

**Eastern provincial Council - 2024**

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**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the Eastern Provincial Council 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 and notes to the financial statements, including information of material accounting policies was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 23(1) of the Provincial Councils Act No.42 of 1987 and the provisions of the National Audit Act, No.19 of 2018. The summary report was issued on 07 August 2025 in terms of the provisions of Section 23(2) of the Provincial Councils Act and Subsection 11(1) of the National Audit Act, No.19 of 2018 and the Annual Detailed Management Audit Report was issued on 28 July 2025 in terms of Subsection 11(2) of the National Audit Act. This report will be presented to the Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka and Section 10(1) of the National Audit Act, No.19 of 2018 and the copy of the Report will be presented to the Governor for tabling it at the Provincial Council in terms of section 23(2) of the Provincial Council Act No.42 of 1987.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of this report, the financial statements of the Eastern Provincial Council give a true and fair view of the financial position of the Eastern provincial Council as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

**1.2 Basis for Qualified Opinion**

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The imprest of Rs.56, 378,484 settled to the General Treasury had not been shown in the statement of financial performance and cash flow statement in the year under review and the settlement of said imprest balances had been given up from the financial statements in the year under review.	The net value of imprest receipts is shown in the cash flow statement and the reporting is made in this manner for project fund and other main funds.	The receipts and payments from the Treasury should be properly included in the statement of financial performance and the cash flow statement.

(b) The total sum of Rs.4, 630,586 collected within the year under review by Department of Animal Production and Health Services as revenue from the commercial activities and other revenue had not been mentioned in the statement of financial performance in the year under review.	After discussing with the Provincial Treasury, the action will be taken to include these revenues in the financial statements since this year.	The revenue collected in relation to the commercial advance account should be shown in the statement of financial performance without occurring duplication error.
(c) Owing to showing an amount of Rs.5, 306,550 charged by Provincial Public Service Commission as examination fees as Rs. 6,112,100 in the statement of financial performance, there was an unreconciled difference of Rs. 805,550.	Since some revenue had been directly sent to the Provincial Treasury by Divisional Secretaries without informing to Provincial Public Service Commission, there is a difference.	The reasons should be identified for the difference and rectified.
(d) The cumulative deficits of Rs.5, 187,792 of 02 statutory authorities in the year under review had not been mentioned in the statement of financial performance. As a result of that, the cumulative equity had been overstated by same amount in the financial statement for the year under review.	The deficit of the statutory institutions is shown in the financial statements of the ministry which had issued the imprest for that.	The surpluses and deficits of the statutory authorities should be adjusted in the financial performance report in the provincial council financial statements.
(e) The equity value of Rs.9, 315,118 of Governor's Trust Fund in the year under review had not been mentioned in the financial statements. Consequently, the total equity value of provincial council had been understated by same amount in the financial statements in the year under review.	The Governor's Trust Fund is not a provincial fund and since it is a statutory trust fund, the value of assets or liabilities of said fund can't be included in provincial council fund account.	Since the Governor's Fund had been established and maintained by using the money of Provincial Fund, such Fund should be adjusted to total equity of provincial council.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **1.3 Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and 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.

Management of the respective institutions including the Provincial Treasury is responsible for the financial reporting process of the Provincial Council.

As per Section 16(1) of National Audit Act No.19 of 2018, the Eastern Provincial Council 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 Council.

### **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 skepticism throughout the audit. I also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtain an understanding of internal control relevant to the audit 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 its internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- . 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 management regarding the matters significant audit findings including any significant deficiencies internal control that were identified during my audit.

## **1.5 Comments on the Financial Statements**

### **1.5.1 Head - 900 Hon. Governor's Office**

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) Since the action had been taken to charge a nominal rent of Rs.1, 000 per month on the approval of Governor instead of charging the assessed rent for the staff houses contrary to the section 5.6 of Chapter XIX of the Establishments Code of Democratic Socialist Republic of Sri Lanka, very low amount rent of Rs.360, 000 had only been charged instead of rent income of Rs.1, 922,400 which is due to be charged per a month.	As per the request letter of the Chief Secretary, the approval had been given by Governor. The valuation had been obtained for the period of time 2018-2020 and 2021-2023.Rs.1, 000 had been charged on the approval for the year 2019.In accordance with the valuation reports for the period 2024-2026, it had been charged as per new economic rates since July 2025.	The action should be taken as per the provisions of the Establishments Code.

### **1.5.2 Head - 901 Provincial Public Service Commission**

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) 04 officers in Special Grade of Sri Lanka Administrative Service and officer in Class 1 of Sri Lanka Animal production and Health Service had been re-employed in the service in the year under review with the approval of Governor and without approval of Provincial Public Service Commission contrary to the Circular No.03/2019 dated 10 October 2019 of Public Service Commission and appointed as Heads of various Ministries and Departments and a sum of Rs.1,923,401 had been paid as the personal emoluments and other non-financial benefits.	The reinstatement of the officers in Sri Lanka Administrative Service had been recommended by Chief Secretary of Eastern Province and approved by the Governor. The Provincial Public Service Commission does not intermediate for that.	The action should be taken as per relevant circular instructions.

(b) Even though it had been scheduled to be conducted 107 Efficiency Bar Examinations in the year under review, 101 Examinations or 94 percent had not been conducted. The many Examinations couldn't be conducted due to not taking action to decide the dates for the Examinations after holding pre inquiry and discussions from Deputy Chief Secretary (Administration) about date of holding each examination and details of officers before calling applications for such examinations.	The less attention had been paid to the Efficiency Bar Examinations due to conducting several recruitment examinations and interviews within the year. Presently, the Efficiency Bar Examinations are held as per the instructions of Commission.	The conducting of Efficiency Bar Examinations should be performed as per a proper plan.
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### 1.5.3 Head - 921 Deputy Chief Secretary's Office – Finance

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The miscellaneous revenue of Rs.3, 080,590,555 or 73 percent from the total revenue collected for the year under review had been accounted manually instead of accounting by using CIGAS system. As a result of that, it couldn't be satisfactorily verified the total actual revenue collection in the audit. While such condition had prevailed in same manner, no step had been taken to manage the revenue by using CIGAS over 10 years.	The action will be taken to prepare it through CIGAS from this year.	The measures should be taken to carry out the revenue management by using CIGAS.
(b) Even though the Stamp Duty value collected from the Register General during 2010-2024 was Rs. 6,475,265,224, only a sum of Rs. 3,988,410,844 had been remitted to the local authorities. Accordingly, a Stamp Duty revenue of Rs.1, 435,808,941 had not been remitted to the local authorities from 01 year to 14 years and credited to the Provincial Fund Account and another amount of Rs. 1,051,045,439 had been retained in the revenue account.	If the minister satisfies with the delay requests submitted to the minister, the authority can order to release such funds.	The Stamp Duty collected should be remitted to the relevant local authority in due time.

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| <p>(c) Even though the supplementary provision of Rs.1,858,907,000 had been requested for the recurrent and capital activities of various ministries and departments, supplementary provision of Rs.3,854,041,834 had been received from the General Treasury for the year under review and total supplementary provision of Rs.2,612,070,826 received or 68 percent had remained without utilization. Similarly, an amount of Rs.1, 139,468,561 had not been remitted to the General Treasury and retained in the various bank accounts of the provincial council at the end of year under review.</p>   | <p>The balance of Rs. 2612 million had been properly sent to the Treasury.</p>  | <p>As per Financial Regulation 50, the budget should be prepared in a proper plan.</p>                        |
| <p>(d) As per section 102A (01) of Eastern Province Finance Statute No.01 of 2008, an incentive of Rs.63, 883,271 had been paid to 98 various officers related to 14 miscellaneous post categories obtained the funds from Eastern Province Fund Account from 01 January 2018 to 31 December 2024 without establishment of the Revenue Incentive Fund after obtaining approval from the Chief Secretary. Similarly, even though the other allowances can't be paid for such activity when paying the incentives, an amount of Rs.4, 278,050 had been paid as overtime and holiday pay to the officers in the revenue unit within 06 years without considering such situation.</p> | <p>The approval of the Governor of Eastern Province is requested for the establishment of the Incentive Fund and, the Fund will be established after receiving the approval. Since there are 17 staff vacancies, there are more than 200 repayment requests received per year from the local authorities. The overtime and holiday pay are paid for carrying out such activities without delay.</p> | <p>The action should be taken as per section 102A (01) of Eastern Province Finance Statute No.01 of 2008.</p> |

(e) The commercial advances of Rs.33,347,318 provided to 02 departments in relation to 06 commercial activities had been outstanding more than 10 years, 03 commercial activities out of that which had outstanding balance of Rs. 20,836,536 had been closed in the year 2020.	The report of the Special Committee appointed in relation to Department of Rural Industries had been Sent to Provincial Treasury. After receiving the recommendation, the action will be taken to solve in 2025. The all balances of the operating accounts are transferred to the Treasury at the end of every year by Department of Animal Production and Health.	The action should be taken to immediately recover outstanding advance balances.
(f) It had been left to be implemented 05 commercial farms with continuous losses and a loss of Rs.20, 022,339 had occurred in the year under review through that. No adequate measures had been taken to implement such farms in profitable manner more than 05 years.	It had been proposed to commence the plans for implementation these farms through public private partnership.	The step should be taken to operate the farm activities in a profitable manner.
(g) The employee loan balance recoverable for the period from 03 months to 20 years was Rs.21, 845,015 from the officers transferred to other provincial council/central government departments.	Not commented.	The action should be taken to immediately recover the outstanding loan balances.
(h) Due to showing the total of statement of non-financial assets of 34 institutions as 12,851,428,259 and the value of Rs.10,169,545,518 as per asset management system when comparing with the total of Rs.19,313,790,133 mentioned in the statement of financial position in the year under review, a difference of Rs.6,462,361,874 and Rs.9,144,244,615 had existed in the value of such assets respectively.	The action will be taken to rectify in the future.	The values submitted by each reports related to the non-financial assets should be reconciled and rectified.

#### 1.5.4 Head - 912 – Rural Industries Development Department

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) A sum of Rs.3, 107,750 received from the State Ministry of Industries on 24 December 2022 had been retained in the General Deposit Accounts of Department of Rural Industries since more than 02 years without utilizing for the objective of improvement of rural industrial goods production.	The action had been taken as per Financial Regulation 571 on the direction of the Provincial Treasury.	The funds received should be utilized for proper objectives. The funds not utilized should be sent to relevant state ministry.
(b) Batticaloa Rural Industrial Items Sales Centre constructed at a total cost of Rs.8,500,000 in the year 2014 had been closed by 04 May 2023.However, no step had been taken to achieve the expected object of establishing this Centre within previous 10 years.	It had been planned to reopen it within 02 months period.	The projects commenced should be continuously maintained for the expected objectives.

#### 1.5.5 Head - 920 Chief Secretary's Office

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Contrary to paragraph 32 of the Procedural Rules of the Public Service Commission published in the Extraordinary Gazette No. 2310/29 dated 14 December 2022, the salaries and other employee benefits amounting to a total of Rs. 5,595,000 had been paid to the staff of 07 service categories of the Housing Authority of Eastern Province and 05 service categories of the Tourism Bureau of Eastern Province, not included in the approved cadre of the Eastern Provincial Council, during the period from 01 January 2019 to 31 December 2024.	The Tourism Bureau has not obtained approval even by present. Hon. Governor has granted approval for the Housing Authority for appointments on contract basis.	The proceedings should be done in accordance with paragraph 32 of Procedural Rules of the Public Service Commission.



(b) A total of Rs. 20,546,892 had been paid as salaries and other employee benefits from the Eastern Provincial Council Fund for 08 different staff categories in 2 statutory authorities of the Provincial Council for 05 years during the period from 1 January 2019 to 31 December 2024 without obtaining approval for the said staff.	The Hon. Governor has granted the approval for the appointment of officers on a contract basis until the cadre is approved by the Department of Management Services.	Obtaining approval for the staff should be done properly.
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#### 1.5.6 Head - 922 Deputy Chief Secretary's Office – Planning

Audit Observation	Comment of Chief Accounting Officer	Recommendation
An amount of Rs. 318,000,000 had been approved for 3 special development projects in the Eastern Province, and although 40 activities under those projects had been planned to be completed by 09 July 2024, 16 activities were at the initial stage and another 24 activities were in a work-in-progress status as at the end of the year under review. Consequently, 91 percent of the approved allocation or Rs. 288,820,000 of estimated activities had not been completed even by 28 March 2025.	This project is scheduled to be implemented for 03 years. A considerable period has passed for the preliminary works. The monsoon rains occurred later. The overall progress was delayed due to adverse weather conditions and delays in obtaining approvals from relevant stakeholders.	Only a number of projects that can be completed within a year should be planned and implemented.

#### 1.5.7 Head - 923 Deputy Chief Secretary's Office – Administration

Audit Observation	Comment of Chief Accounting Officer	Recommendation
Although there were 656 vehicles for the Provincial Council, 144 of the approved cadre or 31 percent had remained vacant without recruiting drivers with the approval of the Director General of the Department of Management Services, as per the paragraph 01 of the Department of Management Services Circular No. 02/2020 dated 26 October 2020.	An interview was held among current office employees who are interested in the posts of driver and the actions will be taken to recruit driver cadre.	The steps should be taken to fill driver vacancies for the proper utilization of vehicles.

### 1.5.8 Head - 924 Deputy Chief Secretary's Office - Engineering

Audit Observation	Comment of Chief Accounting Officer	Recommendation
(a) 44 dilapidated vehicles had been sold on 29 March 2022 without canceling the ownership of the vehicles contrary to Asset Management Circular No. 11/2022 dated 16 September 2022, and no further action had been taken within the period of last 02 years.	Although the Department of Motor Traffic had been informed to cancel the registration, any actions had not been taken by the Deputy Commissioner of the Department of Motor Traffic.	The proceedings should be done in accordance with the instructions of the relevant circular.
(b) In contrast to Asset Management Circular No. 04/2022 dated 25 January 2022, there were 129 vehicles that should be disposed and 217 vehicles not suitable for use in various departmental offices without taking adequate actions.	The steps will be taken by the Head of Department/ Secretaries of the Ministries to carry out the auction once the requirements of the auction procedure are met in accordance with Public Finance Circular No. 01/2020.	The proceedings should be done in accordance with the instructions of the relevant circular.
(c) The contract of constructing a cultural hall with an estimated cost of Rs. 36,450,000 had been awarded to a contractor in the year 2021, and an amount of Rs. 27,610,000 had been paid for it as at the end of the year under review. However, even if a period of 02 years has passed, the work in the contract had not been completed.	Since the contractor has died, the contract is to be re-awarded this year and the activities to construct the building is scheduled to be executed.	The actions should be taken to complete the projects within the expected timeframe.
(d) 26 general and special purpose vehicles not belonging to the Provincial Council and used by various institutions had been auctioned during the year under review without obtaining ownership and taking possession contrary to Section 2 of the Circular No. 02/2017 dated 21 December 2017 and Asset Management Circular No. 03/2018 dated 10 October 2018.	The ownership of vehicles not belonging to the Provincial Council will be taken over at the next vehicle auction.	The proceedings should be done in accordance with the instructions of the relevant circular.

### 1.5.9 Head- 931 Ministry of Agriculture

<b>Audit Observation</b>	<b>Comment of Chief Accounting Officer</b>	<b>Recommendation</b>
An amount of Rs. 19,250,000 received by the Ministry of Irrigation on 16 January 2024 to implement a solar energy irrigation system had been retained in the General Deposit Account of the Provincial Department of Agriculture without starting work during the year under review.	The actions will be taken to settle the said amount from the deposit account once the procurement procedures are concluded.	The funds received for projects should be utilized for the said purpose efficiently.

### 1.5.10 Head - 932 – Department of Animal Productions and Health

<b>Audit Observation</b>	<b>Comment of Chief Accounting Officer</b>	<b>Recommendation</b>
A 40 kilovolt solar panel project had been implemented for the Uppuveli Animal Production Farm at a cost of Rs. 6,760,000 in the year 2017 with the aim of producing 30,000 units of electricity for the farm per annum. However, due to lack of proper maintenance of the system, the system had not been able to achieve the expected results since August 2023 due to non-generation of electricity.	The details about the respective company could not be found. A private address related to the company had been received and the steps are being taken to contact the company through that.	The follow-up activities on the performance of the project should be regularly done and the expected benefits should be obtained.

### 1.5.11 Head - 933 – Department of Cooperative Development

<b>Audit Observation</b>	<b>Comment of Chief Accounting Officer</b>	<b>Recommendation</b>
The paddy purchasing advances of Rs. 129,700,000 had been paid to 32 rice manufacturers' cooperative societies in Trincomalee, Batticaloa and Ampara districts from the funds received from the Food Commissioner for the objective of uplifting rice mill owners, and the said money was to be recovered within a period of 06 months from the income received from the sale of rice. As per the agreement reached by the Commissioner of Cooperative Development of the Eastern Province on 15 December 2021, an amount	<p>The instructions were requested from the Food Commissioner, and however have not been received. Since this is a contractual issue not related to the police, it was recommended to proceed under the Debt Recovery Ordinance or the Public Property Act.</p> <p>The Eastern Provincial Legal Unit has requested to take formal actions. A formal request has been sent to the Attorney General's</p>	Steps should be taken to properly recover the advance money given in accordance with the agreement and to recover the outstanding money immediately.

of Rs. 101,640,000, including Rs. 16,000,000 paid on 07 March 2024, had not been recovered for a period from 10 months to 03 years as at 30 April 2025 for 10 rice manufacturers in the Ampara district who had defaulted the repayment of money. Department.

#### 1.5.12 Head - 934 – Provincial Department of Irrigation

Audit Observation	Comment of Chief Accounting Officer	Recommendation
Even if a Kobelco excavator worth Rs. 19,628,116 had been purchased in the year 2011 to improve agricultural activities in the Batticaloa district, it had not been used for the intended purpose and due to the absence of a machine operator, it had been kept in a place at the Deputy Irrigation Director's office of Batticaloa being corroded for more than 05 years.	The steps have currently been taken to use the excavator for irrigation schemes in the Ampara district.	The machinery being purchased should be used continuously without being allowed to become underutilized.

#### 1.5.13 Head- 940 Ministry of Education

Audit Observation	Comment of Chief Accounting Officer	Recommendation
(a) Although the transportation and fuel allowances had been paid to Batticaloa Zonal Director of Education contrary to sections (ii) and (iii) of Public Administration Circular No. 05/2016 dated 09 March 2016, additional fuel expenses amounting to Rs. 3,084,881 had been reimbursed for his duty cover in the post of Provincial Director of Education during the period from 08 November 2023 to 28 November 2024.	The vehicle has been used in accordance with the letter No. EP/01/C/VH/008 dated 2023.12.15 from the Chief Secretary of the Eastern Province.	The proceedings should be made as per the instructions of the relevant circular.

(b)	<p>Although the employee loan balance shown in the Statement of Financial Position is Rs. 350,726,306, the balance in the Employee Loan Control Account of the Provincial Department of Education in the year under review was Rs. 353,529,293. Consequently, there was an unreconciled difference of Rs. 2,802,987 between the two statements for more than 05 years.</p>	<p>Difference of Rs. 263,000 - The Provincial Education Department has requested approval to write off 12,100 since a salary deduction was taken as a bad debt.</p> <p>Rs. 3,078,097 - The permission has been requested to write off due to lack of relevant documents related to Samanthurai Zonal Education Office (From 2017)</p>	<p>The reasons for the difference should be examined and the actions should be taken for the recovery immediately.</p>
(c)	<p>Although an amount of Rs. 2,083,625 has been paid as a total of Rs. 681,250 and Rs. 1,402,375 paid to the Attorney General's Department for various disciplinary investigations conducted by the Eastern Provincial Ministry of Education and their legal proceedings during the period from the year 2022 to 2024, the said disciplinary investigations have not been concluded to date.</p>	<p>A sum of Rs. 681,250 had been paid to the Attorney General's Department for legal proceedings. The investigation reports have been sent to the Chief Secretary for final actions.</p>	<p>As per the Public Administration Circular No. 30/2019, the disciplinary investigations should be completed within a proper time frame.</p>

#### 1.5.14 Head - 950 – Ministry of Health

	<b>Audit Observation</b>	<b>Comment of Chief Accounting Officer</b>	<b>Recommendation</b>
(a)	<p>Due to the failure to identify the medicines nearing to be expired and distribute those immediately to the hospitals in need, 79 medicines worth Rs. 2,613,772 had been banned from the Meeravodai Regional Hospital as those had been expired.</p>	<p>A preliminary investigation has been conducted regarding the pharmacist at Meeravodai Regional Hospital. Based on the findings of the preliminary investigation report, a draft charge sheet along with complete investigation documents has been sent to the Office of the Regional Director of Health Services, Trincomalee for disciplinary actions.</p>	<p>The steps should be taken to manage the relevant medicines appropriately before their expiry.</p>

(b) In contrast to the objectives of the Disbursement Linked Indicator (DLI-3) of the Primary Health Service Systems Strengthening Project (PHSSP) for the year under review, an amount of Rs. 197,970,611 had been paid for the renovation of 10 different office buildings in 04 Offices of Regional Director of Health Services, purchase of office furniture and equipment and repair of official vehicles used for administrative activities.	The answers have been given for the works totaling Rs. 83,388,510 related to 12 contract works.	The spending should be made according to the objectives of the Primary Health Care System Strengthening Project.
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#### 1.5.15 Head - 961 - Department of Road Development

Audit Observation	Comment of Chief Accounting Officer	Recommendation
(a) Since the machinery had been rented out to various institutions by the Trincomalee and Kalmunai Regional Road Development Offices without charging money, a rental amount of Rs. 1,089,894 had not been recovered as at the end of the year under review. The rental amount in arrears was in the range of 01 to 13 years.	A sum of Rs. 349,256 has been recovered out of the outstanding rent balance of Rs. 1,089,894. The proceedings have been done through the Legal Unit to collect the remaining balance.	The steps should be taken to immediately recover the rental amount of Rs. 740,638 to be further recovered.
(b) The steps had not been taken to use 22 types of road work machinery worth Rs. 80,229,980 in 04 regional offices of the Department of Road Development for productive activities for more than 15 years.	The machinery that cannot be repaired has been recommended to be auctioned this year.	The purchased machinery should be used continuously without letting those to become underutilized.

#### **1.5.16 Housing Authority**

<b>Audit Observation</b>	<b>Comment of Chief Accounting Officer</b>	<b>Recommendation</b>
According to the staff recruitment scheme prepared by the Authority, 26 officers had been appointed on permanent/ casual/ contract basis for a period of 10 years without obtaining proper approval from the Department of Management Services and the salaries amounting to a total of Rs. 11,280,000 had been paid to them during the year under review.	The discussions have been held with the Cadre Review Commission to get the approval for the cadre.	The relevant appointments should be made once the proper approval is received.