

වාර්ෂික වාර්තාව
ஆண்டு அறிக்கை
Annual Report

2024



නාගරික ජනාවාස කංවර්ධන අධිකාරිය
நகர குடியிருப்பு அபிவிருத்தி அதிகாரசபை
Urban Settlement Development Authority



Annual Report 2024



Urban Settlement Development Authority



Contents

Administration Report of the Institution	4
Director General's Review.....	6
Board of Directors' Review and Composition.....	7
New Board of Directors of the Urban Settlement Development Authority as at 31st December 2024.....	8
Board of Directors of the Urban Settlement Development Authority For the Period from January 1, 2024 to October 1, 2024.....	12
Participation of the newly appointed Board Members in the Board of Directors' meeting.....	17
Participation of Board Members in Board Meetings from 01.01.2024 to 01.10.2024.	18
Advisory Committee Review and Composition	19
Audit and Management Committee Review	20
Organizational Structure of the Urban Settlement Development Authority	21
The Board of Principal Officers of the Urban Settlement Development Authority.....	22
Physical Development Programme	24
Middle-Income Housing Projects Planned for Implementation under Public-Private Partnership in the Year 2024.....	25
Disposal of houses, Development Activities, and Acquisition Related to Low-Income Housing Projects Implemented by the Urban Settlement Development Authority	27
Marketing and development activities of the middle-income housing project implemented by the Urban Settlement Development Authority	29
Steps taken to protect the environment in future physical projects and minimize activities that have a negative impact on the environment.....	29
Issuing housing ownership title deeds to beneficiaries of the completed housing projects.....	30
Risk assessment and mitigation strategies.....	31
Social Development Programme	32
Social Development Program 2024	33
Implementing the social development program in settlements	34
World Habitat Day 2024	50
World Habitat National Celebration - 2024.....	54
Main performance indicators.....	55
Legal Actions Undertaken	57
Urban Settlement Development Authority Internal Revenue (Recovery) Progress.....	58
Procurement of good and service.....	58
Human Resource Development and Institutional.....	59
Administrative Activities	59
Provision of Educational Loans.....	60
Details of the staff of the Urban Settlement Development Authority as at 31.12.2024	61
Final Accounts Report.....	62
Auditor General's Report.....	93



Vision

“To build sustainable urban settlements for a dignified life”

Mission

“Building well-constructed, compact and secure urban settlements and Empowering communities socially, economically and culturally”

Objectives of the Urban Settlement Development Authority

- Establishing well-planned compact urban settlements in all urban areas.
- Enhancing economic and social development of urban communities.
- Inculcating a feeling of property ownership in urban communities
- Enhancing the Authority’s Performance to Excellence

Administration Report of the Institution



Chairman's Review

The Urban Settlement Development Authority, established by Act No. 36 of 2008, implements physical development projects and social development programs based on two-pronged approaches to improve the living standards of low and middle-income communities living in urban areas.

In the final quarter of 2024, I was appointed as the new Chairman of the Urban Settlement Development Authority, during which I primarily undertook the task of streamlining the Authority's existing administrative procedures into a more structured system, with the objective of minimizing recurrent expenditures and enhancing the efficiency and productivity of its officials.



Furthermore, in alignment with the national policies relating to “A Thriving Nation - A Beautiful Life”, the strategic plan for the period 2025–2029 was formulated and the necessary approvals were duly obtained.

The primary objective of this initiative is to transform it into a self-sustaining institution that does not impose a financial burden on the General Treasury in the future. Under the physical development program, it is expected to implement projects aimed at providing housing and other necessary infrastructure for the resettlement of low-income urban communities, improving substandard housing units, and offering financial assistance and construction guidance to individuals who possess land but lack access to formal financial facilities.

Further, under the Public-Private Partnership (PPP) framework, projects have been planned to be implemented across the island to construct a minimum of 100 housing units in at least one district, targeting middle-income earners. As the first phase, it is proposed to implement 07 such projects. Preliminary approvals, relocation procedures, land acquisition, and transfer activities related to these housing projects have already been carried out, and the procedure for issuing deeds for the “Seaview Residencies” apartment project in Lunawa, which has been vested in the public by the Authority, has been revised based on a decision by the Board of Directors, and necessary steps have been taken to expedite the issuance of deeds accordingly.

Under the Social Development Programme, the necessary groundwork has been laid to implement, across 279 urban authority areas island-wide, four sub-programmes aimed at improving the living standards of urban underserved communities in social, economic, educational, health, religious, and cultural aspects, namely, the Community Empowerment Programme, the Educational Programme, the Entrepreneurship Development Programme, and the Socio-Cultural Programme, with the intention of enhancing knowledge, skills, and attitudes among these communities and uplifting them through self-empowerment. It has been planned to implement this programme covering 100 urban authority areas during the year 2025.

In addition, steps were taken to develop a structured mechanism to deliver training programs to the staff of the Authority, with the aim of enhancing subject knowledge and skills, as well as providing the necessary motivation to engage in service more effectively and efficiently.

I affirm that, amidst all challenges, the Urban Settlement Development Authority remains steadfast in fulfilling the mandate entrusted to it by statute, and is committed to responsibly striving to uplift the living standards of the urban population of Sri Lanka.

J.S.D.M. Asanka Abeywardena
Chairman
Urban Settlement Development Authority

Director General's Review

Established under the provisions of Act No. 36 of 2008 by the Parliament, the Urban Settlement Development Authority implements projects and programs through a dual-faceted approach of physical and social development, targeting communities living in underserved urban settlements. The primary objective of the Authority is to uplift the living standards of these communities through such measures.

I consider it a great honor to have been appointed as the Director General of the Urban Settlement Development Authority on the 19th of November 2024, having previously served as the Director (Planning and Management Information Systems) and contributed to the institutional planning process, including the formulation of strategic plans of the Authority.



Accordingly, in alignment with the national policy of “A Prosperous Country, a Beautiful Life,” our authority has been able to reorient the implementation of physical and social development programs with renewed effectiveness. Notably, based on our experiences and observations, we have formulated a strategic action plan comprising island-wide initiatives aimed at delivering tangible benefits to urban communities by addressing identified shortcomings with practical solutions and ensuring greater operational efficiency.

In particular, steps have been taken to implement a social development program that encompasses all urban council areas. Additionally, in response to the growing demand for housing, plans have been formulated to develop middle-income housing projects with a target of constructing a minimum of 100 housing units per district.

In the year 2024, we were able to obtain the necessary preliminary clearances and approvals for the implementation of seven identified projects aimed at the middle-income population, and accordingly, procurement processes for two of these projects have already been initiated.

Further, by expanding the scope of the social development programs, we managed to engage communities residing in apartment housing projects constructed by parallel institutions such as the Urban Development Authority, making our active contribution to addressing existing issues within those housing schemes by facilitating effective solutions.

During the year 2024, the Authority was able to implement a housing loan program for officers among its staff who were facing housing-related issues, thereby, it was possible both to provide solutions to the problems faced by these officers and to enhance employee satisfaction.

I profoundly wish that, in the future, by further expanding the scope of operations across a broader spectrum, the functions of the National Urban Housing Development Authority will contribute meaningfully to the upliftment of the living standards of the urban low-income and middle-income communities in Sri Lanka.

K.K.W. Thushari Priyanka De Silva
Director General
Urban Settlement Development Authority

Board of Directors' Review and Composition

Providing solutions to the housing issues faced by communities living in urban low-income settlements, and empowering them socially, economically, and culturally, is the primary objective of the National Urban Housing Development Authority. In order to achieve this, development programs and projects are implemented under the twofold approaches of physical and social development.

In accordance with the Finance Act No. 38 of 1971, the National Urban Housing Development Authority is entrusted with the responsibility of properly accounting for all transactions it undertakes, maintaining accurate books of accounts, ensuring their verification, and preparing financial statements that provide a true and fair view of the Authority's financial performance and the surplus or deficit for the respective year. Accordingly, the Board of Directors has instructed the Authority to maintain proper accounting records and to regularly review the financial reporting mechanism through periodic meetings and the Audit Committee.

In the preparation of the financial statements presented in this annual report, the Board of Directors has ensured that appropriate accounting standards have been adhered to, as applicable in each instance, and that fair and prudent judgments and estimates have been applied. The Board of Directors has taken all practical measures within their capacity to ensure the proper management of the assets owned by the Authority. In order to reasonably ensure the accuracy and reliability of the related reports, and to facilitate the systematic execution of the services of the Urban Settlement Development Authority, an effective and comprehensive internal control system—comprising internal checks, internal audits, and financial and other controls—has been established.

New Board of Directors of the Urban Settlement Development Authority as at 31st December 2024.

Ex Officio Members of the Board of Directors Appointed in Accordance with the Provisions of the Urban Settlement Development Authority Act



Eng. L. B. Kumudulal
Member of the Board of Directors

Eng. L. B. Kumudulal, an ex-officio member appointed under the provisions of the Urban Settlement Development Authority Act, currently serves as the Chairman of the Urban Development Authority, and he holds a Bachelor's degree in Civil Engineering and a Master's degree in Environmental Engineering Management from the University of Moratuwa.

He also serves as a member of the Board of Directors of several institutions and has held key positions, including Director and Additional Secretary (Project Supervision) at the Ministry of Water Supply.



Mr. N. B. M. Ranatunga
Member of the Board of Directors

Mr. N. B. M. Ranatunga, an ex-officio member under the provisions of the Urban Settlement Development Authority Act, has previously served in the planning Service and currently holds the position of Chairman of the National Housing Development Authority.

He also serves as a member of the Board of Directors of several institutions.



Mr. H. M. J. M. Herath
Member of the Board of Directors

Mr. H. M. J. M. Herath, an ex-officio member appointed under the provisions of the Urban Settlement Development Authority Act, currently serves as the Additional Secretary (Development) of the Judicial, Provincial Councils, and Local Government Division of the Ministry of Public Administration, Home Affairs, Provincial Councils, and Local Government and Labour.



Mrs. Renuka Kolambage
Member of the Board of Directors

Mrs. Renuka Kolambage, an ex-officio member appointed under the provisions of the Urban Settlement Development Authority Act, currently serves as the Chief Financial Officer of the Ministry of Finance, Planning, and Economic Development.

Members of the Board of Directors Appointed Under the Provisions of the Urban Settlement Development Authority Act



Architect Sithumini Ratnamalala
Member of the Board of Directors

Architect Sithumini Ratnamalala serves as a Senior Lecturer at the Department of Architecture, University of Moratuwa, and is a Chartered Architect by profession.

Architect Sithumini Ratnamalala holds a Master's degree in Architecture from the University of Moratuwa, a Master's degree in Linguistics from the University of Kelaniya, and a Postgraduate Diploma in Counselling from the University of Colombo, and a Bachelor of Science degree in design from the University of Moratuwa.

He is also a Chartered Architect at the Sri Lanka Institute of Architects. Additionally, he serves as a member of the advisory boards of several institutions, including as an advisor to the National Institute of Curriculum Development and the Leather Division of the Ministry of Industries.



Attorney-at-Law V. E. Wellappuli
Member of the Board of Directors

Attorney-at-Law V. E. Wellappuli serves as a legal professional and holds an honorary degree in Arts as well as a postgraduate degree in Economics. He has previously served as Assistant Director (Legal) at the Commission to Investigate Allegations of Bribery or Corruption and worked as a State Counsel at the Attorney General's Department for approximately four years. Since 2012, he has been functioning as an independent legal consultant.



Eng. Janaka Perera
Member of the Board of Directors

Eng. Janaka Perera holds a degree in Mechanical Engineering from the University of Moratuwa and has completed a postgraduate degree at the Asian Institute of Technology in Thailand.

Also, he has contributed to a research project of the Asian Development Bank on "Developing Technological Capabilities at National-Level " relating to a group of selected Asian countries.

He possesses approximately 33 years of industrial management experience in sectors including construction, textiles, food processing, and manufacture of machinery (specifically tea and rubber production).

Board of Directors of the Urban Settlement Development Authority For the Period from January 1, 2024 to October 1, 2024



Mr. Herath Arachchilage Nimesh Dilshan Herath
Executive Member of the Board of Directors

He currently holds the position of Chairman of the Urban Development Authority and serves as a member of the Board of Directors of several institutions.

He holds a Bachelor of Science (Honours) degree in Information Technology from the Sri Lanka Institute of Information Technology (SLIIT) and a postgraduate degree in Business Administration from the University of Sri Jayewardenepura.

He possesses Over 15 years of work experience in the business management field, with nearly 8 years of experience in marketing, business development, sales and marketing management, project management and digital marketing in the tourism industry.

In addition, he holds the following official positions:

- **Chairman**, Urban Development Authority
- **Director**, Colombo Land and Development Company
- **Director**, Lanka Rest Houses Company
- **Chairman**, Urban Investment and Development Company (Private) Limited
- **Director**, Onali Holdings (Pvt) Ltd
- **Director**, Tea, Rubber, and Coconut Estates Fragmentation Control Board



Mr. Rajiv Suriyarachchi
Executive Member of the Board of Directors

He currently serves as the Chairman of the National Housing Development Authority and holds membership on the Board of Directors of several institutions.

- **Board Member**, Housing Development Finance Corporation
- **Board Member**, Urban Development Authority
- **Board Member**, Hotel Developers (Lanka) Ltd.
- **Director**, Tea, Rubber and Coconut Estates Control Board
- **Vice Chairman**, Airport and Aviation Services (Sri Lanka) Limited (2019–2022)
- **Vice Chairman**, Cooplife Insurance Company
- **Director**, Road Development Authority
- **Coordinating Secretary** to the Deputy Minister (Disaster Management)
- **Coordinating Secretary** to the Deputy Minister (Irrigation and Water Management), from 2010 to 2015
- **Coordinating Secretary** to the Minister (Highways and Road Development), from 2006 to 2010



**Mr. Bothale Appuhamilage Rukmal Chaminda
Pieris**
Executive Member of the Board of Directors

He serves in the position of Deputy Director at the Project Management Department of the Ministry of Finance.

Master's Degree in Regional Planning and Development from the University of Colombo – 2015

Bachelor's Degree in Business Management (Specializing in Human Resource Management) with Second Class Upper Division from the University of Kelaniya

Diploma in Project Monitoring and Evaluation from the Miloda Academy of Financial Studies – 2018

Advanced Certificate Course in Procurement and Contract Management from ICTAD – 2009

Advanced Diploma in Government Procurement and Contract Administration from DIPPCA-SLIDA – 2008

Eight years of professional experience in Government Procurement Management (2005–2012)

Five years of experience in Regional Planning (2012–2017)

Four years of experience in Project Management and Monitoring (2017–Present)



**Mr. Ekanayake Walawwe Nalin
Samarakoon**
**Non-Executive Member of the Board of
Directors**

He serves as an Attorney-at-Law of the Supreme Court.

Senior Attorney -at-Law as an Apprentice as AJS Associate & Legal Consultants. - 2012

Junior partner at at-Law as an Apprentice as AJS Associate & Legal Consultant 2013-2015

Partner at AJS Associate & Legal Consultant - 2015-2019

Independent Counsel & Legal Consultant - 2013 to date.

Partner at Samarakoon & Ranasinghe Associates from 2019 to date.

Took oaths as an Attorney-at-Law of the Supreme Court of Sri Lanka in 2012.

Successfully completed the Final Year Examination at Sri Lanka Law College in 2011

Obtained Bachelor of Laws (LL.B.) degree from the Open University of Sri Lanka in 2011

Completed Diploma in English at the National Institute of Business Management (NIBM) in 2013

Obtained Postgraduate Degree in Labour Management from the University of Kelaniya



**Mr. Kulappu Thanthiri Koralalage Prasanna
Arampath**
**Member of the board of directors (Non-
Executive)**

Currently serving as an Attorney-at-Law of the Supreme Court of Sri Lanka, while also holding directorships at several institutions. Bachelor of Laws (LL.B.) – The Open University of Sri Lanka, 2011
Diploma in English – National Institute of Business Management (NIBM), 2013
Postgraduate Degree in Labour Management – University of Kelaniya
Board Member – Urban Development Authority
Council Member – Rakna Lanka Security Company
Board Member – The Open University of Sri Lanka
Served as a human rights activist at the Human Rights Commission of Sri Lanka from 1992 to 2015.
Engaged in the investigation of human rights violations from 1992 to 2015.
Possesses four years of experience (from 1992 to 1996) with the Human Rights Task Force (HRTF) as a Junior Investigation Officer. Appointed to the service as an officer and subsequently promoted to the position of Senior Investigation Officer. (Director – Administration and Finance)
Was promoted to the position of Acting Director – Administration and Finance at the Human Rights Commission of Sri Lanka with effect from 12th June 2013.



Mr. G.C.A.U. Fernando
**Member of the board of directors (Non-
Executive)**

Faculty of Management Studies and Commerce – University of Sri Jayewardenepura (1989–1992)
Training on Freedom of Expression and Media Freedom – International Academy for Leadership, Germany
Training on Political Strategies – Council of Asian Liberals and Democrats, Indonesia
Youth Services Officer
Ministry of Youth Development and Employment
1990 – 1994
Apprentice Teacher
Ministry of Education
1994 – 2006
Freelance Journalist – Electronic Media
1994 – 2006
Manager – Human Resources and Corporate Social Responsibility
Global Transportation and Logistics (Pvt) Ltd, Seeduwa
2006 – 2012
Chief Executive Officer
Lanka Television Network (Pvt) Ltd. (VFM Radio)
2012 – 2018
Director – Promotions
SMR Engineering (Pvt) Ltd
2004 – Present
Coordinating Secretary to the Chief Government Whip of the Parliament of Sri Lanka



Mr. S.J. Hewavitharana
Member of the board of directors (Non-Executive)

Bachelor of Science in Engineering (Honours)
 in Civil Engineering – University of Peradeniya
 Director / Civil Engineer
 SMR Engineering (Pvt) Ltd, Colombo
March 2004 – Present
 Director – Operations
 Isuru Engineering (Private) Company
1993 – 2003
 Project Manager, Consultation Engineering &
 Contract Private Company
1991 – 1992
 Site Engineer
 Central Engineering Consultancy Bureau
 (CECB)
1986 – 1991
 Works Engineer
 National Housing Development Authority
 1985 – 1986
 Chairman – Sri Lanka Wrestling Federation
 Executive Committee Member – National
 Olympic Committee of Sri Lanka
 Chairman – SMR Engineering (Pvt) Ltd
 Director – Operations – Isuru Engineering
 (Pvt) Ltd, Colombo 07
 1993 – 2003
 Operations Manager
 K.M.C.
 1984 – 1985



Mr. Pradeep Weerasekara
Member of the board of directors (Non-Executive)

1997 Bachelor of Science in Business Studies
 – Sabaragamuwa University of Sri Lanka,
 1997
 Master of Science in Service Management –
 University of Colombo, 2016
 Private Secretary to Hon. Prasanna
 Ranatunga, Minister of Housing and Urban
 Development – 2020
 Private Secretary to Hon. Prasanna
 Ranatunga, Minister of Export Development,
 Investment Promotion, Tourism, and Civil
 Aviation – 2020
 Board Member – Airport and Aviation
 Services (Sri Lanka) Limited – 2020
 Private Secretary to Hon. Prasanna
 Ranatunga, Chief Minister of the Western
 Province and Minister of Education
 Board Member – Urban Development
 Authority – 2023
 Coordinating Secretary to Hon. Reggie
 Ranatunga, Minister of Port Development
 and Civil Aviation – 2001
 Welfare Officer, Colombo Municipal Council
 – 2009 to 2024



Mr. Kahatapita Kankanamalage
Sujeewa Sampath Member of the board of
directors (Non-Executive)

General Certificate of Education (Advanced Level) – Biology Stream

Advanced Diploma in Human Resource Management

Human Resource Development Centre, University of Colombo

Served as the National Secretary General of the Sri Lanka Youth Federation of the National Youth Services Council.

Served as a Board Director of the National Youth Services Council.

Served as a Government Officer attached to the Minuwangoda Divisional Secretariat for 10 years.

Served twice as the Deputy Chairman of the Minuwangoda Pradeshiya Sabha since 2011.

Tenyears of service as the Media Secretary and Coordinating Secretary to the Chief Minister of the Western Province.

Served as the Coordinating Secretary to the Minister of Urban Development and Housing.

Served as the Coordinating Secretary to the Minister of Tourism.

Served as the Coordinating Secretary to the Minister of Industrial Export and Investment Promotion.

Represented Sri Lanka at the South Asian Regional Youth Conference."

Participation of the newly appointed Board Members in the Board of Directors' meeting.

Name of the Board Member	Meeting number and date held.	Attendance
	2024.12.18	
	11/2024	
Mr. J. S. D. M. Asanka Abeywardena	√	1/1
Eng. L. B. Kumudulal	√	1/1
Mr. N. B. M. Ranatunga	√	1/1
Mr. H. M. J. M. Herath	√	1/1
Mrs. Renuka Kolambage	√	1/1
Architect Mr. Sithumini Ratnamalala	√	1/1
Attorney-at-Law V. E. Wellappuli	√	1/1
Eng. Janaka Perera	√	1/1

**Participation of Board Members in Board Meetings from
01.01.2024 to 01.10.2024.**

Name of the Board Member	Meeting number and date held.											Attendance
	2024.01.02	2024.01.30	2024.02.28	2024.03.26	2024.04.10	2024.05.28	2024.07.03	2024.07.25	2024.08.21	2024.08.30	2024.09.12	
	11/ 2023	01/ 2024	02/ 2024	03/ 2024	04/ 2024	05/ 2024	06/ 2024	07/ 2024	08/ 2024	09/ 2024	10/ 2024	
Mr. R.M.S.P.K. Rathnayaka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. H.A.N. Herath	✓	✓	✓	✓	-	✓	-	-	✓	-	-	11/06
Mr. Rajiv Suriyarachchi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. B.A.R.C. Piyarathna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. E.W. Nalin Samarakoon	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	11/10
Mr. K.T.K.P. Arampath	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	11/10
Mr. G.C.A.U. Perera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. D.S.J. Hewavitharana	✓	✓	✓	✓	✓	✓	✓	-	-	✓	✓	11/09
Mr. Pradeep Wijerathnasekara	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	11/08
Mr. K.K. Sujeewa Sampath	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	-	11/09

Advisory Committee Review and Composition

In accordance with Section 10 of the Urban Settlement Development Authority Act, No. 36 of 2008, an Advisory Committee has been established. As stipulated by the said Act, the Committee shall comprise a Chairperson and not more than fourteen (14) members, ensuring adequate representation of both women and men.

In accordance with the provisions of the Authority Act, the Advisory Committee so appointed shall perform the following functions:

- Provide guidance and advice in relation to the approval and implementation of any matter concerning the proposals, plans, projects, and operational programs of the Authority.
- Implementing the rules and carrying out the duties as approved by the Board of Directors.

Composition of the Advisory Committee of the Authority

Mr. K.T.K. Prasanna Arampath – Chairperson of the Committee

Chartered Engineer Mr. D.T. Rajasekaran – Committee Member

Chartered Architect Mrs. B.L.K. Indika Balasuriya – Committee Member

Mr. K.D. Nihal Hewage – Committee Member

Mr. Tharanga Naleen Gamalath – Committee Member

Ms. Shanika Gopallawa – Committee Member

Mrs. Sujani Bogollagama – Committee Member



Committee Chairman
Attorney-at-Law
K.T.K. Prasanna
Arampath



Committee Member
Chartered Engineer
Mr. D.T. Rajasekaran



Committee Member
Chartered Architect
Mrs. B.L.K. Indika
Balasuriya



Committee Member
Senior Lecturer
Mr. K.D. Nihal
Hewage



Committee Member
Ms. Shanika Gopallawa



Committee Member
Mrs. Sujani
Bogollagama

Audit and Management Committee Review

The Audit Committee is entrusted with the authority to review and monitor in order to ensure that a sound financial reporting system is in place and is properly managed to provide accurate, appropriate, and timely information to management and relevant authorities, and to ensure that accounting and internal control systems are managed in compliance with laws, regulatory policies, and established constitutional and institutional governance frameworks.

The Audit Committee was comprised of the Treasury Representative of the Board of Directors and two other Board Members. In accordance with the Guidelines for Public Enterprises, the Treasury Representative on the Board of Directors, Mr. B.A.R.C. Piyaratne, Deputy Director – Project Management and Monitoring, served as the Chairman of the Committee. The other Board Members, Attorney-at-Law Mr. Nalin Samarakoon and Mr. G.C.A.U. Fernando, served as Committee Members.

The Audit Superintendent the National Audit Office, and the Chief Internal Auditor of the line ministry participated in the Audit and Management Committee meetings as observers, and the heads of departments of the Urban Settlement Development Authority and other officers, as required, attended the meetings. The Director General of the Authority acted as the Secretary of the Committee. The Committee considered the Internal Audit Plan for the year 2024 prepared by the Internal Auditor and recommended it for approval by the Board of Directors

During the year under review, the committee convened two meetings. Discussions focused special attention on audit reports, issues raised in audit queries and corresponding responses, observations from both internal and external audits, internal control systems, and the need for timely preparation and submission of the annual report, along with other key areas requiring improvement. Corrective actions were taken where necessary, and the follow-up measures related to decisions were also made.

Meeting minutes containing the main points discussed were reported to the Board of Directors.

I greatly appreciate the valuable contributions made by members, observers and officers, as well as the valuable observations made by the Auditor General, especially during the audit process.

By order of the Audit and Management Committee,



Committee Chairman
B.A.R.C. Piyaratne



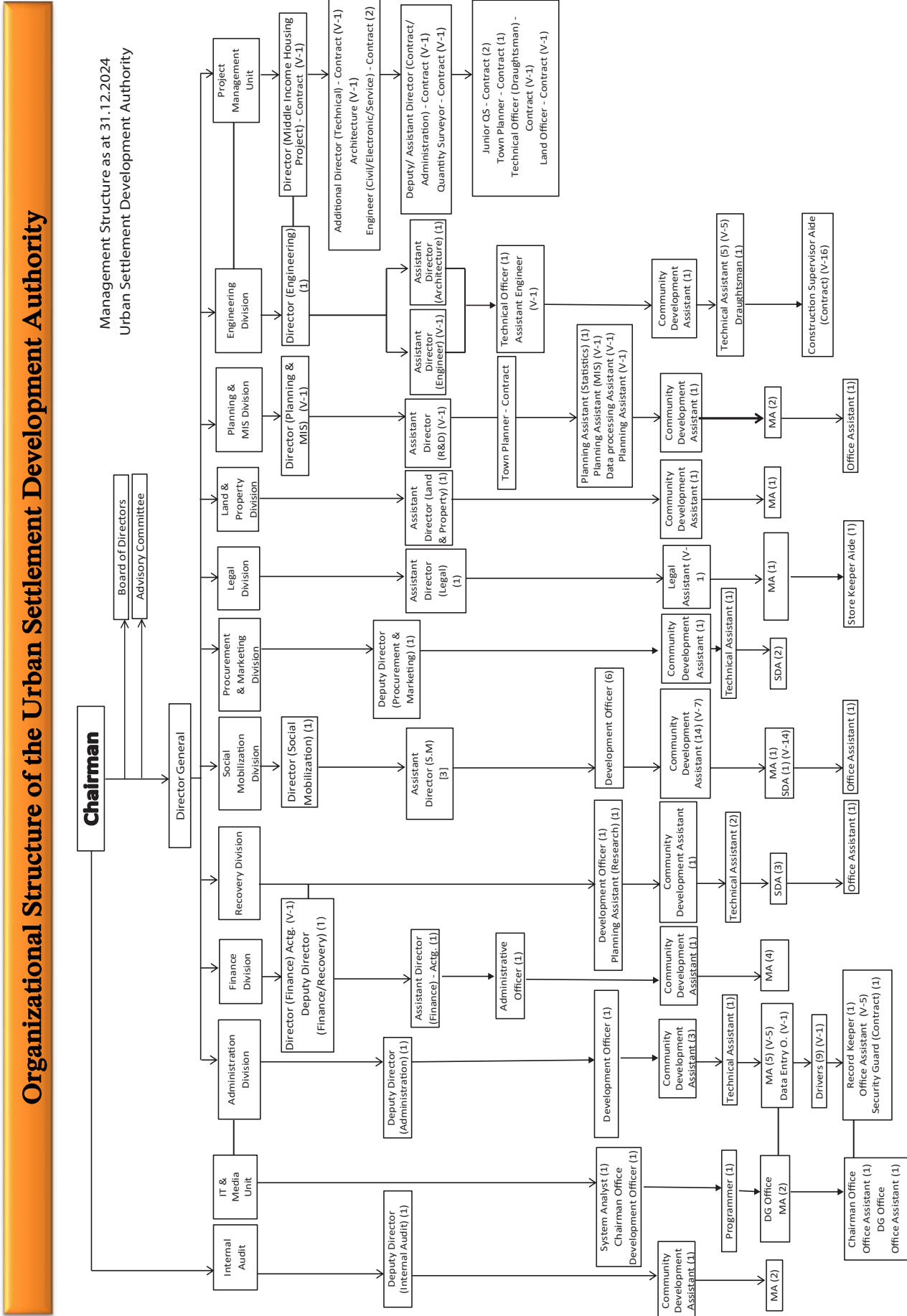
Committee Member
Attorney at Law Nalin
Samarakoon



Committee Member
G.C.A.U. Fernando

Director General, Secretary to the Audit and Management Committee, Urban Settlement Development Authority

Organizational Structure of the Urban Settlement Development Authority



The Board of Principal Officers of the Urban Settlement Development Authority



Mr. J.S.D.M. Asanka Abeywardena
Chairman
With effect from 16 October 2024



Ms. K.K.W. Thushari Priyanka De Silva
Director General – From 19 November 2024
Director (Planning and MIS) – Up to 18 November 2024



Mr. Priyantha K. Rathnayake
Chairman
From 04 August 2022 to 10 October 2024



Mr. Vijayananda Herath
Director General
From 04 August 2022 to 18 November 2024



Ms. P.M.A. Weerakkody
Director (Social Mobilization)
Until 01 March 2024



Mr. S. Suranga Munasinghe
Director (Engineering)
Also covering duties of Director (Planning and Procurement)
From 26 November 2024



Mr. R.D. Susantha Fernando
Acting Director (Finance)
From 09 September 2024



Mr. R.A. Susantha
Acting Director (Social
Mobilization)
From 02 March 2024



Mr. A.M.K.B. Athawuda
Acting Director (Finance) – From 30
November 2023 to 06 September 2024
Deputy Director (Recoveries)



Mr. A.P.R. Gnanapriya
Deputy Director (Administration)
Also serving as Acting Deputy
Director (Procurement)
From 09 September 2024



Mr. L.R.A. Shantha
Deputy Director
(Internal Audit)



Ms. Anusha Rajapaksha
Assistant Director
(Architecture)



Ms. K.I. Darshani
Assistant Director
(Social Mobilization)



Mrs. M. Pushpa
Assistant Director
(Social Mobilization)



Mr. A. L. Harsha Dilankara
Assistant Director
(Land and Asset Management)



Mrs. Jayathri Ariyathilaka
Assistant Director (Research
and Development)
Until 2024.10.03



Mrs. Shalani Agalawatta
Assistant Director (Legal)



Ms. A. A. Watagedara
Assistant Director (Research and Development)
Duty Covering from 2024.11.26

Physical Development Programme



Physical Development Programme

According to the Urban Settlement Development Authority Act No. 36 of 2008, the primary objective of the Authority is to implement projects and programmes through a dual approach of **physical development** and **social development**, targeting communities residing in underserved urban settlements. Within this framework, the **Physical Development Programme** can be identified as one of the key approaches adopted by the Authority.

It was planned to be carry out in 2024 the development activities of housing projects implemented so far by the Urban Settlement Development Authority, and preliminary approvals and clearances and land acquisition and acquisition activities related to the middle-income housing projects proposed to be implemented under the Public Private Partnership approach to create sustainable urban settlement development.

Accordingly, information regarding those housing projects and the physical progress achieved for those projects can be outlined as follows.

Further, during the year, title deeds were issued to the beneficiaries of the “Seaview” Housing Project in Lunawa, a middle-income housing scheme that was vested in the public in the year 2021.

Middle-Income Housing Projects Planned for Implementation under Public-Private Partnership in the Year 2024

Welisara Millagahawatte Middle Class Housing Project

This project, scheduled for construction in 2025, is to be implemented on a 2.4532-hectare land located in Grama Niladhari Division No. 179 – Elapitiwala of the Wattala Divisional Secretariat Division in the Gampaha District, which has been transferred to the Urban Settlement Development Authority as a free grant under Section 6(1) of the State Lands Ordinance.

Procurement activities are being carried out in accordance with the government procurement guidelines and through a national or international competitive bidding process, as per the approval granted by the Cabinet Decision No. CP/24/0165/618/010 dated 2024.01.22.

Further, With the aim of obtaining opinions on soil layers for the purpose of calling for project proposals, investigation report has been obtained to assess soil conditions, and applications for the required initial clearances have been submitted to the Urban Development Authority and the regional office of the National Water Supply and Drainage Board (Kelaniya) for the implementation of the project.

Nittambuwa Orchardwatte Middle Class Housing Project

This project is planned to be constructed in the year 2025, on a land measuring 3.6932 hectares belonging to the Nabadaluwa Grama Niladhari Division in the Attanagalla Divisional Secretariat Division of the Gampaha District, which has been taken over by the Urban Settlement Development Authority through Extraordinary Gazette No. 2296/36.

The recommendation of the Department of National Planning for the implementation of this project was received on 14.06.2024.

Accordingly, in accordance with the Cabinet Decision No. 21/0911/340/018 dated 24.05.2021, bids were invited under the National Competitive Bidding System, and the technical proposals for the same are being evaluated.

Further, applications for obtaining the basic clearance certificates required to implement this project have been submitted to the Urban Development Authority, the National Electricity Board and the National Water Supply and Drainage Board.

Sri Jayawardenepura Kotte Mixed Development Housing Project

This project is scheduled for construction in 2025 on a plot of land with an extent of 0.2795 hectares, located in Grama Niladhari Division 521A – Athulkotte West, within the Sri Jayawardenepura Kotte Divisional Secretariat Division, which has been transferred to the Urban Settlement Development Authority as a free grant under Section 6(1) of the State Lands Ordinance.

Further, the valuation report for the Sri Jayawardenepura Kotte Post Office building and land has been obtained from the Government Valuation Department.

Hikkaduwa Thuduwegoda Mixed Development Housing Project

In order to enhance the living conditions of communities residing in urban areas, a proposal was submitted to implement physical development projects, including the Thuduwegoda Urban Housing Project. However, in accordance with the National Budget Circular No. BD/CBP/01/04-2022 on the control of public expenditure, construction activities of physical development projects had to be suspended. As a result, a new project proposal has been formulated to implement this initiative under the Public-Private Partnership (PPP) framework.

The project proposal has been submitted to the National Procurement Agency for approval.

The process of transferring the land, with an extent of 0.6655 hectares, to the Urban Settlement Development Authority as a free grant under Section 6(1) of the State Lands Ordinance is in its final stage, while steps are also underway to acquire an adjacent portion of private land for the housing project under the provisions of the Land Acquisition Act No. 28 of 1964.

Athurugiriya Mixed Development Project

This project, scheduled for construction in 2025, is to be implemented on a plot of land measuring 0.4046 hectares located in Grama Niladhari Division No. 487A Shanthalokagama, within the Kaduwela Divisional Secretariat Division, and the process of acquiring the land for the Urban Settlement Development Authority is currently being carried out under the provisions of the Land Acquisition Act No. 28 of 1964.

Kaduwela Mixed Development Project

The process of transferring the land with an extent of 0.2757 hectares, on which the Kaduwela Post Office is located, to the Urban Settlement Development Authority is currently underway.

In 2024, the Urban Settlement Development Authority carried out preliminary activities related to obtaining initial approvals, transferring land, and initiating construction works for the proposed housing projects intended for the middle-income urban population under the public-private partnership model.

Due to the economic crisis that prevailed during the year, all construction activities across the country were hindered, making it difficult to identify a project developer or investor for the proposed projects.

Disposal of houses, Development Activities, and Acquisition Related to Low-Income Housing Projects Implemented by the Urban Settlement Development Authority

Angulana Sayurupura Housing Project

Approval has been granted by His Excellency the President for the transfer of a land parcel measuring 0.6695 hectares, known as Payurugahawatta, Dombagahawatta/Wetakeyiyagahawatta, located in the Angulana North Grama Niladhari Division of the Moratuwa Divisional Secretariat Division, to the Urban Settlement Development Authority, and the preparation of the relevant grant document is currently in progress. Once the authority acquires ownership of the land, it will be possible to commence the process of issuing deeds to the beneficiaries who have been evicted due to this housing project.

Furthermore, 11 housing units damaged by external parties in this housing project have been allocated to new beneficiaries who do not have permanent residence, and of these, 8 housing units have been renovated this year.

Anuradhapura, Thuru Ithurugama Housing Project

This project has been initiated and allocated to the beneficiaries on a land called Parasangaswewa Mukalana measuring 7.7586 hectares in Katukeliyawa Grama Niladhari Division, Tulana 302, Central Nuwaragam Province, Divisional Secretariat Division, Anuradhapura District, and This land has been acquired by the Authority as a free grant in terms of Section 6 (1) of the Government Lands Ordinance.

Further, houses that had not been allocated to beneficiaries of this housing project have been allocated to suitable beneficiaries this year.

Lindula Housing Project, Talawakele

The project was initiated on the land known as Holyrood Estate in the Nuwara Eliya Divisional Secretariat Division of the Nuwara Eliya District, and was allocated to the beneficiaries; accordingly, the valuation report for the land has been obtained, and the land has been transferred from the Land Reforms Commission to the Urban Settlement Development Authority.

Nariyagodella Housing Project, Chilaw

This project has been initiated and allocated to the beneficiaries on a land called Meekulama or Nariyagodella, measuring 2.308 hectares, in the 568 Munneswaram Grama Niladhari Division of the Chilaw Divisional Secretariat in the Puttalam District, and this land has been transferred to the Authority through a deed of transfer. Procurement activities have commenced to select a suitable contractor for the work to be carried out in relation to the renovation of a house in the housing project this year.

Furthermore, the approval of the Secretary of the Ministry of Urban Development and Housing has been sought to provide Rs. 2.86 million to the Chilaw Pradeshiya Sabha through the internal allocations of the Authority for the construction of the drainage system and provision of infrastructure facilities for this project.

Sinhapura Housing Project

The project was initiated on a 0.4423-hectare land known as "48 Watta," located in the Borella North Grama Niladhari Division of the Thimbirigasyaya Divisional Secretariat Division, and provided to beneficiaries, and the land has been transferred to the Authority as a free grant under Section 6(1) of the State Lands Ordinance.

Wadulu Sevana Housing Project

Action is underway to acquire the land by the Urban Settlement Development Authority from the Urban Development Authority, to which the land, where the Wadulu Sevana housing scheme is located, has been transferred by the government as a free grant.

Sahaspura Housing Project

The Boralle "Sahaspura" Housing Project is a multi-storey housing scheme developed by the Real Estate Exchange (Private) Limited, a predecessor institution of the Urban Development Authority, under the "Sustainable Urban" program, targeting low-income families living within the Colombo Municipal Council area.

329 condominium units belonging to this apartment complex were transferred to the Urban Settlement Development Authority by Deed No. 155 dated 2018.02.21, written and attested by Notary Public, Mrs. T. Liyanarachchi.

Arrangements are also being made to dispose of the commercial units in this housing project based on government valuation in order that income is generated for the Authority.

Marketing and development activities of the middle-income housing project implemented by the Urban Settlement Development Authority

Lunawa "Sea View Residences" Housing Project

This housing project, which consists of 356 housing units, was initiated under the affordable housing scheme with the aim of meeting the housing needs of the middle-income and lower-middle-income communities. All housing units in this housing project have been allocated to the beneficiaries.

The construction contract for this housing project was carried out by the State Engineering Corporation, and the project management was carried out by the State Development and Construction Corporation.

In this year, the project received the final certificate of declaration as a condominium property from the Condominium Management Authority on March 19, 2024.

A contractor was selected this year by inviting bids under the national competitive bidding system for the application of water resistant paints on the external walls of this housing project.

Steps taken to protect the environment in future physical projects and minimize activities that have a negative impact on the environment

- Utilizing solar energy for electricity generation and providing hot water to residential units.
- Developing projects and common areas as green zones and managing their future maintenance with the participation of beneficiaries through a management organization.
- Collecting rainwater within the project area and wastewater discharged from residential units, treating and storing it, and subsequently using it for irrigation of gardens within the project.

Issuing housing ownership title deeds to beneficiaries of the completed housing projects.

Issuing of title deeds was carried out for the housing projects that were vested in the public by the Authority in 2024.

Due to the allocation of houses to beneficiaries under long-term installment lease agreements, it has not been possible to issue title deeds for many housing projects; however, beneficiaries will be eligible to receive title deeds upon completion of all payments at the end of the respective agreement periods.

Issuance of title deeds related to the housing units.

#	Housing project	No. of houses	Progress of issuing of deeds up to 2023	Deeds issued in 2024	No. of deeds to be issued
1	Sahaspura Housing Project	686	587	-	99
2	Anuradhapura-Thuruithurugama Green Settlement Project	108	01	-	107
3	Wadulusevana Housing Project	50	-	-	50
4	Sinhapura Housing Project - Phase I	60	-	-	60
5	Sinhapura Housing Project - Phase II	60	-	-	60
6	Angulana "Sayurapura" Housing Project	288	-	-	288
7	Chilaw Nariyagodella Urban Housing Project	57	-	-	57
8	Talawakele Urban Housing Project	54	-	-	54
9	Lunawa Sea View Residences Housing Project	356		16	340
Total		1,719	588	16	1,115

Risk assessment and mitigation strategies

#	Risks	Risk mitigation strategies.
1	In the implementation of housing projects by our Authority and other parallel institutions, pre-social mobilization programs not being implemented for beneficiaries properly.	To minimize the current human resource constraints of the Authority, currently serving Development Officers, deploying Community Development Assistant Officers and Social Development Assistant Officers to all urban areas. Deploying undergraduate students from the Faculty of Social Sciences, University of Colombo, to field duties with the permanent staff of the Authority on a training basis.
2	To reach a self-financing mechanism through a public-private partnership approach over the next 4 years.	The Authority has formulated a “Business Plan”, which outlines the implementation of middle-income housing projects by utilizing underutilized lands with high economic value in a manner that does not impose a financial burden on the General Treasury, while using the income generated from these projects to implement social development programs, housing loan schemes, and resettlement housing projects.
3	The operational network needs to be expanded to implement physical and social development programs island-wide.	Implementing awareness programs at District Secretariats to obtain the support of government officials, including development officers currently working in Divisional Secretariats, through District Secretariats for these programs.
4	Developer participation has decreased due to the increased financial cost of physical development programs.	Implementing an interim payment system based on construction targets, whereby developers only have to bear the working capital related to construction, and financing all these projects on a pre-sale basis.
5	Challenges in providing affordable housing to urban target beneficiaries (imbalance between the cost of housing provision and the purchasing power of beneficiaries)	By conducting proper studies such as market surveys, the target groups of the relevant project are identified and project proposals are prepared accordingly to provide affordable housing.
		A subsidized housing loan scheme are implemented through internal earnings.
		Discussions have begun with commercial banks to explore the possibility of providing subsidized housing loans.
6	The limited availability of land in urban areas and the problems faced in developing the identified lands.	Implementing vertical development project proposals by taking over underutilized government-owned lands.
		Identifying lands currently occupied by state institutions but with potential for further development and implementing mixed development projects in collaboration with those institutions to benefit both parties. (Example:- Sri Jayewardenepura, Kaduwela and Anuradhapura mixed development projects are being carried out on lands currently occupied by the Postal Department.
		To purchase lands of economic value owned by the Land Reform Commission and implement development projects.
7	The permanent staff required to carry out the powers and functions of the Authority is currently vacant, directly impacting its performance.	Deploying trainees, such as undergraduate students, to field duties alongside the Authority's permanent staff.
		Applying for necessary approvals for recruitment.

Social Development Programme



Social Development Program 2024

In accordance with the Urban Settlement Development Authority Act Act No. 36 of 2008, by which the Authority is established, projects and programs are implemented through dual approaches of physical development and social development for the communities living in urban underserved settlements.

As one strategic approach, social development programs are implemented focusing on underserved urban settlements, with the aim of uplifting the living standards of low-income urban communities residing therein—socially, economically, educationally, health-wise, religiously, and culturally—while enhancing their knowledge, skills, and attitudes to empower them towards self-reliance and sustainable development, and since 2011, social development programs have been implemented by the Urban Development Authority, focusing on the communities living within the declared urban zones and focusing on the underserved communities.

Accordingly, under the Five-Year Action Plan for the period 2021–2025, this program is being implemented across the entire island, to achieve the promotion of community participation, the positive transformation of living conditions among low-income urban communities, and the strengthening of community cohesion, through the execution of four main sub-programs.

- 1) Community Development Program
- 2) Educational Program
- 3) Entrepreneurship Development Program
- 4) Religious, Cultural and Talent Promotion Program

Accordingly, the necessary guidance is provided to achieve the goals of the underprivileged community through relevant sub-interventions and activities for each of the above interventions.

In the year 2024, the Social Development Program will be implemented to develop the social, economic, cultural, health and educational conditions of 8796 housing units living in urban underserved settlements in 28 settlements covering 11 districts across the island. These districts include Colombo, Gampaha, Galle, Matara, Hambantota, Kurunegala, Ratnapura, Nuwara Eliya, Matale, Anuradhapura, Monaragala. This social development program is implemented with a focus on community-based solutions through grassroots community participation interventions.

Implementing the social development program in settlements

1) Community Development Program

This program is expected to develop a program to continuously empower the community until they reach a certain level of socio-economic and cultural unity in order to improve their living standards.

With urbanization, social reawakening programs are expected to provide analytical solutions to address the challenges faced by low-income families, resolve emerging social issues, rehabilitate individuals vulnerable to anti-social behavior and threats, ensure a safe and healthy lifestyle for all, and foster the development of an environmentally conscious society.

Further, this program carries out empowerment of communities, individuals, and community-based organizations to improve the social conditions of urban low-income populations by fostering an understanding of cultural diversity, ensuring their well-being through active community participation, and enabling their empowerment for sustainable development, and in 2024, it was implemented through the following five sub-programs.

1.1 Establishing and updating community societies

In building a self-reliant community, Community-Based Organizations (CBOs) can be identified as theoretically empowered entities that organize people at the grassroots level, and as they ensure sustainability, they serve as a critical component in community development.

Accordingly, during this year, five Community-Based Organizations (CBOs) were established in five selected housing complexes, along with one CBO in the Madampe settlement in Ratnapura, and through this program, essential technical knowledge and necessary guidance were provided to ensure their continued operation.

1.2 Small Group Program (Management of Money)

Under this program, in response to an identified community need, initiatives have been implemented with a primary focus on empowering families—particularly women and their households affected by microfinance loans—by promoting savings through a small group model and fostering a cooperative economic framework; as of now, 24 small groups have been established across 15 settlements.

1.3 Drug prevention and rehabilitation referral program

The "Drug-Free Settlement" program, implemented in urban settlements with limited facilities, is implemented using scientific methods to minimize and prevent the growing use of drugs, alcohol, and tobacco in the community.

With the resource contribution of the Alcohol and Drug Information Centre (ADIC), this program is implemented to minimize the social, economic, and health issues arising from the use of drugs, alcohol, and tobacco, through awareness and practical workshops conducted in collaboration with children's and youth societies. Leadership training camps were conducted targeting children and youth to broaden their understanding and develop an active prevention work plan. Also, active drug prevention youth groups were brought to the institute and the progress and problems of the activities they are carrying out for drug prevention were discussed.

Further, officers of the Alcohol and Drug Information Center (ADIC) visit the settlements and involve youth groups and children's association members once a month in programs such as awareness raising, involvement in various programs, and conducting competitions between children's associations.

1.4 Community Health Promotion Program

Under this program, awareness workshops were conducted to promote the hygiene and sanitation of young men and women. In addition, hygiene kits were distributed to them with the support of officials from the respective Medical Officer of Health (MOH) offices in the relevant areas, and with the sponsorship of the United Nations Children's Fund (UNICEF).

Under the supervision of the Health Promotion Bureau, publications such as *"Suwen Sitimu – Lassana Wemuu"* and *"Suwathi Diyani"* were printed and distributed among the young men and women participating in the awareness workshops, and in an effort to improve the nutritional status of undernourished children under the age of five and undernourished pregnant mothers, awareness programs were conducted, and they were provided with parcels containing suitable nutritious dry food items along with hygiene and sanitary kits. These activities were carried out with the sponsorship of the United Nations Children's Fund (UNICEF).

In collaboration with the Health Promotion Bureau, the Estate and Urban Health Unit, and UNICEF, programs were conducted to raise awareness among parents regarding child nutrition and the preparation of low-cost nutritious meals for preschool children,

as well as to promote mental well-being among young women living in settlements through educational initiatives on healthy living and responsible youth behavior.

Dental clinic programs were conducted with the participation of the Oral Health Promotion Officer of the Colombo District Health Director's office and awareness was raised about this, teeth cleaning was done for adults and children, and those who needed further treatment were referred to clinics. Diabetes, cholesterol, eye screening and dental check-up clinics were conducted for the community over the age of 35 with the participation of doctors and officials from the Kolonnawa Medical Officer of Health Office.

Also, sanitation assistance was provided to flood-affected residents to clean their homes, and a program was also carried out to provide eyeglasses and remove cataracts through eye examinations for adults over the age of 55, with the intervention of the Department of Social Sciences of the University of Colombo and Help Age.

With the intervention of UNICEF, soap production training programs are being carried out for the health and hygiene of the community.

1.5 Climate change effects mitigation program

With the support of the Ministry of Environment's Secretariat on Climate Change and the United Nations Children's Fund (UNICEF), environmental committees were established within settlements with the participation of children to mitigate the effects of climate change, while awareness programs were also conducted in schools attended by children residing in apartment complexes on environmentally friendly lifestyles, water conservation, energy saving, and proper waste disposal.

The following practical programs were also launched to contribute to climate change mitigation:

- Tree Plantation Program
- Solid Waste Management Program
- Shramadana Program

Annual Progress

- 05 new apartment complexes were identified and monitored in the Colombo District for the year 2024.
- 5 community-based organizations were established in the 5 identified apartment complexes and a community-based organization in Madampe settlement, and community development societies in 13 settlements were updated.
- 210 members joined those groups.
- 5 workshops on drug prevention were held with the participation of 209 children, and 05 leadership training camps were held with the participation of 205 young people.
- 02 training programs for youth groups (40 young people) in settlements and 01 pre-school-based prevention program were conducted with the participation of 26 children.
- Small group-based prevention and financial management programs are being implemented involving 22 community members in 02 settlements.
- 12 groups of Drug Prevention Committees have been established at the settlement level.
- 03 workshops were conducted under the health promotion program, and kits containing hygiene items were provided to 100 young women who participated.
- Under the Health Promotion Program, 331 kits containing nutritious dry food items were provided to malnourished children under 05 years of age and malnourished pregnant mothers during 08 nutrition workshops held.
- 03 workshops on hand washing and protection from germs were conducted with the participation of 324 school children, and 02 dental clinic programs were conducted for 40 children and 33 adults.
- A non-communicable disease screening clinic was held to improve the health of the community, and 61 community members participated.
- 418 hygiene kits were distributed to flood-affected homes in 5 settlements.
- In the eye examination of 93 adults over the age of 55, 7 and 53 were able to obtain eyeglasses through the provision of eyeglasses and cataract removal.
- Two soap production training programs were conducted for health and hygiene, and 44 individuals of the community participated in them.
- Under the environmental program, tree planting and shramadana programs were carried out at the settlement level with the participation of 1002 children from 17 settlements, involving community societies and children's societies.

Photos related to community development programs

1.1 Establishing and updating community associations



1.2 Small Group Program (Management of Money)



1.3 Drug prevention and rehabilitation referral program



1.4 Community Health Promotion Program



1.5 Climate change effects mitigation program



02. Educational program

The main objectives of this educational program are to develop knowledge, skills, attitudes and mindsets in children living in underserved communities to succeed in a competitive and changing world.

This program provides the opportunity to nurture life skills and knowledge in a child-friendly educational environment, and it was implemented through 04 sub-programs as follows.

2.1 Youth and Child Development Program

With a view to establishing children's and youth associations by involving the child and youth community and paying special attention to their needs, various programs are implemented through these associations to develop their mental well-being, enhance their knowledge and skills, and cultivate leadership and personality traits, utilizing resource persons with specialized knowledge in this regard.

While necessary guidance is provided to children through this initiative, the Creative Skills Development Program is implemented to promote the mental well-being of the youth community by fostering their leadership-oriented psychological growth through leadership and personality development programs, producing an efficient and productive young generation through leadership training workshops and the enhancement of creative abilities, and uncovering their hidden talents through training programs focused on innovation.

Furthermore, as children are particularly vulnerable to dangers and abuse in society, awareness programs are conducted within communities to educate children on their rights, child abuse, and its legal context, with the aim of ensuring child protection by enabling them to identify risky situations early, be better prepared, minimize such occurrences, and develop the resilience to cope with them.

2.2 Establishment of libraries

Children's libraries are established within communities through the formation of children's clubs, with the aim of encouraging children and youth to engage in reading, fulfilling their educational needs, enhancing their knowledge, skills, and attitudes, and promoting subject-related knowledge through the use of supplementary reading materials. Subject-related and supplementary books, which were withdrawn from municipal libraries but remain suitable for use, along with books obtained from the book exhibition held at the Bandaranaike Memorial Conference Hall in observance of Literature Month, were donated to the newly established libraries for this purpose.

2.3 Educational Awareness Program

The 'Educational' program is implemented to encourage girls and boys living in settlements who are pursuing their education under economic hardship and minimal facilities. Educational skills development is facilitated through providing continuous support for the primary education of children in the communities. In conjunction with the National Independence Day celebrations, national-level events were organized within the communities to enhance children's knowledge, skills, and attitudes. During these events,

competitions were held to promote knowledge development among children, and an appreciation of skills were conducted for those who emerged winners.

Vouchers were provided for the purchase of school shoes and school supplies to promote the continued school education of children from low-income families.

Under this initiative, attention is paid to children who do not go to school, children who cannot read or write, children who need additional education in addition to school education, and children who have lost educational opportunities due to economic difficulties. Officers from the Social Animation Division conduct extra classes for these children to develop their knowledge and literacy. In this undertaking, children who do not attend school regularly are identified, and necessary steps are taken to address these issues at the household level through discussions with their parents.

Various activities, debate competitions, question papers, and sports competitions are also conducted through this program to develop children's creative abilities and critical thinking.

Furthermore, Dhamma school uniforms were provided to low-income children receiving Dhamma education in settlements for their continued Dhamma education. Furthermore, Dhamma school uniforms were provided to low-income children receiving Dhamma education in settlements for their continued Dhamma education. Involving children who are appearing for the 2024 scholarship, programs were conducted to train children on how to face the exam, identify problems and solve them rationally, as well as develop thinking skills and overcome challenges. For this purpose, discussions on the question papers were conducted through practical activities, obtaining the service of an expert resource person.

In implementing these programs within residential areas of the Gampaha District, significant support was provided by Senarath Paranavithana National School, and in response to a request by the Principal to facilitate students' education more efficiently through the use of modern technology, a student-friendly classroom was also established.

Practical activities were also carried out involving young people to identify their problems and methods for rationally solving those problems.

One step in the social development program is to re-enroll children in urban settlements who are of school-going age but have dropped out of school due to various reasons. Children from these low-income families were identified and referred to schools in the surrounding settlements. However, since most of them had difficulty purchasing educational equipment, school equipment kits were provided.

2.4 Short-term vocational training and skills development program

Young people in the settlements spend their time unemployed and idle due to lack of proper education, lack of proper vocational training, and their negligence and ignorance about educational institutions for vocational training. Therefore, awareness programs were conducted with the objective of launching this initiative to empower the youth population by guiding them towards becoming professionally qualified individuals and facilitating their entry into employment, through the selection of appropriate courses offered by the National Apprenticeship and Industrial Training Authority.

Annual Progress

- With the aim of developing the skills of children in residential communities, strong child societies are being established and sustained in a sustainable manner. Accordingly, 7 new child societies were established, and 10 existing societies were updated.
- 09 leadership and personality development programs were conducted in the settlements and 331 children participated in those programs.
- Under the program to promote children's attitudes and skills, 45 children from the Kaduwela - Welihinda settlement were awarded certificates for their dance performances, which were prepared and presented at the same settlement.
- In order to promote the creative skills of children, 07 training programs were conducted on how to create new designs, and 124 children participated in them.
- With the aim of ensuring child safety, 08 awareness programs were conducted for children living in settlements on child rights, child abuse and its legal background, and 188 children participated in them.
- In order to promote knowledge, skills and attitudes, 10 children's libraries were established in a common safe place in the settlement by involving the children's community, thereby supporting the children's educational activities.
- National Independence Day celebration programs were held at the settlement level with the aim of developing the knowledge, skills and attitudes of children in conjunction with the National Independence Day celebration, with the participation of 254 children and community members from 03 settlements.
- An essay competition was held to develop the children's creative abilities and critical thinking, and the three winning children were given DSI vouchers.
- In order to promote school education for children from low-income families, 80 vouchers were provided to purchase school shoes for children.
- 20 children were provided with Dhamma school uniforms for their continued Dhamma education.
- 05 programs were conducted involving children appearing for the scholarship in the year 2024, and 455 children participated in them.
- 13 children who had stopped going to school were re-enrolled. (02 children from Sanhida Sevana Housing Complex, 02 children from Muwadora Uyana Housing Complex and 09 children from Agulana Sayurupura Housing Complex)
- Pre-school equipment was provided to 40 children in order to provide the necessary support for the continued primary education of children living in settlements.
- 08 awareness programs were conducted on the selection of courses offered by the National Apprenticeship and Industrial Training Authority, with 99 young people participating; out of these, 10 were referred to vocational training courses, and 16 are currently undergoing tailoring courses.

Photographs related to educational programs

2.1 Youth and Child Development Program



2.2 Establishment of libraries



2.3 Educational awareness program



2.4 Short-term vocational training and skills development program



03. Entrepreneurship Development Program

This program aims to enhance the economic well-being of the community through self-employment and entrepreneurial development, and can be recognized as a vital mechanism for developing community-based small-scale production economies and revealing hidden small-scale industries within marginalized communities.

This initiative aims to economically empower communities in underserved urban settlements by identifying small and medium-scale entrepreneurs, introducing new products, providing them with access to financial credit facilities, and creating market opportunities, and it has been implemented through 04 sub-programs as outlined below.

3.1 Entrepreneurship Development Training (Resource Fees, Training, Materials, Administration, Costs)

3.2 Entrepreneur Awareness Program

Training programs were designed to support individuals engaged in or aspiring to start self-employment in urban settlements by identifying the entrepreneurial development needs of future entrepreneurs and providing them with the necessary technical knowledge, financial assistance, and guidance to encourage, promote, and assist them in successfully initiating and sustaining their own small-scale businesses.

This program aims to strengthen the economy and empower household income by productively utilizing the labor of low-income communities. Accordingly, training workshops were conducted based on community needs, including sewing, soap production, candle making, handwashing liquid and dishwashing detergent production, and batik manufacturing.

Additionally, awareness was raised on how to introduce self-employment to overcome the current economic crisis, how to maintain it, and how to prepare the market. Government institutions such as the Vidatha Resource Center, the Sri Lanka Industrial Development Board, the Ministry of Agriculture, the Export Development Board, the Small Enterprises Development Institute, and the Divisional Secretariats provided the necessary support for this

3.3 Providing support and financial assistance to new/existing micro/small scale entrepreneurs. (Rs. 25,000 x 50 loans with 10% annual interest)

A concessional low-interest loan scheme was implemented to promote small businesses for entrepreneurs who wish to start a new business or expand existing businesses. The community was provided with the necessary guidance through training programs for small-scale businesses to start self-employment.

3.4 Follow-up of entrepreneurs

This program creates the environment for entrepreneurs to present their products to consumers with quality in a competitive market through workshops and training sessions on starting and maintaining self-employment. Under this initiative, after acquiring knowledge, training, and obtaining financial loans, follow-up is conducted on how self-employment affects the entrepreneur's economy and how it is maintained.

Our Authority makes its intervention to assist small business owners by introducing and organizing markets to introduce their products to a wider range of consumers and sell their products. Holding fairs gives entrepreneurs the opportunity to present their products with quality in a competitive market, obtain orders for their products, strengthen the economy within the existing economic model, and add value to their products.

Accordingly, the "Entrepreneurship Trade Fair" was held at the Sethsiripaya premises on September 30 and October 01, 2024, and for this purpose, this trade fair was held with a combination of entrepreneurs who had obtained financial loans from our authority as well as entrepreneurs who had participated in self-employment training workshops held through the institution. Entrepreneurs from both the manufacturing and food sectors participated, and prizes were awarded with the help of sponsors to encourage them. Additionally, certificates, trophies and prizes were presented to the winners who presented environmentally friendly and local products in the above two categories.

Annual progress

- Conducting basic awareness sessions on the self-employment program for 85 community members.
- Training workshops were conducted for 190 entrepreneurs.
 - Wick production, soap production training, batik production training, earth worm fertilizer production training, sewing training (Training sessions were conducted in Colombo, Gampaha, Nuwara Eliya, Ratnapura districts)
- Self-employment loan scheme providing loans to 13 entrepreneurs.
- With the aim of encouraging self-employment and introducing market opportunities, the year-end trade fair was held on September 30 and October 01 at the Sethsiripaya premises with the participation of 45 entrepreneurs.

Photos related to the Entrepreneurship Development Program

3.1 Entrepreneurship Development Training (Resource Fees, Training, Materials, Administration, Costs)



3.2 Entrepreneur Awareness Program



3.3 Providing support and financial assistance to new/existing micro/small scale entrepreneurs. (Rs. 25,000 x 50 loans with 10% annual interest)



3.4 Follow-up of entrepreneurs



04. Religious, Cultural and Talent Promotion Program

With the aim of fostering an appreciation for Sri Lankan religion, culture, and arts among the modern youth, while opening new pathways for artistically talented young individuals and nurturing sensitive personalities equipped with artistic skills relevant to the modern world, this program is implemented targeting the youth and children living in urban settlements across the island, and is carried out through 02 sub-programs as outlined below.

4.1 Cultural and religious program

4.2 Appreciation of the winners

Under the initiative, programs were conducted at the settlement level to promote religious harmony and spiritual development among the ethnic communities. This cultural and religious program is being implemented to instill national pride among children and to develop their talents and abilities.

Prizes were awarded to low-income children living in settlements who are receiving religious education to enhance their religious education and to recognize their cultural and religious talents.

The Bakmaha Festival was organized and held in the settlements by the children's associations, youth and adult associations. These programs are organized for the purpose of religious and cultural coexistence between ethnic communities, spiritual development and the improvement of children's creativity and skills.

Vesak lantern and devotional song competitions were organized and held by community societies, children's societies and elders' societies, and also religious ceremonies and sermons were held at the settlement level for Vesak and Poson Poyas. Entertaining programs with various competitions were held to identify the artistic talents of children, engaging the children and the community.

A children's dance competition was held islandwide to celebrate World Habitat Day 2024 with the aim of developing the creative talents and childlike attitudes of children living in urban settlements with limited facilities. Between 4-12 children participated in each dance group, and they had the opportunity to present new creations. For this dance competition, the children participated in training with great enthusiasm in their communities and presented their dances creatively in the dance competition.

A panel of judges comprising experts in the field participated in the judging of this dance competition. 30 dance groups from the settlement level, covering the districts of Colombo, Gampaha, Galle, Matara, and Ratnapura, participated in this program. The children's dance groups that secured first, second and third places were awarded certificates and trophies at the World Habitat Day celebration.

Annual progress

- Religious programs were held to promote religious harmony and spiritual development among the communities. 85 members of the community participated in this.
- To instill national pride among children and develop their talents and abilities, the Independence Day celebration and various concerts were held, and 70 children and adults from 03 settlements participated.
- Prizes were awarded to 150 children to enhance the Dhamma education of children receiving Dhamma education and to recognize their cultural and religious talents.
- Sinhala and Hindu New Year celebrations were organized in 9 settlements in April, with 1610 children, youth and elderly people participating.
- At the settlement level, children's societies, community societies and elders' societies jointly organized and conducted Vesak lantern exhibitions, devotional singing competitions. Dansals and Dhamma sermons were also organized and 810 community members from 11 settlements participated in these programs.
- Reopening of the Rathgama Ralajayapura Dhamma School, which was temporarily closed, to continue Dhamma education. For this purpose, 40 children were enrolled to receive education again.
- 63 children and 19 community members participated in the entertainment program held to recognize the children's talents and artistic skills.
- 30 groups participated in the children's dance competition, and 300 children were enrolled in the dance groups.

Religious, Cultural and Talent Promotion Program

Religious programs



Celebrating Independence Day and holding various concerts



Providing prizes to promote children's religious education and appreciate cultural and religious talents



Organisation of Sinhala and Hindu New Year celebrations



Organisation of devotional song competitions, Dansals and Dhamma sermons



Providing Religious Education



An entertaining program held to identify children's talents and artistic skills



Children's dance competition held to celebrate World Habitat Day



World Habitat Day 2024

World Habitat Day has been celebrated internationally on the first Monday of October each year since 1986, following a proposal made during a session of the United Nations Commission on Human Settlements held in Kingston, Jamaica in 1985; accordingly, this year marks the 38th celebration of World Habitat Day under the theme "Engaging youth to create a better urban future"

Since 2010, the World Habitat Day program has been continuously implemented, initially in the Colombo Metropolitan Area, and subsequently expanded throughout the island, covering 11 districts, engaging underprivileged communities.

Accordingly, a series of programs were conducted, including a children's art competition, children's dance competition, children's short film competition, an entrepreneurship and trade promotion program, a financial management training workshop for small group members, a six-a-side soft ball cricket tournament, provision of school supplies for children without parental care, the establishment of a children's library, and an awareness campaign on the use of public property.

The annual children's painting competition, themed after World Habitat Day, was also held in 2024. Accordingly, under

- 6-9 age group
- 10-14 age group
- 15-18 age group

The above competitions were held with the participation of children in the settlements where the 2024 Social Development Program is implemented. එහිදී 6-9 වයස් කාණ්ඩ සඳහා Out of the 3500 drawings submitted by children in the first phase, 500 creative drawings were selected for the second phase, and the second phase drawing competition was held at the Senarath Paranavithana National School, Udugampola, Gampaha with the participation of those 500 children. During the event, children in the 6-9 age group created paintings under the themes "The future of a beautiful city, a city where convenience and beauty come together, a beautiful city full of trees," while those in the 10-14 and 15-18 age groups created artworks on themes such as "Youth Vision for Urban Upliftment," "Let's Build Cities in Harmony with Nature," and "Let's Integrate the City and the Environment." It was special to see the children participating in this project with great enthusiasm and dedication and creating paintings.

Also, utilizing the creative talents of children, a 5-minute creative short film competition using mobile phones was launched under the theme. "A vibrant city", and (Maximum 11 children per group) 10 groups with about 100 children participated in it. It was especially carried out through the participation of members of active children's clubs.

Under this social development program, short films were submitted from settlements in the districts of Colombo, Gampaha, Matale, and Nuwara Eliya. A panel of judges with specialized expertise in children's short films selected the top 03 creations as winning entries. The winners were presented with prizes, certificates, and trophies.

Programs aimed at identifying small and micro-entrepreneurs, introducing new products, providing them with financial loan facilities, and creating market opportunities are implemented under the Self-Employment Program to economically empower communities living in urban settlements with limited amenities. The aim of this program is to introduce market opportunities for various products of entrepreneurs in conjunction with World Habitat Day, aiming for a productive economy.

A total of 45 entrepreneurs participated in this program across both the food and manufacturing sectors, with a particular focus on those engaged in entrepreneurial development programs who have recently started new products, prioritizing the strengthening and further development of their existing businesses.

A motivational program for small group officers was held at the Ministry of Environment Auditorium in conjunction with World Habitat Day. 52 officers from 15 small groups participated in the program, and this workshop was conducted to develop the practical knowledge, skills and attitudes of officers in small groups on financial discipline, account maintenance, community participation and team work. Small groups of officers from settlements in the districts of Monaragala, Anuradhapura, Galle, Colombo, Gampaha, Ratnapura, and Nuwara Eliya participated in this.

To commemorate World Population Day, a six-member soft ball cricket tournament was organized for youth residing in urban underserved communities, aiming to develop their sports skills; this program primarily sought to foster teamwork, leadership, and positive attitudes among young men and women, thereby actively engaging them in the human development process.

The aim of this program is also to reduce the anti-social activities that are growing among urban youth and to make them essential individuals for society. The first round matches in the Colombo district were held at the Shalika Stadium in Colombo and the first round matches in the Gampaha district were held at the Senarath Paranavithana National School in Gampaha. The second round of competitions in Colombo and Gampaha districts were held at Senarath Paranavithana National School, Gampaha and the winners were selected. This six-a-side cricket tournament was contested under two categories: men's and women's. Five women's cricket teams representing both Colombo and Gampaha districts, 11 men's cricket teams from the Colombo urban region, and 11 men's teams from the Gampaha district competed.

As part of the social development program implemented in urban settlements and apartment complexes, 30 children from identified low-income families who have lost one or both parents were provided with 30 school bags containing essential school supplies to support their continuous education and contribute to their future well-being.

Awareness programs were conducted in six apartment complexes, including five in the Colombo urban area and the Angulana Sayurapura apartment complex, to equip residents with the necessary knowledge for safeguarding common property, fostering positive attitudes, and promoting harmonious living within their apartment environments. This program raises public awareness about the rules and regulations to be followed when living in apartment complexes, with the support and expertise of officials from the Deputy Management Authority and community police officers assigned to the apartments; a total of 320 residents from six apartment complexes participated, and a handbook titled

“Guidelines for the Use of Common Property” was distributed to assist the community involved in this awareness initiative.

In conjunction with World Habitat Day, arrangements were made to establish a children's library, which was established under the name "Muwadaora Uyana Akura", centering on the Children's Society of the Mattakkuliya - Muwadora Uyana Apartment Complex. For this initiative, the participation of Professor Sunethra from the Department of Social Studies at the University of Colombo was secured, along with the involvement of the local temple chief monk, the Grama Niladhari officer, senior police officers, the Director (Housing) of the Urban Development Authority, and officials from our organization. Additionally, 94 children from the Children's Committee took part, with support also provided by the Community Committee.

World Habitat Day 2024 Photos

Children's Painting Competition



Judging of the short film competition



Small group workshop



Six-a-side softball cricket match



Awareness about the use of public property



Opening of the “Akura” Children’s Library at Muwadora Uyana



World Habitat National Celebration - 2024

Marking the 38th anniversary of World Population Day, proclaimed in 1985, the Ministry of Rural, Urban Development, Housing and Construction, under Secretary A.M.P.M.B. Athapattu, in collaboration with Ms. Harshani Halangoda, Sri Lanka Program Manager of the United Nations Population Fund, and other ministry officials, organized the arrangements for the celebration of the National Celebration of World Population Day.

Among the programs held in conjunction with the World Habitat Day celebration were an island-wide children's painting competition, a children's dance competition, a children's short film competition, and an entrepreneurship promotion sales competition, and the presentation of cash prizes, certificates and trophies to the winners and beneficiaries of these competitions was held at the auditorium on the 11th floor of Sethsiripaya Phase 2 on Monday, 07th October 2024, under the patronage of the Secretary to the Ministry.



Main performance indicators

Physical development projects

Awarding 16 housing deeds to beneficiaries in the year 2024.

Social Development Programme

01. Community Development Program

1. Number of community based organizations established
2. Number of community development committees updated
3. Number of individuals provided with eyeglasses following eye examinations under the health promotion program
4. Number of community-initiated programs implemented within settlements after participation in climate change awareness programs

Five community based organizations were established in five high-rise housing complexes, along with one community based organization in the Madampe settlement, while community development committees in 13 settlements were updated.

Three workshops were held under this program, and 100 young women who participated were provided with hygiene kits. Furthermore, 331 packages containing nutritious dry food items were provided to malnourished children under 5 years of age and malnourished pregnant mothers during 08 workshops held on nutrition. Three workshops on hand washing and protection from germs were conducted with the participation of 324 school children, and two dental clinic programs were conducted for 40 children and 33 adults. 418 hygiene kits were distributed to flood-affected households in 5 settlements. Also, 93 adults over the age of 55 underwent eye examinations, providing them with eyeglasses and cataract removal, respectively, resulting in 7 and 53 individuals receiving eyeglasses.

Under the environmental program, tree planting and shramadana programs were carried out at the settlement level with the participation of 1002 children from 17 settlements, involving community societies and children's societies.

02. Education program

1. Number of young people who have completed vocational training in low-income communities
2. Number of children who were motivated to go to school daily after participating in education awareness programs.
3. Number of young people who have received employment opportunities through vocational training.

Vouchers for the purchase of school shoes were provided to 80 children from low-income families to promote their school education, while preschool supplies were distributed to 40 children to support early education. Additionally, school uniforms were provided to 20 children for continuous Dhamma education, and 13 children who had dropped out of the school were referred to be re-enrolled to continue their education.

Awareness programs on the selection process for courses offered by the National Apprenticeship and Industrial Training Authority were conducted with the participation of 99 youths. Out of them, 10 were referred to vocational training courses, and an additional 16 are currently undergoing tailoring courses.

03. Entrepreneurship Development Programs

1. Number of people who entered the market.
2. Number of people who have developed their businesses after participating in entrepreneurial awareness programs.
3. Number of entrepreneurs who started and developed their businesses after receiving financial assistance from the Authority.

Basic awareness sessions were conducted for 85 community members on the self-employment program, and training workshops were conducted for 190 entrepreneurs. (Workshops on wicks production, soap production training, batik production training, earth-worm fertilizer production training, sewing training, etc.)

The Self-Employment Loan Scheme provided loans to 13 entrepreneurs.

With the aim of encouraging self-employment and introducing market opportunities, the year-end trade fair was held on September 30 and October 01 at the Sethsiripaya premises with the participation of 45 entrepreneurs.

04. Religious, Cultural and Talent Promotion Program

1. Number of settlements where the community itself conducted programs
2. Number of children who attended Sunday school and other religious education after participating in awareness programs

The Independence Day celebration and various concerts were held to instill national pride among children and develop their talents and abilities. 70 children and adults from 03 settlements participated.

Prizes were awarded to 150 children to enhance the Dhamma education of children receiving Dhamma education and to recognize their cultural and religious talents.

Sinhala and Hindu New Year celebrations were organized in April in 9 settlements, with 1610 children, youth and elderly people participating.

At the settlement level, children's societies, community societies and elders' societies jointly organized and conducted Vesak lantern exhibitions, devotional songs competitions. Dansals and Dhamma sermons were also organized, and 810 community members from 11 settlements participated in these programs.

The Rathgama Ralajayapura Dhamma School, which was temporarily closed to continue Dhamma education, was reopened, and 40 children were enrolled to receive their education again. 63 children and 19 community members participated in the aesthetic program held to recognize the children's talents and artistic skills, and 300 children participated in the children's dance competition, divided into 30 groups.

Legal Actions Undertaken

The Urban Settlement Development Authority is actively providing legal support to achieve sustainable urban settlement development by achieving the objectives of the Act No. 36 of 2008.

In relation to the non-repayment of housing loans granted by the Authority, legal proceedings have been initiated at the Kaduwela District Court, for beneficiaries who have defaulted on the repayment of loans provided for housing construction, at the Magistrate's Court, concerning the housing units in Angulana, against beneficiaries who have failed to make installment payments and have unlawfully transferred the property to third parties, and under the provisions of the State Lands (Recovery of Possession) Act No. 07 of 1979, legal action has been taken to evict unauthorized occupants of housing units within the Chilaw Housing Project, and the 2024 progress in this respect can be summarized as follows :

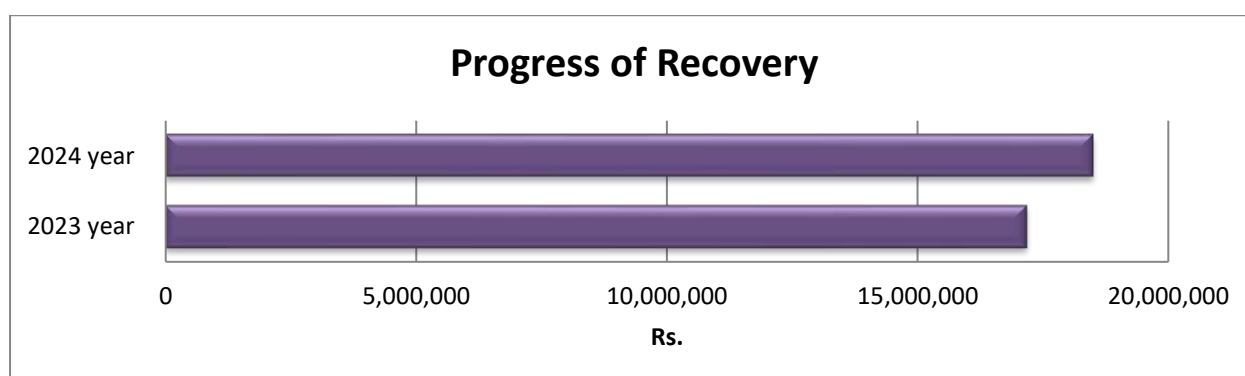
#	Subject	Number of cases filed	Number cases being heard	Number of cases concluded in 2024	Number of cases filed in 2024	Number of eviction orders made absolute	Cases Filed Under Recovery of Possession of State Property
01	Diriya Urban Scattered Housing Loan Project	-	01	11	-	-	-
02	Moratuwa - Angulana Sayurupura" Housing Project	15	10	-	-	05	-
03	Chilaw "Nariyagodella" Housing Project	-	-	-	-	-	03
04	Workers' Compensation / Industrial Dispute	-	03	-	-	-	-
Total		15	14	11	-	05	03

Urban Settlement Development Authority Internal Revenue (Recovery) Progress

Loans granted by the Urban Settlement Development Authority shall be recovered under Chapter V of the Urban Settlement Development Authority Act No. 36 of 2008.

Accordingly, houses in 10 housing projects under the authority have been disposed of to homeowners as rehabilitation, non-rehabilitation, sales, and rentals. In instances where evicted housing beneficiaries are re-granted ownership of housing units, the recovery of outstanding loan amounts and installment payments under the relevant housing loan schemes is carried out by the Recovery Division of our Authority.

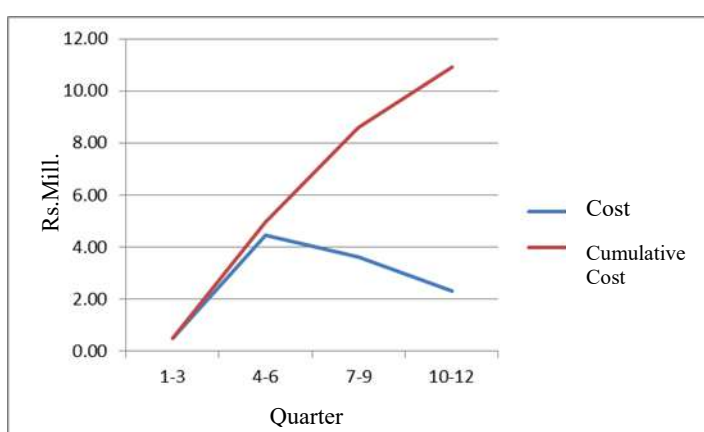
Accordingly, the progress of these recoveries for the year 2024 shows an increase compared to the year 2023, as illustrated in the chart below



Procurement of good and service

Due to the non-receipt of Treasury provisions for the year 2024, the institution's requirement for the acquisition of fixed assets was curtailed, and the procurement of goods and services was carried out through internal revenue sources.

Accordingly, in line with Procurement Guideline 4.2.1, the total estimated value of the procurements planned for the year 2024 amounts to Rs. 189.53 million. Accordingly, the physical progress of the procurements made for goods, services, and works/tasks as at 31.12.2024 can be illustrated by this chart.



Human Resource Development and Institutional Administrative Activities

Training Programs Implemented in 2024 to Enhance Employee Performance within the Institution

Many training programs were conducted to enhance employee efficiency and productivity. The details of these programs are as follows:

S/ N	Training programme	Training Institution	Divisions that Nominated Officers for the Training	Number of Officers
1	Sri Lanka Public Sector Accounting Standards (SLPSAS) and 2023 Financial Statements (Final Accounts)	Prag Institute	Internal Audit Division	1
2	Workshop on Financial Regulation 104: Reporting of Losses, Recovery of Damages, and Accounting Procedures	SDFL	Administration division	1
3	Risk-Based Internal Audit Plan	Prag Institute	Internal Audit Division	1
4	Transportation Management	SDFL	Administration division	1
5	Secretarial Practices	SDFL	Administration division	1
6	Training Programme on Taxation	With the Participation of Officers from the Department of Inland Revenue	All divisions	43
7	The National Audit Act and the Accountability of Public Officers	Prag Institute	Internal Audit Division	1

Provision of Educational Loans

The educational loan program is being implemented to enrich the knowledge of the employees of the Authority and to properly manage the knowledge they acquire within the office system.

Accordingly, educational loans have been provided to 06 officers in the year 2024.

අ/අ	Training programme	Training Institution	Divisions that Nominated Officers for the Training	Number of Officers
1	One-year postgraduate course in Social Sciences	University of Sri Jayewardenepura	Planning and management Information Systems	1
2	Diploma in Human Resource Management	National Youth Service Council	Recovery Division	1
3	Pphil/PHD in Economic – Mphil 2024 BI	University of Colombo	Administration division	1
4	Chartered Personnel Management Course	Chartered Institute of Personnel Management	Administration division	1
5	Bachelor of Social Sciences Degree Course	Open University of Sri Lanka	Recovery Division	1
6	Postgraduate Course in Social Work	National Institute of Social Development	Social Mobilization Division	1
Total amount of education loans granted in 2024				06

Details of the staff of the Urban Settlement Development Authority as at 31.12.2024

#	Salary category	Approved cadre			Existing cadre			Vacancies	Surpluses
		As per circular 25/2014	Permanent	Contract	Permanent	As per circular 25/2014	Contract		
1	HM2-1		1		1		-		
2	HM1-1		4		1		-	3	
3	MM1-1		12		10		-	2	
4	JM1-1		3		2		-	1	
5	MA5-1		14		11		-	3	
6	MA3		31		23		-	9	
7	MA2-1	1	14		9	1	-	5	
8	MA1-1	6	42		21	6	-	21	
9	PL3		10	16	9		-	1	
10	PL1	2	11		5	2	-	6	
11	Contract		-	-	-		1		1
	Total	9	142	16	92	9	1	51	1
Middle Income Housing Project Unit									
12	Contract		-	13	-		7	6	
	Grand Total	9	142	29	90	9	8	57	1

Number of permanent employees as of 31.12.2024 = 115

Final Accounts Report

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2024

Contents

01. Significant Financial Policies and Disclosures
02. Statement of Financial Position
03. Statement of Financial Performance
04. Cash Flow Statement
05. Statement of Changes in Equity
06. Note to the Financial Statements

URBAN SETTLEMENT DEVELOPMENT AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES & DISCLOSURES – 2024
(As per SLPSAS 3 – Accounting Policies & SLPSAS 14 – Related Party Disclosures)

1. CORPORATE INFORMATION

1.1 General

Urban Settlement Development Authority (USDA) was established in year 2008 by the Act No: 36 of 2008 under the Ministry of Urban Development and Sacred Area Development. From 2010 USDA is functioning and currently it is under the purview of Ministry of Urban Development, Construction and Housing. Urban Settlement Development Authority (USDA) is located at the Stage 1, 9th floor of Sethsiripaya at Battaramulla. Department of Management Services has approved 182 employees for the staff of Urban Settlement Development Authority.

1.2 Principal Activities

The main objective of the authority is to empower the low income community and the middle class community living in urban areas socially, economically and culturally.

At present, 279 no's urban areas have been authorized for the development of low income settlements.

1.3 Going Concern

The Management has made an assessment of the Authority's ability to continue as a going concern and is satisfied that it has the resources to continue in operations for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Authority's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Authority. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements which comprise the statement of Financial Position, statement of Financial Performance, statement of Changes in Equity and the statement of Cash Flows together with the accounting policies and notes to the financial statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.2 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical Cost convention unless stated otherwise.

2.3 Presentation of Currency

The financial Statements are presented in Sri Lankan Rupees (LKR), which is the Authority's functional and presentation currency.

2.4 Comparative Information

The accounting policies applied by the authority are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current year's presentation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property Plant and Equipment

Vehicles, Furniture & Fittings, Office Equipment and Computers are stated in the Balance sheet at cost less accumulated depreciation (Net Value). From 01.01.2018 the Depreciation policy is to calculate depreciation from the date of purchased, considering the usable period of the cost of asset on straight-line basis under the following rates. The Rates of the Depreciation as follows,

Category	Depreciation Rate
Land	0%
Building	5%
Vehicle	20%
Office Equipment	20%
Furniture & Fittings	20%
Computer	50%
Intangible Asset	25%

The Value of the Lands owned by the Urban Settlement Development Authority of Housing projects are identified and accounted under the property plant and Equipment.

3.2 Assets Valuation

All the noncurrent assets described 3.1 are subject to re-valuate periodically. Current Organizational policy is to re-valuate noncurrent assets after five years.

3.3 Provision for Doubtful Debt

Receivables are stated at the amounts they are estimated to realize, net of provisions For doubtful receivables. The provision for doubtful debt is made 10% of the total receivables of low income loan programs.

3.4 Intangible Assets

Intangible asset consist with Accounting Software acquired from 15th March 2021 and Amortized over its useful life.

3.5 Employee Retirement Benefits

The liability for retirement gratuity is computed on the basis of half (1/2) a month salary for each completed years of service in respect of all employees.

However, as per the Payment of Gratuity Act No. 12 of 1983 the liability arises only upon completion of five (05) years continued service. Gratuity provision presented in the statement as noncurrent liability.

3.6 Liabilities

All accrued expenses at the balance sheet date have been included in the accounts and adequate provisions have been made for liabilities which are known to exist.

Donation received form donor agencies related to the funds are recognized as a liability until it is utilized.

3.7 Income & Expenditure

Income and expenditure are recognized on accrual basis.

Recurrent Grant received for the year is recognized in the income statement.

All expenditure incurred in running of the business and maintaining the capital asset is charged to the income statement.

Expenses incurred for Human Development activities from the grant for the year which are not capitalized, is charged to the income statement

3.8 Government Grant

Grants received from Treasury have been identified as Capital & Recurrent and accounted accordingly.

Government grant recorded according to the SLPAS 11.

Initially grants received form donor agencies related to the assets are recognized as a liability until it is utilized.

4 GENERAL DISCLOSURE

- 4.1 Advances for constructions consist with mobilization advances and material advances which are paid to each operational project in past years.
- 4.2 Savings deposits are maintained for the following Purposes/committed payments,
- I. Construction retention and other savings
 - II. Payment Gateway Facility
- 4.3 As per the Cabinet approval, Lunawa housing project done by State Engineering Corporation (SEC). The housing scheme consist with 356 No's housing units with other basic needs. It was handed over to the beneficiaries in year 2021 on sale basis all houses were sold out in year 2023.

URBAN SETTLEMENT DEVELOPMENT AUTHORITY

STATEMENT OF FINACIAL POSITION

AS AT 31ST DECEMBER 2024

<u>Particulars</u>	<u>Note No.</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
ASSETS			
• Current Assets			
Cash And Cash Balance	01	118,734,434.19	360,581,935.99
Advance	02	975,413.00	761,500.00
Receivable From UDA		207,331,767.00	207,331,767.00
Receivable Accounts	03	649,788,116.87	702,604,409.66
Construction Advance	04	6,786,713.95	1,323,113.95
Stock for Resource Center	05		687,105.50
Project Housing Stock	06	1,285,040.21	1,285,040.21
Investments	07	1,394,565,854.45	1,001,565,854.45
Investment Property	08	146,763,202.05	146,763,202.05
• Total Current Assets		2,526,230,541.72	2,422,903,928.81
• Non-Current Assets			
Loan Stock	09	622,817,346.41	611,160,182.69
Work-in Progress	10	25,998,793.04	22,473,939.94
Property Plant And Equipment	11	813,163,411.29	734,987,205.71
Intangible Assets	12	25,342.47	150,342.47
• Total Non-Current Assets		1,462,004,893.21	1,368,771,670.81
Total Assets		3,988,235,434.93	3,791,675,599.62
LIABILITIES AND EQUITY			
• Current Liabilities			
Accrued Expenses	13	33,301,998.46	15,384,976.95
Management Corporation Fund	14	54,565,854.45	54,565,854.45
Retention Money	15	3,959,401.20	1,810,762.20
Payable	16	2,247,802.78	52,215.00
Down Payment	17	2,465,000.00	105,000.00
• Total Current Liabilities		96,540,056.89	71,918,808.60
• Non-Current Liabilities			
Provision	18	37,928,137.50	29,637,547.00
• Total Non-Current Liabilities		37,928,137.50	29,637,547.00
Total Liabilities		134,468,194.39	101,556,355.60
Net Assets		3,853,767,240.54	3,690,119,244.02

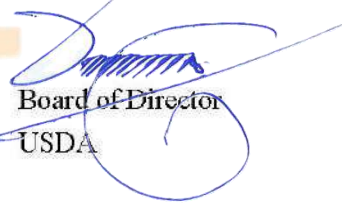
<u>Particulars</u>	<u>Note No.</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Equities And Reserves			
Treasury Grant	19	1,167,316,673.63	1,167,316,673.63
Capital Grant on Fixed Assets	20		
Government Grant	21	702,135,018.30	702,135,018.30
Reserve	22	51,625,000.00	51,625,000.00
Revaluation Reserve		42,835,896.22	37,943,896.22
Treasury Grant HRD Capital			
		1,963,912,588.15	1,959,020,588.15
Balance Income (Expenditure)			
Excess Income for the Previous Year-Recurrent		995,321,356.26	994,756,905.90
Excess Income for the Previous Year - Capital		733,650,967.95	736,341,749.97
Excess/Over Income/Exp. for the Period		160,882,328.18	
		1,889,854,652.39	1,731,098,655.87
Total Equity		3,853,767,240.54	3,690,119,244.02

The accounting policies on pages 03 to 06 and Notes on 13 to 32 form an integral part of these financial statements. The Board of Director is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


 Director Finance (Act.)
 USDA


 Director General
 USDA


 Chairman
 USDA


 Board of Director
 USDA

URBAN SETTLEMENT DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2024

<u>Budget</u> <u>2024 (LKR.)</u>	<u>Particulars</u>	<u>Note</u> <u>No.</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
	Revenue			
176,146,000.00	. Treasury Grant - Recurrent		174,069,999.02	151,499,333.40
119,890,000.00	. Interest Income	23	161,953,964.62	240,361,723.63
	. Other Income	24	990,807.30	1,438,604.28
	. Profit From Housing Projects	25		24,541,493.29
	. Profit on Disposal	26		27,518.78
296,036,000.00	Total Income		337,014,770.94	417,868,673.38
	Administrative Expenses			
174,128,929.00	. Personal Emoluments	27	121,431,046.59	119,740,174.60
3,942,274.00	. Travelling	28	1,282,669.38	1,578,625.50
20,240,253.00	. Supplies Expenditure	29	15,852,477.88	14,510,785.75
55,082,569.00	. Contractual Services	30	46,128,124.59	42,421,931.06
13,888,000.00	. Maintenance Expenditure	31	12,855,651.34	12,353,877.65
	. Other Recurrent Exp/Provisions	32	17,786,954.01	25,183,525.09
267,282,025.00	Total Expenses		215,336,923.79	215,788,919.65
28,753,975.00	Surplus/(Deficit) for the Period-Recurrent		121,677,847.15	202,079,753.73
	Capital Revenue			
	. Revenue From Non Exchange Transaction	33	88,833,911.54	29,769,347.71
	. Revenue From Exchange Transaction	34		3,000,000.00
	Capital Expenses			
	. Depreciation of Fixed Assets	35	15,489,932.63	14,652,807.38
244,310,000.00	. Development Expenses	36	34,139,497.88	9,607,558.08
244,310,000.00	Total Capital Expenses		49,629,430.51	24,260,365.46
(215,556,025.00)	Surplus/(Deficit) for the period- Capital		39,204,481.03	8,508,982.25
	Total Surplus /(Deficit) for the Period		160,882,328.18	210,588,735.98

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31st DECEMBER 2024

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
CASH FLOW FROM OPERATION ACTIVITIES		
<u>Receipts</u>		
Treasury Grants(Recurrent)	174,069,999.02	151,499,333.40
Other Income	17,782,623.39	9,551,282.84
Savings Interest Income	154,583.51	590,025.21
Cash Advances	2,044,847.77	1,483,215.70
Deed fees	2,182,550.00	28,000.00
Donation	12,000.00	134,000.00
Sale Income on H/Pro.	2,360,000.00	20,662,000.00
	198,606,603.69	183,947,857.15
<u>Payments</u>		
Cash Advances	12,952,475.08	10,517,673.50
Salaries & other allowance	106,281,252.69	102,735,627.37
OT & Travelling Expenses	1,108,522.13	1,242,646.63
Services & Suppliers	14,577,397.34	15,053,128.07
Contractual Services	45,030,773.51	58,295,681.37
Maintain Expenses	10,638,457.40	12,564,064.92
Human Development Program	9,010,584.95	4,890,885.25
other income refund		
Festival Advance	807,500.00	801,250.00
Gratuity Payments	1,261,285.00	1,407,307.50
Sales income Refund(Down payment Refund)		2,535,000.00
Deed Fee	1,000.00	44,000.00
Donation	35,955.00	
	201,705,203.10	210,087,264.61
Net Cash flow from Operation Activities	(3,098,599.41)	(26,139,407.46)

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
<u>Receipts</u>		
Treasury Grants(HRD & CAPITAL PROJECT)		3,000,000.00
Recovery installment	90,945,113.47	77,944,515.20
Fixed Deposit Interest Income	120,070,113.22	229,280,648.85
Fixed Deposit Interest -MC Fund	5,471,984.19	6,407,211.78
Distress Loan	6,167,849.90	3,075,276.63
USDA Staff Housing loan recovery	136,104.29	154,738.56
USDA Staff Housing loan - Retention	2,730,000.00	
Investment-Fixed Deposit	1,024,414,000.00	367,119,000.00
Study loan Recovery	139,500.00	239,062.50
	1,250,074,665.07	687,220,453.52
<u>Payments</u>		
Housing Project Expenses	3,412,673.10	50,528,308.66
Project Maintenance	11,287,449.90	2,612,690.77
Fixed Assets Purchases	2,079,312.05	670,469.37
Distress Loan	12,683,950.00	7,847,400.00
Staff Housing Loan	33,300,960.00	
Study Loan	865,375.00	
Interest Refund- CMC	5,304,957.41	6,647,288.19
Investment- Fixed Deposit	1,417,414,000.00	463,933,000.00
	1,486,348,677.46	532,239,156.99
Net Cash flow from Investment Activities	(236,274,012.39)	154,981,296.53
CASH FLOW FROM FINANCIAL ACTIVITIES		
<u>Receipts</u>		
Management Corporation Funds		15,268,500.00
Welfare Loan- Installment	1,146,250.00	808,750.00
	1,146,250.00	16,077,250.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<u>Payments</u>		
Funds Refund to Treasury Loan		100,000,000.00
Refund Treasury Grant	2,271,140.00	1,500,000.00
Welfare Loan	1,350,000.00	1,000,000.00
	3,621,140.00	102,500,000.00
Net Cash flow from financial Activities	(2,474,890.00)	(86,422,750.00)
 Net Increase/ (Decrease) in cash & cash equivalents	 (241,847,501.80)	 42,419,139.07
Cash & Cash equivalents at the beginning of the year	360,581,935.99	318,162,796.92
Cash & Cash equivalents at the End of the year	118,734,434.19	360,581,935.99

Note to the Cash flow Statement

Cash Book - BOC Capital - 0071295541	2,489,169.44	1,649,688.26
Cash Book - BOC Recovery - 0072703594	12,188,393.60	4,552,043.53
Cash Book - BOC Recurrent - 0010004252	10,725,279.22	13,232,685.23
Cash Book Peoples Bank-208100170047578	1,510,162.64	2,975,663.32
Saving A/C (General)	48,988.83	1,452,049.86
Saving A/C BOC 87818698 (IPG)	12,927.44	7,285.87
Saving Account - HDFC	1,759,513.02	1,712,519.92
Fixed Deposit (up to 3 Months)	90,000,000.00	335,000,000.00
	118,734,434.19	360,581,935.99

URBAN SETTLEMENT DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31st DECEMBER 2024

Name of Account	Opening Balance		Changes During the Year				Closing Balance (Rs.)	
	2023	2024	2023		2024		2023	2024
			Addition	Deduction	Addition	Deduction		
Initial Capital Ac.	-	-	-	-	-	-	-	-
Consolidated Fund Ac.	-	-	-	-	-	-	-	-
Treasury Grant Ac.	1,987,156,586.43	1,167,316,673.63	32,930,827.29	852,770,740.09	-	-	1,167,316,673.63	1,167,316,673.63
Government Grant A/C	470,898,036.77	702,135,018.30	288,909,342.94	57,672,361.41	-	-	702,135,018.30	702,135,018.30
Capital Grant on Fixed Assets	8,604,229.82	-	3,000,000.00	11,604,229.82	-	-	-	-
Treasury Grant HRD (Capital)	3,672,705.86	-	-	3,672,705.86	-	-	-	-
Reserved Fund Ac.	36,625,000.00	-	-	-	-	-	-	-
Revalued Reserve	38,515,350.07	51,625,000.00	15,000,000.00	-	-	-	51,625,000.00	51,625,000.00
Accumulated Fund Ac.	735,237,938.13	37,943,896.22	-	571,453.85	4,892,000.00	-	37,943,896.22	42,835,896.22
Total	3,280,709,837.08	3,690,119,244.02	1,335,700,897.97	926,291,491.03	158,755,996.52	163,647,996.52	3,690,119,244.02	3,853,767,240.54

URBAN SETTLEMENT DEVELOPMENT AUTHORITY

Notes to the Financial Position

At the end of : 31-12-2024

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<i>Note - 01</i>		
<u>Cash and Bank balance</u>		
Cash Book - Capital - 0071295541	2,489,169.44	1,649,688.26
Cash Book - Katukaliyawa - 0072703594	12,188,393.60	4,552,043.53
Cash Book - Recurrent - 0010004252	10,725,279.22	13,232,685.23
MC Savings Account	-	-
Savings Ac -HDFC	1,759,513.02	1,712,519.92
Saving A/C	48,988.83	1,452,049.86
Saving A/C IPG	12,927.44	7,285.87
Peoples Bank	1,510,162.64	2,975,663.32
Investments(up to Three Months)	90,000,000.00	335,000,000.00
Total	118,734,434.19	360,581,935.99
<i>Note - 02</i>		
<u>Advance</u>		
AD-Pathum Senevirathna	28,413.00	27,000.00
Petty Cash	750.00	750.00
Festival Advance	41,250.00	32,500.00
Fuel Advance	500,000.00	500,000.00
Welfare Loan	405,000.00	201,250.00
Total	975,413.00	761,500.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Note 03		
. <u>Receivables</u>		
Provision for Doubtful Debtors - Scatter	(24,348,424.89)	(23,404,939.42)
Receivable - Distress Loan	533,649.04	136,922.67
Receivable - USDA Staff Loan	176,396.81	241,193.41
Receivable Loan - Angulana Installment	98,803,231.00	89,044,903.00
Receivable Loan - Angulana Sold	2,213,641.17	1,723,492.44
Receivable Loan - Chilaw	1,247,918.13	792,193.83
Receivable - Bank charges	100.00	-
Receivable Loan - Rajgama Installment	24,920,208.67	21,658,547.91
Receivable Loan - Sahaspura Sold	8,865,086.02	7,995,531.82
Receivable Loan - Sahaspura Relocation	394,310.80	551,000.80
Receivable Loan - Scattered-Debtor	45,730,404.08	49,708,936.44
Receivable Loan - Sewing Machine	3,041,195.00	3,333,445.00
Receivable Loan - Sinhapura Rent	706,200.00	706,200.00
Receivable Loan - Sinhapura Sold	786,842.86	386,826.19
Receivable Loan - Swashakthi- Debtors	7,741,277.31	8,434,189.90
Receivable Loan - Thalawakalle Sold	755,797.62	662,119.70
Receivable Loan - Thuruithurugama HP	4,915,210.49	4,967,692.42
Receivable Loan - Wadullawattha	33,616,570.25	33,616,570.25
Receivable Loan -singhapura Relocation	5,642,065.69	6,044,364.69
Receivable Loan -Thalawakalle Relocation	889,528.00	1,134,338.00
Receivable Salary - NHDA	2,011.97	2,011.97
Receivable Lunawa Middle Income	339,530,793.67	411,712,071.05
Receivable Fixed Deposit Interest	48,749,009.56	38,343,253.42
Receivable Lunawa H/p Loan	41,401,547.54	41,401,547.54

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Receivable Angulana Down Payment		
Boc Other Deduction	13,309.36	15,896.10
Receivable M.C. Fund Interest	226,825.24	71,323.31
Receivable Loan Hambanthota Programme	3,214,761.85	3,289,041.85
Receivable Lunawa Housing Project - Staff	18,649.63	19,285.37
Receivable Additional Fuel	-	16,450.00
Total	649,788,116.87	702,604,409.66

Note 04

Construction Advance

Angulana Com.Hall Construction Advance	1,323,113.95	1,323,113.95
Lunawa Water Proofing Advance	5,463,600.00	-
Total	6,786,713.95	1,323,113.95

Note 05

Stock for Resource Center

Furniture	-	332,549.00
Plastic Chairs	-	60,562.50
Computers	-	293,994.00
Total	-	687,105.50

Note 06

Project Housing Stock

Thalawakale Housing Stock	1,285,040.21	1,285,040.21
Total	1,285,040.21	1,285,040.21

Note 08

Investment Property

Lunawa H/P-Commercial	55,692,706.88	55,692,706.88
Lunawa H/P- Maltly purpose Area	15,692,727.41	15,692,727.41

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Lunawa H/P- Community Hall	13,158,750.74	13,158,750.74
Lunawa H/P- Day Care Centre	5,094,513.19	5,094,513.19
Lunawa H/P- Pre School	4,972,503.83	4,972,503.83
Sahaspura Commercial Unit	44,777,000.00	44,777,000.00
48 Watta Housing Stock	7,375,000.00	7,375,000.00
Total	146,763,202.05	146,763,202.05

Note 09

Loan Stock

Angulana Housing Loan	287,943,461.96	301,383,142.23
Angulana sold House Loan A/C - (LT)	3,000,000.00	-
Chilaw Housing Loan (LT)	33,006,345.09	34,250,885.25
Loan - Scattered (LT)	1,838,006.33	1,142,311.30
(LT) Loan - Swashakthi Manawasanwardana	219,052.74	768,217.41
Loan- Sewing Machine (LT)	422,972.00	422,972.00
Rajgama Loan Stock (LT)	27,185,371.01	29,774,869.00
Sahaspura Sold House Loan (LT)	7,102,964.58	7,933,649.48
Sinhapura Relocation Loan (LT)	780,189.46	780,189.46
Sinhapura Sold Loan (LT)	32,145,728.26	33,272,944.93
Thalawakale Sold House Loan (LT)	4,938,937.77	4,938,937.77
Thalawakalle Relocation Housing Loan (LT)	13,668,050.00	14,635,400.00
Thuruithurugama Housing Loan (LT)	67,466,086.20	69,732,101.11
Wadullawattha Sold House Loan (LT)	618,718.05	618,718.05
Staff Loan	59,115.16	50,349.04
Staff Distress Loan	17,495,634.78	15,736,131.67
Study Loan	970,308.31	382,125.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Loan Staff- Lunawa Middle	92,092,536.56	95,337,238.99
Loan- Staff Housing Loan	31,863,868.15	
Total	622,817,346.41	611,160,182.69

Note 7

Investment (Fixed Deposit)

<u>Date of Deposit</u>	<u>FD Account No</u>	<u>Period</u>	<u>Interest Rate</u>	<u>Deposit Amount</u>
2024-07-08	93047090	6 Month	8.50%	30,000,000.00
2024-07-31	88421670	6 Month	8.50%	17,000,000.00
2024-08-02	92243244	6 Month	8.50%	120,000,000.00
2024-08-05	88445773	6 Month	8.65%	16,000,000.00
2024-08-08	88452746	6 Month	8.65%	21,000,000.00
2024-08-09	90257048	6 Month	8.65%	114,000,000.00
2024-02-12	92280399	1 Year	10.75%	125,000,000.00
2024-02-14	92292562	1 Year	10.75%	20,000,000.00
2024-02-15	92298761	1 Year	10.75%	80,000,000.00
2024-03-20	92486392	1 Year	9.00%	100,000,000.00
2024-10-01	93472730	6 month	9.00%	70,000,000.00
2024-10-04	93496878	6 month	9.00%	25,000,000.00
2024-10-05	208-60-01-00043300-3	6 Month	9.00%	16,000,000.00
2024-10-15	87970167	6 month	8.75%	12,000,000.00
2024-10-25	92706781	6 month	8.75%	40,000,000.00
2024-10-28	92715296	6 month	8.50%	20,000,000.00
2024-10-29	92728354	6 month	8.50%	60,000,000.00
2024-11-04	88049259	6 Month	8.75%	27,000,000.00
2024-11-04	88061774	6 Month	8.75%	20,000,000.00
2024-11-18	88109660	6 Month	8.75%	20,000,000.00
2024-11-22	88960977	6 Month	8.75%	100,000,000.00
2024-11-25	88129345	6 Month	8.80%	20,000,000.00

Date of Deposit	FD Account No	Period	Interest Rate	Deposit Amount
2024-11-25	88139699	6 Month	8.80%	10,000,000.00
2024-11-27	92849099	6 Month	8.80%	40,000,000.00
2024-11-29	88151281	6 Month	8.80%	80,000,000.00
2024-12-02	88164882	6 Month	8.00%	27,000,000.00
2024-12-06	88190191	6 Month	8.00%	20,000,000.00
2024-12-10	88195623	6 Month	7.50%	25,000,000.00
2024-12-12	88213621	6 Month	7.50%	20,000,000.00
2024-12-18	92954677	6 Month	7.50%	25,000,000.00
2024-12-30	93001000	6 Month	8.00%	20,000,000.00
				1,340,000,000.00

MC Fund Fixed Deposit

Date of Deposit	FD Account No	Period	Interest Rate	Deposit Amount
2024-07-04	93032381	1 Year	8.25%	35,600,000.00
2024-07-29	89279732	1 Year	8.25%	1,780,000.00
2024-07-29	89279697	1 Year	8.25%	2,671,854.45
2024-01-29	92213768	1 Year	9.50%	14,514,000.00
				54,565,854.45

Total Fixed Deposit				1,394,565,854.45
----------------------------	--	--	--	-------------------------

Note 11

FIXED ASSETS REGISTER 2024

Stock Status
As on : 31-12-2024

Property Plant and Equipment

Assets	Balance as at 01/01/2024	Addition/ Transfer During the year	Disposal /Transfer adjustments During the year	Balance as at 31/12/2024	Cumulative Depreciation as at 01/01/2024	Depreciation During the year 2024	Cumulative Depreciation / of Disposal / transfer Items	Cumulative Depreciation as at 31/12/2024	(Rs.) Balance as at 31/12/2024
Land	695,918,072.00	90,892,000.00	230,000.00	786,580,072.00	-	-	-	-	786,580,072.00
Building	6,993,002.54			6,993,002.54	1,235,260.20	349,650.13	-	1,584,910.32	5,408,092.22
Furniture & Fittings Office	4,424,980.22	391,631.59		4,816,611.81	2,348,579.40	2,090,487.71	-	4,439,067.12	377,544.69
Equipment	7,896,217.94	2,218,517.00		10,114,734.94	4,598,406.94	1,978,062.20	835,250.60	7,411,719.74	2,703,015.20
Vehicle	49,700,000.00			49,700,000.00	22,885,572.26	9,940,000.00	-	32,825,572.26	16,874,427.74
Computers	14,754,238.23	1,460,072.00	1,889,297.00	14,325,013.23	13,631,486.23	1,006,732.59	1,533,465.22	13,104,753.60	1,220,259.63
Total	779,686,510.93	94,962,220.59	2,119,297.00	872,529,434.52	44,699,305.03	15,364,932.63	2,368,715.82	59,366,023.04	813,163,411.48

Note 12

Intangible assets

Assets	Balance as at 01/01/2024	Addition/ Transfer During the year	Disposal /Transfer adjustments During the year	Balance as at 31/12/2024	Cumulative Depreciation as at 01/01/2024	Depreciation During the year 2024	Cumulative Depreciation / of Disposal / transfer Items	Cumulative Depreciation as at 31/12/2024	Balance as at 31/12/2024
Accounting software	500,000.00	-	-	500,000.00	349,657.53	125,000.00	-	474,657.53	25,342.47
	500,000.00	-	-	500,000.00	349,657.53	125,000.00	-	474,657.53	25,342.47

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<i>Note 10</i>		
<u>Work-in Progress</u>		
Angulana Community Hall	6,747,972.83	6,747,972.83
Lunawa Work in Progress	(0.01)	(0.01)
Nawalapitiya Housing Project	623,846.17	623,846.17
Thuduwegoda Housing Project	871,755.00	871,755.00
Anurathapura Mix Dev. Project	47,922.74	47,922.74
Athurigriya Middle Income	84,500.00	84,500.00
Kaduwela Housing Project'	1,176,830.10	1,176,830.10
Kaluthura Pepiliyawatta	5,940.00	5,940.00
Orchard Watta Housing	3,496,910.90	2,492,432.80
Sri Jayawardanapura Project	2,014,232.72	1,894,232.72
Velisara Milagahawatta Project	10,928,882.59	8,528,507.59
Total	25,998,793.04	22,473,939.94
<i>Note 13</i>		
<u>Accrued Expenses</u>		
Accrued E.P.F	1,393,551.58	1,198,617.78
Accrued E.T.F	209,029.76	179,792.68
Accrued Expenses (service)	10,000.00	
Accrued Fuel & Lubricant	275,153.31	297,680.49
Accrued Accommodation	11,583.00	-
Accrued Lease Rental Vehicle	671,692.32	726,564.11
Accrued Legal A/C	3,000.00	6,000.00
Accrued Lunawa Housing Project	434,831.43	2,999,464.37
Accrued O/T	327,470.83	458,750.75
Accrued Office Rent	2,791,948.16	2,525,697.25

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Accrued Other Allowance	-	5,000.00
Accrued Recovery commission	-	23,467.54
Accrued Repair and Maintenance Vehicle	1,834,600.00	73,262.23
Accrued Telephone Bill	123,462.10	219,621.92
Accrued Traveling	36,440.10	17,789.10
Accrued swashakthi manawasanwardana	-	40,993.19
Audit Fees Payable	800,000.00	1,255,040.00
Payable S.E.C Ac.	0.90	0.90
Stamp Duty payable Ac.	9,175.00	10,175.00
Accrued Sriwickramapura Exp	-	31,111.52
Accrued Subsistence for Staff	-	11,950.00
Accrued Transport Allowance	415,000.00	450,000.00
Accrued Travelling & Subsi Officers	-	4,000.00
Accrued Cleaning Chargers	252,756.00	99,076.93
Accrued Concept Socialization	-	340,393.51
Accrued Directors Fees	-	108,000.00
Accrued Payee Tax	56,306.00	4,514.00
Accrued Printing	84,880.00	144,100.00
Accrued Repair And Main Computer	43,213.00	81,910.00
Accrued Site Utility Expenses	-	2,464.45
Accrued SM Exp	-	22,900.00
Acc Sri Wickramapura	15,500.00	4,474.91
Acc Staff Allowance B/M	-	4,000.00
Accrued Stationery	1,145,207.29	103,500.00
Accrued Telephone all Staff	66,000.00	65,000.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Accrued Training	-	10,000.00
Accrued Trainee	64,250.00	85,750.00
Accrued Welfare	-	37,770.00
Accrued World Habitat Day	105,000.00	500,000.00
Bank Loan Payable	-	50,000.00
Interest Income Angulana MC Fund	7,177.48	15,110.47
Accrued Social Development	52,284.80	551,000.00
Interest Income Lunawa MC Fund	206,394.65	50,097.53
Interest Income Singhepura MC Fund	1,147.44	1,529.91
Interest Income Wadullawatta MC Fund	664,228.95	488,719.73
Salary Payable	115,917.30	147,324.28
Accrued Orchedwatta Expenses	31,000.00	31,000.00
With Holding Tax Payable	2,448,791.73	1,901,362.40
Accrued- Lunawa Water Proofing	16,595,520.00	-
Accrued- Angulana Maintenance	1,331,602.36	
Accrued- Anuradhapura Maintenance	292,797.80	
Accrued-Communication(Fiber connection)	75,000.00	
Accrued Repair And Main Office Equipment	231,931.34	
Accrued - Staff Incentive	50,000.00	
Accrued Repair maintenance Web & other	18,153.83	
Total	33,301,998.46	15,384,976.95
Note 14		
<u>Management Corporation Fund</u>		
Management Corporation Fund	14,514,000.00	14,514,000.00
MC Fund Lunawa	35,600,000.00	35,600,000.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
MC Fund Singhepura	2,671,854.45	2,671,854.45
MC Fund Wadullawatta	1,780,000.00	1,780,000.00
TOTAL	54,565,854.45	54,565,854.45

Note 15

Retention Money

Retention-Angulana Main	5,012.50	35,370.00
Retention- Lunawa Fire doors	1,681,245.46	1,681,245.46
Retention- Madushan Iron Work	16,882.50	16,882.50
Retention- Staff Housing Loan	2,230,000.00	-
Retention Money Building Renovation	26,260.25	26,260.25
Retention Money Resource Center	0.44	16,220.50
Thalawakale Retention	0.05	19,783.55
Total	3,959,401.20	1,810,762.26

Note 16

Payables

Anuradhapura Deed Fees	11,275.00	11,275.00
Distress Loan Pre Payment	29,581.46	-
Donation SM Program	2,985.00	26,940.00
Pre-Payment- Lunawa H/P	41,709.99	-
Pre-Payment- Staff Housing Loan	7,501.33	-
Refundable Deposit - SW	14,000.00	4,000.00
Tender- Refundable	10,000.00	10,000.00
Lunawa Deed Fees	2,130,750.00	-
Total	2,247,802.78	52,215.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<u>Note 17</u>		
<u>Down Payments</u>		
Down Payment- Thalawakale	5,000.00	5,000.00
Down Payment- Angulana	100,000.00	100,000.00
Down Payment- Thuruithurugama	2,360,000.00	-
Total	2,465,000.00	105,000.00
<u>Note 18</u>		
<u>Provision</u>		
Staff Gratuity	37,928,137.50	29,637,547.00
<u>Note 19</u>		
<u>Treasury Grant</u>		
TG - Lunawa Housing Scheme	1,167,316,673.63	1,167,316,673.63
Total	1,167,316,673.63	1,167,316,673.63
<u>Note 20</u>		
<u>Capital Grant On Fixed Assets</u>		
Capital Grant On Fixed Assets	-	-
<u>Note 21</u>		
<u>Government Grant</u>		
Sahasapura (Sold House)	16,421,345.26	16,421,345.26
Sinhapura (Sold House)	3,734,709.68	3,734,709.68
Wadullawattha (Sold House)	29,701,963.36	29,701,963.36
Sri Jayawardanapura	287,500,000.00	287,500,000.00
Walisara Land	320,000,000.00	320,000,000.00
Sahasapura Commercial Unite	44,777,000.00	44,777,000.00
Total	702,135,018.30	702,135,018.30

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<i>Note 22</i>		
<u>Reserve</u>		
Provision for Distress Loan	15,000,000.00	15,000,000.00
Revenue Reserve	36,625,000.00	36,625,000.00
Total	51,625,000.00	51,625,000.00



URBAN SETTLEMENT DEVELOPMENT AUTHORITY
NOTES TO THE STATMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2024

Note 23

Interest Income

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Interest Income Savings (IPG)	391.86	575.18
Interest Account- Angulana	1,009,996.46	212,798.89
Interest Account- Distress loan	648,396.00	627,026.05
Interest Account- Rajgama loan	1,468,502.77	1,687,175.26
Interest Account- Sahaspura Sold	387,169.30	551,428.48
Interest Account- Scattered loan	44,421.67	344,701.06
Interest Account- Sinhapura Sold		15,804.00
Interest Account- Swashakt loan	21,699.74	31,662.88
Interest Account- Thuruithurugama	1,943,403.16	1,816,002.46
Interest Account- USDA Staff loan		9,599.81
Interest Account- Wadullawattha		191,407.97
INTEREST INCOME - FIXED DEPOSIT	136,773,791.73	223,313,217.37
Interest Income - Savings A/C	154,191.65	589,450.03
Interest Income- Bike Loan	13,935.54	
Interest Income- Lunawa Staff H/u	1,877,153.17	
Interest Income- Lunawa H/P	16,649,542.09	10,621,912.29
Interest Income-Staff Housing Loan	397,691.56	
Interest Income Sinhapura Relocation		90,966.76
Thalawakale Sold House -Interest	563,677.92	257,995.14
Total	161,953,964.62	240,361,723.63

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Note 24		
<u>Other Income</u>		
Administration & Other Charges- Anurada.	60,280.00	
Commercial Unit -Agreement Fee		1,200.66
Lunawa housing project Processing Fees		6,000.00
Lunawa Other Income		15,607.30
Other Income -Unidentified Direct Deposit		124,770.00
Other Income-Orchard Watta	108,958.00	125,240.00
Sahasa Deed Fees	11,300.00	23,000.00
Sinhapura Rent Income		120,000.00
Sri Wickaramapura - Prejashalawa - Income	141,250.00	91,800.00
Sundry Income	19.30	33,139.65
Supply Registration Fee	343,000.00	189,000.00
Surcharge A/C		674,346.67
Tender non-refundable Deposit	326,000.00	34,500.00
Total	990,807.30	1,438,604.28
Note 25		
<u>Profit From Housing Projects</u>		
Sale of Thuruithurugama Housing Project		3,472,852.10
Sales of Lunawa Housing Project		21,068,641.19
		24,541,493.29
Note 26		
<u>Profit on Disposal</u>		
Sales of disposal Item		27,518.78

Particulars	2024 (LKR.)	2023 (LKR.)
Note 27		
Personal Emoluments		
Audit & Management Committee Allowances	133,186.20	240,000.00
Board Direct. Allow.& Other Expenses	1,398,888.75	1,030,000.00
Budgetary Allowance	6,600,546.61	7,276,908.67
Consultation Committee Allowance	74,200.00	342,000.00
Cost of Living	21,553,930.70	11,185,317.42
E.P.F.	9,480,136.13	8,840,960.71
E.T.F	2,370,033.79	2,210,240.05
Fuel Allowance	2,665,816.24	3,676,053.34
Holiday Payment	1,302,968.40	1,460,866.29
Interview & Other Board Allowance	94,000.00	468,000.00
Overtime & Holiday Payment	4,736,205.21	5,186,639.80
Salary & Wages	57,420,011.61	61,875,946.66
Staff Allowance for Board Meeting	88,000.00	46,000.00
Staff Compensation Charges		192,500.00
Staff Incentives	2,400,000.00	2,900,000.00
Telephone Allowance- Officers	611,831.45	686,575.00
Telephone Allowance- Other Staff	829,000.00	791,000.00
Trainee Allowance	1,189,500.00	1,326,500.00
Transport Allowance	5,129,420.83	6,840,000.00
Uniform Allowance	277,950.00	241,800.00
Vehicle allowance	1,296,666.67	651,666.66
Welfare	1,778,754.00	2,271,200.00
	121,431,046.59	119,740,174.60

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
<u>Note 28</u>		
<u>Travelling</u>		
Travelling & Subsistence (Officers)	28,840.00	508,153.50
Travelling & Subsistence (Staff)	912,857.00	690,575.00
Travelling Domestic	340,972.38	379,897.00
	1,282,669.38	1,578,625.50
<u>Note 29</u>		
<u>Supplies Expenditure</u>		
Fuel & Lubricants	8,904,389.31	6,848,661.32
Other Supply Expenses (Consumable Item)	190,237.87	202,314.78
Stamp / Postage	159,370.00	1,135,335.00
Stationary & Office Requisites	6,598,480.70	6,324,474.65
Total	15,852,477.88	14,510,785.75
<u>Note 30</u>		
<u>Contractual Services</u>		
Accommodation Expenses	129,423.00	
Advertising/Exhibition	506,515.00	1,362,843.25
Audit Fee	800,000.00	800,000.00
Bank Charges	6,340.00	6,860.00
Bank Charges (IPG)	54,243.75	57,286.25
Cleaning Charges	2,792,896.60	1,188,923.16
Event/Functions Expenses	31,749.38	
Lease rental operational vehicle	7,298,350.44	6,954,256.59
Legal Expenses	906,464.00	338,676.38
Meeting Expenses	204,267.21	449,058.00
Office Rent	29,961,163.08	26,766,152.16
Other service Expenses	125,021.44	86,763.00
Printing Charges	613,489.50	585,308.33

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Recovery Expenses	233,563.64	310,972.42
Security Charges		33,500.00
Site Utility Bill Exp.(Water/CEB/Etc.)	8,696.89	10,780.15
SM/OTHER Staff Expenses	211,381.88	326,750.00
Sri wickramapura Expenses	263,109.42	570,195.94
Telephone Charges (Communication)	1,371,768.00	1,292,917.49
Training Expenses (Staff)	428,333.00	932,050.00
Transport	181,348.36	348,637.94
Total	46,128,124.59	42,421,931.06

Note 31

Maintenance Expenditure

Insurance Expenses	517,398.95	871,933.26
Maintenance of Accounting Package	72,000.00	72,000.00
Repair & Maintenance- Furniture & Fitting	16,975.00	
Repair & Maintenance of Computer	718,379.02	567,123.28
Repair & Maintenance of Equipment	2,152,996.32	2,382,403.88
Repair & Maintenance of Vehicle	9,155,811.58	8,259,807.23
Repair & Maintenance - Furniture & Fittings	22,400.00	69,700.00
Repair / Maintenance Of Office Building		130,910.00
Web & Other Communication Facility	199,690.47	
Total	12,855,651.34	12,353,877.65

Note 32

Other Recurrent Exp/Provisions

Disposal Item AC		(91,116.20)
Doubtful Debtors	943,485.47	13,066,468.63
Gratuity	9,989,425.50	2,931,497.00

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Withholding Tax Ac.	6,854,043.04	9,276,675.66
Total	17,786,954.01	25,183,525.09

Note 33

Revenue From Non Exchange Transaction

Capital Grant-Non Exchange	3,063,911.54	29,769,347.71
Disposal of Land- Anuradhapura	(230,000.00)	
Revaluation - Orchared Watta	86,000,000.00	
Total	88,833,911.54	29,769,347.71

Note 34

Revenue From Exchange Transaction

Capital Grant- Exchange		3,000,000.00
Total		3,000,000.00

Note 35

CAPITAL EXPENSES

Depreciation of Fixed Assets

Depreciation Furniture & Fittings	2,090,487.71	884,214.78
Depreciation of Computer	1,006,732.59	1,761,745.33
Depreciation of Drivers rest room	35,640.00	35,640.00
Depreciation of Intangible Assets	125,000.00	125,000.00
Depreciation of Office Equipment	1,978,062.20	1,592,197.14
Depreciation of Store Room	68,850.00	68,850.00
Depreciation of Vehicle	9,940,000.00	9,940,000.00
Depreciation of Anuradapura Building	245,160.13	245,160.13
Total	15,489,932.63	14,652,807.38

<u>Particulars</u>	<u>2024 (LKR.)</u>	<u>2023 (LKR.)</u>
Note 36		
<u>Development Expenses</u>		
Angulana Maintenance	3,590,733.32	1,005,535.57
Anuradhapura - Maintenance	292,797.80	
Concept Socialization of the Proj. Con.	229,400.00	769,388.51
Habitat day	4,272,380.06	1,954,611.50
Lunawa Maintenance	2,661,290.00	16,000.00
Lunawa Maintenance - Water Proofing	16,595,520.00	
Sahaspura Maintenance	139,970.00	
Sewing Machine Project Maintenance		6,000.00
Singhapura Maintenance Expenses	162,805.00	118,600.00
Social Development Program	6,194,601.70	4,362,746.50
Thalawakalle Housing Pro. Maintenance		1,374,676.00
Total	34,139,497.88	9,607,558.08

Auditor General's Report

HUD/E/USDA/FA/24/01

24.06.2025

Chairman,
Urban Settlement Development Authority

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of Urban Settlement Development Authority for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Urban Settlement Development Authority ("The Authority") for the year ended 31 December 2024 comprising the statement of financial performance, statement of changes in equity and cash flow statement and notes to financial statements for the year then ended including details related to significant accounting policies, 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 and Finance Act, No. 38 of 1971. My report will be tabled in Parliament in due course in terms of Article 154(6) of the Constitution.

In my opinion, except for the effects of the matters described in the section of the Basis for Qualified Opinion of my report, the financial statements of the Authority give a true and fair view of the financial position as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Policies.

1.2. Basis for Qualified Opinion

- (a) Although revenue should be recognized only after fulfilling the five conditions required for the recognition of revenue from the sale of goods as per Paragraph 28 of Sri Lanka Public Sector Accounting Standard No. 10, the houses under the Lunawa Housing Project had been vested under various schemes, and since revenue had been recognized at each such instance, the Authority had not followed a specific accounting policy to identify the transaction of sale in the disposal of these houses.

- (b) In a manner not in compliance with Sri Lanka Public Sector Accounting Standard 11, the Nittambuwa Orchard Estate, which had a fair value of Rs. 120 million and had been accounted for at Rs. 60 million in the year 2023, had been revalued at Rs. 146 million during the year under review, and its revaluation gain of Rs. 26 million had been recognized as revenue from non-exchange transactions, contrary to Paragraph 46 of the Standard, instead of crediting it to the revaluation reserve; and further, in contradiction to Paragraph 45 of the Standard, revenue from non-exchange transactions had not been recognized, and since lands valued at Rs. 652.3 million received by the Authority up to the end of the year under review had been shown under state grants, the amount of state grants had been overstated by that value.
- (c) Since the lands Nittambuwa Orchard Estate and Welisara Millagahawatta, valued at Rs. 380 million and received by the Authority for commercial purposes, had not been identified and accounted for as investment property in accordance with Paragraph 07 of Sri Lanka Public Sector Accounting Standard No. 13, investment property for the year under review had been understated by that amount.
- (d) As the employee gratuity expense of Rs. 9.99 million had been recognized during the year under review without being evaluated in accordance with Sri Lanka Public Sector Accounting Standard 19, the accuracy of this amount and the related non-current liability of Rs. 37.93 million recognized in that regard could not be confirmed.
- (e) As at 31 December 2024, a difference of Rs. 15.46 million was observed between the balance of 18 receivable accounts disclosed in the financial statements of the Authority and the balances shown in the schedule submitted for audit.
- (f) The valuation amount of Rs. 1.43 million relating to six land plots of the Anuradhapura Katukeliyawa “Thuru Ithurugama” Housing Project had not been accounted for up to the end of the year under review, and although two houses under this project had been sold in the year 2024, their value of Rs. 2.36 million had been accounted for as current liabilities instead of being removed from the relevant asset account.
- (g) Bill amounting to Rs. 14.03 million, certified by the project manager in the year 2024 as payable in relation to construction work carried out under the Lunawa Housing Project during the year 2023, had not been accounted for or disclosed by the Authority under current liabilities as at the end of the year under review.
- (h) Although it had been instructed by the Cabinet Decision No. CP/20/1844/306/055 dated 22 December 2020 that the allocations made for the project should be reimbursed to the Treasury from the income received through the sale of houses under the Lunawa Housing Project, out of the Rs. 1,267 million provided by the Treasury to the project, a balance of Rs. 1,167 million that remains unpaid to date had not been shown as a payable amount, and by presenting it under equity and reserves, equity and reserves had been overstated by that amount.
- (i) The amount of Rs. 1.61 million receivable from Chaya Management Company for the repair of the elevator at the Angulana Housing Complex, carried out by the Authority, had been inappropriately accounted for as maintenance expenditure, thereby overstating the institution’s expenses and understating the receivable balance by that amount.

- (j) Although the depreciation value of wooden furniture and equipment for the year under review was Rs. 0.899 million, it had been stated as Rs. 2.090 million in the financial statements, resulting in the depreciation expense for the year being overstated by Rs. 1.191 million and the surplus being understated by the same amount.
- (k) I have conducted the audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those auditing standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Financial Statements" in this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other Information Included in the Annual Report 2024 of the Authority.

The term "Other Information" refers to information included in the Authority's 2024 Annual Report that is expected to be provided to me after the date of this audit report but does not form part of the financial statements or my audit report thereon. Management is responsible for such Other Information.

My opinion on the financial statements does not cover the Other Information, and I do not express any form of assurance or opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read the Other Information when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or with my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, when reading the Authority's 2024 Annual Report, I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order to have it corrected. If the misstatement is not corrected, I will include it in the report I submit to Parliament in due course, in accordance with Article 154(6) of the Constitution.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Authority 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 Authority.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- The appropriateness of the accounting policies used, the reasonableness of accounting estimates, and the related disclosures made by management were evaluated.
- Based on the audit evidence obtained, the appropriateness of the use of the going concern basis of accounting by the Authority was determined by evaluating whether there is a material uncertainty arising from events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- The transactions and events on which the structure and content of the financial statements are based were evaluated to determine whether they have been appropriately and fairly included, and the overall presentation of the financial statements including the disclosures was assessed.

I communicate to those charged with governance the significant audit findings, key internal control deficiencies, and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

- 2.1 The National Audit Act, No. 19 of 2018 includes special provisions relating to the following requirements.
- 2.1.1 Except for the effects of the matters described in the Basis for Qualified Opinion section of my report, as required by Section 12(a) of the National Audit Act, No. 19 of 2018, I obtained all the information and explanations required for the audit, and as my investigation shows, proper financial records had been maintained by the Authority.
- 2.1.2 Financial statements of the Authority are consistent with the preceding year as per the requirements in Section 6(i) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 Except for the observations in Paragraphs 1.2 (d)(i)(iii), (e) and (f) under the section, Basis for Disclaimer of Opinion in my report, the recommendations made by me in the preceding year, had been included in the financial statements presented in accordance with the requirement in Section 6 (i) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Considering the limitations on procedures followed, evidence collected and matters of significance, I have not been able to notice anything sufficient to make the following statements.
- 2.2.1 Whether any member of the governing body of the Authority has any direct or indirect interest in any contract entered into by the Authority as per the requirement in Section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 Whether the Authority has or has not complied with any applicable written law or other general or special directions issued by the governing body of the Authority except for the following observations as per the requirement in Section 12 (f) of the National Audit Act, No. 19 of 2018.

Reference to Laws, Rules/ Directives	Non-compliances
a The National Urban Settlement Development Authority Act, No. 36 of 2008,	Although this Authority was established for the purpose of formulating a national policy on urban settlement development and ensuring the implementation of such policy, even after 17 years since its establishment, the Authority has not been able to formulate and implement a national policy.
b Sections 13.1.2 and 13.4 of Chapter II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	Although an officer recommended for acting in a post must possess the required qualifications for the vacant position as per the approved scheme of recruitment, in the year 2021, officers who did not have the relevant qualifications were appointed to act in the posts of Director (Engineering), Assistant Director (Lands), and Assistant Director (Research and Development).

Furthermore, by Board Decision No. 02/2023/12 dated 21 February 2023, the same officers, who did not possess the required experience for those positions, were confirmed in those posts, and in 2024.

- 2.2.3 Whether the Authority has acted in a manner not in compliance with its powers, duties, and functions, as required under Section 12(f) of the National Audit Act, No. 19 of 2018.
- 2.2.4 Whether, except for the observations stated below, the resources of the Authority have not been procured and utilized economically, efficiently, and effectively within the specified timeframes and in accordance with the relevant laws and regulations, as required under Section 12(g) of the National Audit Act, No. 19 of 2018.
- (a) Upon receiving complaints that water was seeping through the plaster of the walls, just six months after the Moratuwa Lunawa Housing Project—implemented as a Design and Build project—was vested in the public, the Authority, with the approval of the Board of Directors, had taken steps to allocate Rs. 41.38 million from the proceeds of the sale of those houses for the renovation work relating to the said defects. However, the renovation work had not been completed as of yet. Moreover, the Authority had not taken any action to recover any amount for these defects from the contractor of the project—the State Engineering Corporation—or from the project manager—the State Development and Design Corporation. Also, the Authority had made a payment of Rs. 6.43 million to the project manager in respect of this project.

2.3 Other Information

- (a) Due to the non-completion of land acquisition processes and delays in obtaining condominium certificates, by the end of the year under review, the Authority had not issued deeds to the house recipients in respect of 1,115 out of 1,719 housing units constructed under the resettlement basis and sales basis that had been implemented by the Authority.
- (b) According to the Cabinet Decision No. CP/20/1844/306/055 dated 22 December 2020, housing units should have been vested by determining the sale price by adding 20 percent to the valuation made by the Government Valuer; however, contrary to that, based on the approval of the Board of Directors, houses were given to 24 officers of the Authority at a sale price equivalent only to the government valuation, resulting in a loss of Rs. 20.68 million to the government. Furthermore, by the end of the year under review, a sum of Rs. 92.09 million was due to the Authority from the housing units sold to the staff of the Authority.
- (c) The possession 53 housing units valued at Rs. 62.87 million, constructed for the benefit of the fishing community at the Angulana housing complex, had been granted to cinema artists and athletes free of charge through a free grant, according to Cabinet Decision No. CP/19/2761/122085 dated 16 October 2019, it had been decided that a reasonable amount should be recovered from those beneficiaries. However, a sum of Rs. 2.08 million remained due by the end of the year under review in respect of 38 of those housing units. In

accordance with the instructions given in the letter of the Attorney General bearing No. USDA/LEG/LG/06/15-1 dated 04 October 2022, action had been taken to revoke the free grants, and further action was in progress to institute legal proceedings in respect of 12 more houses.

- (d) Although the Authority could have earned rent income by leasing out 67 Sahaspura commercial units valued at Rs. 44.78 million and 57 service units, the value of which had not been determined, which had been constructed by a private company and were under the ownership of the Authority, due to the decision of the Board of Directors to transfer them under a free grant to a management corporation established under the Condominium Management Authority, this Authority had lost that rent income.
- (e) Contrary to Cabinet Decision No. CP/20/1844/306/055 dated 22 December 2020, the possession of three housing units of the Lunawa Housing Scheme valued at Rs. 9.3 million had been granted without recovering the sale price of the said houses as per the agreements.
- (f) According to the report issued on 19 November 2022 by the National Engineering Research and Development Centre (NERDC), regarding the six houses constructed at a cost of Rs. 4.9 million under the Anuradhapura Stabilized Soil Technology, it was stated that these houses were unsuitable for human habitation, and this fact was also certified by an engineer of the Authority on 20 December 2022. Nevertheless, two of these houses had been transferred to an external party under the condition that they would be renovated to make them suitable for their occupancy, while the remaining four houses remained underutilized for a period of 12 years.
- (g) As at 31 December 2024, the approved permanent and contract staff cadre of the Authority stood at 151 and 29 respectively, while the actual permanent and contract staff as at that date amounted to 101 and 08 respectively. Accordingly, although there were vacancies of 50 and 21 respectively in the permanent and contract staff cadres, the Authority had not been able either to revise the approved cadre in line with the current functions of the Authority or to recruit essential staff.
- (h) According to the 2024 Performance Report, the following observations are made with regard to the projects falling under the preliminary work stage of the middle-income housing projects of the Authority, which operates under the Public-Private Partnership approach.
 - I. Although it had been expected to achieve 100 per cent progress by December 2024 in identifying lands for development projects, by the end of the year 2024, no physical or financial progress had been achieved.
 - II. None of the activities in the action plan 2024 planned to be implemented during the year under the housing projects at Sinhapura, Thalawathugoda, Kaduwela, and Athurugiriya had been carried out by the end of the year.

- III. The five activities expected to be completed under the Anuradhapura Thuru Ithurugama Housing Project had not been completed by the year 2024.
 - IV. No physical progress had been achieved in the activities related to the construction of the water supply system and the renovation of houses under the Thalawakelle Housing Project, which was expected to be completed in the year 2024 at a cost of Rs. 1.10 million allocated through internal revenue.
 - V. Although a sum of Rs. 4.27 million had been allocated for the renovation of houses and issuance of deeds under Phase I of the Halawatha Housing Project, the physical progress stood at a very low level of 0.004 percent, while no financial progress was observed.
- (i) It was observed that the progress of collecting installment payments for the houses provided under the Re-location basis and Sales basis, as well as for other loans granted by the Authority, remained at a very poor level, as evidenced by the following facts.
- I. By the end of the year under review, the total loan installment value due in respect of 399 houses pertaining to 07 housing projects provided by the Authority under the Re-location basis amounted to Rs. 114.86 million, of which Rs. 38.32 million had remained outstanding for a period between 3 to 5 years, and Rs. 48.07 million had remained outstanding for over 5 years. These balances represented 33% and 42% respectively of the total loan installment value.
 - II. By the end of the year under review, the total loan installment value due in respect of 227 houses belonging to 09 housing projects provided by the Authority under the sales basis amounted to Rs. 72 million, of which Rs. 22.42 million had remained outstanding for a period between 2 to 5 years, and Rs. 27.78 million had remained outstanding for over 5 years. These balances represented 31% and 39% respectively of the total loan installment value.
 - III. At the time of the vesting of the Lunawa housing units, Cabinet approval had been granted to recover 25% of the total value of a house as an initial payment to the Authority, and to arrange a loan facility for the remaining 75% through a state bank to be repaid by the beneficiaries within 25 years, with the said 25% to be collected by the Authority within 3 months. However, by 31 December 2024, out of the housing project vested in the public on 09 April 2021, the full housing value had been recovered only from 177 beneficiaries, while a total of Rs. 473.02 million remained outstanding from 179 beneficiaries.

G.H.D. Dharmapala
Auditor General (Acting)



නාගරික ජනාවාස සංවර්ධන අධිකාරිය
நகரக் குடியிருப்பு அபிவிருத்தி அதிகாரசபை
Urban Settlement Development Authority