possible loss of lives and damages to property.

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| 5 | <p>According to the responses provided by the rural people living in the area to 20 questionnaires provided in relation to the contract packages of KU04 and KU05 in the Kurunegala district and PU 02 and PU03 in the Puttalam district, where the contractor failed to complete the road rehabilitation work as scheduled and had breached the contract agreements, it was confirmed that the road had become unusable due to the development of road and stopping of the development works of the road halfway and as a result, the roads</p> | 2022 | <p>Cases where construction work of the contracts has been stopped midway without completing them should be identified, and necessary measures should be taken to minimize the environmental and social problems that may arise from such cases.</p> | <p>All urgent and essential works for KU 04, KU 05, and PU 02 packages, as well as KU 03 and PU 03 packages, are being carried out without delay under the new contracting companies.</p> <p>However, if a complaint is submitted, the relevant contracting company will be notified in writing.</p> <p>Furthermore, according to the</p> | <p>The recommendation had not been implemented as all construction work had not been completed so far.</p> |
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had become muddy during the rainy season, dusty during the dry season, and the culverts are unsafe as they had not been properly rehabilitated and completed. Therefore, these situations had led to an increase in road accidents, and the risk of outburst of dengue epidemic situation due to the accumulation of rainwater in the improperly prepared drains, as well as severe inconvenience to the users of the road.

Furthermore, the air pollution caused by dust emitted from the roads where the road surface had been prepared using ABC mixtures and by stopping the further work to be carried out, and the health of the residents of the surrounding homes had been severely affected. Several instances, where the daily activities of the residents were adversely affected due to the difficulty in accessing the houses and business places on both sides of the road due to the half-

agreements entered in to between suppliers and contracting companies, suppliers have the ability to take legal action if any payment was neglected.

completed
construction, were
revealed during the
audit test check.

The daily activities
of the rural people were
disrupted as the
machinery of the
contractors was parked
in the work sites and in
the homes of the
residents.

2.15 Performance of the project for providing housing facilities to the plantation community through the Ministry of Hill Country New Villages, Infrastructure and Community Development

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Although the selection of beneficiaries should be done based on 07 criteria by a committee with the participation of the Plantation Human Development Trust and the Estate Housing Cooperative Society under the guidelines No. 7.2 of the New Life Estate Housing Programme for the year 2009, it was not revealed that such a committee had been appointed to select the beneficiaries, and the Ministry had not carried out proper supervision to obtain reasonable assurance that the correct methodologies had been followed in selecting the beneficiaries, and written evidence other than the lists of the beneficiaries had not</p>	2022	<p>When selecting beneficiaries for housing, officials of the Ministry should ensure that they were selected according to the correct criteria and at the same time, the basis of the loan should be clarified and agreements should be entered in to with those employees along with the necessary conditions.</p>	<p>Since the housing programmes implemented by the Ministry are implemented on lands belonging to the plantation companies under the Ministry of Plantation Industries, it was noted that the Ministry of Plantation Industries should be informed to form a committee in coordination with the plantation companies and the Plantation Human Development Trust to introduce the relevant criteria for selecting beneficiaries when implementing new housing projects in the future.</p>	<p>Recommendations have been received from the Attorney General's Department for the loan recovery agreement on 19.09.2024. This Guideline is expected to be used for housing projects to be provided to beneficiaries in the future.</p>
I would like to				

been submitted to audit to examine in this regard.

report that this has been forwarded to submit to the audit dated 31/08/2023.

Accordingly, the Ministry and the Plantation Human Development Trust had jointly prepared guidelines for house construction and loan recovery.

The loan recovery agreement was referred on 15.02.2022 to the Attorney General's Department for getting recommendations.

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| 2 | <p>A sum of Rs. 340,000, out of the allocation of Rs. 650,000, was provided as a 4% loan and Rs. 310,000 as a grant for the construction of houses as per the Cabinet Decision No. CP/15/1644/739/004 dated 11 November 2015. Subsequently, it had been approved to provide a sum of Rs. 480,000 as a grant and Rs. 520,000 as a loan, out of Rs. 1,000,000, the value of a house,</p> | 2022 | <p>The Ministry should maintain proper books and records in accordance with Financial Regulations 501 (c) and 502 (b) regarding the recovery of loans in a manner that allows for the identification of the amount of loans collected from the beneficiaries and the amount to be</p> | <p>It was observed that an amount of Rs. 50,000.00 has been allocated for initial works, out of Rs. 1,000,000.00 approved for a house during that period, and 52% (Rs. 494,000.00) of the remaining value of Rs. 950,000.00 has been calculated and it was observed during the examination of</p> | <p>A sum of Rs. 101,232,647 has been recovered from 1,159 housing units of 57 housing projects from 2015 to 25.10.2024.</p> |
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again under the Cabinet Decision No. CP/17/0306/739/002 dated 21 February 2017. However, according to the Guidelines prepared by the Ministry for the construction of houses in 2017, it had been stated that Rs. 494,000 of the value of a house would be on loan basis at an interest rate of 4% and the remaining Rs. 506,000 would be borne by the Ministry. Accordingly, the audit observed a change in the decision of the Cabinet and the guidelines.

Furthermore, it had not been stated in the Guideline or agreements from which date the employees' estate housing cooperative societies should start paying loans to the Ministry. Formal records regarding the recovery of loans and interest were not being maintained in the Ministry and accordingly, it was observed during the audit that the recovery of loans and interest was not being carried out properly.

collected separately for each beneficiary, and they should be informed that the recovery of loans has been completed up to date.

files that the amount resulting from deducting that from the total value of the house, which was Rs.1,000,000.00, has been calculated as Rs. 506,000.00.

Furthermore,

(i) Letters have been sent to the Plantation Human Development Trust on 11.05.2023, 07.06.2023, and 20.03.2024 to obtain information on loans recovered by the Plantation Human Development Trust before the year 2017.

(ii) Information on housing loan instalments recovered by the Ministry after the year 2017 has been computerized and maintained. Loan recovery has commenced from 05 housing projects constructed and handed over to beneficiaries after the year 2015. An amount of Rs.6,147,392 has been recovered from 97 housing projects by 25 October 2024.

- 3 According to the audit test check carried out in the Nuwara Eliya region, the Ministry had submitted that a portion of the cost incurred for the construction of 235 houses had been provided to the beneficiaries on a loan basis and agreements had been signed with the beneficiaries, it was observed that those were not valid and legal agreements based on the following facts. Furthermore, any necessary step had been taken to recover the loans as per the decision of the Cabinet of Ministers.
- Since the housing programmes implemented by the Ministry are implemented on lands belonging to the plantation companies under the Ministry of Plantation Industries, it was noted that the Ministry of Plantation Industries should be informed to form a committee in coordination with the plantation companies and the Plantation Human Development Trust to introduce the relevant criteria for selecting beneficiaries when implementing new housing projects in the future.
- Recommendations have been received from the Attorney General's Department for the loan recovery agreement on 19.09.2024. This guideline is expected to be used for housing projects to be provided to beneficiaries in the future.
- 4 It was observed that 08 houses, out of the sample of 370 houses inspected in the Hatton region, had been provided to people, who had not been employed on the estate, and the loan recovery process in relation to these houses had been
- The Plantation Human Development Trust has taken action to recover the loan and interest before 28.09.2016, and the Ministry has taken the necessary steps to recover the loan
- Letters have been forwarded again to the Plantation Human Development Trust in response to inquiries made regarding loan recovery information made by

problematic. Even though the beneficiaries were estate workers, it was observed that the Ministry had not taken any follow-up and necessary measures regarding the recovery of these debts and interest as any information in relation to the amount collected from each beneficiary so far and the amount to be collected had not been available at the Ministry.

instalments directly from the beneficiaries with effect from 28.09.2016, and the Ministry is also carrying out follow-up activities.

Updated information regarding the recovery of loans and interest has also been forwarded by my letter of even No. MWS–EID/03/Gov. Audit/Calling Info/2024/(fl.08) dated 22.10.2.24 in response to your letter of even No. FLS/C//MWSEID/02/2024/2024/Info/02 dated 16.10.2024 referred to me calling for information.

- 5 Although it had been stated that it was the responsibility of the Estate Authority and the Estate Workers Housing Cooperative Society to properly collect and remit the amount collected

Letters have been sent to the Plantation Human Development Trust on 11.05.2023, 07.06.2023, and 20.03.2024 to obtain information. A letter dated 04.11.2024 has been referred again to the Plantation Human Development Trust.

every month as per paragraph 9.2 of the Housing Construction Guidelines up to 31 December 2016 and that the said amount should be collected monthly and sent directly to the Ministry for crediting to the Government Consolidated Fund before the 15 of the following month, it was observed that since the Plantation Human Development Trust is directly involved in providing houses and selecting the beneficiaries and since the above institutions had not been properly informed by the Ministry, the amount of the loan collected in this way had been collected by the Plantation Human Development Trust. According to the final accounts of the Annual Report of the Plantation Human Development Trust, the amount of the loan collected and not paid to the Ministry amounted to Rs. 30,853,120 as at 31 December 2015 and Rs. 37,747,494 as at

on loans recovered by the Plantation Human Development Trust before the year 2017.

31 December 2016 and Rs. 33,251,133 as at 31 December 2017. In addition to the above balance, it had been stated that the Plantation Human Development Trust had recovered a loan of Rs.4,974,314 in the year 2018. Although we have pointed out the unpaid money to the Ministry since the year 2016, it was observed that the Ministry had been able to recover only Rs. 7,588,525, Rs. 7,472,296 and Rs. 7,204,751 respectively in the years of 2016, 2017 and 2018. Accordingly, the amount collected for the Ministry and the balance that had not been received to the income of the Ministry as at 31 December 2018 had been Rs.31,020,696 as per the final accounts of the Plantation Human Development Trust.

- 6 Although it had been stated that an interest of 4% had been charged on loans provided for the construction of houses, the charging

As per the Cabinet decision CP/17/0306/739/02 dated 01 March 2017 regarding the matter of "Construction of Action had not been taken.

of that interest, and a report on government revenue and arrears of revenue report had not been prepared and submitted from the year 2011 to the year 2019 as per the Circular No. 261/2017 dated 21 December 2017 of the Department of State Accounts.

houses for the estate community - Increasing the amount allocated for one house from Rs. 650,000.00 to Rs. 1,000,000.00", the approval has been granted to increase the estimated amount for one house to Rs. 1,000,000.00, and to provide Rs. 480,000.00 as grants and the remaining amount of Rs. 520,000.00 as a loan to be recovered from the beneficiaries in 15 years. However, since no decision has been made to charge interest on the loan, no interest has been charged for these housing loans. Therefore, I kindly inform you that income reports and arrears of income reports have not been prepared.

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| 7 | Arrangements had been made to establish an authority called the New Village Development Authority by the Act of Parliament No. 32 | 2022 | Since it was not practical to establish a new Authority in addition to the Ministry to perform the same | The Ministry of Hill Country New Village Infrastructure and Community Development has been established in | Necessary steps are currently being taken to strengthen the institutional structure to discharge the |
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dated 04 October 2018 and the Gazette dated 05 October 2018 for the plantation zone for the development of new villages in the plantation zone of Sri Lanka. Its functions were also the main functions of the Ministry of Hill Country New Villages, Infrastructure and Community Development at that time and a sum of Rs. 8,835,016 had been spent since its establishment until 31 December 2020. However, any function had not been accomplished by that, and since this Authority cannot have an ability that the Ministry does not have in coordinating with the Estate Authority, it is observed that the establishment of this authority will only cause an additional burden on the government.

function, it should be reviewed again.

accordance with the Gazette Extraordinary No. 1933/13 dated 25/09/2015 and the following functions have been identified as the major functions of the Ministry according to the said Gazette.

roles assigned to the Ministry more efficiently in accordance with the powers assigned to this Authority in accordance with the provisions of the Act.

1. Creation of new villages/towns for the landless people living in row houses and working in government and private plantation companies.
 2. Implementation of livelihood generation projects to empower the community in the plantation sector.
 3. Taking steps to fulfill other needs including basic facilities to uplift the plantation community economically, socially and culturally.
 4. Development of infrastructure facilities in rural plantation sectors.
- Accordingly, reporting to

Parliament that the discharge of the said functions assigned to the Ministry through

1.Plantation
Human
Development
Trust and
11.Community
Energy Operations
Unit
under the purview
of the then
Ministry.

(2017 Performance
(Progress) and
Future
Programmes -
Report submitted
to Parliament for
the 2018 Budget)

2.16 Evaluation of the role carried out by the relevant government institutions for minimizing traffic congestion on the access roads of Colombo city and its surroundings

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Road Development Policy</p> <p>A sectoral road policy was being prepared to streamline road development in Sri Lanka and it was observed that it is in the draft stage. It was observed that the contribution for achievement of the Sustainable Development Goal No. 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and Sustainable Development Goals 11 (Make cities and human settlements inclusive, safe, resilient and sustainable), Sustainable Development Goals 12 (ensuring sustainable consumption and production patterns), Sustainable</p>	2022	<p>In accordance with the National Physical Plan, the plans in the fields of urban transport and highways, as well as the plans of local government institutions related to those fields should be integrated with each other and legalized by a gazette notification, and necessary steps should be taken to implement those plans in the proper time.</p>	<p>It has been decided to study and improve the draft sectoral road policy that has already been prepared through a consultancy service. The necessary action is being taken to carry it out through the provision of the ICDP Project (Inclusive Connectivity & Development Project). The necessary sustainable development objectives will be identified separately and the contribution required to include in it will be provided to the consultancy service in the</p>	<p>The Sectoral Road Development Policy is currently in its draft form.</p>

Development Goals 13 (take urgent action to combat climate change and its impacts) according to the United Nations 2030 Agenda and the achievement of the goals related to road development had not been identified.

preparation of road development policies.

2 **National Transport Policy** 2022

The Transport Policy, approved by the Cabinet of Ministers on 27 November 1991, had been revised on 14 October 2009. With the aim of updating it, Rs. 2.5 million had been allocated from the funds of the National Transport Commission for the policy formulation process, including the conduct of workshops, short-term consultancy fees, Seminars on public inquiries, newspaper advertisements, etc. However, a sum of Rs. 334,735 had been spent on obtaining public opinions on the draft National Transport Policy, publishing newspaper advertisements and its translation fees. Accordingly, it was observed that even

To promptly approve an appropriate transport policy for a sustainable transport system that includes multiple sectors by properly identifying the need for a national transport policy.

A nine-member expert committee was appointed by the Secretary of the Ministry of Transport on 02.03.2020 and the draft National Transport Policy - 2019, which had been prepared by updating the existing transport policy in force, was extensively analyzed by the above expert committee and its consistency with the "Vistas of Prosperity", the national policy framework of the then Government was examined, and the committee

This draft transport policy was submitted to the Department of National Planning for review on 21.03.2024. Subsequently, the amendments to be made by the Department of National Planning were forwarded to the Ministry on 10.05.2024 and after making those amendments, the National Land Transport Policy was updated and forwarded again to the Department of National Planning on 09.07.2024 for obtaining the approval of the Cabinet of

though more than 12 years had passed since 2009 to 18 July 2022 for updating the policies, the National Transport Policy was in the draft stage.

report submitted Ministers. with recommendations was prepared and finalized on 23.08.2020.

Even though this draft was submitted for the approval of the Cabinet of Ministers on 22.07.2022, the draft was not approved owing to the deficiencies in the draft. These drafts were again reviewed with the aforementioned parties and submitted for the approval of the Cabinet of Ministers on 04.04.2023 through a Cabinet Memorandum bearing No. MT/30/2023.

3 Sri Lanka Transport Board

According to the National Physical Plan for the period of 2011-2020, buses that can provide an environmentally friendly and

Introducing high-capacity, air-conditioned buses with low bed for passenger transport. (Providing facilities for short-distance buses as well as for long-distance buses.)

Approval was obtained through a Cabinet paper in July 2019 for the purchase of 80 air-conditioned low bed diesel Passenger-friendly, comfortable, modern buses have not been imported.

comfortable transport service should be used for public transport. According to the action plan of the Sri Lanka Transport Board submitted to the Ministry of Passenger Transport Management, the provision allocated for 327 such buses had been Rs. 3695 million. This was 28 percent of the total number of buses expected to be purchased, and the remaining 72 percent was planned to be purchased as ordinary buses. However, it was expected to purchase 4089 comfortable buses and 925 ordinary buses according to the action plan, which was later revised with the aim of attracting passengers from private transport to public transport. Despite this, only 2 projects, out of 11 projects that had been proposed to purchase comfortable buses, could be implemented. It was decided to deploy about 250 buses, out of these buses, in the urban areas, and it had also been planned to operate a number of buses in

buses, and procurement activities were carried out and a supplier was selected.

Although a Cabinet paper was submitted to allocate the provision of Rs. 1500 million for the year 2020 before the award of the contract, the relevant procurement was suspended as approval was not granted for that.

Although expressions of interest were invited in October 2019 from investors, who were willing to provide 2000 passenger-friendly, comfortable, modern buses to Sri Lanka Transport Board on earn and pay basis, and 07 investors were initially selected by June 2020, a

the Western Province as well. The expected target could not be achieved due to the revision of the action plan from time to time in this manner and the impracticality of the targeted number of buses, and only 9 luxury buses could be purchased in the year 2019.

feasibility study had not been conducted in relation to the project and the results had not been presented to the Cabinet of Ministers for further action. Therefore, the new government that came to power in the year 2020 had not taken any further action in relation to that project.

At the end of the year 2020, a procurement process was initiated in January 2021 to purchase 200 low bed diesel buses on the instructions of the then President, and a supplier was selected at the end of the procurement process. The approval of the Cabinet of Ministers was sought for the award of the

contract.

However, instructions were received to procure electric buses in the future instead of diesel buses based on a policy decision taken by the government in July 2021 to encourage the use of electric vehicles for transportation.

In 2023, proposals were invited for the procurement of 200 low bed electric buses with modern facilities for urban services as a public-private partnership on the basis of paying a fixed price agreed per kilometer driven. The contract was awarded to an investor selected through that in February 2024 with the approval of the

Cabinet of Ministers.

However, the project had to be abandoned in July 2024 as the investor failed to provide the required performance security within the stipulated period and within the period that had been extended later.

Even though bids were invited in July 2024 and closed on 19 September 2024 for the procurement of 50 modern air-conditioned 34–35-seater buses for City Park and Ride services, 150 modern air-conditioned low bed buses for city services and 200 air-conditioned buses with modern facilities for expressways for Sri Lanka

Transport Board on the basis of repaying in 60 monthly instalments on the supplier's loan with the approval of the Cabinet, any bidder had not submitted bids for this purpose.

4 **Transport Project 2022** **Preparatory Facility**

This project was initiated in 2016 to complete within 06 years by utilizing funds amounting to Rs. 1,456.5 million and Rs. 9,798.4 million from the Asian Development Bank Loan Fund and the Government Consolidated Fund respectively for the initial activities to establish a passenger railway service in the Colombo suburban area with the aim of making the railway service efficient. The main objective of this was only to prepare a feasibility study report for establishing a passenger railway service in the Colombo suburban area. Although it would have

Proper consideration of the effectiveness of the studies and consultancy services prepared for the proper implementation of the relevant projects in comparison to the high cost incurred for obtaining them and consideration of the analysis of the loan conditions.

While preparing plans, the Asian Development Bank and the Government of Sri Lanka worked to secure the necessary financial resources on the priority of the Government for the development of the Kelani Valley Railway from Maradana to Padukka, out of the plans prepared, and as a result, an amount of US\$ 1 billion had been included into the Pipeline Project List of the Asian Development Bank as Phase Approval has already been granted by the Cabinet Decision No. CP/21/1097/312/021 dated 19.07.2021 to implement the Kelani Valley Railway Improvement Programme stated in the plan prepared under the Transport Project Preparatory Facility (TPPF). The projects have not been implemented due to inability of identifying new sources of funding due to the situation prevailed in the country with the loss of the above

been more effective to promptly commence the necessary activities for the construction of the railway lines proposed in this feasibility study report, it was observed that the expenditure of Rs. 4,327 million incurred for this project until then would have been idle by not initiating the necessary activities for the construction of the railway lines in a timely manner.

01 of improving funds. the Kelani Valley Railway.

The actual costs incurred from the year 2017 to the year 2020 are as follows.

Year	Asian Development Bank Loan	Consolidated Fund
	Rs. (000')	Rs. (000')
2017	115,070	88,470
2018	371,390	693,450
2019	368,910	784,910
2020	509,150	1,396,000
Total	1,364,520	2,962,830

5 **Railway efficiency improvement project** 2022

This project was initiated in the year 2019 to implement 17 sub-projects with the aim of improving the existing railway service, using funds

Proper consideration of the effectiveness of the studies and consultancy services prepared for the proper implementation of the relevant projects in comparison to the high cost incurred

The approval of the Cabinet of Ministers had been granted on 18.03.2020 in relation to two contracts completed in the year 2019 and submitted

At present, 95% of the procurement activities planned by the project have been completed. Seven (07) tasks, out of the proposed tasks,

amounting to Rs. 28,232 million and Rs. 5,646.4 million from the Asian Development Bank loan fund and the Government Consolidated Fund respectively, and to complete it within 05 years. It was expected to complete 32 development tasks under this, and it was observed that activities had been initiated to implement only 5 sub-projects by 31 December 2020.

A cost of Rs. 505 million had been incurred from the Asian Development Bank loan and Consolidated Fund from the year 2019 to the year 2020. The details are as follows.

Year	Asian Development Bank loan	Consolidated Fund
	Rs. (000 ⁰)	Rs. (000 ⁰)
2019	84,030,000	1,640,000
2020	409,990,000	9,560,000
Total	494,020,000	11,200,000

for obtaining them and consideration of the analysis of the loan conditions.

for Cabinet approval. Even though one of the contracts had been awarded on 30.04.2020, the signing of the contracts was temporarily suspended by the Ministry of Transport due to the objections raised by the trade unions of the Railway Department.

Even though the approval of the Cabinet of Ministers was granted on 15.07.2020 for the award of the other contract, all the contract awards and signing of contracts were suspended on the instructions of the Circular of the Secretary to the General Treasury bearing No. ERD/IRCPRS/GEN/10 dated 08.07.2020. As a result of the discussion held

have already been completed and handed over to the Department of Railways, and all the other activities are being carried out.

on the project under the leadership of the Secretary to the Treasury in November 2020, permission was granted to resume the project activities on 05.11.2020. Accordingly, one agreement was signed in November 2020.

Although the procurement activities of 11 tasks, out of the sub-projects related to the project, were being carried out in the year 2020, the procurement process could not be completed within the stipulated time due to the COVID-19 pandemic.

6 **Improving Office and School Transport Services** 2022

The Sri Lanka Transport Board has implemented an office transport service for officials working in the institutions in Battaramulla area from the Colombo Main Railway Station to Battaramulla, and there had been a high tendency in the transportation of government officials, and such services had been started on expressways and other roads at both the institutional and private levels. Even though an efficient service is carried out for office workers through this transport system at a concessional rate, the possibility of expanding it further through the regulation of the service had not been considered. Furthermore, the possibility of expanding this service to office workers as well as the people, to whom the services are provided, had not been considered.

Establishing and improving public passenger transport services for officers in government institutions in Battaramulla area and for the General Public, who come to obtain the services of those institutions from the main railway stations to Battaramulla.

Although the officers in the government institutions in the Battaramulla area and the general public who come to obtain the services of those institutions have been making efforts for a long time to establish and improve the facilities of public passenger transport services, the non-availability of a suitable place to set up a place for Touch and Go for passengers has become a major problem. Discussions were held in this regard with the Urban Development Authority on several occasions and the said Authority has stated that the proposed place

This was discussed in the Sectoral Oversight Committee of Parliament and although the Thalangama depot was proposed as a suitable place to pick up passengers, implementation of that proposal has become problematic as there is a large distance from Thalangama depot to Battaramulla office premises.

has been
allocated for a
mixed
development
project and
proposals have
been invited in
that regard.

2.17 Meeting and utilizing building requirements for government institutions.

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Valuation of Buildings, value determination of value, documenting of buildings.</p> <p>As per the circular GFS/02 circular and dated 24 June 2013 of the Department of State Accounts, 7528 files had been received for the valuation of government lands and buildings as of 31 December 2021 and although action had been taken to complete on 6625 files, it was observed that the number of files that were still being assessed was 352.</p> <p>551 files had been closed without property valuation and the reasons for this were the absence of relevant plans and documents proving the ownership, the lack of land plans and building plans, the</p>	2022	<p>Actions should be taken to enter those values into the accounting systems of the relevant institutions and update the value of the buildings after the valuation department has assessed the buildings belonging to government institutions.</p>	<p>In cases where the relevant property plans, title deeds and building plans are not available through requests for valuations have been received, actions should be taken to inform the heads of the relevant institutions to submit those documents and in cases where the ownership of properties is transferred between institutions due to changes in ministries at various times, information should be provided at the progress review meetings held at the Department of State Accounts.</p>	<p>About 8990 requests for valuation of lands and buildings had been received as of 30 September 2024 and the valuation of 7823 files out of those requests had been completed. It was observed that 625 files had been closed due to unavoidable reasons while the valuation of 542 files was still being carried out.</p>

refusal to allow entry into buildings, the inability to identify the exact location of the relevant property and the lack of understanding of the location of the property by the applicant institutions, the change in ownership of the property, the inability to confirm and report the ownership of the property due to the failure of the institutions whose ownership had changed to inform the Valuation

Department and the inability to identify which ministry owned the property since each ministry is affiliated with other ministries from time to time.

2 **Construction work that has been abandoned on the way** 2022

Buildings being constructed to meet the space requirements of government institutions had been halted due to insufficient funds for construction within

the specified time frame, construction weaknesses and shortcomings in decision-making to halt construction.

Some examples are given below.

I. The Mahaweli Authority had awarded a contract value of Rs. 4,843,183 to construct a Grade IV official residence at the Mahaoya Camp Complex in the Rambaken Oya region to provide residential facilities and the construction had been stopped on its way when the physical progress was 20 percent and a cost of Rs. 1,414,556 had been incurred.

II. Although the construction work of the Residential Business Management Office at Embilipitiya - Muravashihena, Walawa Special Area under the Mahaweli Authority was estimated at Rs. 14,757,550 and when the certified work

Although estimates were prepared and sent for tender for the remaining work related to the construction of a Grade IV official residence at the Mahaoya Camp in the Rambaken Oya region, the construction was not continued as no financial allocation was made for the construction of the building due to the financial deficit in the country.

The remaining work on the hostel is being carried out as allocations for 2024 have received for the Grade IV official residence at the Mahaoya Camp in the Rambaken Oya region.

As the construction of new buildings has been limited in the face of the current economic crisis, it is necessary to act economically in meeting building needs and in the use of existing buildings.

The construction work had been suspended and the contract agreement had been terminated due to the contractor's failure to carry out the construction. Actions had been taken to recover by the Mahaweli

The remaining work on the hostels is being carried out as the allocations have received in 2024.

quantity was Rs. 5,867,830 and the physical progress was 85 percent, the contract had been terminated on 22 December 2021 due to lack of allocation.

III. Agreement was entered into and commenced the Work on the renovation of the Meddawatte warehouse of the Paddy Marketing Board on 1 November 2017 with an estimate of Rs. 14,069,468 and Rs. 5,193,866 had been paid by 10 April 2019.

IV. Although the construction of the Riverside,

Authority with the mobilization advance amount of Rs. 2,367,071 and the raw material advance amount of Rs. 1,446,980 and 25 percent of the future work amounting to Rs. 1,006,406.

Although Rs. 1,171,924 had been remained to be paid to the contractor, a mobilization advance amount that was due to Zone C had been paid.

As there is A decision had not presently no made to date. shortage of paddy storage facilities and discussions have been held at the ministry level to provide the building to the university, actions are being taken to make a decision whether the storage facilities will continue to be used or whether they will be provided to the university.

Since the Actions had been renovation work taken to prepare a failed to be new estimate of Rs.

Mawathura Lecture Hall, Car Park and Drivers' Quarters for the Kotmale International Training Institute for Irrigation and Water Management was estimated to cost Rs. 9,900,000, the construction work had been halted.

V. Although a private contractor had been contracted to construct the Accident and Emergency Unit at the Anuradhapura Teaching Hospital, the construction work had been stopped in February 2020 when the physical progress of the construction was one percent due to the contractor's failure to complete the construction. Due to the contractor's unsatisfactory progress, this agreement was cancelled and the value of the advance and performance guarantees,

completed within the specified time frame, the contracts had been terminated by paying only for the work done. It had been reported that there was a problem in continuing the construction of the building with the floors as initially planned, as the building had been abandoned for years.

Based on the present financial situation, it had been decided to safely halt construction on buildings that needed to be fully constructed and postpone their commencement until 2026. It has been decided to manage and complete the construction of the building, part of which has already been started and part of which can be used within the budgetary provisions allocated to the Ministry of Health for the year 2025.

amounting to Rs. 81,653,603, had been recovered.

VI. The contract agreement had been cancelled on 17 March 2019 due to the contractor's suspension of construction work in 2018, despite the physical progress of the construction work of the building, which was started at an estimated cost of Rs. 139,000,000, to provide residential facilities to the nursing officers of the Anuradhapura Teaching Hospital.

VII. The estimated cost for the construction of the Linear Accelerator Unit at the Anuradhapura Teaching Hospital was Rs. 286,000,000 and the construction work had been stopped in 2019 due to delay in payment of bills, even though the physical progress of the contract was 15 percent.

VIII. Although construction work

The contracts for Procurement has now this building have been completed to been finalized and commence work in actions are taken 2025. to re-estimate and complete in 2025.

The importance of Actions have already this construction been taken to install has been the Linear emphasized at the Accelerator machines National Steering on the ground floor Committee to install. meeting held on The machines are 12.08.2024. scheduled to be installed in 2025.

The National Steps have taken to Building and go for the settlement

had commenced to establish a Welisara warehouse facility for the Medical Supplies Division of the Ministry of Health, an amount of Rs. 67,189,923 had been paid to the contractor when the construction work was stopped due to the subsidence of the foundation pillars.

Research process with the Organization had relevant contractor requested a new regarding the bills. geotechnical report regarding the continuation of this construction.

2.18 Regulatory process in respect of non-government schools

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 Proposed General Education Policy 2016 Although the National Education Commission had prepared and published proposals for the National Policy on General Education in Sri Lanka in 2016 lastly, it had not been incorporated into the education system as an approved policy by the date of the audit. However, the Ministry of Education had made certain reforms as required, considering the proposals contained therein.</p> <p>considering the audit observations discussed in the report regarding the shortcomings in educational institutions such as government-approved private schools, international schools and religious schools, it is observed that the fact that an approved education policy prepared for the entire education system</p>	2022	<p>To formulate an updated education policy and enact it as general law for the entire education system, focusing on issues such as quality development of education, educational planning and management, learning environment, etc.</p>	<p>Action is being taken to prepare in relation to the private school division.</p>	<p>Actions had not been taken to prepare an updated education policy for the entire education system, focusing on issues such as quality development of education, educational planning, learning environment, etc.</p>

has not become a general law has also been a reason for the shortcomings in that system not being able to be corrected.

2 **Regulation of international schools by the Ministry of Education**

It has been stated under Section 25 of the Assisted Schools and Training Colleges (Supplementary Provisions) Act, No. 8 of 1961, that the establishment of private schools providing education to children in the age group of 5-14 years could not be done. Accordingly, these international schools are registered as companies under the Companies Act or as individual or partnerships under the Business Names Registration Ordinance. Accordingly, since international schools are not registered institutions under the Ministry of Education, there are legal obstacles to regulating them, as stated in the letter No. ED/03/10/01 dated July 2020, of the Director of

Although Section 25 of the Assisted Schools and Training Colleges (Supplementary Provisions) Act No. 8 of 1961 states that private schools cannot be established to provide education to children between the ages of 5-14 years, urgent action should be taken to actively enforce the Act, as international schools are being run as business institutions and madrasas as religious schools without the intervention of the Ministry of Education.

A committee has been appointed to prepare a report on how to amend the legal framework to implement the proposals regarding the regulation of international schools and on the further actions.

Actions should be taken to amend the relevant legal framework to implement proposals regarding the regulation of international schools.

the Private Schools Division of the Ministry of Education. Due to this, there was opportunity for running such institutions for commercial purposes, disregarding the quality of education and as a result, the possibility of maintaining the standard of education uniformly among all schools had been blocked.

3 **Administration of 2022 Government Approved Private Schools**

Government approved private schools are administered by a management trust and most of these schools are religion-centric and the involvement of certain religious sects is directly or indirectly involved in the school administration.

Accordingly, it was observed that all matters such as admission of students to the school, charging fees, taking disciplinary action, dealing with teachers, etc., are carried out by the management of the school and the relevant religious sect and that

As instructed by a decision of Cabinet of Ministers, Since adequate intervention should be made by the Ministry of Education in all cases of admission of students to government-approved private schools, charging fees, taking disciplinary action, matters related to teachers, monitoring the learning and teaching process, etc. formal guidelines should be prepared and published in the Gazette.

A committee has been appointed to prepare a Cabinet Memorandum on the regulation of government-approved private schools, the amendment of existing rules and regulations and the appointment of new teachers to the Sri Lanka Private School Teachers' Service.

Although the Ministry of Education should have taken adequate steps to regulate government-approved private schools, the necessary actions had not been taken to amend the existing legal framework.

there is insufficient intervention by the Ministry of Education in such cases.

4 Founding of Branch schools 2022

09 Branch schools of 08 government-approved private schools had been started and operated without the proper approval of the Ministry of Education by the year 2018. Subsequently, proposals had been submitted to the Cabinet of Ministers to obtain approval for the teacher salaries that had been obtained for those 09 branch schools up to that time and to provide teacher salaries to those branch schools in future according to the relevant teacher staff calculation. In accordance with the Cabinet Decision No. CMP/18/0850/742/017 dated 23 May 2018 and the observations attached thereto, it was approved to grant prior approval to any private parent school to establish a Branch school in any place in the island in the future, subject to the criteria

According to the Cabinet approval given to establish affiliated schools of government-approved private schools, prior approval should be given to any parent school to establish a branch school in any location in the island in the future, subject to the criteria provided by the Ministry of Education and therefore, actions should be taken to prepare the necessary criteria for that purpose.

Action has been taken in accordance with the criteria prepared by the Ministry of Education for the establishment of branch schools.

The opening of affiliated schools has been carried out as per the criteria already prepared by the Ministry of Education and committee decisions are scheduled to be taken to prepare further amendments to that effect.

provided by the Ministry of Education, with a maximum of 05 branch schools per parent school. Accordingly, as of 31 December 2020, 8 mother schools had maintained 10 Branch schools.

5 Committee on the Regularization of International Schools and Private Schools

A committee had been appointed to study this matter and submit recommendations to the Cabinet after considering the Cabinet Memorandum dated 3 June 2013 and No. 2013/ED/E/13 and the recommendations of the Minister of Finance and Planning to regularize international schools and private schools operating in the country's school system since the 1980s. The committee had made recommendations such as making the subjects of mother tongue, religion and history compulsory for children studying in these schools, amending Section 25 of the Assisted Schools and Training Colleges

To pay urgent attention to the matters agreed upon at the Committee of Officials on 28 August 2013 appointed pursuant to the Cabinet Memorandum No. 2013/ED/E/13 and the Cabinet Memorandum submitted on 3 June 2013 to regularize international schools and private schools operating in the country's school system.

A committee has been appointed to prepare a comprehensive report on how to amend the legal framework for international schools to implement the proposals regarding the regulation of international schools.

Actions should be taken to amend the legal framework to implement proposals regarding the regulation of international schools.

(Supplementary Provisions) Act No. 8 of 1961 to establish a regulatory and supervisory process by the Ministry of Education, converting the Private Schools Division of the Ministry of Education into a Secretariat and delegating statutory powers to regulate the educational process within the general framework of the National Education Policy, formulating a system whereby the children studying in those schools are also represented as children studying in the national education system, since it is not possible to obtain information on the actual number of schools operating, standardizing the activities of international schools and private schools according to a standard and establishing a system for ranking those schools based on the quality of physical and human resources and the quality of the learning-teaching process, following the curriculum and instructions

recommended by the National Institute of Education if classes are conducted for Sri Lankan students learning in these schools based on the local prescribed syllabus and formulating a set of regulations to ensure that international schools and private schools also comply with common national education policies and standards.

2.19 Regulation of the prevention and control of non-communicable chronic diseases in Sri Lanka

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 National Authority on Tobacco and Alcohol</p> <p>Although the National Tobacco and Alcohol Authority Act No. 27 of 2006 had been passed to identify and implement a national policy on tobacco and alcohol, national policies on tobacco had not been prepared.</p>	2022	Formulating and implementing a national policy on tobacco	The proposal and related recommendations on a national policy on tobacco have been submitted to the "Parliamentary Select Committee to investigate and identify the mechanism to immediately control and eradicate the rapidly spreading drug menace in the country".	These recommendations have been included in the report of the Parliamentary Special select Committee to find out about the methods to be implemented to immediately control and eradicate the rapidly spreading drug menace in the country and submit observations and recommendations in relations to that to the Parliament.
<p>2 According to the labour law, a child is defined as a person less than the age of 16 years in Sri Lanka. But, in terms of Children and Young Persons Ordinance of 1939, persons below the age</p>	2022	Taking necessary steps to ban publicity of health in unfavorable foodstuffs and to prevent the school age children to use advertisements of unfavorable	Section 16 of the Food (Labeling and Advertising) Regulations 2022 has prohibited the use of children under the age of	The regulatory process regarding using children in advertising is not implemented even as at present.

of 14 years are defined as children. In viewing television advertisements observed that children are used in plenty for different advertisements transmit in respect of food and beverages at present. This was observed in respect of instant foods like noodles, biscuits, chocolates, margarine etc. it was observed that there is no age limit of children use for advertisements now and also there is no methodology to get the prior approval before being published such advertisements.

foodstuffs.

12 years for advertising purposes. The order was to be implemented from 01.01.2024, but later the implementation was postponed by the Minister until 01.01.2025.

3 Food (sugar, salt and fat colour coding) Regulations – 2019

Undue consumption of sugar, salt, and fat had been recognized as dietary factors for such diseases as Cardiac diseases, diabetes, high cholesterol etc., along with the increasing trend of non-communicable diseases in Sri Lanka at present. The Ministry of Health had introduced a colour coding system to control the content of

Evaluating the effectiveness of the directive regarding the color coding system introduced for salt, sugar and fat.

A survey had been conducted on colour coding of salt, sugar and fat. The implementation of the orders was continuously postponed.

sugar, salt and fat in foods as a new regulation under the food Act, No.26 of 1980. But the following observations are made on activation of this regulation.

I. As published in the gazette notification No. 2119/3 of 17 April 2019, this regulation is effective since 01 June 2019. A directive had been issued by the then Acting Director General of Health Services under No. PA/EOH/FCAU/43/2017 of 24 May 2019 stated as directive No. 01 relating to the implementation of this colour coding system. Accordingly, that guidance needs to be given to producers live within the area of authority through the authorized officers to carry out the colour coding of solid and semi solid foods appropriately, produced after the date of 01 June 2019.

II. This food (sugar, salt and fat colour coding) regulations to be effective from 01 June

2019 should have been applied all hard and semi – hard food stuffs. If any person labels a hard or semi hard food which contains the quantity of sugar, salt and fat as specified in scheduled 01, of the regulations, except in a manner stated specifically in the regulations, packing, selling, advertising for selling should not be done

4	Conduction community based out patient pulmonary rehabilitation program had been recognized as management principles and therapeutic options as stated in the guidelines on chronic respiratory diseases management for primary health service since sufficient equipment and staff are not available in the hospital to conduct rehabilitation programs for respiratory patients, the ability to conduct physiotherapy exercises for patients had existed at a low level. It was observed that 03 Multifunction Electrical Postural Drainage Bed , 03	2021	Supply of required equipment, drugs and staff to the National Respiratory Hospital.	Included in the annual procurement.	03 Multifunction Electrical Postural Drainage Bed , 03 Multi para Monitor and 01 Treadmill should have supplied further by 11 November 2024.
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Multi para Monitor and
01 Treadmill included
in the annual
procurement of the
Welisara National
Hospital for respiratory
diseases are required.

2.20 Performance in purchasing containerized mobile diesel generators

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 It had been mentioned in the letter of the Deputy General Manager (Thermal Power Plants) dated 22 May 2022, which had addressed the Chief Legal Officer that according to the data from the National System Control Centre of the CEB and the power outage reports related to the 50 generators operated at the Kelanitissa Power Plant, the Ceylon Electricity Board has incurred an estimated financial loss of Rs. 1,263 million during the period from January to April 2022 due to the impact of machine breakdowns and shutdowns caused by the omissions, deficiencies, and planning weaknesses of the contractor. Considering all the above matters, it was observed that the generators are</p>	2023	<p>Efforts should be made to systematically maintain generators by correcting existing faults in the generators.</p>	<p>Five (05) generators installed in Hambantota and Matugama are non-operational due to various technical faults as at 21 October 2024, and one of the machines has been out of order since 01 March 2022 due to a fault in its diesel engine. At present, maintenance work is being carried out by procuring the necessary spare parts to correct the faults.</p>	<p>Errors occur from time to time during machine operation, and necessary steps are taken to rectify the identified errors by applying remedial measures.</p>

constantly subject to technical faults, due to which the Board has lost the opportunity to use them at maximum plant factor, and the contribution made by the contractor to rectify those faults during the fault liability period has been minimal.

2.21 Performance audit on the management of overcrowding in prisons

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 The increase in drug offenses directly affects the increase in other criminal activities in the country. Furthermore, most of the drug offenders are imprisoned for drug use, possession, purchase, and sale. Accordingly, a large number of prisoners in Sri Lanka had been involved in drug offenses. The number of prison inmates in Sri Lanka had been 26,176 as at 31 December 2022. Out of that, more than 53 percent, or 13,794, were inmates involved in drug offenses, and 4,406 inmates were prisoners and 9,388 were suspects in relation to drug offenses.	2023	<p>1. Promptly submitting to the court the analyst reports related to the samples submitted by the Police Department to the Department of Government Analyst in relation to suspects remanded in custody by the court in accordance with Section 54 of the Poisons, Opium and Dangerous Drugs (Amendment) Act, No. 41 of 2022.</p> <p>2. Improving the cooperation mechanism existing among the institutions, where the criminal justice chain approach exists, and utilizing modern technology as much as possible.</p> <p>3. Focusing on amending laws related to drug offenses to facilitate</p>	<p>The institutions related to bailing out of suspects on remand due to the delay in the analyst reports are bringing the information of those suspects to the attention of the relevant courts under the Release of Remand Prisoners Act, No. 08 of 1991, the prompt provision of analyst reports is beyond the control of the Department of Prisons. Action has been taken to inform the relevant sections about the increase in the number of persons, who have been remanded in prison on drug</p>	<p>Although this situation is beyond the control of the Department of Prisons, the relevant institution and the Department of Prisons have not yet taken formal steps to implement simple measures to prevent overcrowding.</p>

prison management charges.
without harming It has also been
social security. made aware in
the relevant
discussions that
attention should
be paid to the
establishment of
alternative
institutions
outside prisons
to address this
issue.

I would like to
inform you that
a certain group
of prison
inmates
undergoing
rehabilitation
are admitted to
the Senapura
and Kandakadu
Rehabilitation
Centres under
the
administration
of the Bureau of
Rehabilitation
on court orders,
and in most
cases, when the
court orders that
inmates be
referred to
appropriate
rehabilitation,
the inmates are
referred to the
Amadivi Ridma
rehabilitation
process

implemented in
prison
institutions.

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| 2 | <p>The project of re-establishing the Welikada Prison Complex in Horana is being carried out jointly by the Urban Development Authority, the Ministry of Urban Development and Housing and the Department of Prisons. The environmental impact assessment report, planning and designing work, and development of infrastructure facilities including internal roads, water and electricity related to this project have been completed up to about 30 percent. However, the implementation of this project has been temporarily suspended as per the Circular No. 03/2022 dated 2022.04.26 issued by the Ministry of Finance.</p> | 2023 | <p>Establishing the Welikada Prison Complex, of which the operation has been temporarily suspended, in a suitable area.</p> | <p>This project has been implemented by the Urban Development Authority. The implementation of this project has been temporarily suspended as per Circular No. 03/2022 issued by the Ministry of Finance.</p> | <p>This project has been implemented by the Urban Development Authority and the Department of Prisons has not borne any cost. The implementation of this project has been temporarily suspended in accordance with the Circular No. 03/2022 issued by the Ministry of Finance.</p> |
| 3 | <p>As the number of inmates exceeds the capacity of the prison, it is difficult to provide adequate sanitation facilities to the inmates. there was a shortage of</p> | 2023 | <p>Renovating dilapidated buildings of the prisons that are not hygienic and safe or construct new buildings to fulfil the human</p> | <p>The approval has been granted for the construction of 106 new lavatories and the renovation</p> | <p>Necessary provision has been issued for that quantity. In addition, instructions have been given to the</p> |

	187 toilets in 27 prisons as at 30 April 2023, and 287 of the existing toilets have to be repaired.	needs of the prisoners.	of lavatories.	166	Superintendent of Prisons to carry out minor repairs and improve the relevant sanitary facilities and complete them under the expenditure head 1303. More than 90% of the work has been completed.
4	When prisoners cannot be properly rehabilitated, it is not possible to prevent them from being re-imprisoned. Since a large number of prisoners in prisons were drug addicts, the necessary treatment and formal rehabilitation programmes should be implemented within the prison system. Moreover, if they had not involved in community service and had not received continuous care after they had been released from prisons, they would be tempted to use drugs again. Therefore, they may be re-imprisoned. A significant number of prisoners in prisons of	2023	To promote the use of labour and knowledge of inmates for socially productive work.	Although we agree with the audit observations, this procedure is a process determined by the drug control policy of the Government and therefore, it is outside the control of the Department of Prisons. Prisons refer these prisoners to rehabilitation centres, and rehabilitation programmes such as Amadivi Ridma are also being conducted within the prisons. Action has been	Treatment for drug addiction or rehabilitation cannot be achieved by imprisonment alone. Drug users cannot be considered as criminals and rehabilitation activities should be carried out in an institutional structure with medical facilities outside the Prisons Department. Although institutions such as the Bureau of Rehabilitation and the Department of Community Based

Sri Lanka are re-imprisoned prisoners.

- 5 The approval of the Cabinet of Ministers had been received under No. 20/0792/207/025 dated 14 May 2020 to employ the labour of prisoners in private sector projects owing to the lack of physical and human resources to rehabilitate prisoners due to the increase in the number of inmates with the overcrowding of prisons. However, the prisoners employed in private companies had not provided a training for 03 months in the relevant field, a National Vocational Qualification (NVQ) certificate, and foreign language training for foreign jobs.

- 6 One of the main functions of prisons is to rehabilitate prisoners in accordance with the timely requirements and to create the necessary social environment to socialize them as good citizens. In this regard, rehabilitation activities should be carried out in a way that it helps in

taken to inform the task forces appointed in this regard at the discussions, where other policy decisions are taken.

Corrections have been established for this purpose, drug addicts continue to be sent to prisons. Action has been taken to productively use the labour of the inmates, who are convicted and imprisoned, by employing them in open prison camps, industrial units, maintenance of prisons, and daily prison operations (food preparation, etc.) under the Prisons Department, with the utilization of the available resources.

Since a Private Public population that Partnership is more than Projects can be double the indicated as one capacity of the of the projects prison implemented with the aim of institutions in providing vocational Sri Lanka has to training only the opportunities to rehabilitation inmates, utilizing process, but the their labour more

directing prisoners to meaningful activities such as education, engaging in activities and other programmes, and a positive prison environment should be created and the energy of prisoners should be directed towards creative professions, and then they should be socialized. However, the rehabilitation of prisoners with the overcrowding of prisons has become problematic.

entire process in prisons has become very challenging. However, the Department of Prisons is striving to carry out the objectives of the Department, which is the process of detaining, giving care and rehabilitating the inmates to the best of its ability even in a situation of heavy overcrowding in the prisons.

effectively, and providing vocational training with modern technology. However, the Watareka Project, which was implemented with the aim of providing foreign employment and foreign language training and providing a NVQ level certificate, has been stopped due to the Covid pandemic prevailed and due to the economic crisis. Due to the high number of suspects arrested for drug offenses, prisoners have been held in prisons exceeding the capacities of the prisons. Prisoners and suspects have not been kept separate, and although the rehabilitation

process is carried out only for prisoners, formal rehabilitation is not taking place as stated in the paragraph since those prisoners are also re-detained with the suspects after the rehabilitation programmes.

2.22 Utilizing the fleet of buses of Sri Lanka Transport Board at maximum capacity.

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 The Transport Policy approved by the Cabinet of Ministers on 27 November 1991 had been revised on 14 October 2009. With the aim of updating it, a sum of Rs. 2.5 million had been allocated from the funds available under the National Transport Commission for the policy formulation process including conducting workshops, short-term consultancy fees, public consultations, seminars, newspapers, advertisements, etc. Although a sum of Rs. 334,135, out of that, had been spent for the above matters, it was observed that the National Transport Policy is still in the draft stage though 15 years had passed from the year 2009 up to 01 March 2023.</p>	2023	<p>Expediting the preparation of the National Transport Policy, approved in November 1991 and revised in October 2009.</p>	<p>Answers have not been provided.</p>	<p>Action has not yet been taken to formulate a national transport policy.</p>

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| 2 | <p>Although, arrangements should be made to operate an adequate bus service related to the transportation of passengers by means of socially required, but unprofitable route services and regular omnibus services, and necessary measures and procedures should be prepared to prevent unfair and unprofitable competition by creating fair competition among the service providers as per Section (c) of the Preamble of the Act, the Commission had not taken any action in that regard.</p> | <p>Answers have not been provided.</p> | <p>Any programme has not been implemented yet.</p> | |
| 3 | <p>Although the Industrial Division of SLTB had planned to provide 6,003 buses daily, comprising 5,918 buses through the regional offices and 85 buses from the Central Bus Office and the Super Luxury Tourist Transport Service, it was observed that the number of buses that the Industrial Division has been able to provide for operation had been 5,118 or 85.26 percent.</p> | <p>2023</p> <ol style="list-style-type: none"> 1. Increasing the capacity of the tyre rebuilding factory and taking measures to rebuild and to recap the tyres required for the fleet of buses of the Board. 2. Fulfilling passenger transport needs by a common schedule scientifically determined by the National Transport Commission to meet passenger transport needs. | <p>Buses have been grounded due to driver and conductor shortages, buses have to be stopped for major repairs, not having engine sets, minor mechanical defects, accidents, non-availability of tyres and batteries, and the shortage of workers has</p> | <p>The Management has failed to provide proper solutions up to now.</p> |

hindered its
recovery.

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| 4 | It was observed that the main obstacle to fully operate the bus fleet is the current number of drivers 7,786 and conductors 7,768. It was further observed that this situation has been the result of not recruiting new drivers and conductors for a long time. | 2023 | Conduct regular quality checks on fuel combustion in buses and arrange duty roaster in systematic manner to overcome the shortage of drivers and conductors | The obstacle to overcome the shortage of drivers and conductors has contributed to this. | New recruitments are being made to overcome the shortage of drivers and conductors. |
| 5 | The total existing bus fleet had been 1,105 buses and it consisted of 630 Tata buses, 425 Leyland buses and 50 other types of buses, and they were not being operated for a period of 15 years, which was the life time of the existing fleet of buses. These buses had been parked in depots without adopting any safety measures. It was observed that action had not been taken to find out which buses could be put into operation, and to obtain a quality report of them, and to carry out repairs or to dispose of the unusable and condemned buses. | | Repairing of old spare parts and buses through regional workshops and depots by properly utilizing the allocation, and proper utilization of the staff in the technical department. | It has not been possible to properly obtain the necessary quality reports and carry out bus repairs and disposal activities due to the employment of a staff without knowledge and skills. | Action has not yet been taken to get a positive solution for this situation. |

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| <p>6 The General Treasury has provided a sum Rs. 750 million for the rehabilitation of buses in the year 2022, and the Board does not have any report on the buses that were rehabilitated and put into operation using this money. Out of that amount, a sum of Rs. 606.31 million had been spent by the Transport Board and Rs.143 million had been spent by Lakdiva Engineering Company (Pvt) Ltd. However, any buses that were rehabilitated as products were not observed. It was observed that the sum of Rs. 750 million provided by the General Treasury for the rehabilitation of buses had been spent for rehabilitation expenses jointly by the Board and Lakdiva Engineering Company (Pvt) Ltd.</p> | <p>Repairing of old spare parts and buses through regional workshops and depots by properly utilizing the allocation, and proper utilization of the staff in the mechanical division.</p> | <p>Even though the amount under capital expenditure has been accounted under recurrent expenditure and spent on bus rehabilitation, steps have not been taken to capitalize them.</p> | <p>This accounting methodology has not been changed up to date and treasury capital expenditure is still being accounted under recurrent expenditure and adjusted to the profit.</p> |
| <p>7 Although the General Treasury had allocated a sum of Rs. 2020 million for the rehabilitation of buses for the year 2023, details of the buses rehabilitated and put</p> | | <p>Even though the amount under capital expenditure has been accounted under recurrent expenditure and spent on bus</p> | <p>This accounting methodology has not been changed up to date and treasury capital provision is still being accounted under</p> |

into operation using that money and monthly reports on the receipt of advances from that amount had not been sent to the Department of Public Enterprises and the Department of Treasury Operations through the Ministry. It was observed that this amount is currently being used for recurrent expenses rather than using the amount for the rehabilitation of buses. Due to this, it has become impossible to obtain accurate information about the fleet of buses put into operation in the year 2023.

rehabilitation, recurrent steps have not been taken to capitalize them. expenses and adjusted to the profit.

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| 8 | All the premises of the depots and yards in the regional workshops belonging to the Transport Board must use an approved method for the disposal of fuel and lubricant waste, and for this, a license must be obtained from the Central Environmental Authority as per the Gazette Extraordinary No. 1533/16 dated 25 January 2008 and the National Environmental Act, | 2023 | Obtaining vehicle emission test reports and environmental licenses for buses on timely. | Most of the depots, except for a few depots, have not obtained environmental licenses. licenses have been applied for a certain number of depots. | Many depots have not obtained environmental licenses as per the provisions of the Act. |
|---|--|------|---|---|--|

No. 47 of 1980. However, according to the data of the 12 regions belonging to the Board, 51 depots and workshops, out of the 111 depots and workshops belonging to those regions, had not obtained environmental licenses, and the waste had not been disposed of in a manner that would not harm the environment.

- 9 Vehicle emission certificates (smoke test certificates) that should be submitted when obtaining revenue licenses had not obtained for a large number of buses in the fleet owned by the Transport Board, and 226 buses, out of the 566 buses belonging to 07 depots in the Kandy region that were inspected, had not obtained vehicle emission certificates. It was observed that due to the failure in obtaining emission certificate properly, the harmful gases emitted by the fuel burned in the buses, such as accumulation of heavy metals such as Co, and S and emission of

Since these buses fail in emission tests due to emissions from old buses, steps have been taken to deploy those buses on rural roads without carrying out emission tests. Despite the provision of necessary equipment to establish vehicle emission testing stations, the Board has not yet taken steps to complete the work.

harmful gases to the environment may cause environmental pollution.

2.23 Evaluation of the Role of Government Institutions in the Production and Promotion of Export Agricultural Crops

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
1 The need for a national policy on export agriculture Export agricultural crops are perennial crops and it is necessary to prepare a long-term programme for their production and promotion and to implement it according to a cultivation plan.	2023	Preparation of an agricultural policy including a policy on export agriculture to promote export agricultural crops.	The Department has come under the purview of various ministries and accordingly, the programmes and action plan have been subject to changes from time to time to adjust to the scope of the relevant line ministries. A roadmap for 2025-2030 had been prepared in accordance with the scope of the Ministry of Agriculture, under which the Department of Export Agriculture functioned for the last time and action had been taken to submit the draft to the Ministry	It is observed that the activities of the Department of Export Agriculture are being carried out according to programmes that vary according to the scope of the Ministry, and an export agricultural policy has not been formulated and implemented within the agricultural policy.

of Agriculture and Plantation Industries. Cinnamon development activities are being carried out by the Department of Cinnamon Development from the year 2023.

<p>2 Amendment of the 2023 Promotion of Export Agriculture Act No. 46 of 1992</p> <p>Although the Promotion of Export Agriculture (Amendment) Act had been prepared with amendments of 26 facts including weaknesses such as the definition of export agricultural crops was not practical, although the position of Director had been mentioned, the position of Director General had come into operation, the Director General of Export Agriculture had not been designated as an authorized officer under the Seeds Act for handling seeds and planting materials, further action to amend the Act in accordance</p>	<p>The positive amendments should be incorporated into the Promotion of Export Agriculture Act for the effective execution of the Act to promote export agricultural crops, and the amendments should be brought into force promptly.</p>	<p>It is intended to amend the Promotion of Export Agriculture Act in two stages, and under the first stage, the Cabinet approval had been received for the changes in the designations and the amendments related to the definition of export agricultural crops. Accordingly, the relevant amendments have been forwarded to the Legal Draftsman's Department and</p>	<p>The Act had not been amended to remove the weaknesses in the Promotion of Export Agriculture Act.</p>
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with the law had not been taken.

after obtaining the approval, the amendments should be submitted to Parliament with the approval of the Cabinet.

- 3 The Department of 2023 Export Agriculture had prepared standards for agricultural crops and provided the standards to the Seed Certification Service. Although almost 20 years had passed since the Seed Act, No. 22 of 2003 had been passed, action had not been taken to publish those standards.

Since the Standards in Although almost 20 years had passed since the Seed Act was enacted, standards related to export agricultural crops had been prepared and they were submitted to the Seed Certification Service. Although almost 20 years had passed since the Seed Act was enacted, standards related to export agricultural crops had not been published.

Since the Department of Export Agriculture possesses the necessary technical knowledge and capability to certify seeds and planting materials related to the export agricultural crops, relevant legal amendments should be made in a manner that the Director General of Export Agriculture reserves the necessary legal power for that purpose.

2.24 Implementation of Sustainable Development Goals - Strong and Resilient National Public Health System (related to SDG 3.d) in Sri Lanka

Audit Observation	Year of the Report	Auditor General's Recommendation	Preventive action taken by Audited Institute	Implementation status of recommendation as on date of the Report
<p>1 According to the draft National Policy, “Good Health and Longevity are Ensured, while promoting wellbeing for all at all ages ” had been identified as the goal 03 of the policy while “ increase the International Health Regulations (IHR) core capacity index and health emergency preparedness up to 70 percent by 2030”, had been identified as the target 3d . Although this policy had been drafted after the consultations with stakeholders including Government institutions, members of academia and civil societies in year 2020, the draft policy and strategy had not been forwarded to the Parliament to get the approval of Cabinet of Ministers until year 2022. But, the Sustainable</p>	2023	<p>Expedite the process of forming a Sustainable Development National Policy and Strategy.</p>	<p>The National Steering Committee, which was established in accordance with Cabinet Decision No. CP/20/2064/310 /017 and the decision dated 04.01.2021, met on 17.02.2021 and discussed the matter and pointed out there the need for a methodology for further study of this draft. Although it has been proposed to appoint a technical committee to revise the draft national policy and strategy, no action has been taken so far in relation to that.</p>	<p>Actions have not been taken to finalize the Sustainable Development Policy.</p>

Development Council had stated to the audit that there is a decision to revise the National Policy and Strategy on Sustainable

Development to reflect the current national context and priorities.

2 **National Health Council** 2023

The Charter for Health Development had been signed by the Prime Minister and Minister of Health with the World Health Organization on 7 February 1980 with the aim of that task was to achieve the goal of "Health for all by the year 2000". The National Health Council which is the apex body of National Health Development Network had been established in November 1980 with the Prime Minister as the Chairman to maintain the primary health care system as the main approach to achieve the goal of the main objective of the work. This was the first formal mechanism to ensure political commitment for

To be re-established National Health Council immediately and collaborate the every activity done by the main stakeholders regarding 3d target through the continuous meeting of the Health Council with the IHR Steering Committee.

The meeting of the Sub-Committee of the National Steering Officers for Sustainable Development, which was chaired by the Prime Minister's Secretary, took place with the participation of all relevant parties (16 ministries and the Sustainable Development Council) on 19 May 2023. At there, it was discussed regarding the backlog obtained based on the updated data including Maternal Mortality Rate, Child Mortality Rate, Tuberculosis,

The establishment of the National Health Council has not yet taken place.

intersectional collaboration at national as well as sub national levels. But the desired commitment had not been received from the council to achieve the objectives and the goals.

(i) Although National Health Council is an important platform to discuss health issues at the highest level, it had not been gathered since 2004, which causes to being absent of the existence of a formal mechanism to ensure political commitment for intersectoral collaboration at national level as well as sub national level.

(ii) Due to absence of a high-level health development body like National Health Council, different national Steering Committees, and National Task Forces had been setup from time to time.

eg:. Covid 19 Task Force, Vaccination Task Force.

Dengue Disease and Barava Disease and actions were taken to submit a detailed report related to each of those sectors to the Sustainable Development Council in accordance with the agreement reached at there.

- 3 According to the information of State Pharmaceutical Corporation, Sri Lanka has purchased 42,829,630 doses of different types of vaccines as of 31 March 2022 as follow.

Purchase Details

Type of Vaccine	Qty. Purchased	Unit Cost (USD)	Cost of Vaccine (Rs. Billion)	Freight Cost (Rs. Billion)	Total Cost (Rs. Billion)
Sinopharm	23,000,000	15	39,179	324	39,503
AstraZeneca (Covishield)	500,000	7	533	1	534
Pfizer	18,999,630	5	26,034	-	26,034
Sputnik v Moderna	330,000	7	667	35	702
Total	42,829,630	10	No details		667,773

According to the vaccination dashboard of Presidential Secretariat, the total numbers of Covid-19 vaccinations given out of the total eligible population of 17,655,390 (over 12 years) as at 20 September 2022 are as follows.

Procurement guidelines should be followed for every purchases including vaccines and efficient inventory control system should be introduced for pharmaceuticals

Additional Secretary (Procurement), Deputy Director General (Medical Supplies) and Chairman ([State Pharmaceuticals Corporation](#)) have been informed to provide the information promptly regarding the procurement of Covid-19 vaccine such as, the number of cases purchased, the manner in which the procurement notice was issued, the number of bidders the basis of selection of bidders etc. as requested by the audit.

ns of the Auditor General.

Vaccinated dose	Number	Percentage
First dose	17,128,086	97% (out of over 12 years of age population)
Second dose	14,675,454	83% (out of over 12 years of age population)
Booster	8,172,153	56% (out of fully vaccinated)

Although we requested the information such as number of instances that purchase had been made, the way that procurement notice delivered, number of bidders, the basis of selection of bidders etc. regarding the purchase of vaccine of Covid 19, relevant information had not been provided by the State Pharmaceuticals Corporation (SPC) for the audit.