

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the State Ministry of Rural Housing and building Material promotion for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summery report containing my comments and observations on the financial statements of the State Ministry of Rural Housing and building Material promotion was issued to the Accounting Officer on 24 May 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Ministry was issued to the Accounting Officer on 08 June 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report is presented to the Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the State Ministry of Rural Housing and building Material promotion. as at 31 December 2021 , and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional 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 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 Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

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

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

1.6 Opinion on Financial Statements

1.6.1 Advance Account Balance

Audit observation	Comment of the accounting officer	Recommendation
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(a) the value of advances received in the advance account is Rs.15,957,813 according to the treasury books (SA-52) and departmental books (ACA-5), in the financial performance statement the value is Rs.17,662,990 which is Rs.1,705,177 more than the financial The performance statement was stated.	Although advance receipts of Rs. 15,957,81 as per SA 52,k as per SA 51 Rs. 1,705,177 had been credited to Head 415 during the month of February by head 102	Advances received should be shown under Advances received in the Financial Performance Statement According to the value of SA 52 of the
(b) the advance payment value of the advance account is Rs.15,724,284 according to the treasury books (SA-52) and departmental books (ACA-5), it was shown as Rs.14,019,107 in the financial performance statement, but Rs.1,705,177 was less in the financial performance statement.	-those-	Advance payments should be shown under Advances payment as per SA 52 in the Financial Performance Statement

1.6.2 Failure to maintain documents and books the

Audit observation	Comment of the accounting officer	Recommendation
The Housing Division of the Ministry had not maintained the register of damages as per Finance Regulation 110 up-to-date.	I agree The necessary information for updating the damage register has been brought by the relevant departments and the further work has already started.	As per the provisions of financial Regulation 110 the Register of Damages shall be updated in the format thereunder.

2. Financial review

2.1 Imprest Management

Audit observation				Comment of the accounting officer	Recommendation												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: right;">Value as per Treasury Books SA 52 Rs.</th> <th style="text-align: right;">Value as per Ministry Balance Check Rs.</th> <th style="text-align: right;">Difference Rs.</th> </tr> </thead> <tbody> <tr> <td>Advance receipts</td> <td style="text-align: right;">15,957,813</td> <td style="text-align: right;">11,114,091</td> <td style="text-align: right;">4,893,722</td> </tr> <tr> <td>Advance payments</td> <td style="text-align: right;">15,724,284</td> <td style="text-align: right;">12,313,930</td> <td style="text-align: right;">3,410,354</td> </tr> </tbody> </table>	Description	Value as per Treasury Books SA 52 Rs.	Value as per Ministry Balance Check Rs.	Difference Rs.	Advance receipts	15,957,813	11,114,091	4,893,722	Advance payments	15,724,284	12,313,930	3,410,354				1,705,177 are overstated and understated respectively when comparing the amounts of advance receipts and advance payments included in the financial statements with SA 52 . But as per SA 51 but under debits and credits made to our head through other heads. The corresponding amount of 1,705,177 is debited and credited by the head 102.	Treasury SA 52 and between the Balance Check of the Ministry Head, the difference in the Advance Receipts and Payment Values should be reconciled with the Advance Reconciliation Statement.
Description	Value as per Treasury Books SA 52 Rs.	Value as per Ministry Balance Check Rs.	Difference Rs.														
Advance receipts	15,957,813	11,114,091	4,893,722														
Advance payments	15,724,284	12,313,930	3,410,354														

The advance receipts recorded in Treasury SA 52 over the Ministry trial Balance were Rs. 4,843,722 should be shown as additions in the Statement of imprest Reconciliation and the advance payment value recorded in Treasury Book SA 52 over the Ministry trial balance is Rs. 3,410,354 should have been reduced to the imprest reconciliation statement. But the debits amounting to Rs. 6,548,898 made by the reporting institution on behalf of the other heads advance B account added and debits made to Advance B account by other heads amounting to Rs. 1,705,177 had been deducted.

2.2 Cost Management

Audit observation	Comment of the accounting officer	Recommendation
(a) An amount of Rs.339,168,000 had been reserved for 15 expenditure subjects in the year under review, but none of that money had been spent during the year, and in 32 other expenditure subjects, the provision in the range of 52 to 99 percent was left.	This is due to the temporary suspension of foreign travel, the office not operating at full capacity during the pandemic, erroneous allocations by the National Budget Department, cost containment, these costs not being met as predicted after the resettlement unit was merged with the Ministry of Housing, and project delays by the contractor. Provisions left over.	Expenses should be clearly identified and provision should be made according to the needs.
(b) For the construction of 115 rice stalls in Maradagahamula, which is not related to the Ministry's subject, Rs.37,150,000 has been allocated through the supplementary estimates for the ministry expenditure subject number 2-4-65-2506/11 and out of that amount , an expenditure of Rs.32,125,058 had been incurred and had been allocated. 14 percent of the money i.e. Rs. 5,024,942 was left.	According to the bills presented by the State Engineering Corporation, the Ministry will make payments for the relevant project and the bills for payment in the year 2021 have been presented for Rs.32,125,058 only.	Expenditures related to the ministry subject should be clearly identified and allocations should be allocated according to the need.
(c) Between 61 percent and 70 percent of the allocations given for 03 budget subjects in the reviewed year had been transferred to other budget subjects under F.R 66 allocation transfers.	Office work is not carried out at maximum capacity during the epidemic period, Due to the new officers assigned to the resettlement department, the premises had to be renovated and training programs were not conducted during the epidemic period.	Expenses should be clearly identified and provision should be made as per requirement.

2.3 Certifications to be made by the Accounting Officer

Audit observation -----	Comment of the accounting officer -----	Recommendation -----
According to the provisions of section 38 of the National Audit Act No. 19 of 2018 Ministry Chief Accounting Officer and Accounting Officer assured That which is run by Internal control systems effective for financial control and reviewed with time on productivity the system and that the system effectively been taken to refine the receivables that, the reviews have been written, but a copy should be submitted to the Auditor General , such a review had been submitted to the audit said that done .	The effectiveness of the internal control systems introduced for the financial control of this Ministry is reviewed from time to time and the relevant financial control systems are maintained effectively by issuing instructions through circulars about the deficiencies identified. I will inform the Auditor General about the reviews that will be done in this regard.	Should proceed as per Sec.

2.4 Non-compliance with laws , rules and regulations

Audit observation -----	Comment of the accounting officer -----	Recommendation -----
Reference to laws, rules and regulations -----	non-compliance -----	
(a) Public Finance Circular No. 07/2019 dated 28 November 2019	The government officials who were required to keep surities under Finance Regulation 880 did not keep surities.	Officers who are required to post surity as per regulation shall keep surity.
(b) No. 02/2019 dated April 08, 2019 Ministry of Finance Budget Circulars	The collection of data related to gender budgeting and the establishment of gender-based central units in each ministry have not been done.	Action should be taken according to the circular .

2.5 Approach Liabilities and Obligations

Audit observation	Comment of the accounting officer	Recommendation
Expenses of Rs.753,881 related to the year 2021 were paid in the year 2022 and those expenses were not included in the statement of liabilities.	I agree. Corresponding credits are missed.	All liabilities related to the year should be included in the statement of liabilities.

2.6 Statement of reconciliation on Advance Account of public officers

Audit observation	Comment of the accounting officer	Recommendation
A loan balance of Rs.199,673 was due from the suspended officers for more than 05 years, and a loan balance of Rs.47,050 was due for more than 05 years from another officer who had left the service .	The loan balance of Rs.34,460 due from a suspended officer will be paid in monthly installments of Rs.5,000 each. I am informed that action will be taken to recover the loan balance of Rs. 117,690 related to the officer who was suspended in 2011. Another suspended officer's distress loan balance of Rs.47,524 from the guarantor is Rs. 1,680 Each installment is charged monthly . A loan balance of Rs. 47,050.00 as at 31.12.2021 from a Management Service Officer who had left service is being collected.	Actions should be taken to recover the outstanding debt balance without delay.

3 . Operational review

3.1 Leaving projects unfinished

Audit observation

Actions had not been taken to complete the work of the following housing projects which were started in 2018 and 2019.

The project	Expense incurred Millions of Rs	Year in which the project was initiated	The project has been stopped in years	Physical progress achieved			
				Houses that were finished up to window level	Houses finished up to roof level	Roofed houses	Fully finished houses
North East Housing Scheme (New)	1,243	2019	02	3,923	900	662	432
Grama Shakthi Model Village Program (New)	367	2019	02	771	166	471	30
Gram Shakthi Model Village Program (Chapters)	599	2018	03	470	332	980	443
Welioya Housing Project	32	2019	02	80	35	27	-
Flood Damaged Home Improvement Housing Program	530	2019	02	1,650	474	82	-
Scattered Housing Improvement Project (New)	87	2019	02	331	239	1,553	394

Comment of the accounting officer

Under the village program implemented in 2015-2019, the 2020-2021 provision was not allocated for the completion of the entire program and only for the people in charge stream and in real housing need, Rs. 59.405 million have been spent. The approval of the District Coordinating Committee of the districts has been obtained to release the installments of the beneficiaries of the Awichjeda Model Village Program and the district offices have been informed to identify the need at the district level.

Recommendation

Actions should be taken to complete the pending housing projects.

3.2 Delays in project execution

The following observations are made.

Audit observation	Comment of the accounting officer	Recommendation
<p>(a) Mihindu Housing Project</p> <p>Although 750 million rupees have been allocated for this project as an estimated allocation in the year 2021, according to the progress report as of December 31, 2021, the expenditure incurred was 196 million rupees and the financial progress of the project was 26 percent. It was planned to build a total of 500 houses through the project of the year, but the number of houses that were built was 201. Accordingly, the physical progress of the project was only 40 percent.</p>	<p>The delay in the selection of the beneficiaries led to the delay in the initiation and implementation of the programmes. But in the year 2021, 758 housing units have been started and the expenditure incurred is Rs. 196 million. The number of houses completed that year is 201.</p>	<p>Plans should be made so that the projects can be completed within the stipulated time.</p>
<p>(b) Model Village Housing Project 2019 (Chapter) (Credit)</p> <p>An estimated provision of 172 million rupees for the year 2021 was allocated for this chaptered housing project and the expenditure incurred as of December 31, 2021 as per progress reports was 55 million rupees. Accordingly, the financial progress was only 32 percent. Although a total of 1,720 housing units in the project were planned to be completed this year, but only 395 houses were completed. Accordingly, the physical progress was 23 percent. This project was scheduled to be completed in the year 2019, and the delay period is 02 years.</p>	<p>Rs.59.405 million had been given to the beneficiaries in the year 2021 under this chaptered housing project.</p>	<p>Targeted tasks must be completed.</p>
<p>(c) Sanchi Arachchiwatta Housing Repair Project</p> <p>Although 68 million rupees had been allocated as the estimated provision for this project in the year 2021, no expenditure had been incurred for the project during the year. According to the progress reports of the year 2021, the physical progress of this project was 10 percent.</p>	<p>The estimated cost for these new houses is Rs. 85 million, of which 30 million is from the remaining allocations of the Nagamu purawara Program in 2019 and Rs.</p>	<p>Provision should be reserved only for projects that can be completed within the stipulated time.</p>

55 million had been provided from the year 2021 allocation.

- (d) Water tank, sewage lines and drainage system in Alpitiyala housing scheme

The estimated allocation for the year 2021 was 07 million rupees , and according to the progress reports, 4.5 million rupees had been spent on December 31, 2021. Accordingly, although the financial progress was 64 percent, the physical progress achieved was only 25 percent.

Work is currently in progress.

Targeted tasks must be completed.

- (e) Renovation of Himbutu Uyana Housing Scheme

For this purpose, the estimated allocation for the year 2021 was 20 million rupees and as of December 31, 2021, according to progress reports, the expenditure incurred was 19.5 million rupees, but no physical progress had been made.

For this, the rough estimate presented by the National Water Supply and Water Transport Board was Rs. 26. As the National Water Supply and Water Transport Board is to provide a new estimate due to the rapid increase in the price of pumps and accessories, after receiving the estimate, the a part of Rs. 100 million provided in the year 2022 will be used to do the work.

Physical progress should be achieved in comparison to the financial progress of the project.

- (f) Installation of water pumps and repair of pumping stations in housing schemes in Colombo area

Rs. 05 million had been allocated as an estimated provision, and according to the progress report as at 31 December 2021, 05 million rupees had been spent, but no physical progress had been shown.

Follow the procurement process and select a contractor Even though a check of Rs. 3 million was written, due to the increase in the price of the company pumps, the refused to provide the

Physical progress should be achieved in comparison to the financial progress of the project.

pumps at the agreed value. Following the procurement process, a contractor has to be selected again.

(g) Project to Accelerate Resettlement in Northern and Eastern Provinces

Rs. million 1,435 had been allocated as the estimated provision for the year 2021, and 722 million rupees had been spent during the year. Accordingly, although the financial progress of the project is 50 percent, the physical progress on December 31 2021 was only 45 percent.

No comments.

Plans should be made so that the projects can be completed within the stipulated time.

(h) Traditional brick and motor type permanent housing construction project for families affected by conflicts in the Northern and Eastern Provinces

Although the estimated allocation for this project in 2021 is 5,000 million rupees, according to the progress report on December 31, 2021, the expenditure incurred is 3,746 million rupees. Accordingly, the financial progress is 75 percent. 5,953 houses were planned to be completed for the project, but the total number of houses that were completed was 2,533, 2,326 houses were built up to the roof level and 142 houses were built up to the wall level. According to the progress report, the physical progress of the project was only 60 percent.

5953 housing units to be completed by the expected date, 2533 had been completed. 2326 houses up to the roof level, 896 houses up to the wall level and 142 houses up to the foundation level have been built. In the year 2021, due to the spread of the Covid epidemic situation in the country, we had to work under various restrictions and the prices of goods and services increased rapidly in the past, as well as difficulties in procuring some raw materials (such as cement). Apart from that, due to insufficient imprest for the provisions sent to the district secretariats, the payment of 1173 million rupees has not been made.

Plans should be made so that the projects can be completed within the stipulated time.

- (i) Construction of new technical cost-effective permanent housing for conflict-affected families in the North Eastern Province

The estimated provision of this project is Rs.400 million and the expenditure incurred on 31 December 2021 is Rs. 03 million. Accordingly, the financial progress was only 01 percent. Although 300 houses were planned to be completed for the project, only 12 houses were completed.

I agree.

The covid epidemic and the way of construction of these houses is a new situation with new technology and experiments, the deficiencies are re-evaluated and implemented by avoiding the technical errors. Delays in doing so.

Plans should be made so that the projects can be completed within the stipulated time.

3.3 Foreign Aid Projects

The following observations are made.

Audit observation	Comment of the accounting officer	Recommendation
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(a) The Reverend Maduluwae Sobitha Nahimi House Project, which is being operated under Indian aid, was supposed to be started in 2018 and completed in 2019, but the construction work of the project has stopped at this time. According to the Ministry 2020 performance report, it was observed that the cost incurred so far for this project is Rs.47 million and the physical progress is 30 percent.	The contract agreement has been canceled on 12.11.2019 due to poor construction progress due to financial management problems of the contracting company . After that, on 18.03.2020 Cabinet approval was obtained to done the rest of the work by Central Engineering Consultant Bureau (CECB) and the work was started by signing the agreement.	Targeted tasks must be completed.

- (b) According to the Ministry progress reports of the other 04 projects under Indian aid, the progress as on December 31, 2021 was as follows.

The project	Project duration	Project financial value Rs. million	Expense incurred Rs. million	Number of houses where work has started	finished Number of housing units
Island wide model village project	2017-2020	300	265	600	340
Southern Province Model Village Project I	2017-2020	300	183	600	40
Northern Province Model Village Project	2018-2021	300	94	278	58
Southern Province Model Village Project II	2018-2021	300	66	519	1

Thus, even though more than 04 years had passed, the desired objectives of the project had not been achieved.

3.4 Non-achievement of desired objectives

Audit observation	Comment of the accounting officer	Recommendation
(a) According to the follow-up reports related to resettlement activities in the northern and eastern provinces of the Resettlement Division in the year 2021, all the works of the rice processing center, which was built at a cost of Rs. 68 million from the previous year ministerial allocations in the domain of Ayanthimale grama niladari under the Batticaloa	accept 2020 allocations were used and constructed and for that purpose Rs.68 million were spent in that year. During a field inspection on 08.02.2021, it was observed that rice steaming machines and drying machines should be provided to complete the	Projects completed out of treasury allocations should be utilized to achieve the desired objectives.

Divisional Secretariat, have been completed. Although it has been done, the rice processing had not been started there.

said rice processing center. In the year 2021, the ministry did not have enough provisions for that, so the work could not be done.

- (b) The construction project of 115 rice stalls affiliated to the Maradagahamulla rice storage complex had been stalled for almost 5 years after the Ministry of Economic Development started on September 1, 2014. It was started again in December 2020 by using the allocation money of this ministry. From the year 2014 until now, Rs.135,975,907 had been spent as project expenses, and although nearly 07 years have passed since the project was started, the project has not been completed and the expected objectives of the project have not been fulfilled.

After December 2014, the construction work has been stopped for about 05 years due to the absence of any ministry or institution to take ownership of this project. In the discussion held at the Presidential Secretariat on 12.02.2020, the responsibility for the future work related to this project was assigned to this ministry. 99% of the work of this project has been completed so far.

The construction of the project should be completed within the stipulated time and used for the related tasks.

3.5 Uneconomic Transactions

Audit observation

According to the follow-up reports related to the resettlement activities in the Northern and Eastern provinces by the Resettlement Division in the year 2021, the basic and essential requirements of the resettlement process such as providing a suitable house for residence or temporary house had not been built in cases where construction of toilets had been met. It is observed that the toilets are not being used and allowed to perish, so that the beneficiaries are not benefited and the treasury funds are being wasted.

Comment of the accounting officer

In cases where there is a long delay in providing permanent homes to families who have been provided with temporary homes, temporary homes and sanitation units may be out of use and may remain in that condition until they are provided with a permanent home.

Recommendation

Government funds should not be used for useless activities.

3 . 6 Asset Management

The following observations are made.

Audit observation -----	Comment of the accounting officer -----	Recommendation -----
(a) 09 vehicles owned by the Ministry had been acquired by the Ministry of Community Infrastructure Development and these vehicles have not been handed over to this Ministry so far. Toyota Landcruiser Jeep No. WPKA - 0002 was handed over to the Office of the Commissioner General of Rehabilitation from 01 January 2021.	No. WP KA – 0002 Toyota Landcruiser Jeep had been handed over to the Commissioner General Bureau of Rehabilitation by the Resettlement Division.	These vehicles should be recovered by the Ministry.
(b) Jeep No. CAF 4619 and double cab No. PG1773 obtained in the year 2016 under leasing system had been acquired for the running of the Ministry of Agriculture , and the two vehicles had not yet been acquired by this Ministry.	National Budget Department informed that since the lease of CAF 4619 jeep and PG 1773 double cab has not been notified in writing, the relevant vehicles had not been handed over to this ministry.	These vehicles should be handed over to the Ministry.
(c) 03 idle vehicles belonging to the resettlement division of the ministry had not been disposed of.	No comments.	These vehicles should be disposed of.

3 . 7 Losses and Damages

The following observations are made.

Audit observation -----	Comment of the accounting officer -----	Recommendation -----
(a) 09 vehicle accidents of Rs. 640,361 which were carried forward without deduction last year losses and damages ,	I agree. The damages and losses indicated under these facts will be	Losses and omissions should be declared in the

Losses and damages were not written off as per the register, and the balances were not brought to the statement of losses and omissions in this year's account.	included in the future.	Losses and Damages Account which have not been written off.
(b) Damages and losses amounting to Rs.352,017 related to 02 vehicles were not recorded in the damage and loss register of the resettlement division.	- that-	The losses and damage account should be accurate as per the loss and damage register.
(c) As per Vehicle Accident Register of Housing Division The loss of Rs.24,239 not covered by insurance due to the accident of vehicle CAB 8793 on 30 January 2021 was not entered in the Ministry loss register and was not included in the statement of losses and omissions in the accounts of the year under review.	I agree. The damages and losses indicated under these facts will be included in the future.	Loss due to motor vehicle accidents not covered by insurance should be declared in the losses and damages Register and in the Loss and Omissions Account.

3.8 Management weaknesses

The following observations are made.

Audit observation	Comment of the accounting officer	Recommendation
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(a) An expenditure of Rs. 4,539,450,363 had been incurred through the North and East District Secretariats under the subject of ministry expenditure related to resettlement activities in the North and East provinces in the year 2021, and there was no follow-up on whether the intended objectives had been achieved with that money. This expenditure is 34 percent of the total expenditure of the Ministry.	From the beginning of the projects, the physical and financial progress of the projects has been reviewed monthly , quarterly , semi-annually and annually with the participation of the relevant officials of the district secretariats and divisional secretariats.	The Ministry should follow up on whether the money provided has been spent for the intended purposes.

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| (b) | According to the 2018 budget proposal, the House Rent Act No. 07 of 1972 should be amended, but the Act has not been amended so far. The elapsed time is 03 years. | <p>අම/21/1693/330/102</p> <p>and by the Cabinet decision dated 27.09.2021 , the Ministry of Justice has been assigned the responsibility of revising the House Tenancy Act. Accordingly, since this Ministry will no longer carry out the work related to the amendment of the House Tenancy Act, the related documents courts</p> <p>The letter dated 22.03.2022 has been forwarded to the Drafting Department with a copy to the Ministry.</p> | That this Act should be amended immediately . |
| (c) | From July 24, 2017 to December 31, 2021, 17 contracts sent to the Ministry Standing Technical Committee for approval from government agencies had not been evaluated and approved by the end of 2021. | Out of those contracts, only 17 contracts are to be approved and the remaining contracts have been approved. | Granting of Standing Technical Committee approvals should be done without delay. |
| (d) | A number of 64 private lands on which houses have been built under housing schemes had to be acquired by paying money . In the year 2019, compensation and interest had been paid for 09 lands, and only the interest related to the compensation had been paid for another 06 lands. | After the compensation and interest amount to be paid in each year has been notified by the respective divisional secretaries, the payments will be made from the treasury allocations received for that year. In that way, the relevant divisional secretaries have been informed to speed up the claim investigation and send the compensation and interest money for more land. | The concerned parties should be compensated and the lands should be expropriated immediately. |

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| (e) | The report of the expert committee appointed for the reorganization of the government factory had not been submitted by the end of 2021. The elapsed time is 03 years. | No comments. | The report should be obtained and the Government Factories Department should be reorganized according to the recommendations of the report. |
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4 . good governance

4.1 Providing services to the public

The following observations are made.

Audit observation -----	Comment of the accounting officer -----	Recommendation -----
(a) For land acquired and houses constructed before 20 years No compensation had been paid to the concerned landowners.	The tenure of those lands has been promptly taken over and houses have been built and people have settled in. Due to the fact that the owners have not submitted to the title tests to prove the right, it has not been possible to complete the compensation. It should also be mentioned that the efficiency of the divisional secretaries has also affected this. However, the divisional secretaries have been informed from each file to do the work quickly.	When compensation is claimed, it should be checked and paid.
(b) Even though the houses were built without taking over the private and government owned land and the beneficiaries were settled, the residents did not get the legal right to the houses due to the delay in giving the deeds.	Deeds can be started after the land is handed over in the housing systems settled in the above manner. However, after the transfer of the condominium property, the preparation of the condominium deeds, preparation of the condominium declaration, etc., the deeds will be given.	Arrangements should be made to give deeds to resident home beneficiaries .

5 . Human resource management

Audit observation

In the year under review, the approved number of employees was 345 and the actual number was 261. Accordingly , the number of vacant positions was 84 .

**Comment of the
accounting officer**

No comments.

Recommendation

Vacancies should be filled keeping in view the service requirements .