Head 194 - Ministry of Youth Affairs and Sports - 2024

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Head 194 - Ministry of Youth Affairs and Sports for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the Ministry of Youth Affairs and Sports was issued to the Chief Accounting Officer on 23 June 2025 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018. The annual detailed management audit report in relation to the Ministry was issued to the Chief Accounting Officer on 20 June 2025 in terms of section 11(2) of the National Audit Act, No. 19 of 2018. This report is tabled in Parliament in terms of Section 10 of the National Audit Act, No. 19 of 2018, 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 of the Ministry of Youth Affairs and Sports for the year ended 31 December 2024 give a true and fair view on the financial position and its financial performance and cash flows and all the materialities in compliance with the basis of preparation of the financial statements set out in Note 01 related to the financial statements.

1.2 Basis for Qualified Opinion

My opinion is qualified 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 is further described in the Auditor’s Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter - Basis of Preparation of Financial Statements

I draw attention to Notes to the financial statements which describes the basis of preparation of these financial statements. The financial statements have been prepared for the use of the Ministry of Digital Economy, General Treasury and Parliament in accordance with the Financial Regulations, 150 and 151 and State Accounts Guideline No. 06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Ministry of Youth Affairs and Sports, General Treasury and Parliament of Sri Lanka. My opinion is not modified on this matter.

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

The Accounting Officer is responsible for preparing financial statements that give a true and fair view in all materialities in accordance with the Financial Regulations, 150 and 151 and State Accounts Guidelines No. 06/2024 dated 16 December 2024 as amended on 21 February 2025, and for determining such internal control as 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.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.6 Comments on the financial statements

1.6.1 Accounting deficiencies

(a) Non-revenue receipts

The following deficiencies were observed in the accounting of non-revenue receipts related to the financial statements.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Although Rs. 40 million had been provided to the Ministry of Sports from the National Sports Fund and Sri Lanka Cricket for the Sri Lanka Sports Fiesta 2024 programme, which was jointly organized and held by the Ministry of Sports, the Department of Sports Development and Dialog during the year under review, the said amount had not been accounted as non-revenue receipts. Furthermore, the income and sponsorship receipts received from the outlets operated during the 03 days of the programme had also been omitted and not accounted.	All the activities for the programme have been carried out by the Deaprtment of Sports Development and provision of Rs. 40 million has only been done by the Sports Fund. The income generated from these programmes has not been reported to this Ministry.	Necessary action should be taken regarding the failure in collecting the revenue that should have been received by the Government, and action should be taken to account the revenue received, including that revenue.

(b) Recurrent Expenditure

The following deficiencies were observed in the accounting of recurrent expenditure related to the financial statements.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Although recurrent expenditure of Rs. 2,427.69 million incurred by other institutions utilizing the provision allocated under the Expenditure Head of the Ministry should be indicated separately in the financial statements under F.R. 208, the said expenditure had been treated as an expenditure incurred by the Ministry and had been indicated in Form A.C.A. 2 (ii).	Agreed. Due to a recording error, the value related to the net provision has been recorded under the basic provision and the difference should be included in the transfers under F.R. 66/69.	Financial statements should be prepared accurately.

(**c**) **Reconciliation Statement on the Advance to Public Officers Account**

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
The Ministry had not taken steps even by the closing date of the year under review to recover a debt balance of Rs. 19,580 to be recovered as at 31 December 2024 from two officers transferred and a debt balance of Rs. 137,740 to be recovered from a retired officer existed within a period less than 1 year.	The debt balance of Rs. 19,580 will be transferred to the Industries and Entrepreneurship Development and the remaining debt balance will be settled in the future.	Action should be taken to recover the debt balance.

(d**) Deposits**

The following deficiencies were observed in the accounting of deposit payments and balances related to the financial statements.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
it was observed in the examination of the financial statements for the year 2024 that there had been a difference of Rs. 41,516,933 between opening balance as incorrect values had been entered in mentioning the opening balance as at 01 January 2024 related to each general deposit under A.C.A. Form 04, and the opening balances mentioned in the Treasury Form SA – 30.	Agreed. Steps will be taken to prevent such omissions in the future.	Action should be taken to enter the correct balances to the financial statements.

(e) Property, Plant and Equipment

The following deficiencies were revealed in the accounting of property, plant and equipment.

	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(i)	Action had not been taken to access the land with a building worth Rs. 358,000,000 of the Ministry of Youth Affairs and Sports, the lands, where the National Institute of Sports Science and the Institute of Sports Medicine are established, the value of 03 lands and buildings belonging to the National Centre for Leadership Development in Embilipitiya, which is affiliated to the Ministry of Sports, and the land, building and machinery belonging to the National Sports Council and the Diyagama Mahinda Rajapaksa International Sports Complex, etc., and to account the correct values.	Steps will be taken to account the land after the transfer of the land and the relevant assessments are completed.	The value of the relevant lands should be assessed and taken to accounts promptly.
(ii)	The value of trees with timber value and plants with agricultural value such as orange, coconut, mango etc. existing on the grounds of the Leadership Development Centre had not been identified and those values had not been accounted.	I kindly inform you that the necessary steps will be taken in the future to account them in consultation with the Department of State Accounts.	The value of assets with biological values should be assessed and accounted promptly.
(iii)	Although the Ministry had purchased non-current assets worth Rs. 10,787,734 by utilizing provision released to the regional offices of the Small Business Sector during the year under review as per the audit test checks, that value had not been identified and accounted.	I will take action to capitalize them in the future.	Action should be taken to promptly account the purchased capital assets.

(iv)	The Ministry has so far failed to identify and account the completed projects, out of 27 long-standing projects worth Rs. 1,067,615,012 witihn the balance of work in progress and to make the necessary adjustments in respect of the projects assigned to other government institutions and schools, out of the above projects.	Action is being taken to identify and account the completed projects within the existing balance.	The Ministry should identify and account the completed projects and make the necessary adjustments in respect of the projects assigned to other government institutions and schools.

(f) Advance Account Balances

The following deficiencies were revealed in the accounting of the year-end balances of the advance accounts.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
The Ministry had not taken steps even by the end of the year 2024 to recover the advance balances totalling to Rs. 26.79 million provided in the year 2019 for the Diyagama Mahinda Rajapaksa Stadium, power generator room project, modernization of kitchen and canteen building project and the preparation of the sports ground of St. Anthony's College, Katugastota.	The Secretary of the Ministry has appointed a committee on 06.06.2025. Future work will be carried out based on the report of the committee.	Action should be taken to recover the outstanding advance balances.

2. Report on other legal requirements

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

(a) The financial statements submitted to audit are consistent with the preceding year,

(b) The following recommendations made by me on the financial statements of the preceding year had been implemented.

3. Financial Review

3.1 Expenditure Management

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Provision amounting to Rs. 257,470,000 allocated by the annual estimates for 13 Objects had been completely saved without any utilization as estimates have been prepared without proper forecasting and without a rational basis by following the provisions set out in the Financial Regulation 50 of the Democratic Socialist Republic of Sri Lanka, and as the provision related to 05 other Objects had been transferred to other Objects by a percentage of 50% or more, the allocated funds of those Objects had been increased by 100% or more.	This saving was due to the lack of opportunities for payment, only making essential expenses, not obtaining an assessment number for the institute of sports medicine, and not receiving the service.	Estimates should be prepared with a proper forecasting and a rational basis, and expenditure should be incurred thereafter.

3.2 Entering in to Liabilities and Commitments

	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(**a**)	The Ministry of Sports had obtained 4 bank guarantees worth Rs. 5,642,275 from 2 private banks during the year under review for the procurement of goods and services, and the guarantee period of three of the guarantees had expired on 03 April 2025. However, the Ministry had not taken action to release the guarantee worth Rs. 1,522,625 whose guarantee period had expired as at 31 December 2024.	After submitting a request to our Ministry to release the relevant guarantee, the bank that issued the relevant performance guarantee will be notified to take steps to release the relevant guarantee.	Action should be taken to release from the guarantees on the due date.
(**b**)	Action had not been taken for 3 years to settle the liabilities amounting to Rs. 25,796,593 which had to be settled to two external institutions and liabilities amounting Rs. 24,858,873 out of that amount, had not been accounted.	A staff should be appointed to maintain the activities of the Human Performance Laboratory and the laboratory should be run satisfactorily for a year. However, this requirement has not been achieved, and as a result, this amount has been retained.	Action should be taken to settle the relevant liabilities and to account the liabilities that had not been accounted.

3.3 Utilization of funds provided by other Ministries and Departments

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Provison amounting to Rs. 74.20 million only had been released to the Council, out of the provision amounting to Rs.493.52 million received from the Presidential Secretariat for releasing to the National Youth Services Council under the purview of the Ministry of Youth Affairs and Sports, and the remaining amount of Rs. 419.32 million had been returned to the Presidential Secretariat without reimbursing the amount for the expenses incurred by the Council.	It was not possible to reimburse those payments as the National Youth Services Council had not followed the prescribed methodologies for the provison made by the Presidential Secretariat.	Action should be taken to release the provision to the relevant institutions with proper supervision.

3.4 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks are analyzed below.

	Reference to Laws, Rules and Regulations	Observation Value Rs.	Non-compliance	Comments of the Chief Accounting Officer	Recommendation
(a)	The Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
	Regulation 104	193,044	The responsible officers had not been determined in terms of the Financial Regulations even by the date of audit in relation to 240 items of goods belonging to 05 categories of goods with a value of Rs. 193,044 and 199 items of goods	An investigation board has been appointed for the submission of a full report in terms of F.R. 104 (4), and the investigation is being currently conducted.	Action should be taken to recover the losses incurred from the responsible parties.

		belonging to 17 categories of goods whose value could not be ascertained, which had been misplaced during the period of using the National Centre for Leadership Development as a quarantine centre by the Embilipitiya District Hospital in the year 2020.		
(b)	Asset Management Circular No. 05/2020 dated 02 October 2020			
	Paragraph 02 (b)	The Ministry had not taken steps for 02 years to dispose of 03 vehicles, for which repair and maintenance were not productive.	Action is being taken to dispose of all the vehicles, for which repair and maintenance are not productive.	Action should be taken to dispose of vehicles, which are not in a productive state.

4. Operational Review

4.1 Non-performance of Roles

The following observations are made.

	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a)	The Ministry had not taken any action up to date to fulfill the functions of promoting and coordinating the facilities required to ensure the physical well-being of the general public and establishing a youth human resource bank to suit the local and foreign employment opportunities, out of the main functions of the Ministry of Youth Affairs and Sports.	The function of establishing a youth human resources bank to suit the local and foreign employment opportunities has been assigned to the Department of Manpower and Employment from August 2023.	Action should be taken to fulfill the major functions of the Ministry.

(b)	The progress in achieving the key performance indicators expected to be achieved according to the annual estimate for the year 2024 had not been included in the annual performance report and information in that regard was not submitted to audit.	I kindly inform you that the special indicators included in this performance will be revised and presented to Parliament.	The performance index should be presented as per the estimate.
(c)	The action plan of the small business sector for the year 2024 related to the Ratnapura district submitted by the Ministry was not consistent with the action plan for the year 2024 submitted by the small business sector of the Ratnapura district, and the progress in achieving the annual targets of 73 key activities remained at the level of 70%. Twenty four (24) programmes listed as main activities had not been implemented and 02 business promotion and online business analysis programmes carried out during the year had not been included in the action plan. Although provision of Rs. 4,500,000 had been made for the implementation of the programmes approved by the small business development sector in the Monaragala District in the year 2024, only Rs. 3,314,564 had been spent as at 31 December 2024. As a result, provision amounting to Rs. 1,185,436 out of the provison allocated, had been underutilized.	In the implementation of the approved action plan for the small business sector of the Ratnapura district in the year 2024, the District Secretariat had suspended the conduct of the programmes during the periods of the Presidential Election and General Election, and the relevant annual targets had been met by conducting programmes during the additional period.	Action should be taken according to the action plan.
(d)	Although provision of Rs. 9,800,000 had been allocated at the beginning of the year under review for providing development assistance under the Youth Empowerment Programme in the Gampaha District, the project had not been implemented. Furthermore, only 883 programmes had been implemented, out of 1,747 programmes approved for implementation in the Gampaha District, and it was 50.54% of the expected programmes.	Although provision had been made, the amount has not been provided.	Action should be taken to utilize the provision properly.

4.2 Non-Achievement of the Desired Level of Outcome

The following observations are made.

	Audit issue	Comment of the Chief Accounting Officer	Recommendation
(a)	The Ministry had awarded a contract worth Rs12, 230,761 million to a private contractor on 28 March 2018, to complete the archery range and shooting range of Maliyadeva Vidyalaya, Kurunegala within 06 months. However, a feasibility study for this project had not been conducted. Furthermore, due to several instances of extending the contract period by 20 months, working without obtaining formal approval from the Ministry of Sports for additional work, not being attended to a speedy arbitration process and the Technical Evaluation Committees appointed to examine price variations taking more than a year to give their decisions, an additional tax value of Rs. 4,225,610 had been paid beyond the agreed value. Due to the fact that the playground could not be used for archery and shooting sports, the staff of the Ministry had not been able to achieve the expected objectives of the Ministry.	The Secretary of the Ministry has appointed a Committee on 06.06.2025 to examine the facts in this regard and submit a report. Further action will be taken based on the report of the Committee.	Projects should be planned efficiently so as to achieve the expected objectives after conducting a feasibility study. Further, construction projects should be systematically managed and regulated.
(b)	The Ministry had made a budget estimate of Rs. 3,866 million from 2017 to 2022 for the development of the Diyagama Mahinda Rajapaksa International Sports Complex as a sports academy and international stadium, and out of that, only Rs. 606 million had been spent. Further, the 400-meter artificial track, which had been built at a cost of Rs. 487 million, was damaged at several places and the lines separating the lanes had faded, causing inconvenience to athletes participating in the competitions on that track, and the roof of the pavilion where the old track was located, which was unusable	On 04.06.2025, the Secretary of the Ministry appointed a committee to examine in this regard and submit a report. Further action will be taken based on the report of the Committee.	Construction projects should be systematically managed and regulated to ensure completion within the specified time frame.

	for sports, had detached. Moreover, although the construction progress of the small pavilion, which had a cost of Rs. 34 million, was 90 percent, the agreement was cancelled before the work was fully completed. It was decided to terminate the project when 65 percent of the construction progress had been made after spending Rs. 30 million on the generator installation project.		
(c)	As at 31 December 2024, a private company named Techno-medics International Private Limited had been paid Rs. 273.67 million for the establishment of the Human Performance Laboratory, and a formal cost-benefit analysis had not been conducted for this project. Due to the failure to establish the staff, the laboratory had not commenced its operations by 22 April 2025. Therefore, a situation had arisen where the expected results of the project could not be achieved.	Due to the failure to establish the staff, it has not been possible to amend the contract agreement so far. Action is being taken to submit the relevant report for audit.	Projects should be initiated after conducting a cost-benefit analysis. Discussions should be held with the supplier promptly to obtain benefits for the money spent, and operational activities should be carried out so as to obtain the benefits of the project.

4.3 Projects Abandoned Without Completion

The following observations are made.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Even though a sum of EUR 264,492.34 or Rs. 51,047,021 had been paid as loan facility fees for the construction of the high-altitude sports complex, which was proposed to be built on a 34.5-hectare land in Nuwara Eliya belonging to the Ministry of Sports, due to the abandonment of the project in the year 2021, the entire expenditure incurred thereof had become idle. In addition, in the year 2023, this contractor had requested a compensation of EUR 23,026,417.76 and the University of Moratuwa, the consultancy institution for the project, had requested a compensation of Rs. 378,067,000 due to the	At present, the contracting institution Ellipse Project SAS, France has resorted to an arbitration process regarding the compensation claim .Action is being taken on the instructions of the Attorney General's Department in this regard and the arbitration process has already been initiated.	The implementation of the project should be planned so that the expected objectives are achieved and action should be taken to ensure that the government does not incur any loss through this project.

suspension of the project. The Ministry had sought the advice of the Attorney General in this regard. However, the legal proceedings had not been solved by the end of the year under review. Further, it was observed that Rs. 3,648,000 had also been paid during the year under review to the expert consultancy for the study of the claims submitted by the contracting and consulting firms due to the cancellation of this project.

4.4 Projects that have not made Progress despite the Release of Funds

The following observations are made.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
According to the information received from the Tissamaharama Pradeshiya Sabha for the audit, the Ministry of Youth Affairs and Sports had provided Rs. 2,000,000 to the Tissamaharama Pradeshiya Sabha on 31 December 2020 for the establishment of 02 outdoor fitness centers under the theme of "Jayagamu", and although the Ministry had reported to the audit that Rs. 1,850,000 out of that amount had been spent on specific tasks, during the inspection of the accounts of the Pradeshiya Sabha, it was observed that this amount had been held idle in the deposit account for 5 years without being used for those tasks.	Action will be taken to examine this project in the future, and if there is no need to establish outdoor fitness centers, action will be taken to recover those funds.	Action should be taken to follow up on the provisions provided by the Ministry.

4.5 Projects implemented with Local Funds

The following observations are made.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Provisions of Rs. 1500 million had been allocated with the aim of enhancing cricket at the regional level and identifying 3000 talented cricketers through improving cricket infrastructure, and only Rs. 507.88	In implementing this project, priority has been given to identifying needs so that the debt burden of the government is minimized	Projects that can be practically implemented should be identified and provisions should be made available only for

	million out of this amount was utilized for the implementation of this project in 373 schools. Therefore, provisions of Rs. 992.12 million remained underutilized. The following observations are made regarding the implementation of this programme.	and the provisions spent are fully utilized. .	those projects.
(i)	Provisions of Rs. 151.94 million were released for 99 schools in 7 Districts that were audited, of which 35 schools had utilized only Rs. 45.42 million or 30 percent by the end of 2024.	Due to the weather conditions prevailing at the end of the year, it was not possible to implement the project as scheduled in some Districts.	Attention should be paid to carrying out construction projects with proper supervision and to following up on the progress of projects in a timely manner.
(ii)	Even though an expenditure of Rs. 28.70 million had been incurred by the end of the year under review from the provisions provided for 25 schools in three other Districts that had been approved, the work on those schools had been halted without being completed.	Due to the weather conditions prevailing at the end of the year, it was not possible to implement the project as scheduled in some Districts.	Attention should be paid to carrying out construction projects with proper supervision and to following up on the progress of projects in a timely manner.
(iii)	During the implementation of this cricket development project, funds were released without conducting a proper study of the financial facilities, infrastructure, equipment and requirements of the schools. Therefore, the side wickets constructed by 07 schools at a cost of Rs. 10.55 million remained idle.	These schools are newly identified schools to start cricket, and once the requirements are met, there is a possibility of starting cricket using these side wickets.	Attention should be paid to carrying out construction projects with proper supervision and to following up on the progress of projects in a timely manner.
(iv)	Even though the cost of playground development and side wicket construction in the Puttalam District was stated as Rs. 5.68 million as at 31 December 2024, the playground development work of 03 schools had not been completed and for this purpose, 03 cheques worth Rs. 3.32 million had been written in the name of the Central Engineering Consultancy Bureau and kept in the custody of the accountant. However, the validity period of these cheques had expired by the date of the audit. Further, the fact that cheques were written to the Central Engineering Consultancy Bureau without writing to the contractor, the Civil	Information will be submitted after an inquiry from the District Secretariat in this regard in the future.	Attention should be paid to carrying out construction projects with proper supervision and to following up on the progress of projects in a timely manner.

	Engineering Institute, was a matter of controversy for the audit.		
(v)	As per the facts revealed during the audit, irregularities were observed such as not following up on whether the side wicket construction contractors had complied with the government procurement guidelines, awarding more projects to the contractor selected for one project, not giving sufficient time to calling bids from contractors, not calling quotations from registered suppliers, calling quotations from contractors who had no experience in the construction of playgrounds or side wickets, and not obtaining formal approval for contract variations.	Due to the weather conditions prevailing at the end of the year, it was not possible to implement the project as scheduled in some Districts.	Attention should be paid to carrying out construction projects with proper supervision and to following up on the progress of projects in a timely manner.

4.6 Procurement

The following observations are made.

Audit Issue	Comments of the Chief Accounting Officer	Recommendation
Even though an expenditure of Rs. 4,859,000 was incurred for the preparation of an ABT field for the external activities of the above center, it was observed that the ABT field and equipment remained unused until 31 December 2024, and it was also observed that Rs. 141,789 had been paid in excess for special fees that had not been approved by an Authorized Officer.	It has been informed that action has been taken to recover the amount of Rs. 141,789.00 for 05 special fee schedules that were observed to have been paid in excess in the ABT field preparation work.	Construction should be carried out in a manner that meets the expected objectives, and the approval of an Authorized officer for all payments should be obtained.

4.7 Asset Management

The following observations are made.

	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a)	As per the information obtained from the Department of Motor Traffic, 17 vehicles registered in the name of the Secretary of the Ministry of Sports are not physically in the possession of the Ministry and action has not been taken to find out which institutions currently possess those vehicles and either take over them to the Ministry or transfer them to those institutions.	Information regarding the institution currently using 06 vehicles has been submitted by the Comptroller General's Office. Necessary measures are being taken to obtain information from the Comptroller General's Office regarding the remaining 11 vehicles.	The vehicles owned by the Ministry should be investigated immediately, and action should be taken to transfer vehicles owned by other institutions to that institutions or take them over from the Ministry.
(b)	The Ministry had not yet taken steps to transfer the 03 vehicles, provided by the Mnistry of National Policies and Economic Affairs and currently used by the Ministry, 02 vehicles owned by the Ministry of Irrigation, and the vehicle bearing number PA 9349, which had been provided by the Ministry of Botanical and Zoological Gardens Promotion.	The necessary arrangements are currently being made to take over/ transfer of these vehicles.	Immediate measures should be taken to transfer or take over the relevant institutions.
(c)	The National Center for Leadership Development was unable to use this land with clear ownership due to the existence of private property and the occupation of private residents within the Embilipitiya Leadership Development Center.	Even though requests have been made to the Housing Development Authority since the year 1992, the process of transferring the land with clear ownership to the National Center for Leadership Development has been delayed since the concurrence has not been received so far.	Action should be taken to settle the clear ownership of the property belonging to the Ministry.

(d)	Action had not been taken to take back or legally transfer the ownership of 03 vehicles bearing registration numbers CAF 2536, KE 6296, JO 9554, which were temporarily released to the Presidential Secretariat, other Ministries and government institutions.	The necessary actions are currently being taken to take over/transfer these vehicles.	Action should be taken to transfer the vehicles to the relevant institutions.
(e)	Even though the engineering report had recommended that the vehicle bearing number PB 9860 should be repaired after taking over ownership, it was observed that the vehicle had been parked idle in the Ministry premises for more than 2 years without taking over ownership and repairing it.	The necessary further action is being taken to take over the ownership of the vehicle.	Measures should be taken to take over the ownership of the vehicle from the relevant institution.
(f)	Since the engine number of the vehicle bearing number KH 0989 is different from the engine number in the database of the Department of Motor Traffic, it was recommended that the registration certificate should be revised and maintenance work carried out on the vehicle. However, any recommendation has not been implemented and the vehicle has remained parked idle on the Ministry premises.	The necessary further action is being taken to dispose of this vehicle as scrap under the disposal process.	Action should be taken in accordance with the Asset Management Circular 05/2024.

4.8 Management Weaknesses

The following observations are made.

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	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a)	As per the decision of the Procurement Committee of the Institute of Sports Medicine dated 29 November 2016, a software was developed for a sum of Rs. 6,894,735 to assist in the talent identification process using modern technology, maintain a database of all national level athletes, refer for treatment for physical fitness disorders and provide	A committee was appointed on 03.02.2025 to enter into a maintenance agreement for the computer data software system, and it was proposed that it would be appropriate to take further action after identifying the difficulties and issues arising from the use of	Projects should be systematically managed and regulated.

	medical records of athletes to Authorized Officers regarding all other relevant medical information where necessary. However, the Institute had not achieved the expected objectives through this software. Further, the retention fee of Rs. 1,378,947, which was to be released after 06 months of completion of the system, was released in a few days and it was unable to enter into agreement for the maintenance of this software.	this system by the officers using it and submitting it in writing to the institution. Accordingly, further action is being taken.	
(b)	A four-member committee had been appointed by the Presidential Secretariat on 16.05.2023 to amend the Sports Act of the Ministry of Youth Affairs and Sports. However, the Ministry had failed to amend and update it to address the issues of practical implementation even by the date of audit.	In addition to the committee appointed by the Secretary to the President, a committee consisting of experts in sports and law prepared drafts to amend the Sports Act, and those drafts have been submitted to the Honorable Minister and the Secretary to the President for further instructions.	Action should be taken immediately to amend and update the Sports Act.

5 . Human Resource Management

The following observations are made.

	Audit Issue	Comments of the Chief Accounting Officer	Recommendation
(a)	As at 31 December 2024, there were 11 senior level vacancies, 2 tertiary level vacancies, 35 secondary level vacancies and 1 primary level vacancy in the Ministry of Youth Affairs and Sports. The National Center for Leadership Development had 02 senior and 02 tertiary level vacancies each and 09 primary level vacancies. It was possible to identify 6 senior level vacancies each in the Institute of Sports Medicine and the Institute of Sports Science, 01 and 08 tertiary level vacancies respectively, 04 and 10 secondary level vacancies respectively, and 05 and 03 primary level vacancies respectively.	The necessary further action is being taken to fill these vacancies.	Action should be taken to amend the approved cadre or make recruitments, considering the requirements.

(b)	It was observed that the National Center for Leadership Development was established in 1985 and the approved cadre for the center has not been revised by including new posts. At present, there is a lot of physical construction and renovation in this center and there is no Technical Officer, and there are no training officers in the staff to provide physical fitness training and to work on the newly developed Out Bounding activity.	The necessary action will be taken to recruit qualified trainers in the future by including them in the approved cadre.	The Scheme of Recruitment should be amended by creating new posts as required.