

## **Head 122 – Ministry of Tourism and Land - 2024**

---

### **1. Financial Statements**

#### **1.1 Opinion**

The audit of the financial statements of the Head 122 - Ministry of Tourism and Land for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No.19 of 2018. The summary report containing my comments and observations on the financial statements of the Ministry of Tourism and Land was issued to the Chief Accounting Officer on 26 May 2025 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The annual detailed Management Audit Report relevant to the Ministry was issued to the Chief Accounting Officer on 26 June 2025 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, the financial statements for the year then ended 31 December 2024 of the Ministry of Tourism and Land give a true and fair view of the financial position, financial performance and cash flows in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

#### **1.2 Basis for Opinion**

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

#### **1.3 Emphasis of matter - Basis for preparation of financial statements**

Attention is drawn to Note 1 to the financial statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the needs of the Ministry of Tourism and Land, General Treasury and Parliament in accordance with Financial Regulations 150 and 151 and Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended solely for the use of the Ministry of Tourism and Land, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

#### **1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements**

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Public Financial Regulations 150 and 151 and Public Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025 for such internal control as the Chief Accounting Officer determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16 (1) of the National Audit Act, No.19 of 2018, the Ministry of Tourism and Land 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 Ministry.

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

## **1.5 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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

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

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

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

## 2. Report on other Legal Requirements

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

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

## 3. Financial Review

### 3.1 Expenditure Management

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The provision provided to 5 government institutions (including this Ministry) for the implementation of the Bimsaviya Programme from 2007 to 31 December of the year under review is Rs.10,455.66 million and according to the information submitted, the expenditure incurred on that date had been Rs.9,357 million. Although the Ministry of Lands has only allocated government provision and distributed them to the relevant institutions in accordance with Financial Regulation 208, it has not been acted in a manner that requires spending those provision and the responsibility is assigned as stated in Financial Regulation Nos. 448, 449 and 145. Although Rs.619.5 million has been spent out of the provision of Rs.1,000 million provided for the year 2024, action had not been taken to maintain the relevant information to verify that expenditure or to submit it to the audit.	It is kindly informed that the relevant provisions have been released based on the approved expenditure estimates submitted by the relevant institutions, and the allocation of provisions has been made in accordance with the approved expenditure estimates. However, it is informed that expenditure reports can be obtained from the relevant institutions, as the relevant vouchers and bills are available from the institutions where the provision are spent, it can be noted that, it is expected that the internal audit for this purpose has been carried out by the internal audit division of those institutions.	Incurring expenditure should be monitored according to an internal control system.
(b) The Ministry had not accurately forecast and identified recurrent, capital expenditures, Ministerial expenditures, expenditures related to the Bimsaviya program, and land acquisition expenditures. The provisions of Rs.567 million, Rs.15 million, Rs.1,000 million	Although accurate forecasts have been made in preparing estimates, practical changes in operations during the year have affected the balance of provisions.	Provisions should be requested based on the requirement.

and Rs.9,000 million for recurrent, capital, Bimsaviya and land acquisition, respectively were allocated from the Annual Performance Report for the year 2024 and the remaining provisions out of which was Rs.50.77 million, Rs.2.23 million, Rs.380.44 million and Rs.6,320 million respectively.

- |   |  |   |
|---|--|---|
| <p>(c) The tourism sector had achieved a minimum performance level of about 14 percent due to an expenditure of Rs.253 million was incurred even an allocation of Rs.1,857 million was allocated for development projects in the annual budget estimates.</p> | <p>Delays in project planning, problems encountered during implementation, project revisions, No-appearance of contractors for procurement, adverse weather conditions and the holding of elections during the year were among the factors that led to only a 14 percent performance level being achieved.</p> | <p>Projects should be identified according to priority and, estimates should be prepared and allocations should be requested.</p> |
|---|--|---|

### 3.2 Incurring of Liabilities and Commitments

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
Due to the non-submission of vouchers for the liabilities of Rs.38.4 million entered into under Program 2 as stated in the financial statements of the Ministry for the year 2024, its accuracy could not be verified.	Since these liabilities are liabilities entered into the CIGAS program online by the relevant departments under the Bimsaviya program, the Ministry does not have the vouchers related to those transactions and It is kindly inform that, the institutions that incurred the relevant liabilities have those vouchers.	Information should be submitted so that the liability can be accurately verified.

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

	Observation		Comments of the Chief Accounting Officer		Recommendation
	Reference to Laws, Rules and Regulations	Value Rs.	Non- compliance		
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i)	F.R. 103(1) (b) (i) and 104(4)	475,000	<p>i. The cab accident No.PD – 2791 on 19 April 2022 had not been reported to the police and the relevant insurance company. According to the final report of the investigation regarding that accident, even though it was recommended to recover the loss from the officer to whom the vehicle was attached, although the Ministry had repaired the vehicle at an expense of Rs.475,000, the loss had not been recovered from the relevant officer as of 21 March 2025.</p> <p>ii Although, as per F.R.104(1), a preliminary investigation should be initiated immediately after any loss or damage occurs to ascertain its exact extent and cause and to determine those</p>	<p>Despite numerous letters of notification to recover the loss caused to the vehicle from the officer to whom the vehicle was attached, in accordance with F.R.104(4), Since there is no positive response, the relevant matters have been reported to the Attorney General for further legal action.</p> <p>An investigation into the vehicle accident was conducted in accordance with F.R. 104 and the report was submitted on 22.07.2024. However, the Kurunegala Wehera</p>	<p>The relevant loss should be recovered.</p> <p>The relevant loss should be recovered in accordance with the F.R.</p>

responsible for it, the Police OIC has appointment of the informed the Preliminary Ministry on Investigation 18.04.2024 that Committee regarding legal action will be the accident taken regarding this involving vehicle vehicle accident. No.PH-0668 on 30 Further it is kindly March 2024 was informed that the made on 13 June OIC of the Police on 2024. Furthermore, has been informed in the services of the written on driver involved in the 30.12.2024 to take accident were court action if the terminated without driver is responsible any recommendation. for this. Although a full report The damage to the should be submitted vehicle was reported within three months in writing by the of the date of loss or vehicle's damage as per F.R. representative, 104(4), the United Motors, on investigation had not 17.05.2024 and it been completed by was reported as the audit date of 10 Rs.2.9 million. April 2025. Furthermore, this loss had not been recorded in the register of losses in accordance with F.R.103.

- |   |  |   |  |
|---|--|---|--|
| <p>(b) Sections 4.5 and 251,476<br/>4.6 of Chapter<br/>XXIV of the<br/>Establishment<br/>Code of the<br/>Democratic<br/>Socialist Republic<br/>of Sri Lanka</p> | <p>The prescribed action to be taken against the guarantor should be taken in cases where the outstanding loan of Rs.251,476 due from 02 officers who have vacated the service cannot be recovered from the main debtor and, it was observed that, there were old loan balances between 01 - 03 years that the main debtor was deceased and have not</p> | <p>Mr. K. Manuwel has been retired on grounds of inefficiency with effect from 25.02.2021 and a notice has been sent to recover the outstanding balance of Rs.0.16 million due from him from the retirement gratuity. However, since he will be entitled to his</p> | <p>The loan balance should be recovered.</p> |
|---|--|---|--|

been recovered from his pension in 2029, heirs also when he will complete the age of 55, the file has been returned with instructions to submit the application later. A distress loan balance of Rs.0.081 million has been offset against the arrears of salary that should have been paid based on the salary revision due to him. The relevant debtor has been informed by letters dated 03.01.2025 and 25.03.2025, informing him to settle the remaining loan balance and the relevant loan balance of Rs.0.091 million is being collected in monthly installments from the relevant guarantor of Mrs.C.S.Y.M.G..M. Jayasekara.

### 3.4 Irregular Transaction

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
(a) The government quarters had been provided to the Minister of Tourism and Lands by the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government by an agreement dated 23 August 2022 and although, the bills for the provision of electricity, water and telephone services to the house should to be paid at the Minister's personal expense according to	The settlement of bills for the provision of electricity, water and telephone services to that residence has been carried out in accordance with the Cabinet decision issued on 18 September 1996 entitled "Payment of Water and Electricity Bills of Hon. Ministers and Hon. Deputy	Attention should be given to control government expenditure and acted accordingly.

Article 07 of the said agreement, the Ministry of Lands had incurred an amount of Rs.1.06 million in 2024 for the water and electricity bills related to the official residence. According to the Cabinet Paper No.CP/96/1985/106/136 dated 25 September 1996, it had been decided to charge a monthly amount of Rs.0.001 million from the salaries of Hon. Ministers and Hon. Deputy Ministers for the payment of their water and electricity bills from 01/09/1996. Accordingly, when the Ministry spent Rs.1.06 million, only Rs.0.01 million had been collected from the Minister's salary for a period of 10 months.

Ministers”.

Also, as per the above Cabinet decision, an amount of Rs.0.001 million has been deducted monthly from the salary of the Hon. Minister for water and electricity bills and credited to the government's income.

- (b) The then Secretary of the Ministry of Tourism and Lands, the Commissioner General of Land Title Settlement and the Director of the Ministry of Lands (Land Policy) participated in the World Land Conference held in 2024 and the letter dated 13 March 2024 of the Sri Lanka and Maldives Manager of World Bank stated that, travel expenses, registration fees, airfare, transportation, accommodation, and food and beverage would be provided for the conference. Also, as stated in paragraph 6 of the National Budget Circular No.01/2024 dated 10 January 2024 issued by the Secretary to the Treasury, officers should not participate in foreign studies/training/conferences unless the full cost is borne by the foreign sponsoring institution, and in accordance with the Section 04(a) of Circular No.01/2015/01 and dated 15 May 2015 of the Ministry of Finance, although the combined allowance is allowed to receive only when the expenses for accommodation and food are not borne by the foreign government or the granting agency, the two officers had been paid Rs.0.715 million as combined allowance.

The letter dated 13.03.2024 of the Sri Lanka and Maldives Manager of World Bank stated that, all expenses related to the World Land Conference held in 2024 will be borne. Accordingly, approval has been sought from the Secretary to the President for permission to spend time outside the island and for payment of casual allowance, entertainment allowance and warm clothing allowance for officers at the expense of the Government of Sri Lanka. The Secretary to the President informed that other allowances related to the visit can be borne by the Government of Sri Lanka and accordingly, the casual allowance and warm clothing allowance have been paid. However, although accommodation facilities were provided by the World Bank, the then Secretary to the Ministry of Tourism and Lands had informed in a letter dated 29.04.2024 that, it did not include food and beverages and requested the relevant combined allowance. It is kindly informed that, the action have been taken to pay the combined

Due payments should only be made as per the instructions in the Circular.



allowances in accordance with the relevant request and the letter dated 05.04.2024 from the Secretary to the President.

- |     |   |  |
|-----|---|--|
| (c) | <p>Although Rs.50 million has been allocated for the Bimsaviya program in the year 2024 from the provision of Ministry for the Land Commissioner's Department which was the Bimsaviya program is not being implemented, only Rs.0.92 millions of it has been spent and Rs.48.6 million had been remain saved. It was observed during the audit that the money spent was not spent on the Bimsaviya program.</p> | <p>Since the Department of the Commissioner General of Lands received funds for the Freehold Deeds Program under the Urumaya Program, It has been informed that the provisions have not been spent for issuing certificates under the Bimsaviya program as in the previous year. Furthermore, since the Ministry has been informed to take over the remaining provisions by retaining only Rs.100,000 from the provision allocated under Bimsaviya in September 2024 and, It is kindly inform that, all the expenses incurred up to that time have been spent in accordance with the expenditure estimate submitted at the time of initial release of provision.</p> <p>It should be ensure that the provisions are incurred only for approved expenses.</p> |
|-----|---|--|

## 4. Operational Review

### 4.1 Planning

#### Audit Observations

Although the Goals and Progress made in preparing and implementing the annual action plan for the year under review in accordance with paragraph 03 of Public Finance Circular No.02/2020 dated 28 August 2020 are divided into the Ministry's works Administration Division, Land Development Division, Land Acquisition Division, Policy Division, Project Division and Planning Division as stated in the report, the sectoral plans and functions prepared by each division to be implemented in the next year had not been available in the file containing proposals for budget estimates.

#### Comments of the Chief Recommendation Accounting Officer

Actions have been taken to include sectoral plans and functions in the file containing proposals for budget estimates from the coming year.

The action plan and progress should be stated separately for each division.

## 4.2 Failure to achieve the desired output Level

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
(a) Although the Ministry has provided Rs.350 million for the organic fertilizer project to the Land Reform Commission, the project has been implemented without a feasibility study and proper supervision and has come to a complete standstill. Although a special investigation committee has been appointed to investigate the irregularities that have occurred there, the committee's report has not been completed to date. The project was handed over to the Ministry of Lands after December 2021 and the remaining amount of Rs.1.86 million was received by the Ministry and deposited in the general deposit account. However, again returned Rs.1.65 million out of this amount to the commission as requested by the Commission for the payment of EPF, ETF and electricity bills of the organic fertilizer centers.	An organic fertilizer production project has been initiated with the Cabinet approval based on the project proposal submitted by the Land Reforms Commission. A special investigation committee has been appointed pursuant to the Cabinet decision No.CP/23/0383/615/017 dated 28.03.2023 regarding the disposal of resources after completion of the organic fertilizer pilot project implemented at the Divisional Secretariat level in the North Central Province. The chairman of that committee is the Additional Secretary of the Ministry of Labor, and with his appointment as Secretary of that Ministry, he resigned from the Special Investigation Committee and the report is currently being prepared by the Additional Secretary to the Ministry of Agriculture, who later became the Chairman of the Committee. After the completion of the project, the current account maintained at the Bank of Ceylon, Anuradhapura branch under the name of the Commission's Organic Fertilizer Project was closed on 18.06.2024 and the remaining amount was transferred to the Ministry's current account. Payment of EPF and ETF is a statutory responsibility of the employer organization. Since the Department of Management Services has paid salaries to employees employed in posts with formal approval through the organic fertilizer production	The report of the Special Investigation Committee on the Organic Fertilizer Project should be obtained immediately and action should be taken accordingly.

project, and the EPF and ETF contributions due by the employer on those salaries had not been paid. The amount was released according to the request made by the Commission to make the payment. The Commission informed that the bill payable to the Lanka Electricity Board had not been settled and the relevant amount was paid.

- |     |   |  |   |
|-----|---|--|---|
| (b) | <p>The Bimsaviya program began as a regulatory program in 1998 and has been in operation for 26 years to date, with an expenditure of Rs.9,357 million. The number of title certificates issued is 462,922, while the number of files set aside regarding problematic land plots is 500,739. It was observed from other statistics that, 16 millions of land plots have been estimated across the island, of which 2.1 million have been surveyed, while another 13.9 million remain to be surveyed and the Ministry had not prepared an internal program to implement the program efficiently.</p> | <p>It is disagreed with the observation that the Project Division had not prepared any plan to successfully implement the Bimsaviya program. It has been operated for 27 years since it began as a project in 1998. In the initial stages, a separate division operated within the Ministry for this purpose, and after the Project Division was launched in 2020, the Project Division was also assigned the responsibility of monitoring this program. That division carries out program coordination, progress review and problem resolution. Bimsaviya Coordination Committees are held in every month and physical and financial progress is monitored there, and issues between institutions and complex issues arising in the field are discussed and solutions are sought.</p> | <p>A monitoring program should be implemented every month for this program.</p>   |
| (c) | <p>According to the annual performance report of the Ministry, although the Ministry is responsible for the administrative activities of 8 institutions under the Ministry, including departments, institutions, councils and boards, their overall performance remains at a very low level, hindering the Ministry of Lands and other affiliated institutions from taking prompt decisions to meet the</p>   | <p>The departments, institutions, councils and boards under the Ministry identify the needs for amending the laws and regulations relevant to them and issue circulars. This division has been responsible for submission of relevant drafts to the Legal Draftsman, Attorney General, Cabinet and Parliament during the</p>   | <p>Action should be taken to promptly implement the constitutional amendment.</p> |

country's development needs. Although the report mentions Acts, Laws and 12 tasks planned to be implemented in the year 2023, it was observed during the audit that duties of 11 tasks of these had not been completed by 31.12.2024.

relevant legislative amendment process and it has been done timely until now.

#### 4.3 Delay in Project Implementation

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
(a) The Ministry had taken back the provision of Rs.228.96 million provided for 12 projects in 7 District Secretariats as of 31 December 2024 due to non-commencement of those projects.	The Ministry had to take back the allocation of Rs.228.96 million provided to 12 projects in 7 District Secretariats by 31 December 2024.	Plans should be prepared based on proper studies and provision should be released to initiate projects.
(b) Cost of Rs.2.78 million had been incurred for the Dutch Fort renovation project, which had an estimated cost of Rs.100 million, and had achieved a very low performance level of 2 percent.	It is not possible to carry out the internal construction of the building until the construction of the roof, which has begun, is completed using micro-grained wood recommended by the Department of Archaeology. Although this micro-grained wood was ordered from the State Timber Corporation, the wood has not been received yet due to the lack of micro logs. Since a master tourism plan for the Kalpitiya Tourist Zone in 2024 is being prepared by the North Western Provincial Urban Development Authority and the Kalpitiya Fort is also included in that plan, in order to carry out the development project of this fort in accordance with that plan, the project was not started in 2024 until the completion of that master plan.	Project plans and basic requirements should be reviewed before allocating provisions.
(c) Although a provision of Rs.55 million has been received for the Botanical Garden Development Project implemented by the Ministry, any performance had not been achieved.	Although provisions have been allocated for these projects, as per the recommendation of the Technical Evaluation Committee and the decision of the Ministry's	Provisions should be allocated with a plan.

Minor Procurement Committee, it was reported that there was no qualified supplier to award this procurement. It was observed that it would be difficult to complete this procurement process within the year 2024 as it would take 02 months to conduct a procurement call again.

- |     |  |  |   |
|-----|--|--|---|
| (d) | Any work had not been initiated for the provision of Rs.24 million allocated for 02 projects under the development of the Kitulgala tourism zone.  | The construction has been delayed due to the delay in providing a specific location for the construction of the toilet system at the Barandi Kovil premises by the Archaeological Department and the need for observations by the Archaeological Department to remove the large tree at the indicated location. It was informed that it was decided at the progress review meeting on 09.12.2024 that it would be best to cancel the project as it is unlikely to be completed within this year. | A feasibility study should be conducted on the projects and provision should be released. |
| (e) | The project the installation of street lights to be carried out in conjunction with the project to develop the remaining part of the walking path from near the Hirivadunna Bridge to the Pinnawala Elephant Orphanage, which is being carried out by the Ministry of Urban Development and Housing, at an estimated cost of Rs. 16.7 million could not be started due to the time it took to revise the estimates and obtain approvals as it was not included in the original plan. | The project to develop the remaining part of the walking path from near the Hirivadunna Bridge to the Pinnawala Elephant Orphanage has been included in the action plan for implementation in the year 2025.   | Estimates should be prepared according to a proper plan.                                  |

## 4.4 Assets Management

### 4.4.1 Control of Vehicle

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
(a) It was revealed that the 439.5 liters of fuel worth Rs.139,321 had been misused from a cab bearing PF-6977 which is a group vehicle according to the Internal Audit Report MT/IAI/1/7/1 – 2024 dated 27 January 2025 and although the Additional Secretary (Administration) was informed by letter T/IAI/1/7/IAQ – 2025 dated 30 January 2025 to submit a report to the Secretary of the Ministry within 14 days regarding that, the said reports had not been submitted by the audit date of 05 March 2025.	It was reported that there was a discrepancy between the fuel and mileage of the vehicle bearing PF-6977 and although the Chief Internal Auditor was informed in writing on 16.08.2024 to conduct an investigation regarding that and submit a report without delay, I have not yet received the report regarding that investigation, and an investigation is currently being conducted by a committee appointed by the Secretary of the Ministry on 20.03.2025.	Investigations into misuse of vehicle fuel should be expedited and actions should be taken to recover losses and prevent it.
(b) Although the jeep bearing CAU – 4004 owned by the Ministry of Tourism was involved in an accident in 2019 and was handed over to the Sri Lanka Tourism Federation Bureau after the accident and a repair cost of Rs.11.52 million was incurred by the Bureau on 23 November 2023 and, handed over to the Bureau for use for a period of 05 years and, then taken over by the Ministry through letter No.MT/ADM/02/06/08/V dated 25 November 2024, action had not been taken in accordance with Financial Regulations 102,104,105 regarding the damage caused to government property. Also, the Ministry had not taken action to reimburse the amount of Rs.12.4 million that had been spent by the Federation Bureau for this jeep as of 31 December 2024.	A sum of Rs.22.1 million had to be paid to repair the vehicle that was involved in the accident. The relevant insurance company had stated that it was unable to pay the entire amount and had agreed to pay only Rs.9.3 million and, on the fact that Rs.11.5 million out of the total amount of Rs.22.1 million could not be paid and even the Treasury requesting the Ministry to provide the outstanding amount, as an optimal decision to be taken in the absence of it, the outstanding amount of Rs.11.5 million was paid considering the transportation needs of the Sri Lanka Convention Bureau and, as a result, its Chairman was given approval to use this vehicle for a period of 05 years only.	The damage caused to the government should be recovered from the responsible parties in accordance with Financial Regulations.

- |     |   |   |  |
|-----|---|---|--|
| (c) | <p>Although the motor vehicle bearing GH-3129, which is in the custody of the Ministry of Tourism, has been decommissioned since 2023, it was not possible to carry out the disposal process as the ownership of the vehicle is with the Ministry of Plantation Industries. Information regarding this motor vehicle was not submitted for audit.</p> | <p>Although a letter has been sent to the Secretary of the Ministry of Plantations and Community Infrastructure requesting its registration certificate to carry out the process of disposing of vehicle GH – 3129, the certificate has not been received yet. If the issuance of the certificate is delayed further, It would like to inform that, It will take actions to return the vehicle to the Ministry as we are unable to carry out legal proceedings Furthermore, It is kindly inform that, since file or log book has not been maintained by the Ministry regarding this vehicle, it has not been submitted for audit.</p> | <p>The ownership of the asset should be taken over and disposed.</p> |
|-----|---|---|--|

#### 4.5 Management Weaknesses

Audit Observations	Comments of the Chief Accounting Officer	Recommendation
(a) Although Rs.11.14 million had been paid to the Minister's staff as salaries and allowances from January to October 2024, the necessary documents were not maintained to prove that prior approval was obtained for arrival at, departure from for the duty and departure from the place of duty, and evidence was not presented to the audit that their duties were supervised. And, due to the non-use of fingerprint machines for ministerial staff in accordance with Public Administration Circular No.03/2017 issued on 19 April 2017 by the Secretary to the Ministry of Public Administration and Management and, Public Administration Circular No.09/2009 dated 16 April 2009 and Public Administration Circular No.09/2009(1) dated 17 June 2009 evidence regarding reporting for duty was not presented for audit.	Payments for travel expenses and overtime allowances for duties performed by ministerial staff are made with the recommendation of the Private Secretary, clearly stating specific duties. Accordingly, payments are made subject to the approval of the Secretary. We have informed the relevant officers from time to time, both in writing and verbally, that prior approval must be obtained for official field trips. Nevertheless, it is agreed with the observation that it has not happened in practice. Drivers who worked as part of the ministerial staff are required to submit overtime and travel expense vouchers based on the drivers' running chats to confirm their arrival and departure on the days they worked. Accordingly, the	Arrival and departure should be confirmed by fingerprinting and signing the attendance register when officers belonging to the ministerial staff report for duty.

duty performed by the officer is confirmed by submitting those running charts with the recommendation by the officer using the vehicle.

- |  |  |  |
|--|--|--|
| <p>(b) The number of files completed the compensation payment was 156 out of 17,048 land acquisition files for land acquisitions, compensation and interest payments. Although the land acquisition process took between 149-173 weeks, and in some cases, many years, it is observed that the absence of an information system in this regard is a major obstacle to obtaining information. During the past 05 years, out of the provision of Rs.21,212.23 million, Rs.13,448.43 million had been paid as interest and compensation for land acquisition. Instructions were given by the Financial Regulation 208, 448, 449 and 145 for all these payments. According to the existing legal framework for land acquisition, there is a long delay in fulfilling the duties and it is observed during the audit that this situation has not been changed to suit the contemporary.</p> | <p>It has been proposed to amend the Acquisition Act and prepare a data management system with the aim of minimizing the time taken for the land acquisition process and making the process more efficient and, the Cabinet approval has been received for this. Accordingly, the amendment to the Act has now been forwarded to the Department of Legislative Drafting for review in relation to the final draft. Information related to the data management system has been forwarded to you on my above mentioned reference number and date 10.04.2025.</p> | <p>Necessary actions should be taken to make the land acquisition process efficient.</p> |
| <p>(c) During the audit conducted on land acquisition for government development activities, the compensation amount at the time of estimation was Rs.1,861 million in relation to 05 cases, and it had been Rs.7,464.03 million at the time of making the relevant compensation payments. It had increased the cost by 116 percent to 310 percent over the approved estimate.</p>   | <p>A rough estimate of the proposed land is obtained when submitting an application for acquisition under the Act, and that estimate is only a rough estimate and the specific valuation is given as on the date of the Gazette under Section 7 of the Acquisition. Accordingly, there is a possibility of change in the valuation, It is observed that, it is advisable to refer the Valuation Department for further information in this regard.</p>   | <p>Rough estimates should be obtained as accurately as possible.</p>                     |
| <p>(d) The land of 01 acre, 01 rood and 17.25 perches owned by an individual within the Wattala Divisional Secretariat area of Gampaha District, which had an assessed</p>   | <p>When submitting an application for acquisition under the Act, a rough estimate of the proposed land is obtained, that valuation is</p>  | <p>Rough estimates should be obtained as accurately as possible.</p>                     |



- value of Rs.1 million under the order to acquire, was Rs.153.93 million at the time of acquisition.
- only a rough estimate and the exact valuation will be given on the date of the Gazette under Section 7 of the Acquisition. Accordingly, there is a possibility that the valuation may change, and It is observed that it is appropriate to refer the Valuation Department for further information on this matter.
- (e) Under Section 38 of the Land Acquisition Act, an order is issued and it has to be paid interest in addition to the compensation amount from the date of publication in the Gazette and in 03 cases selected by the audit, the amount granted under Section 17 was Rs.202.31 million and the interest paid and payable on it was Rs.188.54 million.
- In accordance with regulation 261(4) of the Land Acquisition Act, when an acquisition is made under interim order 38(a), interest should be paid from the date of such acquisition until the date of payment of compensation.
- The land acquisition process should be made more efficient and interest costs should be reduced.
- (f) Although the provision received for land acquisitions over a period of 05 years was Rs.21,212.23 million, the amount released from it was Rs.13,448.43 million. Records were not maintained or calculated to separately identify the amount of interest and compensation on that value and, according to the information provided to the audit, Rs.3,640.27 million in compensation and Rs.1765.96 million in interest were spent on the relevant matter only in the years 2023 and 2024. A summary report on payments had not been obtained and comparisons had not been made to compare which land was actually paid from the provisions released to the Divisional Secretariats.
- Since information related to compensation and interest payments paid for land acquisitions is recorded in ledger files separated by Divisional Secretariat Division and land acquisition file number, the ledger can be submitted to you for further study.
- A comparison should be made of the provisions released for land acquisitions.

## 5. Human Resource Management

### Audit Observations

### Comments of the Chief Accounting Officer Recommendation

Information on the approved and actual cadre of the Ministry of Tourism and Lands is shown below.

	<b>Approved cadre ----- -</b>	<b>Actual cadre ----- -----</b>	<b>Vacancies ----- ----- -</b>
Senior	29	25	04
Tertiary	05	02	03
Secondary	549	516	33
Primary	44	37	06
Other	<u>02</u>	-	-
<b>Total</b>	<b><u>629</u></b>	<b><u>580</u></b>	<b><u>46</u></b>

Requests have been made to the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government to appoint suitable officers to fill these vacancies.

The current workload should be reviewed and actions should be taken to fill the vacancies.

Although there are vacancies for 04 senior level posts, 03 tertiary level posts, 33 secondary level posts and 06 primary level posts approved, action had not been taken to obtain approval for the posts and recruit accordingly by reviewing the roles to be fulfilled currently and planned.