

## **Head 116 - Ministry of Trade**

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### **1. Financial Statements**

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#### **1.1 Qualified Opinion**

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The audit of the financial statements of the Ministry of Trade, Commerce and Food Security 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 summary report containing my comments and observations on the financial statements of the Department was issued to the Chief Accounting Officer on 31 May 2022 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report was issued to the Chief Accounting Officer on 06 July 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. 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 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 Ministry of Trade, Commerce and Food Security 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**

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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**

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The Chief 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 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 Chief 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**

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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 judgement 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.

#### **1.5. Report on Other Legal Requirements**

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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 Comments on Financial Statements

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### 1.6.1 Recurrent Expenditure

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<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) Fuel expenses of Rs. 351,407 to be debited to Object No 116-01-02-1202, had been debited to Object No. 116-01-02-1409 and No. 116-1-2-1205. Accordingly, fuel expense had been understated and other expenses had been overstated in the financial statements by the same amount.	This Ministry was established on 09.08.2020 by Special Gazette 2187/27 and as shown in the audit report of the year 2020, these deficiencies have occurred due to the existence of vacancies in the Sri Lanka Accountancy Service and it has been advised not to commit these mistakes in the future.	Expenses should be accounted correctly.
(b) The expense of Rs.259,938 which should be accounted under vehicle repair expense 116-01-02-1301 had been accounted under vehicle maintenance expenses 116-01-02-1409. Hence vehicle maintenance expense had been overstated and vehicle repair expense had been understated in the financial statements by the same amount.	-do-	-do-

### 1.6.2 Property Plant and Equipment

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<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
Although the cost of motor vehicles had been stated as Rs. 79,900,500 in the statement of financial	The value of the vehicle No. WP PF-0051 included in this value should be Rs. 6,000,000 and that value	The cost of motor vehicles should be accurately stated in the statement of financial position.

position, as it was has been omitted. Also, the Rs.80,400,000 according value of WP CAS-2163 as at to the information 31.12.2021 was Rs.28,500,500. submitted to the audit, a The revalued amount as insured difference of value for this year was Rs. 499,500 was observed. Rs.35,000,000 Accordingly, the actual cost of motor vehicles as at 31.12.2021 is Rs. 79,500,500.

### 1.6.3 Balances of the Advance Accounts

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>Although ,the balance of the advance account as at 31 December 2021 was 17,671,336 according to the statement of financial position,, the balance according to the list of individual balance of the advance B account was Rs.17,767,595. Accordingly, an excess of Rs.96,259 had been shown in the list of individual balances.</p>	<p>This difference has arisen due to the fact that the interest of distress loan, interest of housing loan and property loan of April 2021 amounting to Rs.26,259 have been mistakenly credited to 116012 and the amount of advance payment of Rs.70,000/- paid in April 2021 was not recorded and this error has been corrected by the summary of accounts for January and February 2022.</p>	<p>The balance of the advance account as per the statement of financial position, should be reconciled with the list of individual balances of the Advance B account.</p>

### 1.6.4 Non-maintenance of Registers and Books

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>A Record of liabilities had not been maintained in terms of Financial Regulation 214.</p>	<p>An up-to-date record of liabilities is currently being maintained.</p>	<p>In terms of Financial Regulation 214, liabilities should be recorded in a record of liabilities to ensure regular examination of such liabilities</p>

## 2. Financial Review

### 2.1 Management of Expenditure

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) The entire net provision amounting to Rs. 4,900,000 provided for 05 Objects had been saved.	Only incurring essential expenses through management of public expenditure and not releasing imprest from the Department of Treasury Operations were the reasons for this.	Accurate estimates of expenditure should be prepared in terms of Financial Regulations 50.
(b) Supplementary Estimated provision of Rs. 1,093,000,000 as Rs. 43,000,000 for 06 Objects of program 01 and Rs 1,050,000,000 for an Objects. of program 02 had been obtained . It ranged from 33 percent to 223 percent of the estimated provision of each Object.	Supplementary estimated provisions had to be obtained for obtaining additional provisions through a Ministry Memorandum due to establishment of the Ministry in a new building, obtaining supplementary provision due to inadequacy of provisions, request for additional provisions for payment of wages on permanent placement of trained graduates, inadequacy of stationery and office requirements and provisions required for financing the loans obtained by CWE and Lanka Sathosa.	-do-

- (c) Additional provisions of Rs. 15,610,300 for 10 Objects of program 01 under the expenditure Head had been provided under the Virement Procedure. It ranged from 33 percent to 258 percent of the estimated provision of each Object
- It had to be transferred from other Objects due to allocations are not sufficient.
- do-
- (d) Provisions from the annual budget estimate of the year 2021 had not been allocated for the Object 116-2-5-3-2202 and an allocation of Rs. 45,500,000 had been made from the Object 116-2-5-1-2202 under the FR 66/69 transferes.
- Bills of Rs. 45,438,332.60 had to be paid further in relation to the construction of the auditorium implemented under the Tarapuram Village Program in Mannar District, the development activities related to the Tarapuram work and the construction of the convention center and the provision was transferred under FR 66 as the provision for that had not been allocated in the budget of the year 2021.
- do-
- (e) Provisions of supplementary estimates should not be used for purposes other than those specifically mentioned and should not be transferred under FR 66/69 to other Objects. However, contrary to that, supplementary estimate allocation of Rs. 4,250,000 was obtained for the Object 116-1-2-0-1003 and Rs. 2,238,500 had been transferred to other Objects through transfer of FR .66.
- Provisions were made by means of a supplementary estimate on account of the inadequacy of the provision for the Object 116-1-2-0-1003
- Provisions of supplementary estimates should not be used for purposes other than those specifically mentioned and should not be transferred under FR 66/69 to other Objects.

## 2.2 Incurring of Liabilities and Commitments

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) Although it was stated that there are no commitments of the financial statement, commitments in the Statement of Liabilities and liabilities, in a sample test carried out related to the payments made in the year 2022, it was observed that an amount of Rs. 3,481,619 related to the year 2021 had been paid in the year 2022 .	As the provisions are insufficient, the payments for the year 2021 were paid in January and February of the year 2022. Instructions has been given to report correctly in future.	Liabilities and commitments should be correctly identified and stated in the commitments in the financial statement and statement of liabilities.
(b) Liabilities in excess of the savings under 05 Objects were Rs. 3,212,273 and actions had not been taken in this regard in accordance with F. R 94.	-do-	Actions in respect of liabilities in excess of the savings should be taken in terms of F.R 94.
(c) The amount of Rs.2,018,780 payable to a private company for the purchase of furniture in the year 2021 had not been paid even by 28 February 2022 and it had not been accounted under liabilities.	-do-	Payables should be accounted under liabilities.

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

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Reference to Laws, Rules and Regulations	Observation Non-compliance	Comments of the Chief Accounting Officer	Recommendation
<p>Presidential Office Circular on Public Expenditure Management dated 14 May 2010</p>	<p>Although the maximum number of official vehicles that can be used for the minister and the supporting staff of the minister is 08, the Ministry had deployed 11 official vehicles for that purpose.</p>	<p>Vehicles have not been provided in excess to the maximum number of vehicles that can be used for the minister according to the circular and this calculation has been done according to the number of vehicles provided instead in cases where vehicle repairs are taking place.</p>	<p>Actions should be taken as per the provisions of the Circular</p>

### 2.4 Operation of Bank Accounts

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Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>The details of the bank account related to the Ministry had not been included in the Status Report as at 31.12.2021 on Bank Account opened in note (viii) to the financial statement in terms of the instructions of Treasury Operation Circular No. 2015/03 issued on 23 October 2015.</p>	<p>Instructions have been given to take actions as per Treasury Operational Circular 2015/03.</p>	<p>The details of the bank account related to the Ministry should be included in the status report as at 31.12.2021.</p>



### 3. Operating Review

#### 3.1 Vision and Mission

The Ministry had failed to achieve the following main objectives among the objectives of the Ministry.

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
(a) Using tariff policy as a tool to control market behavior to protect the rights of local producers and consumers through a national trade policy and encouraging exports by providing tax concessions to local producers to encourage production.	Updating of the National Trade Policy is already in progress and it is expected that these objectives will be achieved.	Actions should be taken to achieve the main objectives of the Ministry.
(b) To maintain a data system for the institutions, which are governed under the Ministry and update data system and to make a mechanism for making links with external institutions, which provide information.	Instructions have been given to the relevant officers to update the data system and continue the same based on the instructions received from the Committee on Public Accounts.	-do-

#### 3.2 Non- performance of Functions

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
According to the Cabinet decision dated 27 April 2008, although maintaining a rice buffer stock of 100,000 metric tons in the warehouses owned by the Food Department throughout the island had been identified as the main task, the Department had not maintained	The government imposed a control price for rice in the year 2021 and a rapid rise in the price of rice in the local market occurred with the subsequent removal of the control price by the government. It was proposed to import	The Ministry should take actions regarding maintaining a rice buffer stock in the country.

a rice buffer stock in the precious years. A provision of Rs.200 million had been provided to the Department in the year 2021 in order to maintaining a rice buffer stock of 8000 metric tons within Sri Lanka upon the requirement of the South Asian Association for Regional Cooperation. However, the provision had been transferred to the State Trading (General) Corporation as this provision had not been utilized to maintain a rice buffer stock until October 2021. Even though this was a task planned to be achieved by the Action Plan of the Ministry for the year 2021, the actions had not been taken by the Ministry to maintain a rice buffer stock within the country.

rice as a solution for this and the provision of Rs. 200 million given to the Food Commissioner's Department for maintaining a buffer stock of rice was given to the State Trading (General) Corporation. for importing rice and distributing it across the country through Sathosa. Accordingly, it was expected to control the price of rice making the rice availability in the country. The amount given to the State Trading (General) Corporation is to be recovered back to the Food Commissioner.

### 3.3 Delays in the Execution of Projects

----- <b>Audit Observation</b> -----	----- <b>Comments of the Chief Accounting Officer</b> -----	----- <b>Recommendation</b> -----
<p>The Cooperative Wholesale Establishment had spent Rs.82,525,681 for the renovation of 13 warehouses belonging to the Corporation and the Ministry had reimbursed the expenses of Rs.62,490,367 by 31 December 2020. The contract had been awarded for the renovation of all these warehouses in the year 2019 and the contract period ranged from 30 days to 180 days. However, the renovation works of 06 warehouses had been completed by 30 April</p>	<p>According to the instructions of the Committee on Public Accounts, instructions have been given to the relevant institutions in this regard.</p>	<p>The monitoring related to the projects of the institutions under the Ministry should be carried out.</p>

2022 and the progress of renovation of other 07 warehouses had been ranged from 05% to 95%. The monitoring of the Ministry had not been carried out in connection with the non-completion of these warehouse renovation works even until the lapse of period of more than a year from granting provision.

### 3.4 Procurements

----- <b>Audit Observation</b> -----	<b>Comments of the Chief Accounting Officer</b> -----	<b>Recommendation</b> -----
(a) The following observations are made on the purchase of office equipment by the Ministry in the year 2021.		
(i). A formal estimate had not been prepared as per the Guideline 4.3.1(a) and specifications had not been set as per Guideline 5.6 of the Government Procurement Guidelines	Officers have been informed to take actions according to procurement guidelines in the future.	Actions should be taken as per procurement guidelines.
(ii). In terms of the Guideline 3.4.1(a) of the Government Procurement Guidelines, although shopping method should be followed for the procurement relating to the readily available goods of small value, the shopping method had been followed by the Ministry for the above procurement which exceeded Rs.03 million.	-do-	-do-

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| <p>(iii). Bids had been called for from the registered suppliers in the purchase of office equipment in the second phase and the institution from which the office equipment amounting to Rs. 4,380,559 were bought had not been registered with the Ministry.</p>  | <p>-do-</p> | <p>Bids should be invited from suppliers registered with the Ministry.</p> |
| <p>(iv). Bids had not been called for the purchase of chairs for the auditorium and the Technical Evaluation Committee had recommended a supplier. A sum of Rs. 3,289,500 had been spent for this purpose and it was observed that this was a purchase made deviating from the procurement procedure.</p> | <p>-do-</p> | <p>Actions should be taken as per procurement guidelines.</p>              |
- (b) The following matters were observed in the examination of interior designing and office partitioning of the office of the Minister.
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| <p>(i). Although only a provision of Rs. 22,000,000 had been allocated for the above matter under the Object No. 116-1-2-0-2001, the Ministry had prepared an estimate of Rs. 35,032,625 in excess of that limit.</p>                      | <p>An additional provision of Rs.20 million had been made for this. It is an estimate prepared for a value of Rs.35, 032,625. But the expenditure has been incurred within the allocated provision.</p> | <p>The amount of the provision should be taken into consideration in case of preparing an estimate</p> |
| <p>(ii). Even though the registration of suppliers should be applied for procurement of items of small value or for purchase of items used frequently, for which advertising may be uneconomical as per the Guideline 3.4.3 (a) of the</p> | <p>Necessary instructions have been given to carry out the procurement activities as per the Procurement Guidelines.</p>  | <p>Actions should be taken as per procurement guidelines.</p>  |

Government Procurement Guidelines, bids had been called for from registered suppliers for the above procurement which exceeded Rs.35 million.

- (iii). According to 5.3.16 (a) of the procurement guidelines, if the bidders are allowed to submit alternative bids, it should be clearly stated in the bid documents; nevertheless 02 organizations had submitted alternative bids when it was not mentioned in the bidding documents. Although this alternative bid submitted by the bidder should not be considered for the bid evaluation, the alternative bid submitted by a private organization had been considered and the contract had been awarded. While there were 03 organizations that submitted bids with lower value than the organization that submitted this alternative bid, the contract was awarded to that organization based on the alternative bid of Rs.14,019,655 submitted by the above organization.
- (iv). As per 5.3.16 (b) of the Procurement Guidelines, although an alternative bid should be supported by a bid security, such bid security had not been submitted in respect of this bid with a variance of 60% from the estimate and performance security of 5% on the contract value had not been submitted.
- do- -do-
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### 3.5 Assets Management

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
<p>(a) According to paragraph 02(i) of Asset Management Circular No. 02/2017 dated 21 December 2017, the vehicles that are used without the right of registration should be registered in the name of their institution upon the agreement of the organization that has the right of registration or formally handed over to the organization that has the right of registration. However, actions had not been taken in respect of the vehicles out of the 24 vehicles used by the Ministry which registered in the name of other government organizations.</p>	<p>The Cabinet approval had been received on 28 September 2021 to transfer of only 07 vehicles to this Ministry and the permission of the Comptroller General has not been received to transfer 04 vehicles. Also, actions have been taken to change the registered name of 03 vehicles based on the announcement by the special gazette No 2187/27.dated. 2020.08.09 as the successor ministry to the currently registered ministry,</p>	<p>Actions should be taken as per Circular.</p>
<p>(b) A Land Rover Discovery type jeep registered under the name of the Presidential Secretariat has been parked idle since the beginning of the Ministry. The Technical Engineer of the Colombo Municipal Council had submitted recommendations to the Secretary of the then Ministry of Internal Trade Food Safety and Consumer Welfare on 07 March 2020 regarding the defects and repairs of the vehicle. Even so, the Ministry had</p>	<p>Estimates have been called for the relevant vehicle and future repairs will be done based on the funds to be received.</p>	<p>Assets should be used efficiently and effectively.</p>

not taken the necessary measures in this regard even as at 31 December 2021.

### 3.6 Uneconomic Transactions

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#### Audit Observation

#### Comments of the Chief Accounting Officer

#### Recommendation

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The performance report of the Ministry of the year 2020 had been printed in 350 copies and the cost incurred thereon had been Rs. 791,910. As the Parliament had rejected those copies due to not containing the basic elements to be included in this report such as the financial statements for the year 2020, board of survey reports, Auditor General's report and the largeness of the report consisting of 831 pages, the cost incurred for that had been an uneconomical expenditure.

The 270 copies presented to Parliament subsequently have been printed using resources of the Ministry without incurring an additional cost.

The responsibility should be determined and assigned to the relevant responsible party and the task should be accomplished on the recommendation of the relevant authority.

### 3.7 Management Inefficiencies.

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- (a) The project of Provision of Speedy Loan Facilities for Small and Medium Scale Millers was implemented in the year 2020 in accordance with the Cabinet Decision No. 403/20/0722/218/010 dated 07 May 2020 with the objective of facilitating the small and medium scale millers providing working capital facilities to resume their mills and thereby, to supply rice to the Sathosa Ltd for sale or to the Food Commissioner's Department to maintain a buffer stock of rice. In terms of the Cabinet decision, the approval had been granted to implement this project subject to the criteria such as giving the priority to the co-operative societies which own rice mills, being a miller who did not receive the loan facility through relief package provided to the small and medium scale businessmen by the scheme implemented in January 2020 and not having defaulted on loan installments to banks. The following observations were made in this regard.

**Audit Observation****Comments of the Chief  
Accounting Officer****Recommendation**

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(i). The credit facilities of Rs. 266.7 million in the year 2020 and Rs. 109 million in the year 2021 had been provided under this project. In the payment of this loan, no attention had been drawn on the loans due from each miller and the loan amount to be granted to each society under the project had been determined based on the total unpaid amount of the loans obtained by the all members of each co-operative society and the payable monthly installment. Instances were also observed where the aggrieved parties had resorted to court proceedings due to the issues involved in the parties to whom the loan should be given. Accordingly, loans had been granted contrary to the 3rd criterion stipulated in the above Cabinet decision and the attention of the Ministry had not been focused to avoid those situations.

The Ministry has already taken necessary measures to directly monitor the implementation of the project of providing loans to small and medium scale rice mill owners.

The monitoring related to the projects of the institutions under the Ministry should be carried out.

(ii). Despite the recommendation of the Co-operative Commissioner to provide a loan of Rs. 10,000,000 to the Rice Producers' Co-operative Society of the Puttalam district in the year 2020, a

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sum of Rs. 70,000,000 had been provided for that. Accordingly, while giving loans to cooperative societies, loans had been given surpassing the recommendation of the Cooperative Commissioner and the monitoring of the Ministry had not been carried out in this regard.

- (b) With the objective of creating and empowering local entrepreneurs, the Sri Lanka State Trading (General) Cooperation introduced the Q Shop concept in the year 2020 for the establishment of a network of small shops throughout the island with the intention of distributing local productions including foodstuff for an affordable price with a government responsibility. The following observations are made in this connection.

<b>Audit Observation</b>	<b>Comments of the Chief Accounting Officer</b>	<b>Recommendation</b>
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<p>(i). According to the Action Plan of the Ministry, plans had been drawn to establish 20 Q Shop by the end of the year 2021. The Ministry had reimbursed Rs. 34,319,291 during the year 2021 for this purpose. However, only 08 shops had been established by 28 March 2022.</p>	<p>The relevant officials were informed to take actions according to the instructions given by the Committee. On Public Accounts.</p>	<p>The monitoring related to the projects of the institutions under the Ministry should be carried out.</p>
<p>(ii). It had been planned to establish these shops by renovating container boxes and the Ministry had released Rs.7,200,000 on 26 January 2021 as the investment made for the 20 container boxes by the State Trading (General) Corporation. However, only 07 shops had been established and the</p>	<p style="text-align: center;">-do-</p>	<p>The Ministry should follow up on the effectiveness of the funds released.</p>

Ministry had not either confirmed as to whether that amount of container boxes had been purchased or taken follow up action regarding the manner in which that money was spent.

(iii). The contract for the construction of 20 shops had been awarded to the Central Engineering Consultancy Bureau and the Corporation had not entered into any written agreement with that Bureau. Attention of the Ministry had not been focused in this connection while reimbursing the expenditure.

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The Ministry should focus on entering into written agreements while reimbursing expenses for projects.

(iv). In terms of Cabinet Decision No. 403/20/1909/313/035 dated 22 December 2020, it had been scheduled to construct 20 Q-Shops under an estimate of Rs. 50,000,000 during the year 2021. Although the estimated cost for a shop was Rs. 2,500,000 as per the Cabinet decision, 05 shops had been constructed exceeding that amount and the additional cost incurred thereon had been Rs. 10,872,604.

-do-

Proper monitoring should be carried out on incurring expenses so as not to exceed the estimated cost.

(c) Rs.1,752,813 to be remitted to Public Service Provident Fund, Rs. 396,041 to be remitted to Employees' Provident Fund and Rs. 11,088 to be remitted to the

There were vacancies in many senior level positions of the Ministry in the year 2021 and the relevant officials were delayed in the registration of those funds.

The amount to be remitted to the Public Service Provident Fund, the Employees' Provident Fund and the Employees' Trust Fund should be remitted without a delay.

Employees' Trust Fund had been credited to the general deposit account without remitting to the relevant institutions. The relevant officials are being registered in those funds and the amount deposited in the general deposit account is being settled.

**4. Achievement of Sustainable Development Goals**

**Audit Observation**

**Comments of the Chief Accounting Officer**

**Recommendation**

The progress in achieving the Sustainable Development Goals such as carrying out the basic activities related to the establishment of the "Q shop" chain of stores to encourage local producers and entrepreneurs with the aim of reducing poverty through the creation of sustainable economic growth and a concessional price system and providing the guidance and supervision of activities required to operate a network of shopping complex under the "Rajwasa" project to protect the consumer by preventing shortage of goods in the market and price instability was less than 50 percent.

The "Rajawasa" project was implemented to encourage local manufacturers and entrepreneurs and to protect the consumer by preventing the shortage of goods in the market and price instability. The Rajawasa project in Narahenpita is being run successfully and the Rajawasa project in Batticaloa could not be completed on time due to the prevailing circumstances.

Sustainable Development Goals should be achieved.

## 5. Human Resource Management

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### Audit Observation

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### Comments of the Chief Accounting Officer

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### Recommendation

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| (a) There were 07 vacancies at senior level as at 31 December 2021 and 31 posts were vacant as the actual cadre was 24 even though the approved cadre at secondary level attached to the Ministry was 55. | Vacancy of the post of Director General Planning has been filled on 04.05.2022 and officers in the posts of Legal Officer/Legal Adviser have retired and the statement of comprehensive marks for re-recruitment has been sent to Public Service Commission for approval. The posts have been sent to the Department of Management Services for approval on 23.11.2021 to fill the vacancies in this Ministry established on 20.08.2020 according to the gazette of 09/08/2020 | Arrangements should be made to fill the vacancies of senior level posts taking the service requirements into consideration. |
| (b) Although the approved cadre of Development Officers attached to the Sri Lanka Export Development Board were 174, as the actual cadre was 276, there was an excess of 102 over the approved cadre.     | Provisions for officers attached to the Sri Lanka Export Development Board are sent to the respective Divisional Secretariats and District Secretariats.   | The approved cadre should be maintained.  |