

Head 282 - Department of Irrigation

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Irrigation for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 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 of Irrigation was issued to the Accounting Officer on 06 June 2019 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 . The Annual Detailed Management Audit Report of the Department of Irrigation was issued to the Accounting Officer on 06 June 2019 in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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 Department of Irrigation as at 31 December 2018 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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

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

The Accounting Officer is responsible for preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without inadequate false statements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Department of Irrigation 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.

The Accounting Officer shall ensure that an effective internal control system is maintained and maintained for the financial control of the Department of Irrigation in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

 My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General 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 judgment 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.
- It is not intended to express an opinion on the effectiveness of internal control of the Department of Irrigation to plan appropriate audit procedures in a timely manner.
- Evaluate the structure of financial statements including disclosures and content-based transactions and events the structure that the financial statements are appropriate and reasonable.
- The transactions and events underlying the structure and content of the financial statements are appropriately and fairly when submitting financial statements as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

 I declare the following matters in terms of Section 6 (d) and Section 38 of the National Audit Act No. 19 of 2018 .

(a) As there was no need to prepare financial statements for the previous year, it was impossible declare the financial statements for the year under review were consistent with those of the previous year.

(b) As there was no need for the Department of Irrigation to prepare financial statements for the previous year, the recommendations for the financial statements had not been presented.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Performance

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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A total of Rs. 8,993.71 million had been made available for 27 Objects and a sum of Rs. 5,968.86 million had been utilized by the end of the year under review. Accordingly, the provisions ranging from 15 per cent to 100 per cent had been saved.	Actions should be taken to utilize the allocations made available and the estimates should be accurately prepared.	Agreed. The reasons such as not occurring expected expenses, insufficient funds, no new recruitments for vacant posts, purchases made on financial leases had affected for this.

1.6.2 Statement of Financial Performance

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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(a) Although the value of the acquisitions of capital assets in the expenditure statement during the year as per the programmes furnished with the financial statement had been shown as Rs. 5,963,531,356, since the value of the acquisition of capital assets	Value of assets should be properly taken into accounts.	The assets purchased until May 2018 were brought to accounts as the initial balance of the Register of Fixed Assets, as per the instructions received from the Treasury. Therefore, it is agreed that the value of acquisition of capital assets

had been shown as Rs.4,873,554,230, in the statement of non-financial assets, a difference of Rs. 1,089,977,126 was observed.

during the year in the statement of expenditures according to programmes and the value stated as the acquisition of capital assets in the statement of non-financial assets does not match.

- (b) Although the value of property, plant and equipment in the statement of non-financial assets at the beginning of the year under review had been shown as a sum of Rs. 35,044,134,234 and because of the value of property, plant and equipment had been shown as at the date in the statement of financial position as Rs. 24,185,806,846, a difference of Rs.10,858,327,388 was observed.
- When the assets taking in to accounts the opening balance should be accurately recorded.
- As advised by the Department of State Accounts, the Department of Irrigation has assessed most of its assets and accounted for that year as an opening balance by 31 May 2018. Accordingly, the total value of assets assessed and brought to accounts as the opening balance from 31 May 2018 to 31 December 2018 is Rs. 35,044,134,234. These assessed values were included as the opening balances of the CIGAS Programme.

1.6.3 Reconciliation Statement of the Advances to Public Officers Account

The following observations are made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
(i) The total amount of employee loans receivable as at 31 December 2018 was Rs. 518,296,185 and out of that the outstanding balance was Rs. 23,767,567. Further, as a result of the debts in arrears which were stopped recovering from the officers who had transferred, left the service and interdicted was increased in the year 2018 as compared to the years 2016 and 2017 and the progress of recovering of those loans was at a very unsatisfactory level.	Actions should be taken to recover outstanding debts promptly.	The recovery of those outstanding loan balances up to May 2019 was Rs. 9,237,173 and it is close to 39 per cent of outstanding debt balances. More attention has been drawn on recovering of those debt balances in the year 2019.

- (ii) If an officer dies before the loan is fully recovered, although the Director General of Pensions should be requested immediately to deduct all debts owed to the government by him from any money to be paid to his heirs in terms of Paragraph 4.4 of Chapter XXIV of the Establishment Code, actions had not been so taken in respect of the a sum of Rs. 1,912,946 in due from 24 employees who had deceased by 31 December 2018 . The loan amounted to Rs. 372,094 recoverable from 4 debtors out of that were older than 05 years.
- Actions should be taken in compliance with Paragraph 4.4 of Chapter XXIV of the Establishments Code.
- Details have been sent to the Department of Pensions for the preparation of death gratuities of two officers over 05 years. Steps have been taken to obtain the details of preparation of death gratuities of the officers from the Zonal Office and Regional Office. The files have been sent to the Department of Pensions for preparation of pensions of other officers. Arrangements are being carried out to prepare the pension of the other officers whose pensions are having trouble whilst preparation and work on preparation of pensions is in progress of the other officers who have the debt balances.

1.6.4 Deposits

The following is observation is made.

Audit Observation

Even though it had elapsed more than 02 years for the general deposits amounting to Rs. 1,495,013 in the General Deposit Account, actions had not been taken to bring those deposits in to the Revenue in terms of Financial Regulation 570.

Recommendation

Actions should be taken in accordance with the Financial Regulations 570 regarding expired deposits.

Comments given by the Accounting Officer

It was not furnished for payment and actions will be taken to credit to State Revenue in future.

1.6.5 Imprest balance

The following deficiency was revealed when the imprest balance taken in to accounts.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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A balance of Rs. 2,495,604 which is due from the year 2017 in connection with an Imprest Account had not been settled.	Actions should be taken to settle the imprest balance.	The balance of Rs. 2,495,604.00 is not an advance given by the Department and it was obtained from the Account No. 7042385 of the Director General of Irrigation from the District Court of Galle in accordance with the Court Order No. 658, and paid to the complaining party. Since this amount is also shown as an unsettled imprest balance in the Treasury printouts, it is stated as an imprest balance under the current liabilities in the statement of financial position.

1.6.6 Over Expenditures

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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Although the Department has not engaged in financial activities, a sum of Rs. 46,756,782 had been stated as the expenditure on financial activities .	It should be brought to accounts accurately.	This amount is made up of the difference in receipts and payments of general deposits. The cash flow generated from the financial activities of the cash flow statement is stated under (a).

1.6.7 Non-maintenance of Documents and Books

It was observed that the below mentioned Registers were not maintained by the Department and certain Registers had not been maintained properly and in an updated manner during the course of the audit test checks.

Audit Observation	Recommendation	Comments given by the Accounting Officer
----- (a) Register of Fixed Assets -----	-----	-----
A Register of Fixed Assets had not been maintained in terms of Treasury Circular No: 842 of 19 December 1978 and Appendix 11 of the Finance Regulations 502 (2) .	The Register of Fixed Asset should be maintained with the consent of the Auditor General as applicable.	The documents relevant to fixed assets remained up to 2018 in the CIGAS Programme and fixed assets related to computer accessories and software have been prepared and completed by now .
(b) Register of Fixed Assets with regard to Computers, Accessories and Software -----	A Register of Fixed Assets for computers, accessories and software should be maintained in accordance with the Circular.	-do-
A Register of Fixed Asset with regard to computers, accessories and software had not been maintained in accordance with the Treasury Circular No. IAI / 2002/02 dated 28 November 2002.	A Register of Fixed Assets for computers, accessories and software should be maintained in accordance with the Circular.	-do-
(c) Register of Security -----	A Register of Security should be maintained in respect of officers who should keep securities including the details consisted in Financial Regulation 891 (1) .	Agreed. It has been informed that actions will be taken to maintain in the year 2019 .
A Register of Security had not been prepared including the details of officers and employees who should keep securities in terms of Financial Regulation 891 (1) .	A Register of Security should be maintained in respect of officers who should keep securities including the details consisted in Financial Regulation 891 (1) .	Agreed. It has been informed that actions will be taken to maintain in the year 2019 .
(d) Stock Book for Fuel & Lubricants -----	A Stock Book of Fuel and Lubricant Oil should be maintained in accordance with Financial Regulations 1647 (d).	Accepted. It has been announced that it will continue to operate in from the year 2019.
A Stock book for Fuel and Lubricants had not been maintained in accordance with Financial Regulations 1647 (d).	A Stock Book of Fuel and Lubricant Oil should be maintained in accordance with Financial Regulations 1647 (d).	Accepted. It has been announced that it will continue to operate in from the year 2019.

1.6.8 Certification that should be made by the Accounting Officer

Although the Accounting Officer should certify the following matter in accordance with the provisions of Section 38 of the National Audit Act No. 19 of 2018 it had not acted accordingly.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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<p>The Accounting Officer shall ensure that an effective internal control system is developed and maintained for the financial control of the Department and the effectiveness of the system should be periodically reviewed and the necessary modifications should be made to make the system effective and even though these reviews should be made in writing and a copy of that should be furnished to the Auditor General, the statements as of such a review was carried out had not been furnished to audit.</p>	<p>Actions should be taken in terms of the provisions of Section 38 of the National Audit Act, No. 19 of 2018 .</p>	<p>The financial powers delegated to the Irrigation Engineers at the Head Office were assigned to the Accountants in order to develop and maintain an effective internal control system from 01.07.2019. Further, steps are being taken to appoint 16 new accountants to establish a financial control system for Regional Offices.</p>

1.6.9 Non-compliance with Laws, Rules and Regulations

The instances of non-compliance with the Laws, Rules and Regulations observed during the audit test checks are analyzed below.

Observation	Recommendation	Comments given by the Accounting Officer
----- Reference to Laws, Rules and Regulations -----	Non-compliance -----	-----
(a) Establishment Code of the Democratic Socialist Republic of Sri Lanka -----	(i) Sections 6.13.1 and 7.1 of Chapter XIX The officers who had used government quarters should have been returned to the official who allocated those quarters when they retired, transferred or left the service, the 16 quarters of the Department had not been so handed over.	Actions should be taken in compliance with Chapter XIX of the Establishments Code.
(ii) Section 3: 18: 1 of Chapter XXIV	Although the loans provided should be recovered before granting leave without pay, actions had not been so taken in respect of loan receivable amounted to Rs. 119,440 from an officer who had left abroad.	Actions has been taken and detailed information are submitted with regard to not returned quarters at the occasions of retirement and transfer of officers. A letter has been sent informing Mr. K.R.D. Gamage who is currently in abroad with the notice of payment due amounted to Rs. 119,440 .
(iii) Section 4.4 of Chapter XXIV	The loan receivable from 179 retired officers as at 31 December 2018 was Rs. 15,833,988 and actions had not been taken in terms of the Establishments Code in this regard. Out of	Actions should be taken in accordance with Section 4.4 of Chapter XXIV of the Establishments Code.
		A loan balance amounted to Rs. 6,150,662.23 has been recovered in the year 2019. That recovery is more than 1/3 of the total retired officers' credit balance. Actions are being taken to make this

this, the loan balance of Rs. 951,962 receivable from 13 officers were older than 05 years .

situation increased in the second quarter.

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| <p>(b) Circular No. 118 of the Director General of the Department of National Budget dated 11 October 2004</p> | <p>Even though the arrangements should be made to recover their loan balances within two months of the transfer, actions had not been taken with regard to a loan balance of Rs. 1,017,262 due from 07 officers who had transferred out the Department.</p> | <p>Actions should be taken as per the Circular.</p> | <p>Actions are being taken to recover the loan balances of the officers who have been transferred to Ministries / Departments out of the Department.</p> |
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1.6.10 Transactions in the Form of Fraud

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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<p>A loss of Rs. 1,162,110 had occurred whilst construction of the Feeder Canal from Usgala to Siyabalangamuwa Tank to Mahagalgamuwa Tank due to entered in to new agreements before the expiration of the agreement period with the suppliers of machinery entered into and cancellation of these agreements by entering in to new agreements with the same suppliers at higher prices.</p>	<p>Request for cancellation of agreements entered into and approval should be obtained and take appropriate actions in respect of the loss occurred.</p>	<p>The works of the construction of Uagala Siyabalangamuwa Feeder Canal was being carried out by agreements entered into with the registered suppliers for the year 2015. Nevertheless, the suppliers were informed that it was no longer possible to supply the machines at such prices due to the high cost of fuel, machinery parts and other services and charges related to machinery. Therefore, the Divisional Irrigation Engineer of Galgamuwa and other Divisional Irrigation Engineers of the Kurunegala Region as well have requested the Director of Irrigation, Kurunegala to</p>

approve the new prices.

Accordingly, the new prices for the year 2016 have been approved by the Director of Irrigation Kurunegala and the Galgamuwa Irrigation Engineer has taken steps to enter into new contracts at these new prices. At that time, although there were time and hours left in the agreements entered into under the old prices, those have been cancelled and entered into new agreements. It is kindly informed that the above factors have led to the cancellation of the old contracts and entered into new agreements at new prices.

2. Financial Review

2.1 Expenditure Management

The following observations were made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
(a) Because of the reasons such as making allocation without identifying the requirements in the formulation of the Estimates and not carrying out the works as planned, out of the total net provision of Rs. 13,749,346,000 allocated for 25 Objects, a total of Rs. 3,416,502,624 had been saved. Those savings had ranged from 6 per cent to 59 per cent of the provisions made	Estimates should be accurately prepared before obtaining imprests.	The audit observations are accepted. The provisions will be made as per the estimates in future.

available.

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| (b) | Due to the transfer of allocations among Objects without properly identifying the allocation requirement, the total transfers made from other Objects to 02 recurrent Objects amounted to Rs. 1,015,000 had been entirely saved. | Transfers should be made in accordance with the Financial Regulations 66 and 69 by correctly identifying the requirement for provisions. | Because of non-receipt of expected property loan applications during the year and non-availability of imprests, there is a considerable amount of provisions saved. |
| (c) | The total net provision of Rs. 500,000,000 obtained by a Supplementary Estimate to land and land improvement in capital expenditure had been saved. | The estimates should be made by preparing proper plans before obtaining the provision. | The provisions made for the Yan Oya Project have been left. If the adequate imprest was received during the year, it is kindly informed that there will not be savings in this additional provision of Rs. 500 million. |

2.2 Entered into Liabilities and Commitments

The following observation is made.

Audit Observation

Even though if there is financial provisions available in the Annual Estimates, it should not entered in to any expenditure or liability for work or service or supply in terms of 94 (1) of the Financial Regulations, commitments amounting to Rs. 20,578,773 had been entered into exceeding the approved provision for the year under review.

Recommendation

It should act in accordance with Financial Regulations 94 (1).

Comments given by the Accounting Officer

Agreed. Steps have been taken to ensure that such shortcomings do not occur in future and to send a letter to make aware to all Zonal Offices.

2.3 Issuance and Settlement of Advances

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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It had been delayed to settle the ad hoc sub imprests which were given to 07 officers of the Department totalled to Rs. 200,029 for a period from 03 months to 08 months.	The advances should be settled immediately upon the completion of the task of advance issued.	Agreed. Steps are being taken to ensure that not to occur such shortcomings in future and arrangements have been made to submit a letter of advice to all Zonal Offices informing them to comply with the Financial Regulations in respect of the ad hoc sub imprests.

2.4 Operating Bank Accounts

The shortcomings revealed in the audit test checks carried out on operating bank accounts are as follows..

Audit Observation	Recommendation	Comments given by the Accounting Officer
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(a) A total of Rs. 7,932,630 had remained in 04 bank accounts maintained by 04 Zonal Irrigation Director Offices and these accounts had remained dormant from December 2017 to April 2019.	Arrangements should be made to close the dormant bank accounts.	Letters have been submitted to obtain the required confirmation letters from the bank to close these accounts. Necessary steps will be taken to close those accounts once those letters are received from the Bank.
(b) The details of 11 bank accounts had not been included in the Quality Report.	Details on all accounts maintained should be included in the Quality Report.	Since these accounts are the project accounts related to the DSWRP and CRIP

Projects, were not included in the financial statements.

3. Operational Review

3.1 Failure to Perform Duties

The following is observation is made .

Audit Observation

Although a provision of Rs. 25 million was made available for the proposed Godigamuwa Project in the year 2018, a sum of Rs. 22 million of these provisions had been transferred to other Object without incurring to that Project and only an access road to the site had been constructed.

Recommendation

The provisions obtained preparing estimates should be deployed for that purpose.

Comments given by the Accounting Officer

The construction of the Project was not approved due to lack of Environmental Study Report and approval has been received only to construct a temporary access road. Accordingly, steps were taken to transfer a sum of Rs. 22 million to the Yan Oya Project out of Rs. 25 million allocated for the Project.

3.2 Delays in Execution of Projects

The following observation is made.

Audit Observation

Although the construction work of the Mahagalgamuwa Feeder Canal and Deduru Oya Reservoir Project were planned to be completed by the end of the year 2014, the Department had not taken action to complete them by the end of the year under review.

Recommendation

The commenced Projects should be completed by the due date.

Comments given by the Accounting Officer

The Deduru Oya Project has been extended to end of 2018 by a Decision of Cabinet of Ministers. Further, since the payment of compensations of the Project and the work of the Sengal Oya Project is still being remained, it has been

referred to the Secretary of the Ministry of Irrigation and Water Resources Management for approval to extend the period up to 30- June-2019 .

Due to practical circumstances occurred in many cases, the matters such as changes made in project planning, the problems took place relating to required land acquisitions for the project have also directly impacted the project delay.

3.3 Assets Management

The following observations are made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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(a) Forty two vehicles belonging to the Department had been handed over to external parties.	Arrangements should be made to obtain the vehicles that have been given to external parties or hand over the ownership to such institutions.	The approval has been given to dispose 04 vehicles. Steps are being taken to obtain 02 vehicles back to the Department and to hand over the ownership of 34 vehicles to the Ministry.
(b) Eighty nine vehicles provided by 07 government institutions amounted to Rs 332,950,000 and 27 bikes valued at Rs. 270,000 had been used without taking over.	Arrangements should be made to take over or return back the vehicles obtained from external parties .	Taking over of the ownership of 04 vehicles were completed by now and the other vehicles are in the process of being taken over.

3.4 Losses and Damages

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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Even though a period from 02 years to 18 years had elapsed after occurring 46 losses and damages amounted to Rs. 23,631,882 as per the Register of Losses and Damages, arrangements had not been taken to settle them.	Arrangements should be made in accordance with Financial Regulations 103 & 104 .	Necessary actions are being taken to submit 02 losses and damages to the Ministry to be written off, to recover 06 losses from the salaries and pensions, to take legal actions against 16 cases and to write off 22 from the books.

3.5 Management Weaknesses

The following observations are made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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(a) Without taking in to consideration the order of the prices approved by the Zonal Director of Irrigation Office, Kurunegala, the Engineer of Galgamuwa Regional Irrigation had entered into agreements with suppliers of machinery at high prices on 14 occasions. In addition, it had been entered into agreements with 19 suppliers for the use of 8,012 machine hours, exceeding the estimated machine hours.	Actions should be taken against the officers responsible for contracting out at higher prices .	The office of the Zonal Director of Irrigation, Kurunegala had given a list in order of prices. Accordingly, the Engineer of Galgamuwa Irrigation has instructed to supply the machines to those who initially offered the lowest prices but their machines were occupied elsewhere and for various reasons they had not supplied the machines. As a result, the service has been obtained from the suppliers who are next on the list at the prices approved by the office of the Director of Irrigation, Kurunegala. The machineries are not deployed beyond the

estimated number of hours.

(b) Deduru Oya Reservoir Project

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| <p>(i) Even though the required tunnels were set to install a place for hydroelectric generator, actions had not been taken to install the generators.</p> | <p>It should be properly looked in to the commencement of the works of the Reservoir without carrying out feasibility studies when designing the Reservoir.</p> | <p>Arrangements are being made to install hydroelectric power plants.</p> |
| <p>(ii) The boundary posts that had been purchased to mark the Reservoir boundary had remained in idle without being used.</p> | <p>Purchased boundary posts should be used as per the requirement.</p> | <p>Actions will be taken to install the purchased boundary posts in future.</p> |
| <p>(iii) The granites and soil removed during the construction of the canal had been placed near the canal and as they fell into the canal, the reeds had grown on in the canal way. Further, the lawns had not been properly laid out on either side of the canal as planned.</p> | <p>Repairing the either sides of the canal as planned minimizing the potential loss .</p> | <p>The playgrounds within 05km and the roads which should be constructed were used to dump the granite and soil excluded when digging the soil for canals and action was also taken to dump some of them to the selected land in the area. Nevertheless, due to the protests of the residents, with the soil it was impossible to do so has been thinned along the bank of the canal and crushed to make way for it. Even if a small amount of soil can fall into the canal, it has not occurred to such an extent that as an obstructions the flow of water in the canal. If there are any plants grown so, those places would be inspected and removed.</p> |
| <p>(iv) Due to non-construction of the turf in specific standard which was built up above the canal way and in other places, water</p> | <p>Necessary steps should be made to those who have not done the construction</p> | <p>Plans have been made to repair the relevant places.</p> |

leakage and occasions of cracks in concrete walls were observed. work properly and take immediate action to repair and minimize the loss occurs.

(v) Even though a Report on Tank Bed Server should be prepared for the computation of the value of water capacity of Deduru Oya Reservoir and the extent of land submerge at each water levels, physical resources and storage capacity of each reservoir, spread of water and impact on the quality of life of people living in the area around the reservoir, and to estimate the value of the impact on the property, it had not been so done accordingly. Find out the reasons for non-compliance and take prompt action to minimize the potential loss. A Square - Capacity Chart had been prepared in Feasibility Study to measure the water capacity at Deduru Oya at each level. Also, a map has been prepared by the Department of Survey to identify the inundation area and action has been taken to identify flooded areas at maximum flood level and maximum supply level according to the map.

(c) Twenty machine suppliers had signed agreements to use 9,926 hours of machinery, exceeding the estimated machine hours when constructing of the Feeder Canal from Siyambalangamuwa Tank to Mahagalgamuwa Tank. Conduct a formal investigation and look into the causes and evaluate and mitigate the potential loss. This paragraph is included in the Management Report. There is more time to answer.

4. Achieving of the Sustainable Development Goals

The following observation is made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
Establishing a properly drained irrigation system to stabilize the economic conditions of irrigated farmers was one of the Sustainable Development Objectives of the Department. However, even though the 08 sluice gates which were built to release excess water to the Deduru Oya Reservoir had been closed in the rainy season, the	Conduct immediate investigations on construction of reservoir with defects and minimize the potential loss.	Due to a shortcoming in the rubber beading used to prevent water leakage at radial gates, there was a water leakage and it is less than the amount of water that must be released to Deduru Oya from the Reservoir. The water is

water of the reservoir was constantly leaking into the Deduru Oya along those gates making a loud noise. Due to this fact, the water collected in the Deduru Oya reservoir which was constructed at a cost of Rs. 12,342 million was flowing into the ocean.

not wasted by this and the water goes to the Magalla Reservoir through the Ridee Bedi Ella and fulfill their water requirements.

However, the arrangements are being made to get rectified this defect in the rubber beadings laid to prevent water leakage at the radial gates by the Government Factory which had carried out this construction.

5. Human Resource Management

The following observations are made.

Audit Observation	Recommendation	Comments given by the Accounting Officer
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(a) There were vacancies in 93 senior level positions, 138 tertiary level positions, 637 secondary level positions and 890 primary level positions.	Actions should be taken to fill the vacancies or to suppress the excess positions.	Applications have been called for recruitment. Actions were taken to issue appointment letters to 100 technical assistants in the secondary level during the year 2019.
(b) Actions had not been taken to prepare pensions of 53 officers and employees who had got retired after providing services by 31 December 2018. Out of the above 53 officers whose pension were not computed, the 04 officers' pensions had not been calculated because of the official quarters were not handed over and the pensions of 05 employees had not been computed due to recruitment after the age of 45 years. The pensions of 03 employees had not been prepared due to not receiving the Widows' and Orphans' Fund Number.	The files of employees should be maintained in an updated manner and actions should be taken in accordance with the Chapter XIX of the Establishments Code on provided official quarters.	The files of the 33 retired officers were processed by 31 August 2019 and steps have been taken to prepare the remaining files.