2023

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வருடாந்த செயலாற்று அறிக்கை
ANNUAL PERFORMANCE REPORT

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கரையோரம் பேணல் மற்றும் கரையோர மூலவள முகாமை திணைக்களம்

Coast Conservation and Coastal Resource Management Department

2023

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Coast Conservation and Coastal Resource Management Department

Content

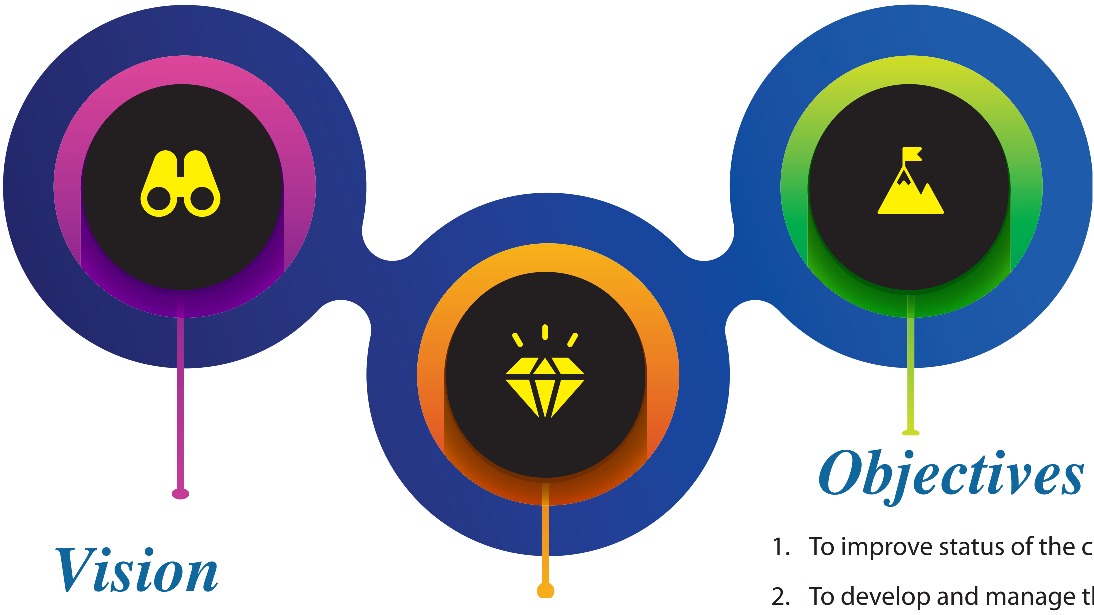
Chapter 01

Chapter 01 – Institutional Profile/Executive Summary

1.1 Introduction

Coast Protection Unit was established in 1963 under the Colombo Port Commission and in 1978 Coast Conservation Division was set up under the Ministry of Fisheries. With the aim of conserving the coast and creating safe and sustainable development opportunities based on the high valued economical resources that exist in the coast of Sri Lanka thus the Coast Conservation Division was upgraded to an "A Grade Department" on 1st of January 1984. As such coastal stabilization projects are being allocated the highest expense out of the department's annual budget to conserve the coastal zone of the island. Management of shoreline by effective coastal stabilization schemes contribute for the sustainable developments while management of coastal resources and developments maintain the standards of the coastal environment which are equally important and subsequently Coast Conservation and Coastal Zone Management Act No. 57 of 1981 was implemented and administration, control, custody and management of the coastal zone is vested to the Democratic Socialist Republic of Sri Lanka. Further Act No: 57 of 1981 was amended by Acts No: 64 of 1988 and No: 49 of 2011 and administration and implementation of the provisions in Act, formulation and execution of schemes for Coast Conservation and Coastal Zone Management and preparation of Coastal Zone Management Plan and other duties and functions including in Section 4 of the Act are vested to the Director General of Coast Conservation and Coastal Resource Management.

1.2 Vision, Mission and Objectives



Vision

Sri Lanka to achieve the prime status among countries in South Asian region by sustainable management of coastal resources and having attractive, safe and leisure beaches.

Mission

The Sustainable development of the coastal resources and the management of coastal process through optimize social, economic and environmental status of Sri Lanka.

Objectives

1. To improve status of the costal environment.
2. To develop and manage the coastal zone
3. Safeguard coastal infrastructure & risks reduction of coastal communities.
4. To improve the living standards of coastal communities and coastal resource users.
5. To promote and facilitate economic development based upon coastal resources.

1.3 Key Functions

1. Mitigating immediate impacts of coastal erosion.
2. Providing long term coast protection solutions.
3. Preparation of shoreline management strategies.
4. Carry out coastal investigation.
5. Carry out costal wave measurement studies.
6. Implementation of coastal research program.
7. Monitoring of near-shore bathymetry changes.
8. Updating Coastal Design Guidelines.
9. Coastal monitoring and evaluation.
10. Promoting sustainable coastal user friendly coastal construction.
11. Providing guidance in construction of marine structure within the coastal zone.
12. Preparation of costal Hazard Maps (Tsunami, sea level rise, storm surge & coastal erosion).
13. Providing coast protection design review for external parties.
14. Providing design assistance for river outlet management structures.
15. Conducting coastal water quality monitoring program.
16. Updating Coastal Zone Management Plan.
17. Controlling coral mining and beach sand mining.
18. Conducting environmental impact assessment for coastal development.
19. Ensuring compliance of permit conditions for development activities.
20. Enhancing awareness of coastal issues, including Curriculum development for schools.
21. Promoting community participation in coastal resource management.
22. Implementing special area management sites to improve the livelihoods of the communities through participatory coastal management.
23. Declaration of the Affected Areas, Conservation Areas and Special Management Areas and proper management of such areas.
24. Establish Beach parks.
25. Preparation of the Coastal Access Plan and facilitating Coastal access.
26. Control the illegal construction and illegal filling of land or water bodies within the coastal zone.

The Coast Conservation Department which had been under the Ministry of Fisheries & Aquatic Resource Development was assigned to the Ministry of Ports & Aviation by the Extra Ordinary Gazette notification number 1651/20 dated 30th April, 2010.

The Coast Conservation Department was assigned to the Ministry of Defence by the Extra Ordinary Gazette notification number 1681/3 dated 22nd November, 2010 and since then the department is under the same ministry. The name of the Ministry of Defence was changed as “Ministry of Defence & Urban Development” with effect from 07th October 2011.

Coast Conservation (Amendment) Act No. 49 of 2011 approved by the Parliament and new amendment was implemented with effect from December 2011. According to the Amendment Act the word "Coast Conservation" was substituted by the word "Coast Conservation & Coastal Resource Management".

According to that amendment the name of the Department was changed as "Coast Conservation & Coastal Resource Management".

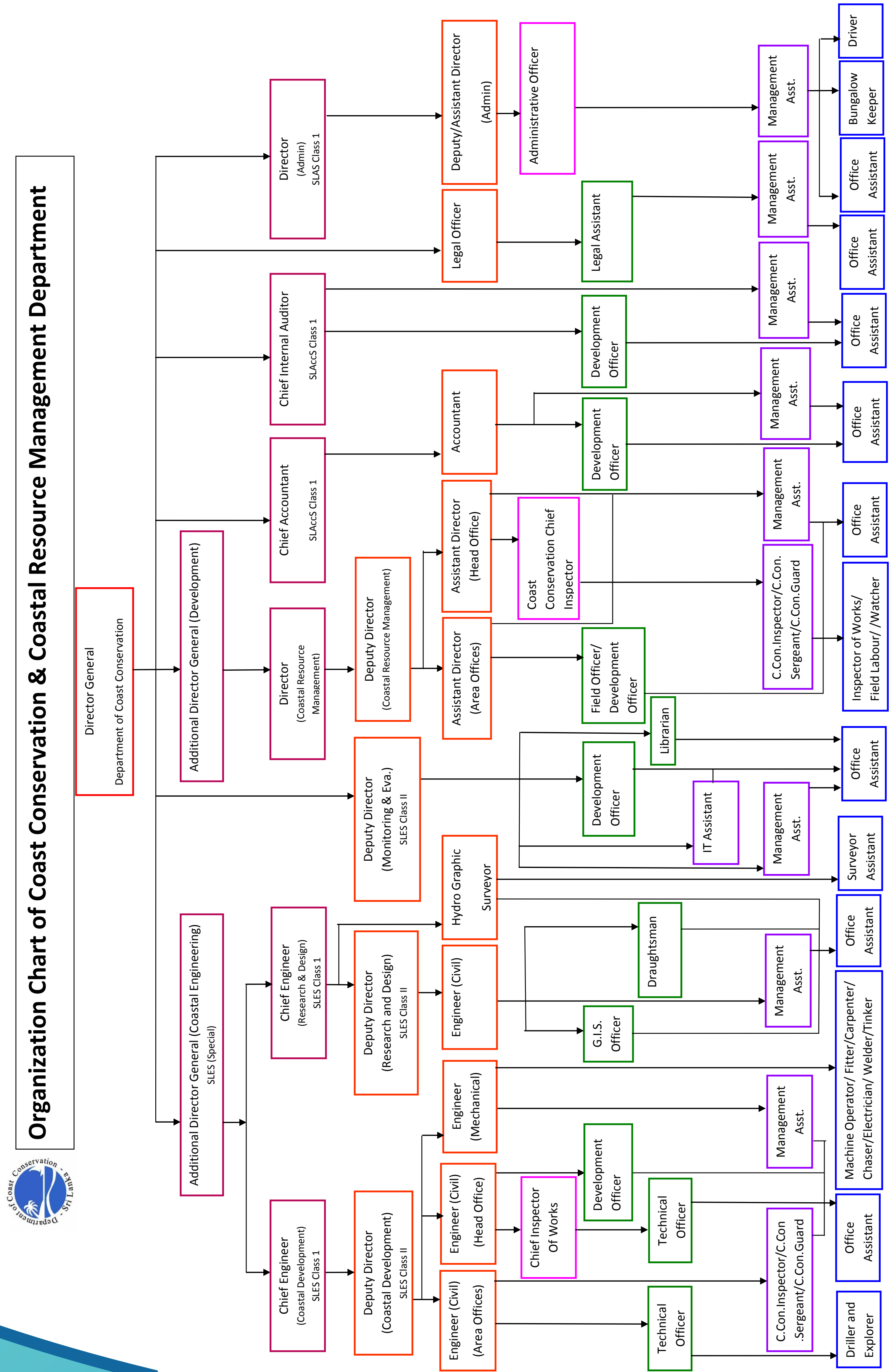
The amended Act has also made several new legal provisions to the Coast Conservation & Coastal Resource Management Act, and according to the new amends the duties of the Department has expanded.

- Area of the coastal zone has extended according to the amended act.
- Permission granted by law for preparation of Coast Conservation and Coastal Resource Management Plan
- New legal provision to declare affected area, conservation area, beach parks and special management area and prepare of regulations.
- New legal provision to take action and remove unauthorized filling in the coastal zone.
- Increase power of police officers to control illegal development activities in the coastal zone.
- Fine has been increased and bail not be allowed by magistrate for unauthorized development activities.
- Establish a coastal protection reward fund for motivation of the officers who engaged in controlling the illegal development activities in the coastal zone.

Again, the Coast Conservation & Coastal Resource Management Department was assigned to the Ministry of Mahaweli Development and Environment by the Extra Ordinary Gazette notification number 1933/13 dated 21st September, 2015.

Thereafter again this Department was assigned under the Ministry of Environment and Wildlife Resources by the Extraordinary Gazette Notification No. 2153/12 dated 10.12.2019. In 2020.08.02 by the Extraordinary Gazette Notification No. 2187/27 the State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community cleanliness was again taken under the Ministry of Urban Development and Housing and taken under the State Ministry of Coastal Conservation and Lowland Development by Extraordinary Gazette Notification No. 2235/45 dated 07.07.2021. It was again taken under the Ministry of Urban Development and Housing by the Extraordinary Gazette Notification No. 2289/43 dated 22.07.2022.

1.4 Organizational Chart



1.5 Departments under the Ministry /Main Divisions of the Department / Divisional Secretariats of the District Secretariat.

1.6 Institutions/Funds coming under the Ministry /Department/Provincial Council

1.7 Details of the Foreign Funded Projects (if any)

a) Name of the Project
b) Donor Agency
c) Estimated Cost of the Project – Rs.Mn
d) Project Duration

Not Applicable

Chapter 02

Progress and the Future Outlook

Title	Program and Project	Activities	Allo-cation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Prob-lems that have Aris-en
Improving and Rehabilitating Major Assets.	2001	Rehabilitation of Office and Accommodation.	2.50	F.P.	726,855.00	29.07%	
				P.P.	Carrying out repairs in the regional offices		
	2002	Maintenance of Plant Machinery and Other Equipment	8.00	F.P.	7,984,544.51	99.8%	
				P.P.	Repair of 05 Excavators		
	2003	Vehicle	9.50	F.P.	7,765,659.58	81.74%	
				P.P.	Repair of 20 vehicles		
Sub Total			**20.00**		**16,477,059.09**	**82.4%**	
Acquisition of Major Assets	2102	Furniture and Office Equipment	0.20	F.P.	115,050.00	57.5%	
				P.P.	Also buying fingerprint machines		
	2103	Purchase of Machinery and Other Equipment.	0.20	F.P.	194,500.00	97.3%	
				P.P.	Purchase of spare parts for Excavators		
	2104	Buildings	0.15	F.P.	0.00	0.0%	
				P.P.			
Sub Total			**0.55**		**309,550.00**	**56.3%**	
Developing Personal Ability.	2401	Training and Personal Development	1.00	F.P.	531,770.00	53.18%	
				P.P.	Conducting 02 staff training programs		
Sub Total			**1.00**		**531,770.00**	**53.18%**	

Title	Program and Project	Activities	Allo-cation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Prob-lems that have Aris-en
Coastal Engineering Investigations	2502.1	Coastal Engineering Design	0.10	F.P.	71,592.00	71.6%	
				P.P.	Coastal Structural Designs -17 Completed.	100.0%	
		Coastal Engineering Investigation	4.20	F.P.	4,950,335.00	117.9%	
				P.P.	Kalutara, Iranavila and Ninthavur beaches have been mapped by drones	100.0%	
		Coastal Water Quality	1.00	F.P.	933,250.00	93.3%	
				P.P.	The final draft report has been completed	100.0%	
		Coastal studies	0.50	F.P.	499,900.00	100.0%	
				P.P.	Coastal change in Sri Lanka, mapping of coastal defense structures is in progress.	80.0%	
Sub Total			**5.80**		**6,455,077.00**	**111.3%**	

Title	Program and Project	Activities	Allocation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Problems that have Arisen
Coastal Zone Management Program	2502.2	Coastal Pollution Reduction / Beach Cleaning	1.00	F.P.	793,110.00	79.3%	
				P.P.	102 programs have been conducted.	100.0%	
		Environmental education programs	1.00	F.P.	13,318.00	1.3%	
				P.P.	12 programs have been conducted.	100.0%	
		Identifying Ulla, Arugambay in Ampara as affected areas and gazetting as special areas	0.50	F.P.	95,681.00	19.1%	
				P.P.	After consultation with the Forest Department, it was decided to do the gazetting by them.	100.0%	
		Boundary of Permanent Vegetation Lines. (Jaffna, Trincomalee, Mullaitivu)	0.50	F.P.	Temporarily suspended due to shortage of funds		
				P.P.			
		Restoration of mangrove belt	0.50	F.P.	511,685.00	102.34%	
				P.P.	23 programs have been conducted.	100.0%	
		E - Permit management system	4.00	F.P.	3,240,872.00	81.00%	
				P.P.	2421 applications have been received out of which 2016 licenses have been issued	100.0%	
		Demolition of unauthorized structures	1.00	F.P.	703,310.00	70.30%	
				P.P.	Galle - 03, Matara - 06, Tangalle - 14, Wattala - 02	100.0%	
		Amendment of the Coast Consevation and Coast Zone Management Plan	10.00	F.P.	6,633,243.00	66.3%	
				P.P.	Draft report provided		
Sub Total			**18.50**		**11,991,219.00**	**64.8%**	

Title	Program and Project	Activities	Allocation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Problems that have Arisen
Construction of Coastal Structures	2502.2	Construction of 400m Revetment at Kalido , Phase 1, Kalutara (Continue from 2021)	11.00	F.P.	10,269,218.16	93.36%	
				P.P.	200m of construction work has been completed in 2022. (Phase II) 190m of 200m long revetment embankment has been completed. (Phase I)	95.0%	
		Construction of 120m Walkway at Mirissa, Bandaramulla, Matara (Continue 2021)		F.P.	Suspended due to external reason		
				P.P.			
		Construction of Groyne Series at Ninthavur, (Ampara) (Continue 2022)	47.00	F.P.	57,731,705.00	122.8%	
				P.P.	Construction Completed	100.0%	
		Construction of 200m Revetment at Udappuwa North (Puththalam)		F.P.	Suspended according to the 2/2022 budget circular		
				P.P.			
		Construction of 100m Revetment at Koralawella (Colombo)		F.P.	Suspended according to the 2/2022 budget circular		
				P.P.			
		Construction of Geo bag Revetment at Thiranagama (Galle)			Suspended according to the 2/2022 budget circular		
		Construction of Groyne field at Sainthamarathu to Malikaikadu (Ampara)	49.40	F.P.	10,167,643.60	20.6%	
				P.P.	Construction work is in progress. (Completed 02 groynes.)	30.0%	
		Sub Total	**107.40**		**78,168,566.76**	**72.8%**	

Title	Program and Project	Activities	Allocation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Problems that have Arisen
Repair of Coastal structures	2502.2	Rehabilitation of 500m revetment at Lunawa, Moratuwa (Colombo) (Continue 2021)	39.00	F.P.	40,776,588.02	104.5%	
				P.P.	190m have been completed. 240m side wall has been completed.	90.0%	
		Reinstatement of natural swimming pool behind rest house at Ambalangoda (Galle) (Continue 2021)	1.60	F.P.	1,561,833.83	97.6%	
				P.P.	Construction Completed	100.0%	
		Rehabilitation of 03 nos. of 30m groynes and 80m revetment at Porutota (Continue 2021)	1.20	F.P.	1,135,540.00	94.6%	
				P.P.	Construction Completed	100.0%	
		Rehabilitation of existing Gabion Wall at Thirukkovil (Ampara) (Continue 2022)	7.00	F.P.	5,788,125.00	82.7%	
				P.P.	Construction Completed	100.0%	
		Sand dredging at Kalutara Lagoon basin (Kalutara)		F.P.	Suspended due to external reason		
				P.P.			
		Rehabilitation of existing revetment Kahawa (Galle)		F.P.	Suspended according to the 2/2022 budget circular		
				P.P.			
		Rehabilitation of existing 250mrevetment Pahala Katuneriya (Puttalam)	10.00	F.P.	8,696,651.66	87.0%	
				P.P.	85m have been completed. 165m side wall has been completed	40.0%	
		Breakwater extension at Kolinjadiya (Puttalam)		F.P.	Suspended according to the 2/2022 budget circular		
				P.P.			
Sub Total			**58.80**		**57,958,738.51**	**98.6%**	

Title	Program and Project	Activities	Allocation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Problems that have Arisen
Emergency Coastal Protection Structures		Iranawila		F.P.	20,209,070.29		
				P.P.	Construction Completed.	100.0%	
		Upparu - Stage II	50.00	F.P.	2,785,250.00		
				P.P.	Construction Completed.	100.0%	
		Kirimundal Island		F.P.	108,000.00		
				P.P.	Construction Completed.	100.0%	
		Near Muthur Navy Camp		F.P.	167,500.00		
				P.P.	Construction Completed.	100.0%	
		Karathivu		F.P.	994,225.00		
				P.P.	Construction Completed.	100.0%	
		Ninthavur		F.P.	2,063,008.95		
				P.P.	Construction Completed.	100.0%	
		Bussa		F.P.	2,298,409.45		
				P.P.	Construction Completed.	100.0%	
		Thaldiyawatta		F.P.	10,542,287.50		
				P.P.	Construction Completed.	100.0%	
		Koggala Beach Park		F.P.	918,787.70		
				P.P.	Construction Completed.	100.0%	
		Sainthamarthu		F.P.	4,497,350.00		
				P.P.	Construction Completed.	100.0%	
		Maligaikadu		F.P.	2,021,650.00		
				P.P.	Construction Completed.	100.0%	
		Kaththankudy		F.P.	1,603,700.00		
				P.P.	Construction Completed.	100.0%	

Title	Program and Project	Activities	Allocation for the Year 2023 Rs. Mn.	Financial and Physical Progress (Rs. Mn)		(%)	Problems that have Arisen
Emergency Coastal Protection Structures	2502.2	Uswetakeiyawa		F.P.	207,245.00		
				P.P.	Construction Completed.	100%	
		Marathmunei		F.P.			
				P.P.	Construction Completed (Payments 2024)	100%	
		SMTI premises - Galle		F.P.	1,448,803.37		
				P.P.	Construction Completed.		
		Whisky Point, Palagathurei, Mudukatuwa, Wellamankara, Arugambay		F.P.	2,485,629.87		
				P.P.		100.0%	
Sub Total			50.00		52,350.917.13	**104.7%**	
2022 Bills in hands			24.00		24,091,407,75		
Total			286.05		248,334,305.24	**86.8%**	

2.2 Challenges

01. According to the 2/2022 budget circular, 06 coastal defense projects have been suspended and several projects, including more coastal defense projects, have been removed from the 2023 annual action plan due to lack of funding.

02. Shortage of engineers, assistant directors, hydrological surveyors, technical officers and skilled and unskilled workers for the performance of the institution.

2.3 Future goals

01. Public-Private Partnerships (PPP) to develop tourism potential sites within Sri Lanka's coastline to generate income for the Department.

02. Plans needed to reduce coastal erosion

03. Sustainable management of coastal resources

2.4 E – Permit Procedure

Number of applications received	Number of Permit issued	Number of rejected applications	EIA/IEE Projects under process
2421	2016	345(Cancel + Rejected)	**EIA - 02** **IEE - 03**

EIA	Project
01	Proposed capacity enhancement to the existing Thambapavani wind power plant under Mannar wind power project – Phase 1 Extension – Ceylon Electricity Board
02	134 MW Wind Power Project (Phase 2) – Pooneryn – Sri Lanka Sustainable Energy Authority

IEE	Project
01	Proposed 100MW Wind Power Project (Phase1) at Pooneryn in Kilinochchi District – Sri Lanka Sustainable Energy Authority
02	Proposed Modern Shrimp Farm Project – Aralithurai, Velanai, Jaffna – Annai & Sons (Pvt) Ltd
03	Proposed 63 roomed Secret Beach Resort Project – Koparamulla, Mirissa – M.S.B.R. Development (Pvt) Ltd

2.5 Mangrove Belt restoration

1,300 square meters of coral reef restoration along Dutch Bay in Trincomalee district and 23 mangrove restoration programs covering coastal areas of Kalutara, Galle, Ampara, Batticaloa, Trincomalee and Jaffna districts covering 2,770 square meters.

2.6 Coastal pollution/beach cleaning

District	No. of Programmes
Puttalam	10
Gampaha	13
Colombo	09
Kalutara	03
Galle	06
Matara	04
Hambantota	04
Ampara	22
Batticaloa	20
Trincomalee	09
Mannar	01
Kilinochchi	01
Total	**102**

2.7 Construction of coastal protective structures

District	No.of Project	Protected Beach Length (m)
Puttalam	01	160
Gampaha	02	200
Colombo		
Kalutara	01	200
Galle	01	25
Matara		
Hambantota		
Ampara	03	988
Batticaloa		
Trincomalee		
Mannar		
Total	**08**	**1,573**

2.8 Measures taken to prevent Coastal Erosion

Coast Protective Project	Length of Protected Coastal Line
Construction of Coastal Protective Structure	1,160m
Construction of Emergency Coastal Protective Structure	342m
Rehabilitation of Coastal Protective Structure	70m
Total	**1,572m**

2.9 Research and Design Division

Activity	Programs conducted
Coastal Engineering Design	Coastal Structural Designs - 11 plans completed for Iranawila, Koralawella, Kalutara Estuary, Ninthavur Phase II, Kahwa, Pahala Katuneria, Udappuwa, Thiranagama, Kolinjadiya, Saindamarudu Maligaikadu and Maradamune and an additional 10 designs for external parties.
Coastal Engineering Investigation	Coastal surveillance and photography by aerial photography. (15 km from Kalutara, Iranavila and Ninthavur)
Coastal Studies	Preparation of Shoreline changes and Coastal Data base, Aerial photography

2.10 Water quality testing

Beach	Parameters
Preethipura - Wattala	pH
Morawala - Pitipana	Temperature - C
Negombo Beach Park	Dissolved Oxygen - mg/l
Negombo lagoon	Electrical Conductivity - µS
	Salinity - µS
	Oil and Grease - Mg/l
	Fecal Coliform - #/100ml

2.11 Revenue targets/ progress as on 31.12.2023

Month	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Target (Rs. Mn.)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	48.0
Progress (Rs. Mn.)	1.35	2.72	3.11	2.79	2.29	2.84	2.15	2.72	1.95	2.38	2.4	18.9	45.6

Chapter 03

Overall Financial Performance

3.1 Statement of Financial Performance

for the period ended 31st December 2023

Budget 2022 Rs.		Note	Actual 2023 Rs.	Actual 2022 Rs.
-	Revenue Receipts		-	-
-	Income Tax	1	-	-
-	Taxes on Domestic Goods & Services	2	-	-
-	Taxes on International Trade	3	-	-
-	Non Tax Revenue & Others	4	-	-
-	**Total Revenue Receipts (A)**		**-**	**-**
-	Non Revenue Receipts			
-	Treasury Imprests		504,398,000	469,617,221
-	Deposits		23,501,019	10,715,383
-	Advance Accounts		11,874,654	9,950,761
	Other Main Ledger Receipts		-	-
-	**Total Non Revenue Receipts (B)**		**539,773,673**	**490,283,365**
-	**Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)**		539,773,673	490,283,365
	Remittance to the Treasury (D)		-	-
	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		**539,773,673**	**490,283,365**
	Less: Expenditure			
-	**Recurrent Expenditure**			
267,500.000	Wages, Salaries & Other Employment Benefits	5	261,454,683	267,092,687
54,200,000	Other Goods & Services	6	49,830,306	53,239,764
3,000,000	Subsidies, Grants and Transfers	7	2,910,014	3,111,073
-	Interest Payments	8	-	-
300,000	Other Recurrent Expenditure	9	263,489	999,300
325,000,000	**Total Recurrent Expenditure (F)**		**314,458,492**	**324,442,824**
	Capital Expenditure			
20,000,000	Rehabilitation & Improvement of Capital Assets	10	16,477,069	9,558,993
55,000,000	Acquisition of Capital Assets	11	309,550	29,890
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-
1,000,000	Capacity Building	14	531,770	162,500
366,800,000	Other Capital Expenditure	15	231,271,252	156,016,255
388,350,000	**Total Capital Expenditure (G)**		**248,589,641**	**165,767,638**
	Deposit Payments		24,842,386	39,985,553
	Advance Payments		12,930,813	12,403,105
	Other Main Ledger Payments		-	-
	Total Main Ledger Expenditure (H)		**37,773,199**	**52,388,658**
	Total Expenditure I = (F+G+H)		**600,821,332**	**542,599,120**
-	**Balance as at 31st December J = (E-I)**		**(61,047,659)**	**(52,315,755)**
	Balance as per the Imprest Reconciliation Statement		**(61,047,659)**	**(52,315,755)**
	Impress Balance as at 31st December		-	
			(61,047,659)	**(52,315,755)**

Statement of Financial Position

As at 31st December 2023

	Note	Actual 2023 Rs.	Actual 2022 Rs.
Non Financial Assets			
Property, Plant & Equipment	ACA-6	683,355,595	612,801,770
Financial Assets			
Advance Accounts	ACA-5/5(a)	38,385,103	37,328,944
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**721,740,698**	**650,130,714**
Net Assets / Equity			
Net Worth to Treasury		27,424,359	25,026,833
Property, Plant & Equipment Reserve		683,355,595	612,801,770
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	10,960,744	12,302,111
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		**721,740,698**	**650,130,714**

Detail Accounting Statements in ACA format Nos. 2 to 7 presented in pages from 1 to 25 and Annexures to accounts presented in pages from 26 to 32 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

....
Chief Accounting Officer
Name : W.S.Satyananda
Designation : Secretary, Ministry of Urbon Development & Housing

Date :20/02/2023

....
Accounting Officer
Name : Eng.R.A.S.Ranawaka
Designation : Director General,Coast Conservation & Coastal Resource Management

Date :13/02/2023

....
Chief Accountant
Name :K.Thirukumar
Designation : Chief Accountant,Department of Coast Conservation & Coastal Resource Management

Date :13/02/2023

W.S. Sathyananda
SLAS (SPECIAL GRADE)
MBA(Ballarat), PGD(La-Trobe), B.Sc.(Sri Jayawardenepura)
Secretary
Ministry of Urban Development and Housing
17th Floor, "Suhurupaya" Battaramulla

Eng. R.A.S. Ranawaka
Director General
Coast Conservation & Coastal Resource
Management Department
4th Floor, New Secretariat,
Maligawatta, Colombo 10.

K. Thirukumar
Chief Accountant
Coast Conservation & Coastal Resource
Management Department
Maligawatte, Colombo 10.

3.4 Statement of Cash Flows

for the Period ended 31st December 2023

	Actual	
	2023 Rs.	**2022 Rs.**
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	315,017
Revenue Collected on behalf of Other Revenue Heads	59,195,936	60,674,141
Imprest Received	504,398,000	469,617,221
Recoveries from Advance	11,247,993	10,007,549
Deposit Received	23,501,019	10,715,382
Total Cash generated from Operations (A)	**598,342,948**	**551,329,310**
Less - Cash disbursed for :		
Personal Emoluments & Operating Payments	306,451,872	322,479,787
Subsidies & Transfer Payments	2,910,014	-
Expenditure incurred on behalf of Other Heads	2,708,221	10,738,227
Imprest Settlement to Treasury	-	-
Advance Payments	12,930,813	12,403,105
Deposit Payments	24,842,386	39,985,553
Total Cash disbursed for Operations (B)	**349,843,306**	**385,606,672**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**248,499,642**	**165,722,638**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	**-**	**-**
Less - Cash disbursed for:		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	248,499,642	165,722,638
Total Cash disbursed for Investing Activities (E)	**248,499,642**	**165,722,638**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(248,499,642)**	**(165,722,638)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	**-**	**-**

3.4 Statement of Cash Flows

for the Period ended 31st December 2023

	Actual	
	2023 Rs.	2022 Rs.
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

Annexure-(i)

Statement of Losses and Waivers

(Losses under F.R. 106 and F.R. 113)

Expenditure Head No : 291

Department : Coast Conservation & Coastal Resource Management

Programme No. & Title : 01 - Operational

(i) Statement of Losses Recovered/Written off/Waived off during the year.

	Value	No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00	04	48,169
Over	Rs. 25,000.01	03	300,320
	Total	**07**	**348,489**

Classification of the cases by nature of Losses.	No.of Cases	Value (Rs.)
1. Accident-Vehicles	07	348,489
2.		
3.		
Total	**07**	**348,489**

(ii) Statement of Losses being held to be Written off/Waived off or recoverable so far

	Value	No.of Cases	Total Amount (Rs.)
Below	Rs. 25,000.00	01	21,058
Over	Rs. 25,000.01		
	Total	**01**	**21,058**

Classification of the cases by Nature of Losses	No.of Cases	Value (Rs.)
1. Accident-Machinery & Equipment	01	21,058
Total	**01**	**21,058**

Age Analysis per (ii)

Less than five years	No.of Cases	01
	Amount	Rs. 21,058
5-10 years	No.of Cases	
	Amount	Rs.
Over 10 years	No.of Cases	
	Amount	Rs.

Note - Details on losses under F.R.106 and waives under F.R. 113 accounted under object code no 1701 and such losses and waivers expected to be accounted in coming years should be included.

* When there are no information with regard to this report, a nil report should be submitted.

Chief Accountant

Date :

Statement of Write off from books

Annexure-(ii)

Expenditure Head No : 291

Department : Coast Conservation & Coastal Resource Management

Programme No. & Title : 01 - Operational

1 Statement of losses and waivers under F.R. 109 during the year

Value	No. of Cases	Value (Rs.)
(i) Below Rs. 25,000.00	04	48,169
(ii) Over Rs. 25,000.01	02	215,320
Total	**06**	**263,489**

2 Statement of write off from the book and recoveries under F.R. 109 during the year

Nature of Loss		Opening balance which was not written off Rs.	Value of loss Rs.	Recoveries Rs.	Value written off from the book Rs.	Balance carried forward which was not written off Rs.	Reference No. of Approval for write off from the book
1. Hyundai Excavator	Machinery & Equipment	4,349	-	-	4,349	-	JE230101
2. Hyundai Excavator	Machinery & Equipment	54,320	-	-	54,320	-	JE230101
3. Hitachi Excavator	Machinery & Equipment	-	21,000	-	21,000	-	JE230202
4. Welding Generator	Machinery & Equipm	-	85,000	85,000	-	-	
5. Hyundai Excavator	Machinery & Equipm	-	6,920	-	6,920	-	JE230202
6. Hyundai Excavator	Machinery & Equipm	-	15,900	-	15,900	-	JE23020
7. Hyundai Excavator	Machinery & Equipm	-	161,000	-	161,000	-	JE231204
8. GJ 7326 Vehicle	Vehicles	-	21,058	-	-	21,058	
Total		**58,669**	**310,878**	**85,000**	**263,489**	**21,058**	

* When there are no information with regard to this report, a nil report should be submitted

Chief Accountant

Date :

Annexure-(ii)

Statement of Write off from books

Expenditure Head No : 291

Department : Coast Conservation & Coastal Resource Management

Programme No. & Title : 01 - Operational

Not Applicable

Statement of Liabilities - (i)

Annexure (iv)

Statement of Commitments in terms of FR 94 (2) and (3)

Expenditure Head No : 291

Department : Coast Conservation & Coastal Resource Management

Programme No. & Title : 01 - Operational

Name of the Person/Institution	Description of Commitments	Project	Sub Project	Object Code	Financing Code	Maximum Commitment Ceiling In terms of FR 94(2) Provisions (Rs.)	Total Cost Estimate In terms of FR 94(3) (Rs.)	Commitment & Liability Amount (Rs.)
1. Ministry of Fisheries	Office Sanitory & Security	1	0	1409	11			3,289,714
2. Ministry of Fisheries	Electricity & Water	1	0	1403	11			657,228
3. Ministry of Fisheries	Elivator Service	1	0	1302	11			9,648
4. Department Staff	Overtime Payment	1	0	1002	11			2,459,611
5. Department Staff	Travelling Payment	1	0	1101	11			1,625,623
Total								**8,041,824**
Grand Total								**8,041,824**

Chief Accountant

Date :

The Status Report as at 31/12/2023 on Bank Accounts opened in terms of Treasury Operation Circular No. 3/2015 of 23/10/2015

Annexure-(viii)

Expenditure Head No : 291

Department : Coast Conservation & Coastal Resource Management

Serial No.	Name of Bank	Account No.	Balance as per Bank Statement as at 31/12/2023 (Rs.)	Balance as Per Cash Book as at 31/12/2023 (Rs.)	Total Value of Cheques not yet Presented to Bank as at 31/12/2023 (if exceeds 6 months)	Month of Last Bank Reconciliation Prepared
01	Bank of Ceylon Taprobane Branch	0007042641	32,640,914	-	-	December 2023
02	Bank of Ceylon Taprobane Branch	0007040117	0		-	-

I hereby certify that the above information is true and correct.

Chief Accountant
Date :

3.6 Performance of the Revenue Collection

Rs. 000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
2003-02-99	Administrative Fee & Charges	4,650.00	4.650.00	4,405.00	94.7
2002-02-99	Interest-Other	1,500.00	1,500,00	1,557.00	103.8

3.7 Performance of the Utilization of Allocation

Rs. 000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	325,000	325,000	314,458	96.77
Capital	388,350	388,350	248,589	64.01

3.8 In terms of F.R.208 grant of allocations for expenditure to this Deparment/District Secretariat/Provincial Council as an agent of the other Minister/Department

Not Applicable

3.9 Performance of the reporting of Non-Financial Assets

Rs. 000

Asset Code	Code Description	Balance As per Board of Survey Report as at 31/12/2023	Balance As per Financial Position Report as at 31/12/2023	Yet to be Accounted	Reporting Progress as a %
9151	Building & Structures	217,098	217,098	-	-
9152	Machinery & Equipment	331,841	331,841	-	-
9153	Land	119,888	119,888	-	-
9154	Other-Non Financial Intangible	14,528	14,528	-	-

3.10 Auditor Generals's Report

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. } එෆ්ඩබ්එල්/ඩී/සීසී&සීආර්එම්ඩී/එෆ්ඒ/01/2023/56 ඔබේ අංකය / உமது இல. / Your No. } දිනය / திகதி / Date } 13th June 2024

The letter no. එෆ්ඩබ්එල්/ඩී/සීසී)සීආර්එම්ඩී/එෆ්ඒ/01/2023/56 /01/2023/56 dated 13 June 2024 of the Auditor General addressed to the Director General of the Coast Conservation and Coastal Resource Management Department.

Director General

Coast Conservation and Coastal Resource Management Department

Head 291 – Summary Report of the Auditor General on the Financial Statements of the Coast Conservation and Coastal Resources Management for the year ended 31 December 2023 in terms of Section 11(1) of the National Audit Act, No. 19 of 2018

Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Department of Coast Conservation and Coastal Resource Management – Head No. 291 for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023, the statement of financial performance and the 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. My comments and observations on these financial statements, being presented to the Department of Coast Conservation and Coastal Resource Management in terms of Section 11(1) of the National Audit Act, No. 19 of 2018 appeared in this report. The audit report to be presented in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018 will be presented to Parliament in due course.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, these financial statements give true and fair view of the financial position of the Department of Coast Conservation and Coastal Resource Management as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for the Qualified Opinion

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

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව   இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை   No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34   +94 11 2 88 72 23   ag@auditorgeneral.gov.lk   www.naosl.gov.lk

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

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

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

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

1.4 Auditor's Responsibility 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 the auditor's report that includes my opinion. Although reasonable assurance is a high level of assurance, but it 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 and 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 misstatements 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 internal control.

- Evaluate whether the financial statements are appropriately and reasonably inclusive of transactions and incidents underlying the structure and contents of the financial statements including disclosures.

- Evaluate whether the underlying transactions and events relevant to the structure and content of the financial statements are included appropriately and reasonably and the overall presentation of the financial statements with disclosures.

I communicate the Accounting Officer regarding the significant audit findings, major internal control deficiencies and other matters that have been identified during my audit.

1.5 Report on Other Legal and Regulatory Requirements

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

(a) The financial statements presented are consistent with the preceding year as per the requirement of Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.

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

1.6 Comments on the Financial Statements

1.6.1 Payment of Advances

(a) Action had not been taken in terms of paragraph 4 of the Chapter XXIV of the Establishments Code to recover the outstanding loan balances range between 1 to 3 years of the officers who left the Department as of 31 December 2023.

(b) Proper action had not been taken to recover a sum equivalent to Rs. 189,535 which had been overpaid to four officers who have vacated their posts during the year 2021 and year 2023 as salaries and allowances.

1.6.2 Balance of the Statement of Imprest Reconciliation

(a) Even though the revenue collected and expenditure incurred on behalf of other Heads stood at Rs. 59,195,935 and Rs. 2,708,221 respectively as per the Treasury Printouts, the said balances had been mentioned as Rs. 42,932,026 and 2,182,012 respectively in the Statement of Imprest Reconciliation.

(b) The receipts of deposit accounts (cross entries) amounting to Rs. 8,859,698, payments amounting to Rs. 1,014,366 and surcharge on object by cancelling the cheques by the reporting entity amounting to Rs. 316, 520 had been included in the Statement of Imprest Reconciliation, despite the fact that those should not be adjusted into the statement in terms of the State Accounts Guidelines No. 05/2023 dated 30 November 2023.

1.6.3 Non-Financial Assets

(a) Items of assets could not be identified due to the fact that it had been mentioned only the value of the assets along with the journal entry number in the Schedule on classification of non-financial assets which had been submitted to the Audit without mentioning the respective name of the asset.

(b) Even though the title certificates pertaining to transfer of ownership of lands in which Batticaloa and Hambantota Regional Engineering Offices located had been received during the year under review, action had not been taken to assess the said lands and account the value of them as non-financial assets.

(c) When action was taken to rectify the error relating to account the value of the building after being valued at Rs. 2,800,000 in 2022 which is owned by the Divisional Secretariat in which Chilaw Regional Engineering Office is maintaining and the Department did not possess ownership, it had been adjusted as removal of asset without rectifying the opening balance of the office building. Further, action had not been taken to make aware the Divisional Secretariat of Chilaw and the Department of State Accounts in this regard to include the said property in the accounts of the Divisional Secretariat of Chilaw until the ownership will be transferred to this Department.

(d) Action had not been taken to obtain the ownership of the 03 lands of an extent of 0.7941 ha to this Department which had been valued at Rs. 42,007,000 and stated under the non-financial assets in the Statement of Financial Position of the year under review.

(e) Action had not been taken to value and brought into the accounts 08 motor bikes out of 17 bikes owned by the Department at the end of the year under review, this also included 02 motor bikes which had been handed over to this Department on 06 October 2022 by the United Nations Agency. Further, it was observed that a motor bike of the Godawaya Circuit Bungalow had been included in the Vehicle Register twice at the values of Rs. 15,000 and Rs.40,000

(f) 11 vehicles assigned to the Head Office, Regional Engineering Offices and Circuit Bungalows had been away from the running operations for nearly 2 years due to maintenance requirements and minor defects and allowed to kept at said premises subject to decaying without being taking any action either to repair and make it to running condition or to dispose if it is not suitable to use.

(g) Action had not been taken to assess the value of four machines assigned to Moratuwa and Negambo Regional Engineering Offices for project purposes and brought into the accounts under non-financial assets.

2 Financial Review

2.1 Revenue Management

It has been failed to recover the sums equivalent to Rs. 72,895,000 and Rs. 1,688,515 from the Lanka Mineral Sands Limited as the amounts due for excess mining of sand exceeding the amounts approved by the Department pertaining to 04 licenses issued for the period from 2007 to September 2020 and a license for the period from 07 September 2020 to 06 September 2021 respectively. However, it was questionable to the Audit about the fact that the Lanka Mineral Sands Limited has calculated a sum equivalent to Rs.64,056,000 only as the amount due to the Department and communicated to the Department that it will be paid in 05 years.

2.2 Liabilities and Commitments Entered into

In pursunace of the State Accounts Circualr No. 255/2017 dated 27 April 2017 and Finacial Regulations 94(1), commitments should not be entered exceeding the liabilities. However, commitments amounting to Rs. 5,582,213 had been entered into exceeding the remaining amount of Rs.10,948 in respect of 04 object codes as at 31 December 2023.

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

2.3 Certifications made by the Chief Accounting Officer/ Accounting Officer

In terms of provisions stipulated in Section 38 of the National Audit Act, No. 19 of 2018, the Chief Accounting Officer and Accounting Officer shall be responsible for ensuring that an effective internal control for the financial control exists in the department 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 and forward a copy of the same to the Auditor General. However, the said reviews, which had been carried out and submitted by the Accounting Officer, had been returned back by the Chief Accounting Officer without certifying and stating the fact that "it has been cancelled in terms of the Management Audit Circular No. DMA-02/2022 (i) dated 08.08.2022".

2.4 Non-compliance with Laws, Rules and Regulations

	Reference to laws, rules and regulations	Non-compliance
(a)	Financial Regulation 214	Register on Commitments and Liabilities including requisite detailed information had not been maintained.
(b)	Supplement No. 35 dated 25 March 2020 pertaining to the 2.14.1 of the Government Procurement Guidelines 2006	The procurement activities relating to procurement of machinery and rubbles required for construction of 410m length revetment to prevent coastal erosion at Moratuwa Lunawa coastal area and construction of 200m length revetment at the Kalutara coastal area at an estimated cost of Rs.17 Mn and Rs. 18 Mn respectively under the shopping method should had been conducted by the Ministry Procurement Committee. However, quotations were called in October 2022 and June 2021 and work was done through the Department Procurement Committee.
(c)	Paragraph 3.1 of the Public Administration Circular No. 30/2016 dated 29 December 2016	Even though the consumption of fuel must be re-tested after a period of 12 months from each fuel test or after running a distance of 25,000km or after carrying out a major repair to engine whichever occurs first, fuel consumption tests in respect of 28 vehicles and 18 machinery of the Department had not been done.
(d)	Paragraph 9 and 10 of the Combined Services Circular No. 01/2021 dated 06 August 2021	It was observed that due to not taking action on annual transfers in respect of the 90 officers belonging to services of Development Officers, Management Services Officers, Drivers and Office Assistants of the Combined Services, they are remaining in this Department for a long period ranging from 5 to 15 years and 37 officers of them are discharging duties in this Department for more than 15 years.

3 Operational Review

3.1 Performance

3.1.1 Activities contradictory to Main Activities

In terms of Section 7 (e) and 12 of the Coastal Conservation and Coastal Resources Management Act, No. 57 of 1981 and the Paragraph 6.4.6 of the amended Coastal Management Plan - 2018 approved by the Advisory Council, the Advisory Council has no authority to issue permits, and to make recommendations on exemptions on setback limits considering the activities of private interest except for activities of public interest. Further, the Director General has the authority to approve setback exemptions in "reserved areas" when there is no other alternative for development activities intended for the public interest and not for the personal purposes. However, it has been observed that during the Council Meetings held from December 2021 to October 2023, letters and permits to the effect of no objection had been issued pertaining to 81 personnel applications received for constructions in the reserved areas. Accordingly, it is observed that intended purpose of issuing permit to mitigate or minimize negative implications from the development activities had not been complied with.

3.1.2 Not obtaining expected output levels

(a) To extend the revetment to 300m, which had initially constructed to a distance of 100m to prevent the coastal erosion in the Moratuwa –Lunawa, it had been estimated at a cost of Rs. 24,999,825 in early 2021 to procure necessary machinery and materials. However, the revetment had been extended up to 410 m and estimate had also been increased to Rs. 36,287,012 and the necessity of extending this revetment had not been confirmed. This project, which was scheduled to complete on 11 November 2021, had not been completed so and the reasons attributed were delay in the commencement of the construction as settlement had not been reached regarding the issue of 38 houses in the coastal line of the area, non-deploying of flag persons to the railway cross road which was used to transport necessary materials by paying Rs. 3,567,321 to the Department of Railways and delays in material supply. The estimated cost has been increased up to Rs. 65,919,292 as of the end of the year under review.

(b) Action had not been taken to remove unauthorized constructions amounting to 2,245 from the total number of 2,763 unauthorized constructions which had been identfied to remove and of the toatl number of 566 unauthorized constructions in 12 districts which had been identified as action to be taken, action had not been taken with respect to 340 unauthorized constructions during the period from 2012 to 31 December 2023.

(c) Even though issuance of permits through online method was commenced on 22 February 2019, the objective of reducing the time for issuance of permits could not be accomplished due to the matters that issuance of permits manually deviating from the System and considerable time taken for in situ examinations, inability to obtain coastal line and distance to construction through the online information system in order to arrive at a decision. Further, it has been observed that there may be issues on the confidentiality of the information and Department could not obtain requisite reports from the system for reporting purposes since the information in the database is with the processor of the system.

3.1.3 Not obtaining expected outcomes levels

The coastal erosion around Kalutara area has become a serious issue as a result of expanding the river mouth of Kalu Ganga in order to control the floods occurred in 2017. Even though Rs. 189 million had been incurred in respect of 19 project activities from 2017 to 31 December 2023 to provide solution to stop erosion, it is observed that permanent remedy has not been achieved in this regard.

3.1.4 Annual Performance Report

In terms of the paragraph 10.2 of the Public Finance Circular No. 2/2020 dated 28 August 2020, Annual Performance Report should be prepared according to the format provided in the Guideline 14 issued by the Department of Public Finance. However, the overall Financial Performance and Compliance Report in terms of paragraph 3 and 7 of the guideline had not been included in the draft performance report submitted by the Department.

3.2 Asset Management

(a) The Volvo excavator worth Rs. 11.9 Mn as stated in the financial statements was not taken into use for years and subject to decaying at the Galle Office premises and even though TOYOTA HILUX double cab bearing number PD-1046 worth Rs. 5,800,000 had been handed over to the State Ministry of Coastal Conservation and Low-Lying Lands Development in 16 November 2021, action had not been taken to transfer its ownership or to take the vehicle back to the Department.

(b) Hyundai 320LC - 9 Crawler Excavator kept at the Moratuwa District office had not been taken into use for a long time and parked and as a result it was not in the running condition. However, attention has not been paid by the officers responsible in this regard.

3.3 Questionable Transactions

(a) The supplier, who had been selected to obtain 02 excavators of 20 tons and 12 tons on rent basis in respect of the Revetment Project in Moratuwa Lunawa, had supplied only 01 excavator of 12 tons. However, payments were made to a total of 265.85 machine hours for duration of 6 months at the rate of Rs. 5,000 per machine hour from the project commencement in October 2021 up to April, 2022 assuming that the supplier had supplied the excavator of 20 tons. Thus, it had been observed that an overpayment of Rs. 373,253 inclusive of 8% VAT at an overpayment of Rs.1,300 per machine hour had been made as the actual charge for the machine stood at Rs.3,700 per machine hour.

(b) The supplier with a quotation of Rs. 1,007,000, who had been selected in March to repair the idling Hitachi 330-70433 excavator kept at the Moratuwa Regional Office in terms of the quotations invited in January 2022, had then informed that Rs. 1,414,300 was required. Thereafter, his quotation was rejected and then the supplier who had submitted the second lowest price should have been selected, it was not done. The price quotations were again obtained from the other two suppliers separately on two days in April and tender was again awarded to the initially selected supplier at a cost of Rs. 1,414,300.

(c) Despite a Memorandum of Understanding was entered into with the Information and Communication Technology Agency of Sri Lanka on June 09, 2016 to make a system at a cost of Rs. 5,000,000 enabling to issue permits for constructions taking place in the coastal zones through online, the said Agency has transferred the said task to private party at a cost of Rs. 14,528,000, thereby the Department had to incur additional sum of Rs.9,528,000.

3.4 Uneconomical Transactions

(a) Due to the fact that the supplier, who had agreed to supply materials before 25 April 2021 for the revetment to be constructed to a length of 410m to prevent coastal erosion in the Moratuwa-Lunawa coastal line, had stopped supplies, the Department had to incur a loss of Rs. 1,742,267 to obtain a supply of 4,549 rock boulders, which was not supplied from the initial procurement, at an estimate of Rs. 17 million which had been prepared again.

(b) Even though Rs. 1,542,606 had been incurred for repair of Hitachi 330 model excavator which had been purchased in 2017 at a cost of Rs. 28,850,000 and kept idle since May 2022 at the Moratuwa Regional Office and another Rs.1,641,291 had been spent on repair of Hitachi 330-70433 excavator and Hyundai - 320 excavator, all three machines were kept in idle condition as at the end of the year under review and machinery required for projects were obtained on rent basis. Further, fuel consumption test had not been conducted on the Hitachi 330 model and balanced the fuel consumption for 4,500 machine hours at 24l/hour.

(c) The price quotations for taking the Hyundai – 320 excavator, which is being subjected to decaying at the Moratuwa District Office, to a distance of 25 kilo meters from the Kalutara worksite to Moratuwa office on 15 November, 2022, were invited from 03 institutions located nearly 50 km away from the site i.e.Weliweriya, Siyabalape and Heiyantuduwa instead of inviting quotations from the nearby institutions. Therefore, Rs. 100,000 had been incurred in this regard.

(d) Even though Rs. 1,184,925 for 213.5 hours and Rs. 322,915 for 49.3 hours had been paid to the contractors with whom agreements had been entered in year end of 2021 to obtain services of 650 hours of a 20T Excavator and 300 hours of Cube 01 Loader Machine required for constructing a revetment for preventing coastal erosion in the Calido coastal area and preventing sand accumulation in the nearby road, the activities undertaken in this respect had not been proved during the audit and the suppliers had removed their machineries from the site with the permission of the officers during the halfway of activities due to non – implementation of the site work properly. It had been observed that Rs. 1,814,790 had to be paid additionally in terms of the estimate of Rs. 39,724,498 prepared for the remaining work in the year 2023, Rs. 1,756,280 had to be paid for the idling period only which spanned over July to 11 August 2023 due to .frequent breakdowns of the Hitachi 330 Excavator which had been obtained during subsequent bidding process and work in the site remained in idle status even at the end of the year under review without proper monitoring process.

3.5 Management Inefficiencies

(a) Action had not been taken to demolish unauthorized constructions or to take any other alternative action in respect of the 787 Orders or 74% out of 1,064 Orders received during the period from 2015 to 2022 relating to unauthorized constructions identified by the Hambantota, Chilaw, Negambo, Matara and Moratuwa District Offices and Permits had been issued only for 05 such constructions. It had not been able to recover Rs. 3,029,030 from the relevant parties out of the sum of Rs. 3,601,256 incurred by the Department towards such removals.

(b) The engineering workshop in the Department to which only one Technical Officer has been assigned is remained in the idle condition.

(c) It has been observed that out of the 20 restaurants, which had been constructed in unauthorized manner without obtaining permits in Dehiwala –Mount lavinia coastal area, the department had not paid attention to one restaurant and development works of 15 restaurants continued to which demolition orders had been issued without making complaints to the Police. Further, action had not been taken to issue demolition orders in respect of another five restaurants. Since action had not been taken to identify and demolish such constructions in a legal manner at the initial stages, it has been observed that the Orders for demolition of unauthorized constructions issued by the Department had confined to nominal orders only.

(d) Action had not been taken to recover Rs. 3,280,780 or 85% out of toatl Rs. 3,853,006 that should be payable to the Department in respect of the Orders issued for demolition of unauthrized constructions for the period from 2015 to 2023.

(e) Of the 100 applications shown in the system for which issuance of the permits had been rejected by the Negambo Office, reasons for issuing permits and non-objection had not been given in the System and rejection or issuance of permit on several times for the same application had also been shown in the system.

4 Sustainable Development

4.1 Progress on achieving Sustainable Development Goals

It has been observed that progress on the targeted activities related to implementation of artificial sand nourishment projects and conservation of sand dunes, mangroves and marshy lands and sensitive eco systems to an extent of 70 ha by managing the identified affected areas which have been identified under sustainable development targets of preventing climate related coastal disasters and conservation of coastal ecosystems in a sustainable manner, had not been achieved.

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

5 Human Resources Management

5.1 Attached Cadre, Actual Cadre

Of the approved cadre of Department, being 541 as at 31 December 2022, there were 126 vacancies comprising 14 posts in the senior level including 06 posts of Deputy/ Assistant Director (departmental posts), 53 posts in the tertiary and secondary level and 59 posts in the primary level. Further, even there are only 90 posts in the approved cadre with respect to the Development Officer, the actual cadre for the same was 110, thereby excess of 20 was prevalent. In this context, action has not been taken to review the ability to discharge official duties on the availability of the actual cadre and to make any revisions accordingly.

Sgd./ R.M.M.S.Perera
Senior Assistant Auditor General
for Auditor General

Chapter 04

Performance indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% -90%	75% - 89%	50% -74%
Cumulative protected coastal length		-	43%
length of nourished coast			0%
Length of cleaned beach	100%		
Area of protected sensitive land			0%
Restoration of mangrove belt	100%	-	
Check if the coastal water condition is more than ph 8	100%		
Issued e - permit	100%	-	
Environmental education programs	100%		

Chapter 05

Performance of the achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Develpoments goals (SDG)

Goals according to the institutional objective	Activity	Indicators of the achivement	Targets 2023	Progress 2023	% 0 - 49	% 50 - 74	% 75 - 100	Relevent Policy Target given in the SDG Framework
Goal 13. Take urgent action to combat climate change and its impacts								
1. Prevent and significantly reduce adverse effects due to climate related coastal hazards	1.1. Construction of coastal protective structures,	a. Propotion of protected effective beach length	3500m	1502m	43			13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	1.2. Implimentation of Beach Nourishment project to stabilize the eroded beaches.	b. proportion of stabilized effective beach length	0	0	0			
	1.3. Planting and restoration mangrove belt	c. Proportion of planted area	1000m2	2770m2			100	
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development								
2. Prevent and Reduce marine polIution and measuring coastal water quality parameters (PH) in different stations and share data.	2.1. Implimenting beach cleaning program.	d. Propotion of cleaned effective beach length	2km	25.5km			100	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

Goals according to the institutional objective	Activity	Indicators of the achivement	Targets 2023	Progress 2023	% 0 - 49	% 50 - 74	% 75 - 100	Relevent Policy Target given in the SDG Framework
	2.2. Measuring coastal water quality parameters.	e. Testing an average annual Coastal water pH level above 8.0 until 2026	Measuring the parameters of 04 locations and data sharing	Measured the parameters of 04 locations and data shared with web portal			100	14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all level
3. Sustainably conserve, manage and protect marine and coastal ecosystems to avoid significant adverse human impacts, including by take action for their restoration in order to achieve healthy and productivity.	3.1. Identify and manage affected areas	f. proportion of Planted, protected and restore sand dune, mangroove area and salt marsh area	70 Hec	0	0			14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information

5.2 Briefly describe the achievements and challenges of the Sustainable Development Goals

We try to reach the identified sustainable development goals as much as possible and some of these goals have to be achieved together with the partner institutions.

Chapter 06

Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cardre	Vacancies / (Excss)
Senior	43	28	15
Territory	4	0	4
Secondary	322	274	48
Primary	172	112	60

06.2 ** Briefly stase how the shortage or excessin human resources has been affected to the performance of the institute

01) Shoretage of human resource managemant negatively effects to the performance due to the low efficiency excess of carder make unnessary monetory expences and reduce effectiveness of the financial performance 02) Training increase effectivenss of the peple .According to positive attitudes personal performance incrase .Due to the effectiveness and the efficency institutional performance go higher levels.

6.3 Human Resource Developmant

Name of the Program	No.of staff trained	Duration of the program	Total Investment (Rs.1000)		Nature of the Program (Abroad / Local)	Out put / Knowl-edge Gained*
			Local	Foreign		
100 hour Tamil Training	28	2022.12.15 - 2023.06.16	25		Local	-
File Management	40	2023.06.28 One Day	10.27		Local	-

* Briefly state how the training program contributed to the performance of the institution

- ❖ Improve productivity through the up-to-date knowledge of various disciplines.
- ❖ Improving attitudes and personal development and collective responsibility through training programs
- ❖ Failure to identify the service needs of the employees and to facilitate them to reach the productive level
- ❖ Knowledge gained through training to enable employee motivation through innovative and efficient office systems.

Chapter 07

Complience Report

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
1	**The following Financial statements / accounts have been submitted on due date**			
1.1	Annual financial statemaent	Complied		
1.2	Advance to public offices account	Complied		
1.3	trading and manufacturing advance accounts (Commercial advance accounts)	Not Applicable		
1.4	stores advance accounts	Not Applicable		
1.5	special advance accounts	Not Applicable		
1.6	Others	Not Applicable		
2	**Maintenanace of books and Registers (FR445)**			
2.1	Fixed assets registers has been maintained and update in terms of public administartion circulars (267/2018)	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and moneyorders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
2.11	Register of Counterfoil Books (GA - N20) has been maintained and update	Complied		
3	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	**Audit queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Not Complied	Because it takes time to gather information from every divisions.	Advised to rectify
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
6.2	All the internal audit reports has been replied within one month	Not Complied	It is time comsumming to collect information from regional office	Advised to rectify
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Not Complied	Could not be done due to insufficient fuel costs	It is planned to be done in the year 2024
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
10	**Management of Bank Accounts**			
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Not Complied	Insufficient allocation given in the year 2023 for the 1101 budget subject	Management of allocations made in the year 2024
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Not Complied	it was delayed	Advised to rectify
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Not Applicable		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Not Applicable		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Not Applicable		
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been sub mitted as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		

No.	Application Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Coorective actions proposed to avoid non-compliance in future
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		