Transactions Report of the Central Cultural Fund -2024

The operational activities of the Central Cultural Fund for the year 2024 were audited under my direction in terms of the provisions of the National Audit Act, No.19 of 2018 and the Finance Act, No.38 of 1971 read in conjunction with the Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. Only my observations on the function of the Fund in the year 2024 which I consider should be reported to Parliament in terms of Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka appear in this report.

1. Financial Statements

1.1 Responsibilities of Management and Those Charged with Governance for the Submission of the Financial Statements

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Fund is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the entity. In terms of Section 16(2) of the said Act, Annual financial statements approved by the Board of Governors in respect of every auditee entity along with the annual performance reports of those entities shall be submitted by the Chief Accounting Officer to the Auditor-General within such period as may be provided by rules. In terms of Section 38(1) (d) of the said Act, the Chief Accounting Officer must ensure that annual reports and other financial statements are prepared within the required time and in addition, the Chief Accounting Officer must ensure that the annual reports relating to the audited entity are presented to the Parliament.

1.2 Submission of Financial Statements

Audit Observation	Comments of the Management	Recommendation
Although the financial statements should be submitted to the Auditor General within 02 months after the end of the accounting year in terms of Financial Regulation 877 (2) (d) as amended by the Public Finance Circular No. 01/2020 dated 28 August 2020, the financial statements for the year 2022 had been submitted to the Auditor General on 19 March 2026 with a delay of 2 years and 10 months. However, the financial statement for the years 2023 and 2024 had not been presented even by 31 December 2025.	The arrangements have been made to submit the accounts of the year 2022/2023 also to the audit. Further, the final accounts of the year 2024 have been submitted to the Board of Governors and approval has been obtained. The steps have already been taken to start preparing the final accounts of the year 2025.	The financial statement should be presented to the Auditor General as per the Circulars.

1.3 Assets, Liabilities, Income and Expenditures

The particulars of assets, liabilities, income and expenditures as shown in the financial statements for the year ended 31 December 2021 last prepared by the Fund are given below.

Item of Financial Statement	Value (Rs.)
Assets	
Current Assets	7,498,748,516
Non- Current Assets	1,135,546,001
Total Assets	8,634,294,518
Liabilities	
Current Liabilities	267,233,287
Non- Current Liabilities	1,398,317,150
Total Liabilities	1,665,550,437
Equity	6,968,744,081
Total Liabilities and Equity	8,634,294,518
Total Income	1,472,651,552
Total Expenditure	1,491,643,175
Deficit	18,991,623

2. Audit Observations

2.1 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

	Reference to Laws, Rules, Regulations etc.	Non compliance	Comments of the Management	Recommendation
(a)	Paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016	Although a fuel test should be done subsequent to a period of 12 months or running a distance of 25,000 km or afterward a major engine repair, whichever occurs first, the fuel combustion tests had not been done for 172 vehicles owned by the Fund.	An oil check should be done for 122 vehicles. However, an oil test has successfully been conducted on about 30 vehicles, including cars, vans, three-wheelers, and cabs, which are frequently used. The oil check of the remaining vehicles is being carried out systematically.	Fuel tests should be done as per the circulars.
(b)	Asset Management Circular No. 04/2022 dated 25 January 2022	As per the vehicle register presented to the audit, 14 vehicles had been noted as ready for auction/in a	07 vehicles that were in a condemned status as at the said date have been auctioned through the	The proceedings should be done regarding the condemned

	dilapidated condition even after the vehicle auction in September 2024. However, the steps had not been taken to accomplish the vehicle disposal process until 31 December 2024.	procurement in September 2024. As at 31 December 2024, 14 vehicles were in a condemned status and that matter is not stated in the reply.	vehicles as per the circular.

3. Operational Review

3.1 Uneconomic Transactions

Audit Observation	Comments of the Management	Recommendation
(a) Three lessees of 3 shops had been carrying out business activities in the 22-room shopping complex constructed at a cost of Rs. 39,374,087 by the Central Cultural Fund in the year 2019 near the Colombo-Batticaloa Road in Polonnaruwa. However, any rental had not been paid by the said lessees to the Fund until 06 March 2025 and as the possession of this land was not held by the Fund, it had been unable to enter into legal lease agreements. Further, the remaining 19 shops had also been idle for more than 5 years.	At present, several rounds of discussions were held between the Central Cultural Fund and the Divisional Secretariat, and if the Central Cultural Fund does not have the authority to directly transfer government lands, it has been proposed to transfer it to the line ministry and the line ministry will hand over its ownership to the Central Cultural Fund. Accordingly, subsequent to obtaining the ownership in future, a legal right will be entitled to enter into agreements with the relevant business persons and accordingly, the actions will be taken to collect the rent.	The steps should be taken to take over the building formally and when the shops are given on lease, the lease should be made based on the formal agreements.
(b) Even if an agreement had been entered into with Central Engineering Services (Pvt) Limited on 20 March 2019 to construct a Polonnaruwa Heritage Management Centre within 180 days at an estimated cost of Rs. 38,926,902, with the view to collecting all published electronic and printed media information and old documented information about Polonnaruwa and providing necessary facilities to the users. However, the dates had been extended up to 28 June 2020 due to various reasons. Although a sum of Rs. 8,953,187 had been paid as an	The reason for the suspension of this contract work was a severe financial crisis encountered by the Central Cultural Fund due to the Easter attacks and the Corona disaster in the year 2019. Due to the delay in payments for all the contract work that was being carried out at this period, the implementation of the contract work has been stopped. The Central Engineering Consultancy Bureau has been informed in this connection.	The steps should be taken to acquire ownership of the land and to complete the construction.

	advance in the year 2018 and Rs. 4,124,175 in the year 2019 for this construction, the expenditure had been idle since the construction of the building had been stopped, and the actions had not been taken to acquire the ownership of the land wherein this construction had been started.		

3.2 Management Inefficiencies

Audit Observation		Comments of the Management	Recommendation
(a)	Although a sum of Rs. 1,258,750 out of the estimated amount of Rs. 2,412,500 had been spent in the years 2023 and 2024 for the digitizing and documenting the palm leaf books containing the Tripitaka of the Sri Dalada Maligawa, the task of digitizing the palm leaf books containing the Tripitaka had not been accomplished even as at 31 December 2025 since the method of obtaining the required human and physical resources had not been decided and planned at first and the Diyawadana Nilame and the Mahanayake Theros had not given their consent thereto.	The service of a scholar proficient in Pali language was required for the work of digitizing and documenting the palm leaf books containing the Tripitaka of the Sri Dalada Maligawa, and such an expert was in the Kandy project. Even if this work was to be completed by him, the said work was stopped due to the retirement of the relevant officer. When it was going to get this task done, the Diyawadana Nilame and the Mahanayake Theros had not given their consent thereto. Since not granting approval was a task beyond the control of the institution, the aforesaid delay has occurred. However, the consent of the Theros has been obtained with great efforts and this work is currently being carried out.	When the tasks are planned, there should be prior planning on obtaining the required resources, and the steps should be taken to accomplish the respective tasks according to a specific plan.
(b)	Only a sum of Rs. 26,300 or 3 percent, had been incurred as labor costs out of the estimated cost of Rs. 1,084,250 for the preparation of tourist guidebooks in the year 2024, and the fund had failed to complete the work as planned even by 31 December 2024.	Although provisions were made for the said work in the year 2024, this work has been completed to a certain extent and then had to be temporarily suspended. Since this book has been prepared by Professor Nimal de Silva, it has been later confirmed that doing it again is not necessary. The steps have been taken to perform the work of the book written by Professor Nimal Silva through the Publications Division of the Atapattu Office located in Colombo.	The estimates should be prepared after determining the need precisely.

(c)	The progress of the construction of the Rest House in Nelligala Buddhist Centre; started in the year 2019 by the Central Cultural Fund spending Rs. 43,942,030 on materials and obtaining labor of the Sri Lanka Army, had remained at 40 percent when it was stopped midway in the year 2020. The construction of the Rest House had not been completed even as at the date of audit; 31 December 2025, even if almost 5 years had passed.	Even though this work had been started, it was stopped midway due to the financial crisis encountered by the Central Cultural Fund caused by the Covid pandemic and the Easter attacks. It has been proposed to have discussions on this matter and to hand it over to the Venerable Thero as it is at present. However, no positive response has been given by the Venerable Thero. It had been informed that further discussions are being held with the Venerable Thero regarding this matter.	The discussions on the construction of the Rest House should be held and a decision should be taken with no delay.
(d)	Although nearly 5 years have passed since the construction of the Nelligala Rest House was stopped, the Fund has not proceeded to take 11 items of construction equipment purchased at a cost of Rs. 10,354,638, the computers and accessories and the goods in usable condition after being used back to the Fund or to keep those in safe custody.	The work site was inspected with the participation of a three-member committee including the Internal Auditor on 22 July 2025, and a list of the items; that were available and not available at that time, has been prepared. Although it was proposed to hand over the materials of the said list to the Venerable Thero or to accept those for the project, the consent of the Venerable has not been received yet. The discussions are in progress with the Venerable Thero to take further measures in this regard.	The decisions should be held and a decision should be taken with no delay regarding the equipment and computer accessories purchased for the construction of the rest house.
(e)	Although a sum of Rs. 30,000,000 had been allocated in the budget 2024 for the installation of an air condition system in the Polonnaruwa Museum, an air condition system had not been installed in the museum until 31 December 2024. Consequently, it was observed during the perusal of the complaint register of the museum that the tourists were being subjected to inconveniences and they were continuously complaining on that matter.	Since repairing the air condition system that had been then installed was not economically productive, it had been decided to install a new system. Since Rs. 30,000,000 was not adequate for the said task, an amount of Rs. 71,554,328 has been included in the work plan for the year 2026 and approval has been obtained.	At the time of requesting funds, the requirement should be accurately identified and the requests should be made for it adequately, and the work should be accomplished within the relevant period so that the price fluctuations are not affected.

(f)	Although 25 percent of the income earned by the Fund should be given to the Department of Archaeology to maintain the archaeological sites as per the Cabinet Decision No. CP/11/0/169/55/004 dated 02 February 2011, a sum amounting to a total of Rs. 3,233,773,978 that should have been given in terms of 6 years from the year 2019 to the year 2024 had not been given to the Department.	During these years, it was being maintained under strict expenditure control of the Central Cultural Fund. Consequently, the 25 percent contribution amount has not been able to be provided as per the requests made by the Department of Archaeology during those years. A sum of Rs. 177.7 million has been paid to the Department of Archaeology on 03 occasions in the year 2025.	The proceedings should be done in accordance with the decisions of the Cabinet of Ministers.
(g)	The International Information Center building located near the Sri Dalada Maligawa, which had been given by the Department of Archaeology to the Fund for conservation and maintenance activities and use, had been handed over for the requirements of the Sri Paththini Devalaya, Kandy, for the period from 23 July 2017 to 16 August 2017, at the request of the Senior Additional Secretary to the President. However, since the proceedings had not been made to take over the building back to the Fund as at 31 May 2025, the services provided by the Information Center in this building, such as providing free information to local and foreign tourists, conducting free audio-visual programs, selling books and replicas related to culture, and conducting educational programs related to Sri Lankan culture and heritage, had not been given for about 4 1⁄2 years. Further, the assets of the	This building, which was taken over to be maintained as an International Information Center, was maintained from the year 1991 to 23 July 2017. This is a building for which the Central Cultural Fund does not have legal ownership. Until 10 August 2017, this building had to be given to the Basnayaka Nilame of the Paththini Devalaya for temporary use for the 2017 Esala Perahera of the Sri Maha Paththini Devalaya according to the order of the Ministry. The Basnayaka Nilame of the Kandy Paththini Devalaya refuses to return the key to this building, and the properties belonging to the Central Cultural Fund are also in this building. Some of those items have been taken to the Central Cultural Fund.	It is the responsibility of the respective parties to take steps to get this building from the Ministry, resolve the existing issues regarding the legal ownership, and provide the services delivered by the center to the public.

	Fund, worth over 05 million rupees, in the relevant building also remained idle and underutilized.		
(h)	The instructions had been given by the Ministry of Culture to the Central Cultural Fund to pay attention with priority to construct a roof for the Buduruwayaya Reclining Buddha statue which was in a very weak condition and had been made of a feeble stone and subjected to physical and chemical corrosion due to the exposure to sunlight. Accordingly, after obtaining the approval from the Department of Archaeology, the contract of constructing a roof for the Buduruwayaya Reclining Buddha statue had been awarded on 04 November 2019 to the construction company without a written agreement subsequent to the procurement process for a value of Rs. 1,941,433 to complete within a period of 150 days. However, even though the bills worth Rs. 874,019 had been presented by the date of audit; 06 October 2024, a period of 4 1⁄2 years had passed since the construction activities stopped incomplete due to the inability to make payments as an agreement was not presented for the contract.	These activities have been delayed since the financial situation was unfavorable due to the Covid pandemic and the Easter attack. Afterward the financial situation became favorable, the steps have been taken to carry out the remaining activities thereof. As per the approval of the Board Paper No. 224 dated March 04, the contract has been terminated subsequent to making payments to the contractor for the bills of the work done, and the actions have been taken to revise the design of the proposed roof and to obtain the engineering advice as well as to complete the construction in the year 2026.	The priority and urgent measures should be taken for the protection and conservation of archaeological monuments.
(i)	A Memorandum of Understanding (MoU) with no dates and values had been signed between the Sri Lanka State Engineering Corporation and the Fund for the	16 Dhamma School buildings had been handed over to the State Engineering Corporation of Sri Lanka under the Package A in Phase III of Sisu Daham Sewana. These constructions have not been carried out after 30 October 2019. A	The investigation report should be obtained with no delay and the actions should be taken as per its recommendations.

	construction of 16 Dhamma school buildings under Package A, 06 Dhamma school buildings under Package B and 04 Dhamma school buildings under Package C amounting to a total of 26 Dhamma school buildings under the third phase of the Sisu Daham Sevana on the basis of completing the work as at 31 October 2019. However, the physical progress of the construction of those buildings was only 65 percent even as at 30 June 2024. Even if the Fund had paid an advance of Rs. 33,600,000 to the Corporation for this work in September and October 2019, the expected objectives had not been achieved.	Cabinet Memorandum was presented under the leadership of the Hon. Prime Minister in order to conduct an investigation into the actions to be taken regarding these constructions and a three-member investigation committee was appointed. Although the investigation activities have been completed at present, our institution has not received the investigation report. Further actions will be taken regarding these constructions in accordance with the recommendations given in the investigation report and the orders given by the Board of Governors.	
(j)	A Memorandum of Understanding (MoU) was signed between the State Development and Construction Corporation and the Fund without any date or value for the construction of 88 Dhamma school buildings, namely, 28 Dhamma school buildings under Package A, 32 Dhamma school buildings under Package B and 28 Dhamma school buildings under Package C, under the Sisu Dhamma Sevana Third Phase, on the basis of completing the work on 31 October 2019. However, work related to 20 Dhamma school buildings out of these had not commenced even by 30 June 2024.The physical progress of 68 Dhamma school buildings for which work had commenced was between 10 and 23 percent. Although the	The Cabinet of Ministers appointed a three-member committee to investigate the payments made under the constructions and other cultural activities carried out before 2020 and initiated investigation. Although the investigation has been completed, the Central Cultural Fund has not received the investigation report. Based on the investigation report, further action will be taken regarding the construction of these Dhamma school buildings as per the instructions given by the Board of Governors.	The investigation report should be obtained without delay, and action should be taken as per the recommendations immediately.

	Fund had paid Rs. 21,800,000 as an advance to the Corporation for the construction of these Dhamma school buildings in September and October 2019, the administrative authority had not taken action to complete the work.		
(k)	Even though action had been taken to falsely change the interest rates mentioned in the letter sent by the General Manager of the Bank of Ceylon, Kollupitiya regarding the investment of Rs. 100,000,000 in the fund, action had not been taken to conduct an investigation in this regard and to identify the responsible parties even by 31 December 2025.	The Internal Auditor of the institution had examined the above incident and submitted his audit report on 06 March 2024. Subsequently, a request had been made to the Ministry by letter dated 30 April 2024 to conduct a preliminary investigation in order to conduct an impartial and fair investigation in the future. Action has been taken to initiate an internal investigation in accordance with the disciplinary procedure of the institution.	The investigation should be concluded immediately, and action should be taken against the responsible parties.

3.3 Operational Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	The development activities of the Central Cultural Fund are carried out by 04 sectors namely, Architectural Conservation, Mural Conservation, Archaeological Research and Excavations and Museum Activities and no approved procedure or manual of guidelines had been introduced for the selection, approval and implementation of projects.	The procedure for selecting projects is as follows. 1. A portion of the income from the sites of Anuradhapura, Sigiriya, Monaragala, Jaffna, and Polonnaruwa, which generate income, will be used for archaeological and conservation activities. 2. Maintenance of the condition of the museums at Anuradhapura, Sigiriya, Dambulla, Galle, and Kandy at a high level.	Written guidelines with formal criteria for project selection should be maintained.

		3. Archaeological activities of national importance such as Wayamba, Uva, Matara, Tissamaharama, and Ramba Viharaya. 4. In addition to that, places that require immediate intervention due to requests from other areas of Sri Lanka. Therefore, it is the normal procedure of the Central Cultural Fund to take action using the above guidelines and obtain the approval of the Board of Governors.	
(b)	It was also observed that the physical progress of 07 planned works in 2023 and 2024 of the Kandy Project Office of the Central Cultural Fund remained at a low level, ranging from 03 percent to 59 percent, and the progress of the roof conservation work for the Gadaladeniya Vijayothpaya Kuda Vihara was zero.	The preliminary work on the preparation of the manual of guidelines of the Kandy project could not be completed due to the inability to arrange transportation facilities for the remaining task. The progress of roof conservation work for the Gadaladeniya Vijayothpaya Kuda Vihara has been slow due to the problematic situation in the plans provided by the Department of Archaeology. Since the documenting of the paintings in the Dalada Maligawa premises is not a work site of our institution, the activities should be carried out with the permission of the Mahanayake Theros and the Diyawadana Nilame. It was informed that the target quantity could not be achieved since it is located in a high-security zone and monitoring activities are being carried out.	Plans should be made considering the obtaining of resources and legal situations.

(c)	During the conservation of architectural monuments, valuable timber roofs and carved wooden pillars were reused, and the decayed and damaged timber and other materials were removed by reusing the materials that could be used in the conservation of monuments. However, in accepting the project sites, an inventory containing details of the valuable timber and materials to be taken over by the Fund and a list of materials to be removed or returned to the ownership of the work sites during the conservation activities were not maintained.	The timbers that are removed from monuments during conservation are often in a state where they cannot be reused. It has been requested to inform the appropriate authorities after observing such instances. A copy of the letter is attached for your kind attention. However, a formal set of instructions in this regard was issued to Project Managers, Officers in Charge, Account Officers and Work Site Officers.	Proper documented methods should be implemented for the disposable materials and equipment at the work sites.
(d)	Even though the project warehouse issued materials to each work site from the common stock book, separate stock books or registers had not been maintained for each work site.	Instructions have been given to maintain a separate register for each work site as soon as the materials are entered into the stock books for issuing materials to the work site.	Separate registers should be maintained to enter materials at each work site.
(e)	The roof renovation of the Dambulla Mural Museum was commenced in March 2024 and completed by June, as per the expenditure reports and monthly progress reports. The material requisitions were handed over to the warehouse on 03 May 2024, after 02 months of using the relevant materials, and the quantity of materials issued from the warehouse was not recorded in the material requisitions, and the quantity of materials issued had not been used. By 27 January 2025, which was the date of the audit, almost 7 months had passed since the completion of the work, due to the remaining materials not being handed over to the warehouse, action had not been taken to record the stock registers.	A set of general instructions regarding the maintenance and management of the project warehouses has been issued to the projects under the full supervision of the Project Managers and Accounting Officers, and all officers have been informed to proceed accordingly. It had been informed that when cases of non-compliance with the prescribed procedures are reported, necessary disciplinary action will be taken in that regard	Warehouse administration should be carried out as per a proper methodology, and relevant documentation should be done accurately and systematically.

(f)	It was observed that the estimates for the Sigiriya project were prepared and action was taken to purchase materials and equipment for the relevant work sites at the very beginning and that the materials and equipment purchased accordingly had been issued from the warehouse since 2021. By the date of the audit, 05 February 2025, the total amount of Rs. 2,561,900 worth of building materials, plumbing equipment, electrical equipment, iron materials, and other materials were moving slowly. It was observed that there may be stocks that could not be used due to expiration.	It was informed that all the stocks worth Rs. 2.5 million included in the 2024 Annual Board of Survey Reports are essential stock items for providing common amenities and maintaining daily maintenance of the Sigiriya Project, a World Heritage Archaeological Site that attracts local and foreign tourists.	Stocks should be collected as per the requirement, and wastage should be prevented.

3.4 Procurement Management

Audit Observation	Comments of the Management	Recommendation
The procurement plan for the year 2024 was prepared, and the approval of the Board of Governors should be obtained for the same before the commencement of the year. However, the approval of the Board of Governors was obtained after 06 months of the commencement of the year, i.e. on 18 June 2024. Further, the progress reports related to the procurement plan for the year 2024 had not been prepared as at 31 December 2024.	The 2024 procurement plan was presented to the Board of Governors at the first meeting of the year on 21 March 2024 under Board of Governors Paper No. 218. However, it was not discussed on that day. Thereafter, it was approved by the Board of Governors held on 17 May 2025 under Paper No. 219. The Board of Governors for this year met on the above dates.	The procurement plan should be prepared and approved within the prescribed period as per the Circular. Further, the progress related to the plan should also be prepared.

4. Accountability and Good Governance

4.1 Tabling of Annual Performance Report in the Parliament

Audit Observation	Comments of the Management	Recommendation
In terms of Section 877 (e) of the Finance Regulations as amended by the Public Finance Circular No.	The Annual Reports for the year 2018 have already been completed, and the approval of the Ministry has been	It should be tabled before lapsing150 days

01/2020 dated 28 August 2020, all Accounting Officers should audit the financial statements and performance reports of the Fund and table the Annual Performance Report in Parliament, including the audit reports provided by the Auditor General, before lapsing 150 days after the end of the financial year. However, the performance reports, including the audited financial statements from 2018 to 2020, had not been tabled even by 28 February 2026.	obtained. It has been forwarded for the translation. The Annual Reports for the year 2019 have been prepared, and it was informed that it can be completed and submitted for the approval of the Ministry by the end of this month.	after the end of the financial year.

4.2 Budgetary Control

	Audit Observation	Comments of the Management	Recommendation
(a)	Even though Rs. 100,000,000 and Rs. 400,000,000 were allocated under the ledger codes 7406 - Infrastructure Development (on the contract basis) and 7407 - Conservation (on the contract basis) respectively in the year 2024, no expenditure had been incurred under the ledger code 7406, and out of the ledger code of Rs. 400,000,000, only Rs. 18,790,822 i.e. 4 percent, had been incurred. Accordingly, it was observed that overestimates had been prepared for these ledger codes, and although Rs. 174,600,000 had been allocated for 14 ledger accounts in the 2024 budget, no expenditure had been incurred in the year 2024.	Provisions have been allocated for these ledger codes due to the divisions of the projects and the Head Office submitting expenditure estimates for expenditure heads for which provisions have been allocated but not spent. Action will be taken to prepare the annual budget after making aware the Divisions of the projects and Head Office in the future.	Estimates should be prepared considering the requirements based on actual expenditure.
(b)	In the year 2024, archaeological research excavation, conservation, museum, and archaeological site maintenance of the projects of the Fund were initially estimated at Rs. 751,985,727. However, it had been deducted up to Rs. 745,696,253 and revised during the year. In this way, it was observed that the estimates for the years 2022 and 2023 were also prepared, and later revised estimates were prepared. Further, the actual work value of the revised estimate was Rs. 362,654,422 and its progress was at a level of 52 percent when compared to the initial estimate. Accordingly,	The proposals for the year 2024 were prepared in the year 2023. The proposals for the projects are prepared based on the requirements of the project. Although it was expected to obtain labour resources to carry out the work, difficulties have arisen in obtaining man labour for various reasons. By the end of the year	In preparing estimates for projects, plans should also be made regarding the available resources and the required resources.

	Audit Observation	Comments of the Management	Recommendation
	it was observed that the estimates were not prepared based on the existing situation. Moreover, the progress of the Monaragala and Batticaloa projects expected to be carried out in the year 2024 was less than 50 percent.	2024, these difficulties have been overcome and employees have been provided for essential tasks under the district price basis, and several missed tasks have been completed.	
(c)	The initial estimate for the conservation of the Welihinda Sri Sudarshanaramaya murals was 1285 man-days, the revised estimate was 768 man-days and the actual man-days were 621. Accordingly, since only about 50 percent of the man-days mentioned in the initial estimate were actually spent during the year, the project was overestimated and planned for a long period. Accordingly, it was observed during the audit that the project period had been unusually extended to take more time to complete the project.	As pointed out by the audit query, letters have been sent advising the correct preparation of estimates. Disciplinary action is also to be taken. After revising these estimates, the physical progress has been reported as 99 percent and the financial progress as 62 percent.	Estimates should be prepared based on the actual days spent.

05. Human Resource Management

	Audit Observation	Comments of the Management	Recommendation
(a)	It was observed during the audit that the recruitment of 7 vacant senior executive level posts in the Fund on a contract, secondary, and acting basis may hinder the achievement of the objectives of the Fund and the management of the Fund with a long-term plan.	Having approved the required cadre by the Department of Management Services, we published a newspaper advertisement on 15 December 2025 and called applications for the recruitment of higher positions with vacancies, and it has been possible to fill the vacancies as permanent officers for those posts in the near future.	Officers should be recruited in accordance with the Schemes of Recruitment.
(b)	It was observed that by recruiting employees on a contract basis for a long time, the relevant employees only cover up the duties in the post and do not take responsibility for the subject matters of the relevant post. It was also observed that 41 officers of the Head Office are currently covering up duties in this way.	Even though the required number of employees for the institution had been applied from the Department of Management Services, they had not approved it. Therefore, employees had to be engaged on a contract basis to carry out the day-to-day activities of the institution.	The officers who should be responsible for the subjects related to the contract basis post should be decided.

(c)	Even though 26 projects were being implemented under the Fund, the number of employees required for each project had not been determined, and it was observed that due to the absence of an approved cadre, the staff surplus and shortages of the projects could not be identified.	Even though we had determined the relevant cadre for the projects, the recruitment of government servants had been temporarily suspended for some time. Although the Department of Management Services had been requested the required number of employees for the institution, they had informed us that they had not approved the same.	The number of posts and officers required should be determined after considering the tasks of the Regional Offices.