

Head-122 Ministry of Tourism and Lands

1. Financial Statements

1.1 Opinion

Head 122 - The audit of the financial statements of the Ministry of Tourism and Lands for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and statement of financial performance and the cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No.19 of 2018. In terms of section 11(1) of the National Audit Act No.19 of 2018, the summary report including my comments and observations on the financial statements of Ministry of Tourism and Land had been issued to the Accounting officer on 21 May 2024. As per section 11(2) of the Audit Act, Annual Detailed Management Audit Report had been issued to the Accounting Officer on 08 July 2024. In terms of Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with section 10 of the National Audit Act No.19 of 2018, this report will be tabled to the Parliament.

In my opinion, the financial statements give a true and fair view of the financial position of the Ministry of Tourism and Land as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of my report. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

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

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

In terms of subsection 38(1) (c) of the National Audit Act, the Accounting Officer should ensure that an effective internal control system had been prepared and maintained for the financial control of the ministry and the changes required enabling to effectively carry out the system should be made having made a review from time to time about effectiveness of the system.

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also

- Appropriate audit procedure were designed and performed identify and assess the risks of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- An understanding of internal control relevant to the audit was obtained in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ministry's internal control
- Evaluate the structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on other Legal Requirement

In terms of the section 6(1) (d) of National Audit Act No.19 of 2018, I state the under-mentioned facts.

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

2. Financial Review

2.1 Non Compliance with laws, rules and regulations

Reference to laws, rules and regulations	Observation		Comments of the Accounting Officer	Recommendation
	Value	Non-compliance		
	Rs.			
(a) Financial Regulations of Democratic Socialist Republic of Sri Lanka				
(i) F.R. 103(1) b,e and 104(4)		Whenever it is suitable to report to the police in relation to thefts, frauds and sudden accidents the claims should be submitted to the bank, insurance company and the guarantors. It had not been reported to the police and relevant insurance company with regard to the accident occurred to the cab No.PD-2791 on 19 April 2022. As per final inquiry report F.R. 101(4), when it had been recommended to recover such loss from the officer attached to that vehicle, the repair had been carried out by incurring a cost of Rs.475, 000 by Ministry. Such loss had not been recovered even up to 31 March 2024.	Even though the action had been taken to recover the value of loss in relation to the accident of vehicle No.PD 2791 from the officer attached as per F.R. final inquiry, it had been referred to the Attorney General to take legal action owing to non-receipt of response.	The loss should be promptly recovered.
(ii) F.R.104(4) (i)		(i).Even though a full report should be submitted within 03 months from the date of loss occurred; no	The relevant officers and drivers had been made aware on how to take action once a vehicle accident	The investigation reports should be promptly obtained.

action had been taken in relation to 06 vehicle accidents value of Rs. 1,323,200 even up to 31 March 2024.

occurred and the action is being taken by avoiding the prevailed shortfalls. The drivers had been made aware to notify the police, insurance company and the ministry once an accident occurred. Due to the prevailed deficiencies in taking action related to the vehicle accidents attached to the staff of the minister, the obstructions had occurred for conducting the relevant investigations in terms of the provisions of Financial Regulations. When the officers are appointed to conduct the relevant investigations, the barriers arise to take proper action as there are incidents available of appointing one officer for more than one investigation due to additional duties to the officers and limited number of officers. Consequently, it is delay to issue the final report and there are obstructions for taking proper action. Since the drivers in the combined service are engaged in the

staff of the minister as far as possible, the prevailed shortfalls are being rectified.

(ii). Even though it had been recommended in September 2023 to recover such loss from former Minister of Land in accordance with the Financial Regulations 104(4) Final Inquiry Report carried out in relation to the destruction of the inventory goods worth of Rs. 395,500 by a fire occurred in the minister's office on 09 May 2022, said loss had not been recovered.

Even though it had been made aware to recover the value of the loss for the inventory goods of the minister's office from former Minister of Lands, no response was received and it is due to be taken legal action.

The action should be taken to recover the loss.

(iii) F.R. 109(1)

Even though subsequent to completion of the all initiative activities including determination of amount to be charged from the all ways such as surcharge, insurance and guarantees, if there is a difference between the maximum value to be recovered from the loss and decided amount to be recovered, the Ministry has the power to write off such difference from the books. It was observed that a balance of Rs. 2,724,100 had existed in relation to 11 incidents in where such differences had prevailed.

It had been decided to recover the value of losses related to vehicle accidents KI-1527 and PD-2791 from the officer who had been attached to the vehicle in terms of F.R. final inquiry. But it had been referred to the Attorney General to take legal action owing to non-payment of the responsible person.

The actions should be taken to recover the loss.

The preliminary inquiry reports F.R.104 (3) had been received for HQ – 7194 and PF – 0628 vehicles.

Accordingly, the future action will be taken.

PE - 0628 – This vehicle had been attached to former minister of land and it is due to be charged 50 percent from relevant repair amount pertaining to the loss from former minister of land attached to the vehicle as per the recommendations of final inquiry as per F.R.104(4) carried out.

A board of officers had been appointed for final inquiry in terms of F.R. 104(4) for PC – 2294, HQ-7232, PF – 6071, KV-0433 and CAK – 4226 vehicles and it is due to be taken future action after receipt of such report.

(b) Circular of Ministry of Public Administration and Management No.05/2008 dated 06 February 2008 amended by the circular No. 05/2018 (1) dated 24 January 2018

No action had been taken to prepare the Citizens' and Clients' Charter and display it to the people by the ministry.

The action is being taken to display the Citizens' and Clients' Charter to the people presently.

The action should be taken as per the instructions of the circular.

2.2 Deposits

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs.873, 081 of Employees' Provident Fund and Employees' Trust Fund charged from the staff of the ministry had been remained in the General Deposit Account.	The contributions of the Public Servants Provident Fund charged from the monthly salary of the officers who had been completed the registration in the data system are properly remitted monthly and the balance of the General Deposit Account is the contributions related to the officers who couldn't be registered on not providing the information so far. The further action is being taken to obtain their information.	It should be immediately remitted to the Employees' Provident Fund and Employees' Trust Fund.

3. Operational Review

3.1 Performance

3.1.1 Non-achievement of the expected output level

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though the amendment of the Act is the expectation of the Ministry, the activities of amendment of said Acts had not been completed within 2023. The details are as follows.		
(i). Amendment of Regulation related to Land Settlement Ordinance No.20 of 1931	The amendment of regulations in relation to this Act had been commenced on 12.12.2023. Accordingly, a committee had been appointed for amendment of Land Settlement Ordinance No.20 of 1931 and its orders and regulations by the letter No.03/01/01 dated 12.12.2023 and it had been informed by Land Title Settlement Department that its first meeting had been held on 19.12.2023.	The measures should be taken to expeditiously make the relevant amendments.
(ii). Amendment of Land Development Ordinance No.19 of 1935	The amendment of Land Development Ordinance No.19 of 1935 had been published as Land Development (Amendment) Act No.11 of 2022 as an additional in part II of the gazette notification dated 25.03.2022. The	The measures should be taken to make the relevant amendments.

approval of the cabinet of ministers had been granted by the cabinet decision received to the cabinet memorandum submitted by this ministry in relation to issuance of grant with full ownership without such conditions for the all licenses provided in due course for the residential purposes again. While the relevant activities are being carried out with the Legal Draftsman's Department, a cabinet memorandum had been submitted under Urumaya Program similar to this matter and the approval had been granted for that. Accordingly, providing of freehold deeds had been commenced to the applicants who had been given grants, permits and who had newly applied for that under Land Development ordinance and it is being functioned currently. Since the objective expected from the amendment of the Land Development Ordinance is fulfilled through Urumaya Program presently, we had not been informed so far by Legal Draftsman how the Act will be amended in relation to this matter.

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| (iii). | Amendment of the Land Acquisition Act No.9 of 1950 | The actions are being taken to prepare the final draft by discussing with the Legal Draftsman and since the amendment of this Act is very complicated process, the period of time taken for completion of the amendment of the Act can't be exactly indicated. | The steps should be taken to make the relevant amendments. |
| (iv). | Amendment of Act for establishment of Institute of Surveying and Mapping No.21 of 1969 | The amendment of Act for establishment of Institute of Surveying and Mapping No.21 of 1969 had not been included into the Action Plan in 2023. But the cabinet memorandum No. 5/6/1/1/CM/21/VII-I dated 16.11.2023 for amendment of Act No.21 of 1969 established the Institute of Surveying and Mapping had been submitted for the approval of the Cabinet of Ministers by this ministry as an initiative for amendment of this Act on the necessity. Accordingly, the approval of the cabinet of ministers had been granted to the said cabinet memorandum by the | The steps should be taken to immediately make the relevant amendments. |

cabinet decision No.CP/23/2215/615/063 dated 06.12.2023 and the amended draft is being prepared by the Legal Draftsman.

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| (v). Amendment of Land Grants (Special Provisions) Act No.43 of 1979 | The amendment of Land Grants (Special Provisions) No.43 1979 had not been included into the Action Plan in 2023. But a committee had been appointed by Land Commissioner's General on 12.12.2023 for amendment of this Act on the necessity and the activities related to the identification of sections of Land Grants (Special Provisions) Act to be amended and the preparation of the draft of the cabinet memorandum pertaining to the amendment of the Act are being performed by this committee. | The steps should be taken to immediately make relevant amendments. |
| (vi). Amendment of regulations in relation to the Title Registration Act No.21 of 1998 | The amendment of regulation in relation to the Title Registration Act No.21 of 1998 had not been included into the Action Plan in 2023. However, a request had been made to present the extraordinary gazette notification No.2308/27 dated 05.03.2024 related to the amendment of the regulation of the Title Registration Act No. 21 of 1998 to the parliament for the approval by the Project Division on 05.12.2023. Accordingly, the gazette notification had been presented to the parliament on 05.03.2024 for the approval of the parliament. The consultative committee meeting with regard to consideration of the gazette including the amended regulations had been held on 26.04.2024 at the parliament. | The action should be taken to expeditiously make the relevant amendments. |
| (vii).Formulation of National Land Commission Act | The formulation of the National Land Commission Act had been commenced through the submission of the cabinet memorandum dated 21.06.2023 under caption of the formulation of National Land Commission Act. In accordance with this cabinet memorandum, it had been decided to refer to the cabinet subcommittee appointed under the patronage of the president in order to forward the recommendations to the | The steps should be taken to expeditiously make the relevant amendments. |

cabinet in relation to preparation of a policy for disposal of the state lands.

In accordance with the cabinet decision received for the cabinet memorandum dated 02.10.2023 under caption of “Formulation of National Land Commission Act”, the approval had been granted for the introduction of a novel Act named “National Land Commission Act. Accordingly, the Act formulation activities are being carried out by the Legal Draftsman’s Department.

The final draft had been submitted to this ministry by the Legal Draftsman’s Department on 17.04.2024 for obtaining the concurrence.

(viii). Formulation of proposed new Land Act

The drafting of proposed new Land Act had not been included into the Action Plan in 2023. However, the first committee meeting in relation to drafting of proposed new Land Act on necessity had been conducted on 20.07.2023 at the Presidential Secretariat and subsequently, 05 committee meetings had been held. A cabinet memorandum dated 04.08.2023 under caption of “ Entrusting of roles to the committee consisting with the officers appointed for formulation of proposed new Land Act and providing an allowance to the officers of that committee “had been presented and since the approval had not been granted in relation to providing of an allowance to the officers in the committee appointed for drafting proposed new Land Act as per the cabinet decision received in related thereto, the practical issues of the committee meeting had arisen and the committee meetings had been suspended.

The measures should be taken to immediately carry out the relevant amendments.

(ix). World Bank Program on land administration

The World Bank program on land administration had not been included into the Action Plan in 2023. This program is a program implemented by the World Bank and the preliminary discussion related to this had been conducted on 17.07.2023. Subsequently, a workshop on brain storming related to land policies and

The steps should be taken to promptly make the relevant amendments.

administration had been conducted on 08.11.2023.

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| (b) | <p>Even though Rs.9.9 million had been spent through the Department of Wildlife Conservation for the improvement of the facilities for the visitors of Bundala National Park for promotion of marine tourism in the budget proposals 2023, it was observed that only 60 percent progress had been achieved up to 31 December 2023.</p> | <p>A provision of Rs. 9.89 million had been released by this ministry to the Department of Wildlife Conservation on 15.06.2023 for the renovation of tourist facilities center of Bundala National Park. Accordingly, the tender had been awarded and signed the agreement up to 13.10.2023 and it had been informed by the Department of Wildlife Conservation that the period of time had been given up to 14 May 2024 for the completion of the constructions of this as per the agreement. An amount of Rs.1, 395,912 had been paid on 30.12.2023 to the relevant construction company as first installment after completing the construction activities and commencing the rehabilitation activities.</p> | <p>The action should be taken to obtain maximum efficiency from the reimbursements incurred.</p> |
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3.1.2 Projects which not obtained progress if the funds had been released

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	<p>The total cost estimate was Rs.74, 630,925 for Nanuoya Railway Station Improvement Project proposed to be implemented in 2021 by the Ministry of Tourism. Even though the modernization had been planned to be completed within period of 09 months commenced in 2021 by Central Engineering Consultancy Bureau (CECB) under supervision of Department of Railways on the provisions of the Ministry of Tourism under a trilateral agreement, such provision had remained owing to elapse of more than 05 months to obtain the approval of the cabinet of ministers. The work had been commenced in 2023 by agreeing to bear 16 percent of the total estimate by Tourism Development Authority of Sri Lanka and 84 percent by Tourism Promotion Bureau of Sri Lanka. The following facts are observed in relation to this matter.</p>		

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| <p>(i) An amended cost estimate of Rs.106,438,331 had been submitted to the ministry for the remaining work of Nanuoya Railway Station Improvement Project by the letter dated 03 May 2023 of the Project Manager of Central Engineering Consultancy Bureau. This value is 72 percent increase than the first value and the approval of the cabinet of ministers had not been granted for that.</p> | <p>The cabinet note had been forwarded by the cabinet memorandum No.MT/2023/05 dated 28.02.2023 under caption of “informing of the current situation in relation to the renovation of the internal buildings in Mannar Fort and modernization of Nanuoya Railway Station. It had been informed that a provision of Rs.120 million is required under new prices for the essential completion for carrying out this project in minimum level. Accordingly, the approval for the above-mentioned cabinet note had been granted by the cabinet decision No.CP/23/053/615/021 dated 18.04.2024. It is informed that the action will be taken to obtain the approval of the cabinet of ministers for the relevant prices in the commencement of the future activities of this project for 2024.</p> | <p>The cabinet decisions should be taken for the increase of additional cost.</p> |
| <p>(ii) The bills valued Rs.10, 248,187 submitted by Central Engineering Consultancy Bureau which is the construction company had not been paid so far.</p> | <p>The funds had been provided by Sri Lanka Tourism Promotion Bureau of on 26.03.2024. Presently, since the provisions had been received, it is expected to expeditiously commence the activities of the project again and complete it.</p> | <p>The bills should be paid without delay.</p> |
| <p>(iii) It was observed that the defects such as existence of staircase and toilets demolished for renovation in unclean and unpleasant manner due to non-completion of the project work and non- maintenance of parts completed properly, inadequacy, rusted and in dilapidated condition of the benches for seating at the physical inspection in Nanuoya Railway Station with the officers of National Audit Office and</p> | <p>Since the Tourism Promotion Bureau of Sri Lanka had given the provisions, it is kindly informed that necessary action will be taken to complete the all activities which are partially completed presently.</p> | <p>The railway station should be maintained and kept pleasantly to the people.</p> |

Technical officer of Nuwaraeliya Pradeshiya Sabha on 11 March 2024. Accordingly, the railway station had been maintained in a manner not suitable to the tourist attraction.

- (b) The estimated cost aggregate is Rs.14.69 million for implementation of 08 projects/programs for promotion of marine tourism in the budget proposals 2023 in the Tourism Division of the Ministry. Since the project for construction of the lavatory system in the Pigeon Island which was a one project identified was contradictory to the provisions of the Coast Conservation Act, it had been given up. It was observed that 02 boats had been purchased by incurring a provision of Rs.4.69 allocated.
- The provisions had been inquired from Ministry of Finance and Ministry of Transport. Such provisions had not been received and a cabinet memorandum had been presented to obtain the required provisions from Tourism Development Authority of Sri Lanka and Tourism Development Bureau of Sri Lanka as per the instructions given by the Ministry of finance. In accordance with such cabinet decision, 16 percent of provision agreed to provide by Tourist Development Authority of Sri Lanka had been provided. Since remaining 84 percent of provision agreed to provide by Tourist Promotion Bureau of Sri Lanka had been provided by Tourist Promotion Bureau of Sri Lanka on 26.03.2024, the necessary action had been taken to expeditiously carry out the future activities of this project. As agreed, it had been decided to commence the project on 02.05.2024 again. .
- The planned projects should be carried out in useful and meaning full manner.

3.2 Procurements

Audit Observation	Comment of the Accounting officer	Recommendation
<p>The vehicle assigned to former Deputy Minister of Ministry of Tourism, Development and Christian Affairs and 02 Land Rover Discovery vehicles purchased from a private company in 2016 were the vehicles registered in Department of Motor Traffic imported under duty free of government. It had been informed that the procurement process had been made by contravening</p>	<p>An investigation is being carried out by Commission to Investigate Bribery or Allegations of the Bribe in relation to the issue on which a solution had not been given so far and told by Superintendent of Audit with regard to purchase of 02 vehicles and in addition, it is kindly informed that a departmental investigation is being carried out by a committee appointed</p>	<p>The all procurements should be made as per the instructions of the Procurement Guidelines.</p>

the general policy of purchase vehicles to the public institutions in terms of paragraph No.01 No. MOF/DG/LAD/CO/53/2023 dated 29 May 2023 including the observations of Minister of Finance, Economic Stabilization and National Policies related thereto, the registered purchase had been purchased for the government through paragraph 2 and an investigation should be immediately conducted for violation of the procurement process and legal action or disciplinary action should be taken in relation to the relevant officers. Even though about one year had elapsed, it was observed that no action was taken as per aforesaid instructions.

with the chairmanship of Additional Secretary (Development) of this Ministry.

3.3 Management Inefficiencies

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though a committee had been appointed for submission a report with the appropriate proposals in relation to the future actions pertaining to this project in order to carry out an independent complete investigation on the facts caused for unsuccessful this project, its money and how the money had been spent and the parties contributed for that by the cabinet decision No.CP/23/0383/615/017 dated 28 March 2023 on disposal of resources completed the organic fertilizer project implemented in 2021, no relevant reports had been submitted after completing such activities even up to the date of audit in April 2024.	As per the decision of the cabinet of ministers No.CP/23/0383/615/017 dated 28 March 2023 on disposal of resources completed the organic fertilizer project, a special investigation committee had been appointed under the chairmanship of Additional Secretary of the Ministry of Labour and Foreign Employment and the all pertinent details had been submitted to the said committee. However, since that committee report had not been received even up to 20 November 2023, the first reminder had been issued to the Chairman of the committee on 20.11.2023. Said report had not been received to the Ministry so far.	The action should be taken to get further steps having immediately obtained the organic fertilizer project report.
(b) It was observed that the government had paid a huge amount of expense as additional interest to the compensators through the delay of these activities instead of only payment of the land acquisition		

compensations due to taking more than 10 years for the land acquisition process of the ministry. The details are as follows.

- (i) An amount of Rs. 43,700,100 had been paid to the owner as compensation on 23.02.2022 for acquisition of 33 land parcels by making an award in 38(a) of Act to the owner on 08.01.2018 by displaying the gazette No.2165/69 dated 06.03.2020 since 23.07.2020 in terms of section 7 of the Act for a large land area in extent of 0.305 hectares from land parcel No.01 to 35 (except parcels No.20 and No. 23) in the plan No. 2794 / 2794 in Baddegamedda Grama Niladhari Division in Devinuwara Divisional Secretariat Division in Matara District. Since it took 04 years, 01 month, 15 days for carrying out this acquisition process, it had been revealed as per letter that an amount of Rs. 12,616,658 had been paid as additional interest for that.
- This acquisition had been commenced in 2015 and it had been acquired to the government by the gazette No.2053/5 dated 08.01.2018. The declaration 5 had been issued on 06.04.2018 and the title inquiry had been conducted after issuing the gazette notification under section 7 of the Land Acquisition Act. Subsequent to determination of the title, the decision 10(1) a had been issued on 07.11.2020. After receipt of the assessment report on 05.04.2021, decision 17 had been issued on 28.04.2021 and the provision for compensation had been released on 13.12.2021 and the provision for interest had been released on 19.11.2022. Accordingly, the period of time of 149-173 weeks takes for normal acquisition process as per the Land Acquisition Act and several institutions are joined in implementing an acquisition. It was observed that more time than the specified time had spent for this matter.
- By efficiently performing the land acquisition process, the necessary action should be taken to reduce the interest expenditure incurred by the government additionally.
- (ii) The notice had been displayed on 17 March 2010 in Illukkubura Grama Niladhari Office for the acquisition of Gonamadawatta land for the acquisition of the lands to Nuckeles Conservation zone belonging to Laggala Divisional Secretariat Division and it had been performed in terms of section 17 in chapter 460 of the Land Acquisition (Amendment) Act No.28 of 1964. Subsequent to 7 years 01 month 22 days of publication of award on 21.11.2013 in terms of section 38(a) in relation to acquisition of 123.33 perches as
- In relation to the acquisition of lands for Nuckels Conservation Zone, this acquisition had been started in 2000 and the plan No.M 1659 had been prepared after issuing an award and statement 5 in 38(a) by the gazette notification No.1837/37 dated 13.06.2013 and section 5 in terms of the Land Acquisition Act. After issuing section 7 on 05.10.2016, the title inquiries had been held and verified the title. After that, a decision 10(1) and decision 17 had been issued on 30.08.2018 and 13.05.2020 respectively. On 24.10.2020, the compensations had been made. Accordingly, there is a possibility of extending the period of time spent for
- The necessary action should be taken to efficiently carry out the land acquisition process and reduce the additional interest expense.

89 perches, 17.165 perches again, 123.33 perches again of the land parcel No.01 of ௫.௩.௫. 1659 an amount of Rs. 31,770,300 and Rs. 14,955,327 had been paid in July 2022 as the compensation and additional interest respectively under section 17.

title inquiries owing to the various issues arisen at the title inquiry under section 9 such as lack of clarity in the documents forwarded by the persons who present for title and the disputes. This Ministry has no possibility of controlling it.

(iii) Having published the notice as per section 02 of the Act on 24.06.2016 for the land in extent of 01 acre, 03 roods and 37.01 perches located in 870- Gonawa in Weerabugedera Divisional Secretariat Division In Kurunegala District in North Western Province for establishment of Weerabugedera Police Station, it had been issued as per section 05 of the Act on 11.01.2019. The proposed land extent to be acquired is 0.7944 hectares. The Land Reform Commission has its ownership and its assessment value is Rs. 12,564,000. In accordance with the letter dated 31.04.2022, addressed to Chief Financial officer of Ministry of Land by Director (Land Acquisition) for this, the approval had been granted to Rs. 12,564,000 from the provisions allocated for the payment of compensation. Approximately six and half years of delay had occurred to this process even up to December 2023 which was the audited date and it was also observed that huge additional interest had to be paid for that.

After displaying the notices under section 2 of the Act on 24.06.2016 in relation to this acquisition, the acquisition process had been commenced. After issuing section 4 of Act and declaration, the action had been taken under Section 7. Subsequently, title inquires had been conducted and the title had been determined. On 02.04.2022, the provisions had been released by us to the Divisional Secretary. Since this acquisition had been carried out under the normal method of the Act, it is not necessary to pay the interest for this.

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(iv) A land in extent of 0.23522 of parcels of land No.1 and No.02 of p.p.9134 of Hickgahawatta land in Malabe had been

The acquisition of the land related to Rahula Girls' School had been commenced on 31.07.2008 and the order under section 4 had been issued on

The expense of additional interest should be reduced by efficiently carrying

acquired under section 38(a) of the Land Acquisition Act for a Girls' School located in Malabe belonging to Kaduwela Divisional Secretary in Colombo District and award 38(a) had been issued on 15.02.2010 for that. The date of issuing credential was 23.06.2020 for the acquisition of this land and the compensation of Rs. 40,140,000 had been awarded to a finance company by the land owner under section 17 for that. However, since the land acquisition process had been implemented after 10 years, 09 months, 15 days from the publication of award 38(a) for this acquisition, an additional interest of Rs. 30,320,821 had to be also paid for that.

01.04.2009 for 0.2362 hectares and award 38(a) had been issued by gazette No.1641/4 dated 15.02.2010. After determining the title by conducting the title inquiry under section 9, notice 10(1) had been issued on 26.06.2014. It had been referred to the Department of Valuation for determination of the compensation related to the persons who have the title of the land and the valuation report had been received on 08.06.2020. On 23.06.2020, determination 17 had been issued. At that incident, since about 05 years had spent for obtaining the valuation, the issuance of determination 17 had delayed.

out the land acquisition process.

- (v) Under the land acquisition for Padiyatalawa Police Station in Ampara District, a land in extent of 1.0120 hectares of Damsak Mandiraya, No.98, Rawathawatta Road, Moratuwa belonging to Sarwodaya Sharamadana Association which is the land owner had been acquired to the government and award 38(a) had been published on 15.12.2015 for that. A total amount of Rs.10, 263,954 had been paid as compensation of Rs.18, 484,750 and an interest of Rs.8, 884,412 on delay of the land acquisition for 6 years, 10 months, 12 days.

This acquisition had been commenced for the construction of Padiyatalawa Police Station in 2014 and the notice had been displayed under section 2 on 14.10.2015. It had been acquired to the government on 15.12.2015 by issuing an award 38(a) by gazette notification No.1945/11 and declaration 5 had been issued on 05.07.2017 and the gazette notification had been issued under section 7 on 21.05.2019. After that, the title inquiry had been held under section 9 and determination 10(1)a had been issued on 02.11.2021. Even though the provision for compensation had been requested by the Divisional Secretary on 22.12.2021, the amendments to determination 17 had to be made. The action had been taken to amend determination 17 again and determination 17 had been issued on 04.04.2022. Accordingly, the provisions for compensations and interest had been released by the Ministry on 05.05.2022 and 09.12.2022 respectively.

The necessary action should be taken to reduce the additional interest expense by efficiently carrying out the land acquisition process.

- (vi) The acquisition applications had been forwarded for a land acquisition from a person who resides in Kalawana Road, Nivithigala by Rathnapura District Secretary for acquisition of plots of land A,C,F and J for the development activities in the premises of Nivithigala Divisional Secretariat and 38(a) acquisition order had been published on 19.01.2017 for that and the compensation had been paid on 04.01.2023. Accordingly, the payment of compensation had delayed 5 years 11 months and 16 days and an amount of Rs. 1,255,000 and an amount of Rs. 523,630 had been paid as compensation and interest for that respectively.
- This acquisition had been implemented in 2014 for the construction of office of Nivithigala Divisional Secretariat and order under section 2 and order under section 4 had been issued on 22.08.2014 and 13.07.2015 respectively. Similarly, the Order had been issued under 38(a) award on 19.01.2017 and declaration 5 and 7 had been issued on 23.06.2017 and 30.05.2019 respectively. Accordingly, the decision 10(1) had been issued on 15.07.2022 after conducting the title inquiries under section 9. At that occasion, since the Divisional Secretary who is the Acquiring Officer had spent certain period of time for verification of the title owing to the problematic situation arisen, about 03 years had elapsed for verification of the title and the declaration of the compensation. Accordingly, there is no possibility of limiting the time spent for the completion of the title inquires on the problematic situations arisen at the title inquiry as mentioned above and the completion of the acquisition.
- The necessary action should be taken to reduce the additional interest expense by efficiently carrying out the land acquisition process.

3.4 Assets Management

3.4.1 Vehicle Disposal

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Even though the committee report of the committee for disposal appointed to dispose the vehicles which are not economically effective and out of running belonging to Ministry of Tourism and Lands, Land Commissioner Generals' Department and Land Title Settlement Department having identified had been submitted on 04 November 2023, such activities had not been implemented even up to 30 April 2024.</p>	<p>6 vehicles belonging to the Ministry of Tourism and Lands, Land Commissioner Generals' Department and Land Title Settlement Department had been recommended for disposal. Accordingly, the future actions are being taken having appointed the valuation committees presently.</p>	<p>The vehicle disposal should be immediately carried out.</p>

3.4.2 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
Even though a vehicle belonging to the Ministry of Tourism had met with an accident in 2019, the relevant responsible persons had not been identified having conducted a F.R. investigation for that. Owing to the inadequacy of the insurance claim for that after referring to a garage for the relevant repair, the payments couldn't be made and kept in the garage in the long-term. An amount of Rs.11.5 million had been paid to a private agency which imports and distributes the vehicles by Sri Lanka Convention Bureau for such repair had been given to the said institute for usage for a period of 05 years by the letter dated 27 February 2024 of Senior Assistant Secretary of the Ministry.	Since an amount of Rs. 11,516,808 which had not been covered by the Insurance Company for the repair of vehicle bearing No. CAU-4004 belonging to the Ministry of Tourism couldn't be paid by the Ministry; Sri Lanka Convention Bureau had agreed to pay that amount. The relevant letters are available indicating that the vehicle had been handed over to such Bureau on temporary basis by the letter No. MT/ADM/01/22/2021/CAU-4004 dated 27.02.2024 subsequent to payment of outstanding amount.	As Financial Regulations, the responsible persons should be identified having conducted an investigation.

4. Human Resource Management

4.1 Attached Staff, Actual Staff

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) 04 approved posts in senior level, 02 posts in tertiary level, 21 posts in secondary level and 06 posts in primary level of the Ministry of Tourism and Land had been vacant.	Since the posts such as Assistant Secretary/Assistant Director (Land Policies)/ Accountant Payments belong to All-Island Service, the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government had been made aware. The publication of the gazette notification related to recruitment o for the post of Legal Officer is being carried out these days. Presently, the post of Administrative Officer had been filled. The Ministry of Public Administration,	The action should be taken to recruit having reviewed the vacancies.

Home Affairs, Provincial Councils and Local Government had been made aware in relation to the vacancies in Development Officers by the letter dated 29.02.2024 with regard to the vacancies in Management Service Officers and Development Officers under the secondary level posts. Even though the examination for recruitment to the post of Stenographer (English) had been held, it couldn't be recruited due to non-fulfillment of the qualifications by any applicant appeared for that. Since the recruitment of the drivers in the primary level is performed by Multipurpose Development Department, such department had been made aware by the letter dated 04.12.2023 in relation to the vacancies.