# කාර්ය සාධන වාර්තාව

# செயலாற்றுகை அறிக்கை

# PERFORMANCE REPORT

# 2025

## කෘෂිකර්ම, පශුසම්පත්, ඉඩම් සහ වාරිමාර්ග අමාත්‍යාංශය

## கமத்தொழில்,கால்நடை வளங்கள் ,காணிமற்றும் நீர்ப்பாசன அமைச்சு

## Ministry of Agriculture, Livestock, Lands and Irrigation

### ඉඩම් අංශය

### காணி பிரிவு

### Land Section

**වෙළුම II**

**தொகுதி II**

**Volume II**

***“මිහිකත මැදුර”***
ඉඩම් මහ ලේකම් කාර්යාලය
*1200/6, රජමල්වත්ත පාර,*
බත්තරමුල්ල.

“மிஹிகத்த மெதுர,”
காணிச் செயலகம்
1200/6, இரஜமல்வத்தை வீதி,
பத்தரமுல்லை.

"Mihikatha Medura"
Land Secretariat Office
1200/6, Rajamalwatta Rd,
Battaramulla.

# Ministry of Agriculture, Livestock, Lands and Irrigation

# Land Section

# Performance Report

# 2025

# Table of Contents

# Annual Performance Report for the Year 2025

## Name of the Institution – Ministry of Agriculture, Livestock, Land and Irrigation – Land Section

## Expenditure Head No - 118

## 01. Chapter 01 – Institutional Profile/Executive Summary

### 1.1 Introduction

The Ministry of Agriculture and Lands has been established in the year 1932 on the recommendations of the Committee on Land and Agriculture appointed by the State Council of 1927, with the objective of optimum management of state lands. Survey Department, the oldest department of the country, established on the 02nd August 1800, Land Commissioner General's Department, established under the Land Development Ordinance No. 19 of 1935, Land Title Settlement Department established in the year 1903 with the view of proper and efficient land settlement in Sri Lanka, Land Reform Commission established under the Land Reform Act of No. 01 of 1972, Land Use Policy Planning Department which had been commenced as the Land Use Planning Division under Ministry of Lands and Mahaweli Development in the year 1983 and then upgraded to a status of a department from January 2010, have been brought under the purview of Ministry of Lands. In addition to the above, Institute of Surveying and Mapping, commenced with a view to training and development of officers for the activities specific to the Department and the Land Survey Council, formed in accordance with the provisions stipulated under the Survey Act No.17 of 2002 with a view to proper maintenance of the professional standards of the Surveyors' Service, under the Survey Department have also been established under the Ministry of Lands whereas the Land Acquisition Review Board has also been established by the Land Acquisition Act, No. 9 of 1950 with a view to resolving the issues arisen in land acquisition.

## 1.2. Vision, Mission and Objectives of the Institution

### Vision

Optimally utilized land resource towards sustainable development

### Mission

Contribution to sustainable development through efficient management and optimum utilization of the land resource by policy planning, implementation and coordination for all the stakeholders, while strengthening land ownership

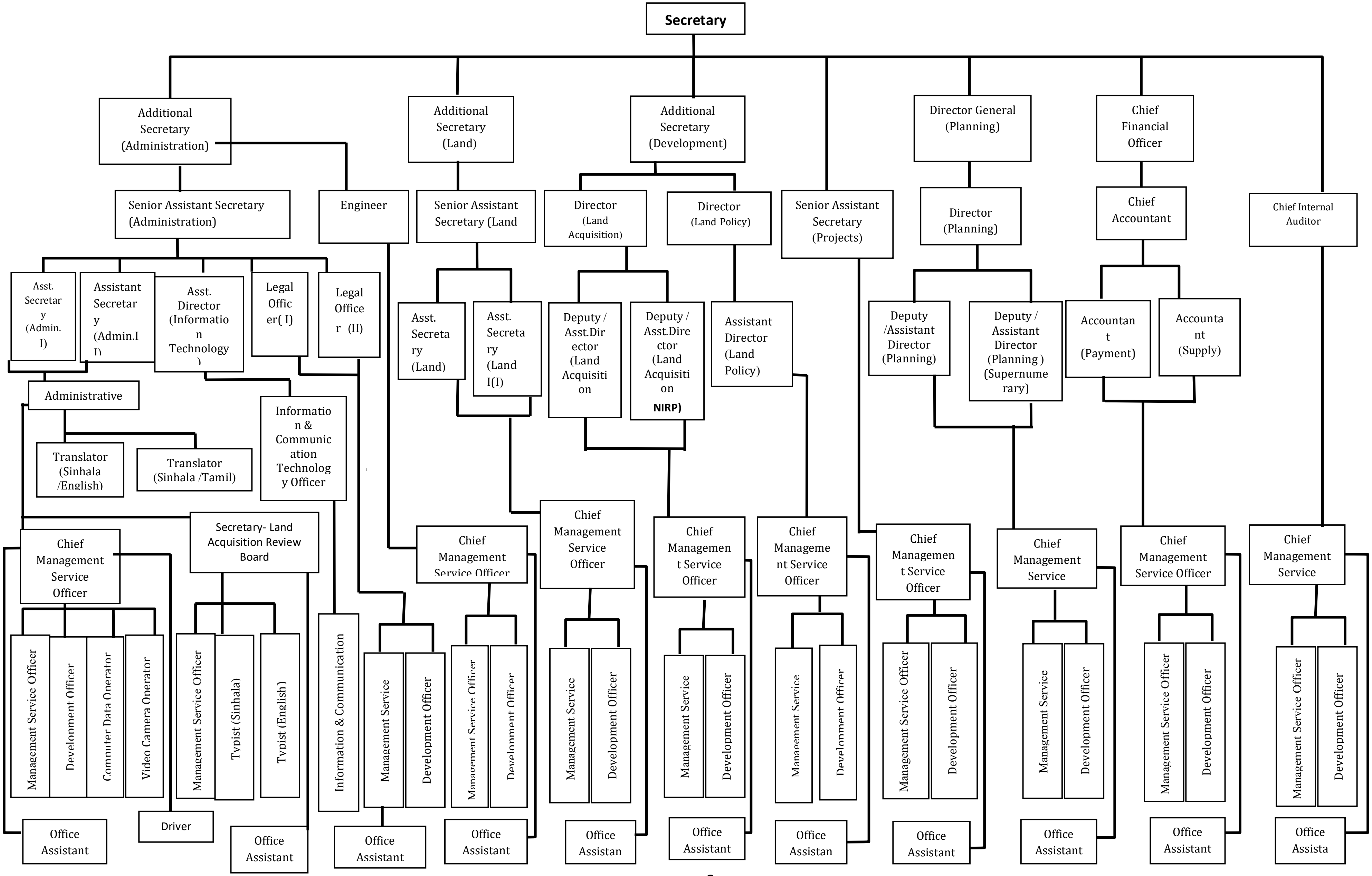
### Objectives

- Updating and implementation of the National Land Policy.
- Protection of the environment for the future generation.
- Ensuring the protection of the state lands.
- Implementation of the Land Use Policy.
- Minimum utilization of state lands and taking action to prevent degradation
- Proper Management and development of state lands and distribution of suitable land among landless people.
- Granting lands for development projects and other essential purposes.
- Registration of the titles of all lands in the country ensuring ownership.

## 1.3. Key Functions

- Formulation, implementation, taking follow up action and evaluation of policies and programs pertain to the scope of the Departments, Statutory Institutions falling under the subject of Lands.
- Administration, management and land use planning of the State Lands
- Activities pertaining to land settlement and land title registration.
- Prompt and systematic provision of lands required for the development purposes of the country.
- Administration and lawful distribution of lands vested in the Land Reform Commission.
- Land surveying, mapping and land information and related services.

## 1.4. Organizational Chart of the Land Section of the Ministry



### 1.5. Departments coming under the purview of the Ministry

- Sri Lanka Survey Department
- Land Commissioner General's Department
- Land Title Settlement Department
- Land Use Policy Planning Department
- Land Reform Commission
- Land Survey Council
- Institute of Surveying and Mapping

## Chapter 02 – Progress and the Future Outlook

### 2.1. Progress

#### 2.1.1. Land Policy Division - Amending the Acts

| Serial No. | Acts which are being amended | Progress |
|---|---|---|
| 01. | Amending Regulations relevant to State Land Ordinance No. 08 of 1947 | • At the meeting held at the Presidential Secretariat on 19.11.2025, a committee was appointed to review land Acts and circulars and therefore, as the decisions taken there must also be considered for this amendment, the Secretary has instructed that this file be kept on hold until then. |
| 02. | Amending Land Acquisition Act No. 09 of 1950 | • The final draft is being prepared in consultation with the Legal Draftsman. |
| 03. | Amending the Act for the Establishment of the Institute of Surveying and Mapping, No.21 of 1969 | • Since it is necessary to resubmit a Cabinet Memorandum in order to obtain the approval of the new Cabinet of Ministers for the amendment of the Act, the Surveyor General has been informed to prepare the Cabinet paper and submit it promptly. |
| 04. | Amending the Registration of Title Act ,No.21 of 1998 | • The Cabinet Paper drafted to obtain the approval of the Cabinet for amending the Act has been submitted for approval of the Secretary. |
| 05. | Amending the Regulations related to the Survey Act, No.17 of 2002. | • The Surveyor General has been informed to indicate whether there is concurrence with the draft regarding amendments to the regulations of the Survey Act forwarded by the Legal Draftsman's Department or if there are any amendments, to specify them separately and submit accordingly. |
| 06. | Drafting the National Land Commission Act | • The final draft of the Bill has been forwarded to obtain the concurrence of the Attorney General. |
| 07. | Drafting the Land Use Policy Planning Act | • In accordance with the instructions given by the Legal Draftsman regarding the drafting of this Act, a letter has been sent to the Attorney General seeking his opinion. |
| 08. | Drafting the Geographical Names Regulatory Board Act | • The Act is being drafted by the Legal Draftsman |

## 2.1 .2. Land Acquisition Division

| Physical Progress of Land Acquisition from 01.01.2025 to 31.12.2025 | | | | | |
|---|---|---|---|---|---|
| **Serial No.** | **Purpose of Land Acquisition** | **No. of Lands of which the acquisitions have been commenced** | **Extent of Lands of which the acquisitions have been commenced ( hectares)** | **Extent of Lands of which the possession has been taken (No. of Lots)** | **Extent of Lands of which the possession has been taken ( hectares)** |
| 01 | Highways (HW) | 42 | 7.9198 | 304 | 3.4204 |
| 02 | Irrigation/Mahaweli (IR) | 3 | 4.2626 | 263 | 70.7357 |
| 03 | Drinking Water (WS) | 9 | 0.8210 | 21 | 1.1237 |
| 04 | Urban Development (UDA/LRB) | 12 | 40.8757 | 68 | 3.9142 |
| 05 | Defense Purposes (D) | 13 | 160.1590 | 4 | 1.9196 |
| 06 | Village Expansion (VE) | 5 | 14.9510 | 38 | 4.3701 |
| 07 | Home affairs (HA) | 15 | 1.5464 | 10 | 1.4693 |
| 08 | Local government (PC) | 30 | 41.5958 | 10 | 7.8204 |
| 09 | Power (CEB) | 1 | 1.2842 | 8 | 0.8468 |
| 10 | Other public purposes (Investment Board, Hospitals, Courts) (I,FH,FR,WR) | - | 248.4899 | 114 | 158.4682 |
| **Total** | | **199** | **521.9054** | **840** | **254.0884** |

### 2.1.3. <u>Land Division</u>

**Progress from 01.01.2025 to 31.12.2025**

| Serial No. | Activity | Number |
|---|---|---|
| **1.** | **Sending for the approval of Hon. Minister.** | |
| 1.1 | Lease and Grant Recommendation Files ( under the State Land Ordinance) | 2440 |
| 1.2 | Statutory Bonds submitted under Land Reform Commission | 9 |
| **2.** | **Sending for the signature of His Excellency the President (Under State Lands Ordinance)** | |
| 2.1 | Lease bonds and Grants (249 + 559) | 808 |
| 2.2 | Temporality Grants | 26 |
| 2.3 | Tsunami Grants | 92 |
| 2.4 | Seeking approval for vesting in statutory bodies | 72 |
| **3.** | **Directing land issues to relevant institutions** | |
| 3.1 | Forwarding the land issues received from the Presidential Secretariat to relevant institutions | 491 |
| 3.2 | Forwarding the land issues received from the Prime Minister's Office to relevant institutions | 7 |
| 3.3 | Forwarding the land issues received from the Public to relevant institutions | 1462 |

### 2.1.4. Project Division

**Progress from 01.01.2025 to 31.12.2025**

<table>
<tr><th>Serial No.</th><th colspan="2">Project and Name of Institution</th><th>Targets</th><th>Progress</th></tr>
<tr><td rowspan="5">01.</td><td rowspan="5">Bimsavi ya</td><td>(i) Department of Survey- Total Number of surveyed allotments</td><td>94,350</td><td>102,952</td></tr>
<tr><td>(ii) Land Title Settlement Department - No. of allotments sent after approval to be gazetted under Section 14</td><td>94,350</td><td>67,008</td></tr>
<tr><td>(iii) Register General’s Department-<br>• No. of Title Certificates issued<br>• No. of registered schedules</td><td>94,350</td><td>26,224<br>53,768</td></tr>
<tr><td colspan="3">Land Commissioner General’s Department</td></tr>
<tr><td>* Resolving issues</td><td>3250</td><td>733</td></tr>
</table>

- Register General’s Department has stated, by letter dated 12.01. 2026, that the title certificates have been issued according to the number of registered private schedules.

### 2.1.5. Land Acquisition Review Board

**Progress from 01.01.2025 to 31.12.2025**

| Month | Number of sittings | Number of appeals examined during the month | Number of appeals resolved |
|---|---|---|---|
| January | 13 | 143 | 19 |
| February | 13 | 121 | 18 |
| March | 15 | 159 | 16 |
| April | 10 | 103 | 08 |
| May | 13 | 116 | 11 |
| June | 14 | 147 | 22 |
| July | 18 | 160 | 27 |
| August | 11 | 93 | 07 |
| September | 18 | 174 | 18 |
| October | 15 | 127 | 14 |
| November | 16 | 145 | 16 |
| December | 10 | 108 | 06 |
| **Total** | **166** | **1596** | **182** |

A total of 233 new appeals were received during the period from 01.01.2025 to 31.12.2025, and the above table also includes the number of appeals resolved, including pending appeals filed in previous years and currently under examination.

## 2.2. Future Outlook

### 2.2.1. Land Acquisition Division

| Serial No. | Activity | Amount for the Expected No. of Applications for Compensation & Interest (Rs.Million) | Expected No. of Applications for Compensation & Interest |
|---|---|---|---|
| 1 | Acquisitions for Urban Development Projects | 131.02 | 22 |
| 2 | Acquisitions for reclamation and development of low lands | 270 | 54 |
| 3 | Acquisitions for village expansions | 523.8 | 65 |
| 4 | Acquisitions for defense activities | 492.54 | 35 |
| 5 | Acquisitions for irrigation activities | 59.23 | 20 |
| 6 | Acquisitions for educational activities | 37.53 | 16 |
| 7 | Acquisitions for fishery related activities | 40.92 | 11 |
| 8 | Acquisitions for health activities | 10.55 | 8 |
| 9 | Acquisitions for forest resources, wildlife activities | 273.64 | 38 |
| 10 | Acquisitions under the Ministry of Home Affairs | 220 | 14 |
| 11 | Acquisitions for the activities of the Ministry of Justice | 120 | 10 |
| 12 | Acquisitions for agricultural activities | 129.71 | 23 |
| 13 | Acquisitions for postal activities | 4.49 | 7 |
| 14 | Acquisitions for other purposes | 326.57 | 120 |
| 15 | Administration expenses | 15 | 0 |
| 16 | Development of data management system | 10 | - |
| | **Total** | **2665** | **443** |

### 2.2.2. Policy Division

| Serial No. | Program / Project / Activity | Target for 2026 |
|---|---|---|
| **1.** | Amending Land Acquisition Act No. 09 of 1950 | • Drafting the amended Bill in consultation with the Legal Draftsman and other relevant parties.<br>• Obtaining the concurrence of the Attorney General. |
| **2.** | Amending the Act for the Establishment of the Institute of Surveying and Mapping, No.21 of 1969 | • Resubmission of a Cabinet Memorandum to obtain the approval of the new Cabinet of Ministers for the amendment of the Act.<br>• Drafting the amended Bill in consultation with the Legal Draftsman and other relevant parties. |
| **3.** | Amending the Registration of Title Act ,No.21 of 1998 | • Drafting the amended Bill in consultation with the Legal Draftsman and other relevant parties. |
| **4.** | Amending the Regulations related to the Survey Act, No.17 of 2002. | • Obtaining observations from the Legal Draftsman.<br>• Publication of the amended regulations in the Gazette and submission to Parliament for approval. |
| **5.** | Drafting the National Land Commission Act | • Obtaining the concurrence of the Attorney General.<br>• Submission of a Cabinet Memorandum to obtain approval for publishing the Bill in the Gazette and presenting it to Parliament.<br>• Publication of the Bill in the Gazette and submission to Parliament for approval. |
| **6.** | Drafting the Land Use Policy Planning Act | • Drafting the Bill in consultation with the Legal Draftsman and other relevant parties. |
| **7.** | Drafting the Geographical Names Regulatory Board Act | • Drafting the Bill in consultation with the Legal Draftsman and other relevant parties. |

### 2.2.3. Project Division

| Serial No. | Program / Project / Activity | Department | Target for 2026 | |
|---|---|---|---|---|
| 1. | Bimsaviya | Survey Department | No. of allotments of lands surveyed | 115,800 |
| | | Land Title Settlement Department | Recommendation and approval of decisions under Section 14 | 99,385 |
| | | Register General's Department | Number of Title Certificates issued | 99,570 |

Note: The Land Commissioner General has informed by letter No. LCGD/PI/LDO/1/7/25 dated 14.10.2025 that no provisions are required for that department under the Bimsaviya program for the year 2026.

### 2.2.4. Land Acquisition Review Board

| Activity | Target for 2026 |
|---|---|
| Number of meetings held during the year | 179 sittings |
| Number of appeals expected to be examined | 1500 appeals |
| Number of appeals expected in 2026 | 230 appeals |
| Number of appeals expected to be resolved | 180 appeals |

- It is planned to hold 179 sittings during the period from 01.01.2026 to 31.12.2026, and to examine approximately 1500 appeals at a minimum of 08 appeals per sitting.
- It is anticipated that approximately 230 appeals will be received in 2026, and pending appeals from previous years that are currently under examination are also included among the appeals scheduled for examination above. Accordingly, it is anticipated that approximately 180 appeals may be resolved.

### 2.2.5. Land Division

| Strategies | Activities | Targets for 2025 |
|---|---|---|
| Uplifting the value and productivity of lands | Issuing long term lease bonds for residential, agricultural and commercial purposes and Grants for residential purposes under State Land Ordinance | 4600 Lease Recommendations<br>600 Lease bonds<br>800 Grants |
| Management of state lands and allocation for the development objectives of the country | Disposing of lands to various state entities including Local Government Authorities, Tri Forces and Societies | 150 Recommendations for vesting for Tri Forces and Local Authorities |
| | Issuing Grants to institutions such as the Urban Development Authority, National Housing Development Authority under the State Land Ordinance for development activities. | 50 Grants |
| Uplifting religious and cultural development activities | Disposing of lands for Buddhist temples and other religious places | 50 Pooja Deeds for Buddhist Temples |
| Providing relief to the affected persons using the available land resource | Issuing Grants under the State Land Ordinance to persons affected by the Tsunami | 1500 Tsunami Grants |
| Granting land titles lawfully | Providing lands for statutory obligations under the Land Reforms Act. | As and when requests are made |

Head of the Institution

Name : D.P.Wickramasinghe
Designation : Secretary
Date : 26.02.2026

# Chapter 03

## 3.1. Statement of Financial Performance

ACA -F

### Statement of Financial Performance for the Year ended on 31.12.2025

Actual

| Budget 2025 | | Note | 2025 Rs. | 2024 Rs. | |
|---|---|---|---|---|---|
| - | **Revenue Receipts** | | - | - | |
| - | Income tax | 1 | - | - | |
| - | Taxes on Domestic goods & Services | 2 | - | - | |
| - | Taxes on International Trade | 3 | - | - | ACA-1 |
| - | Non Tax Revenue and others | 4 | - | - | |
| - | **Total Revenue Receipts (A)** | | - | - | |
| - | Non-Revenue Receipt | | - | - | |
| - | Treasury Imprest | | 217,999,720 | 395,608,000 | ACA-3 |
| - | Deposits | | 1,015,768 | 13,234,319 | ACA-4 |
| - | Advance Accounts | | 23,591,201 | 26,733,552 | ACA-5 |
| | Other Main Ledger Receipts | | - | - | |
| - | **Total Non Revenue Receipts (B)** | | **242,606,689** | **435,575,871** | |
| - | **Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)** | | **242,606,689** | **435,575,871** | |
| | **Remittance to the Treasury (D)** | | **1,658,767** | **1,224,926** | |
| | **Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)** | | **240,947,923** | **434,350,945** | |
| | **Less: Expenditure** | | | | |
| - | **Recurrent Expenditure** | | | | |
| **494,280,339** | Wages, Salaries & Other Employment Benefits | 5 | 483,629,694 | 500,421,975 | |
| **85,973,029** | Other Goods & Services | 6 | 67,496,415 | 166,073,902 | |
| **646,390** | Subsidies, Grants and Transfers | 7 | 2,230,230 | 3,333,396 | ACA-2(ii) |
| - | Interest Payments | 8 | - | - | |
| - | Other Recurrent Expenditure | 9 | - | | |
| **580,899,759** | **Total Recurrent Expenditure (F)** | | **553,356,340** | **669,829,273** | |
| - | **Capital Expenditure** | | | | |
| **12,600,000** | Rehabilitation & Improvement of Capital Assets | 10 | 8,761,254 | 22,307,042 | |
| **2,803,400,000** | Acquisition of Capital Assets | 11 | 2,055,248,602 | 2,801,519,933 | |
| - | Capital Transfers | 12 | - | 123,892,264 | |
| - | Acquisition of Financial Assets | 13 | - | - | ACA-2(ii) |
| **1,000,000** | Capacity Building | 14 | 919,886 | 833,374 | |
| **917,702,207** | Other Capital Expenditure | 15 | 406,895,443 | 619,560,483 | |
| **3,734,702,207** | **Total Capital Expenditure (G)** | | **2,471,825,185** | **3,568,113,096** | |
| | Deposit Payments | | 1,086,861 | 37,828,629 | ACA-4 |
| | Advance Payments | | 18,428,998 | 27,823,264 | ACA-5 |
| | Other Main Ledger Payments | | - | - | |
| | **Total Main Ledger Expenditure (H)** | | **19,515,858** | **65,651,893** | |
| | **Total Expenditure I = (F+G+H)** | | **3,044,697,384** | **4,303,594,261** | |

| | | | | | |
|---|---|---|---|---|---|
| - | **Balance as at 31st December 2025 J = (E-I)** | | **(2,803,749,461)** | **(3,869,243,316)** | |
| | **Balance as per the Imprest Reconciliation Statement** | | **(2,803,749,461)** | **(3,869,243,316)** | ACA-7 |
| | **Imprest Balance as at 31st December** | | **-** | **917,327** | ACA-3 |
| | | | **(2,803,749,461)** | **(3,869,243,316)** | |

## 3.2. Statement of Financial Position

**ACA -P**

### Statement of Financial Position as at 31st December 2025

| | Note | Actual | |
|---|---|---|---|
| | | 2025<br>Rs. | 2024<br>Rs. |
| **Non-Financial Assets** | | | |
| **Property, Plant & Equipment** | ACA - 6 | 276,649,814 | 520,017,682 |
| **Financial Assets** | | | |
| **Advance Accounts** | ACA -5/5(A) | 54,585,741 | 70,354,932 |
| **Cash & Cash Equivalents** | ACA -3 | - | 917,327 |
| **Total Assets** | | **331,235,555** | **591,289,941** |
| **Net Assets/ Equity** | | | |
| **Net Worth to Treasury** | | 53,092,609.96 | 66,576,196 |
| **Property, Plant & Equipment Reserve** | | 276,649,814 | 520,017,682 |
| **Rent & Work Advance Reserve** | ACA -5 (B) | | |
| **Current Liabilities** | | | |
| **Deposit Accounts** | ACA -4 | 1,493,131 | 3,778,737 |
| **Imprest Balance** | ACA -3 | - | 917,327 |
| **Total Liabilities** | | **331,235,555** | **591,289,941** |

Detail Accounting Statements in above ACA format Nos. 1 to 7 presented in pages from 07 to 37 and Notes to accounts presented in pages from 38 to 129 form an integral part of these Financial Statements. **The Financial Statements have been prepared in complying with Financial Regulations 150, 151 and provisions of State Accounts Guidelines 02/2025 dated 17.12.2025.** I hereby certify that figures in the above final account, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

In terms of Section 38(1)(c) of the Audit Act No. 19 of 2018, we hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

| Chief Accounting officer | Accounting officer | Chief Accountant |
|---|---|---|
| Name: D.P.Wickramasinghe | Name: D.P.Wickramasinghe | (Land Division) |
| Designation: Secretary | Designation: Secretary | Name:E.L.A.P. Kumara |
| Date: 26.02.2026 | Date: 26 .02.2026 | Date: 24.02.2026 |

## 3.3. Statement of Cash Flows

ACA -C

### Statement of Cash Flows for the Period ended 31st December 2025

| | Actual | |
|---|---|---|
| | 2025<br>Rs. | 2024<br>Rs. |
| **Cash Flows from Operating Activities** | | |
| **Total Tax Receipts** | - | - |
| **Fees, Fines, Penalties and Licenses** | - | - |
| **Profit** | - | - |
| **Non Revenue Receipts** | - | - |
| **Revenue Collected on behalf of Other Revenue Heads** | 11,100,391 | 45,021,005 |
| **Imprest Received** | 217,999,720 | 395,608,000 |
| **Recoveries from Advance** | 89,979,273 | 23,068,196 |
| **Deposit Received** | 1,015,768 | 13,234,319 |
| **Total Cash generated from Operations (A)** | **320,095,152** | **476,931,520** |
| **Less - Cash disbursed for:** | | |
| **Personal Emoluments & Operating Payments** | 212,475,207 | 367,061,335 |
| **Subsidies & Transfer Payments** | 646,390 | 1,441,798 |
| **Rehabilitation and enhancement of capital assets, capital transfers, capacity development, and other capital expenditures** | 10,834,303 | 20,407,031 |
| **Expenditure incurred on behalf of Other Heads** | 1,102,407 | 15,384,825 |
| **Imprest Settlement to Treasury** | 1,658,767 | 1,224,926 |
| **Advance Payments** | 88,423,508 | 27,446,764 |
| **Deposit Payments** | 1,086,861 | 37,828,629 |
| **Total Cash disbursed for Operations (B)** | **316,227,442** | **470,795,308** |
| NET CASH FLOW FROM OPERATING ACTIVITIES(C )=(A)-(B) | **3,867,710** | **6,136,212** |
| **Cash Flows from Investing Activities** | | |
| **Interest** | - | - |
| **Dividends** | - | - |
| **Divestiture Proceeds & Sale of Physical Assets** | - | - |
| **Recoveries from On Lending** | - | - |
| **Total Cash generated from Investing Activities (D)** | - | - |
| **Less - Cash disbursed for:** | | |
| **Purchase or Construction of Physical Assets & Acquisition of Other Investment** | 4,450,265 | 5,218,885 |
| **Total Cash disbursed for Investing Activities (E)** | **4,450,265** | **5,218,885** |
| **NET CASH FLOW FROM INVESTING ACTIVITIES( F)=(D)-(E)** | **(4,450,265)** | **(5,218,885)** |
| **NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=( C) + (F)** | | - |
| **Cash Flows from Financing Activities** | | |
| **Local Borrowings** | - | - |
| **Foreign Borrowings** | - | - |
| **Grants Received** | - | - |
| **Total Cash generated from Financing Activities (H)** | - | - |
| **Less - Cash disbursed for:** | | |
| **Repayment of Local Borrowings** | - | - |
| **Repayment of Foreign Borrowings** | - | - |
| **Total Cash disbursed for Financing Activities (I)** | - | - |
| **NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)** | - | - |
| **Net Movement in Cash (K) = (G) + (J)** | **(582,555)** | **917,327** |
| **Opening Cash Balance as at 01st January** | **582,555** | - |
| **Closing Cash Balance as at 31st December** | - | **917,327** |

### 3.4. Notes on Financial Statements – Not available

### 3.5. Performance of the Revenue Collection

**Rs. 000**

| Revenue Code | Revenue Code Description | Revenue Estimate | | Collected Revenue | |
|---|---|---|---|---|---|
| | | Original | Final | Amount ( Rs ) | As a % of Final Revenue Estimate |
| - | - | - | - | - | - |

### 3.6. Performance of the Utilization of Allocation

**Rs.000**

| Type of Allocation | Allocation | | Actual Expenditure | Allocation Utilization as a % of Final Allocation |
|---|---|---|---|---|
| | Original | Final | | |
| Recurrent | 582,753,368.57 | 582,753,368.57 | 553,356,340.28 | 94.95% |
| Capital | 17,000,000.00 | 17,000,000.00 | 12,402,757.47 | 72.96% |
| Bimsaviya | 1,000,000,000.00 | 917,702,206.95 | 406,895,443.33 | 44.34% |
| Land acquisition | 4,000,000,000.00 | 2,800,000,000.00 | 2,052,526,984.38 | 73.3% |

### 3.7. In terms of F.R. 208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments

**Rs.000**

| Serial No. | Allocation Received from Which Ministry /Department | Purpose of the Allocation | Allocation | | Actual Expenditure | Allocation Utilization as a % of Final Allocation |
|---|---|---|---|---|---|---|
| | | | Original | Final | | |
| - | - | - | - | - | - | - |

### 3.8. Performance of the Reporting of Non-Financial Assets

**Rs.000**

| Assets Code | Code Description | Balance as per Board of Survey Report as at 31.12.2025 | Balance as per financial Position Report as at 31.12.2025 | Yet to be Accounted | Reporting Progress as a % |
|---|---|---|---|---|---|
| 9152 | Machinery and Equipment | 276,649,814.20 | 276,649,814.20 | - | - |

### 3.9 Auditor General's Report

The final audit report issued by the Auditor General is scanned and attached as Annexure 01.

## <u>Chapter 04</u>

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

| **Specific Indicators** $\left\{\frac{\text{No. of Completed Files/Grants/Lease bonds in 2025}}{\text{No. of Files left without receiving the Minister's approval in 2024} + \text{No. of files received from LCG in 2025}}\right\} \times 100$ | **Actual output as a percentage (%) of the expected output** | | |
|---|---|---|---|
| | **100%-90%** | **75%-89%** | **50%-74%** |
| 1. Number of Lease Recommendations (212 inquiries) | - | - | 64.1% |
| 2. Number of Lease bonds and Grants Issued (50 + 120 inquiries) | - | - | 71.6% |
| 3. Number of transfers (24 inquiries) | - | - | 40.9% |
| 4. Number of Temporality Deeds (03 inquiries) | - | - | 50.9% |
| 5. Number of Tsunami Grants (09 inquiries) | - | - | 52.8% |

*** Files /Grants/Lease Bonds received from the LCG, have been categorized as Files /Grants/Lease Bond Inquiries resent to LCG due to the shortcomings available therein.**

# Chapter 05

## 5.1. Indicate the Identified respective Sustainable Developments Goals

| Goal / Objectives | Targets | Indicators of the achievement | Progress of the Achievement to date | | |
|---|---|---|---|---|---|
| | | | 0%-49% | 50%-74% | 75%-100% |
| **1.**End poverty in all its forms everywhere.. | **1.4.** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance | Achievement of physical targets as a percentage | Transfers 40.9% | Lease recommend ations 64.1%<br>Lease Bonds and Grants 71.6%<br>Tsunami grants 52.8% | - |
| **2.**End hunger, achieve food security and improved nutrition and promote sustainable agriculture. | **2.3.**By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, and fishers including secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment | Do | Transfers 40.9% | Lease recommend ations 64.1%<br>Lease Bonds and Grants 71.6%<br>Tsunami grants 52.8% | - |
| | **2.4.** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality | Do | Transfers 40.9% | Lease recommend ations 64.1%<br>Lease Bonds and Grants 71.6%<br>Tsunami grants 52.8% | - |

| Goal / Objectives | Targets | Indicators of the achievement | Progress of the Achievement to date | | |
|---|---|---|---|---|---|
| | | | 0%-49% | 50%-74% | 75%-100% |
| **3.** Ensure healthy lives and promote well-being for all ages | **3.9.** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| **5.**Achieve gender equality and empower all women and girls<br>. | **5.1.**End all forms of discrimination against all women and girls everywhere | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| | **5.a.** Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws. | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| **6.**Ensure availability and sustainable management of water and sanitation for all. | **6.6.** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br>Tsunami grants 52.8% | - |

| Goal / Objectives | Targets | Indicators of the achievement | Progress of the Achievement to date | | |
|---|---|---|---|---|---|
| | | | 0%-49% | 50%-74% | 75%-100% |
| **7.**Ensure access to affordable, reliable, sustainable and modern energy for all | **7.b.** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| **8.**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. | **8.4.** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| **15.**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | **15.1.** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and dry lands, in line with obligations under international agreements | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |
| | **15.3.** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |

| | | | | | |
|---|---|---|---|---|---|
| | **15.4.** By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development | Do | Transfers 40.9% | Lease recommendations 64.1%<br><br>Lease Bonds and Grants 71.6%<br><br>Tsunami grants 52.8% | - |

### 5.2. Describe the Achievements and Challenges of the Sustainable Development Goals

While necessary steps have been taken to review and amend existing laws to achieve sustainable development goals, the long period of time it takes to achieve these goals is a current challenge.

## Chapter 06 - Human Resource Profile

### 6.1. Cadre Management

| | Approved Cadre | Actual Cadre | Vacancies/ Excess |
|---|---|---|---|
| Senior | 28 | 23 | 05 |
| Tertiary | 04 | 03 | 01 |
| Secondary | 539 | 513 | 26 |
| Primary | 44 | 35 | 09 |

Above table has been prepared based on the approved and actual cadre as at 31.12.2025

### 6.2. Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

There is a dearth of the human resources in the Ministry, thus, an excessive work load has to be assigned to a single officer and as a result of that completion of a certain duty takes more time than anticipated and it affects the efficiency.

## 6.3. Human Resource Development

| Name of the Program | Number of Staff trained | Duration of the program | Total Investment (Rs.) | | Nature of the Program (Foreign / Local) | Output/ Knowledge Gained |
|---|---|---|---|---|---|---|
| | | | Local | Foreign | | |
| Tamil Language Training Programme (100 hours) | 09 | 100 hours | 15,698.00 | | Local | Obtaining second language proficiency in accordance with service requirements |
| The responsibilities and role of administrative officers | 01 | | 13,000.00 | | Local | Knowledge of the institutional responsibilities and roles of administrative officers |
| 161st Regular Session on Land Policy for Rural Development (Ms.J.A.D.R. Jayasooriya-Taiwan ) | 01 | 14.05.2025-15.06.2025 (10 days) | - | Foreign | | Knowledge of policies related to land. |
| Government Payroll System (Metropolitan Campus) | 01 | 17.06.2025 – 19.06.2025 (03 days) | 18,000.00 | | Local | Knowledge regarding the Government Payroll System |
| Advanced Ms Excel skills (Metropolitan Campus) | 01 | 25.-06.2025-26.06.2025 ( 02 days) | 13,000.00 | | Local | Computer knowledge |
| English for office use (Metropolitan Campus) | 01 | 11.06.2025-13.06.2025 (03 days) | 18,000.00 | | Local | Knowledge of the English language |
| 161th Regular Session on Land Policy for Rural Development (Ms.J.A.D.R. Jayasooriya-Taiwan ) | 01 | 14.05.2025-15.06.2025 (10 days) | - | Foreign | | Knowledge of policies related to land. |
| Salient Features of the Procurement Guidelines and manual 2024-29.05.2025 (Colombo University) | 03 | 20.06.2025 (01 day) | 28,500.00 | | Local | Knowledge of the procurement process |

| Name of the Program | Number of Staff trained | Duration of the program | Total Investment (Rs.) | | Nature of the Program (Foreign / Local) | Output/ Knowledge Gained |
|---|---|---|---|---|---|---|
| | | | Local | Foreign | | |
| New Procurement Guidelines - (Prag Institute) | 05 | 12.06.2025 (01 day) | 62,500.00 | | Local | Knowledge of the procurement process |
| Establishment Code (SDFL Institute) | 04 | 26.06.2025-27.06.2025 ( 02 days) | 52,000.00 | | Local | Knowledge regarding the Establishment Code |
| Government Financial Regulations (SDFL Institute) | 04 | 14.07.2025 ( 01 day) | 28,000.00 | | Local | Knowledge regarding Government Financial Regulations |
| Preparation of Government Officers' Advance 'B' Account. (SDFL Institute) | 03 | 19..06.2025 (01 day) | 21,000.00 | | Local | Knowledge regarding the preparation of government officers' Advance 'B' Account. |
| New Procurement Guideline (NILS Institute) | 02 | 19.06.2025 (01 day) | 37,000.00 | | Local | Knowledge of the procurement process |
| Software Quality Assurance Professional Program (SLIIT Campus) | 02 | 60 hours | 126,840.00 | | Local | Knowledge of computer software |
| Enhancing the improvement of development officers and office employees (SDFL Institute) | 02 | 18.11.2025-19.11.2025 (02 days) | 26,000.00 | | Local | Improving the knowledge of development officers and office employees |
| Advanced Microsoft Excel Training for Data Analysis (SDFL Institute) | 04 | 28.10.2025-30.10.2025 ( 03 days) | 84,000.00 | | Local | Computer knowledge |
| Awareness of the government accounting system and preparation of final accounts (SDFL Institute)) | 05 | 28.10.2025-29.10.2025 (02 days) | 65,000.00 | | Local | Knowledge regarding government accounting system and preparation of final accounts |

| Name of the Program | Number of Staff trained | Duration of the program | Total Investment (Rs.) | | Nature of the Program (Foreign / Local) | Output/ Knowledge Gained |
|---|---|---|---|---|---|---|
| | | | Local | Foreign | | |
| Workshop on the new changes to the procurement guidelines for goods, works, and consultancy services.(SDFL Institute)) | 01 | 25.08.2025-26.08.2025 (02 days) | 13,000.00 | | Local | Knowledge of the procurement process |
| Certificate Course in Disciplinary Procedures (NILS Institute) | 02 | For 10 days from 10.09.2025 | 50,000.00 | | Local | Knowledge of the Disciplinary Procedures |
| Writing minutes and official letters (NILS Institute)) | 01 | 2025.11.11 (දින 01) | 6,500.00 | | Local | Knowledge about writing minutes and official letters |
| Training program on losses, damages, and write-offs in accordance with Financial Regulations (held at the Ministry of Agriculture). | 03 | 25.11.2025 ( 01 day) | - | | Local | Knowledge of losses, damages, and write-offs in accordance with Financial Regulations |
| Training on the duties of office assistants and two-day training program in the public and semi-government sectors. (NILS Institute) | 04 | 17.12.2025-18.12.2025 (02 days) | 48,000.00 | | Local | Knowledge of the office assistants’ s ervice |
| Certificate Program in ICT & AI for office Productivity (NILS Institute) | 03 | For 05 days from 12.11.2025 | 90,000.00 | | Local | Gaining modern IT knowledge for office work |
| Effective management of personal letters (NILS Institute)) | 02 | 02.12.2025 ( 01 day) | 13,000.00 | | Local | Knowledge of the effective management of personal letters |

| Name of the Program | Number of Staff trained | Duration of the program | Total Investment (Rs.) | | Nature of the Program (Foreign / Local) | Output/ Knowledge Gained |
|---|---|---|---|---|---|---|
| | | | Local | Foreign | | |
| Duties and responsibilities of officers in charge of leave (NILS Institute)) | 01 | 06.11.2025 (01 day) | 6,500.00 | | Local | Knowledge of the duties and responsibilities of officers in charge of leave |
| Practical use of the procurement process (NILS Institute)) | 01 | 17.09.2025-01.10.2025 (03 days) | 18,000.00 | | Local | Knowledge of the practical use of procurement process |
| Workshop on Salary Conversion (NILS Institute) | 01 | 16.10.2025 (01 day) | 8,000.00 | | Local | Knowledge of the salary conversion |
| Workshop on new revisions to the procurement guidelines for goods, works, and consultancy services (SDFL Institute) | 01 | 26.11.2025-27.11.2025 (02 days) | 13,000.00 | | Local | Knowledge of new revisions to the procurement guidelines for goods, works, and consultancy services |
| Workshop on maintaining discipline among drivers and office assistants (SDFL Institute) | 01 | 27.11.2025-19.12.2025 (02 days) | 13,000.00 | | Local | Knowledge of the discipline among drivers and office assistants |
| Workshop on maintaining a personal file (SDFL Institute) | 02 | 10.12.2025-11.12..2025 (02 days) | 26,000.00 | | Local | Knowledge of maintaining a personal file |
| Training on the Procurement Process (Bid Evaluation) (Auditorium of the Ministry of Agriculture) | 100 | 23.12.2025 (01 day) | 54,348.00 | | Local | Knowledge of bid invitation |

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

By implementing training programs for the staff of the institution, the knowledge and skills of officers can be enhanced, enabling them to provide more efficient and effective services, thereby improving the overall performance of the institution.

## Chapter 07 - Compliance Report

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| **1** | **The following Financial statements/accounts have been submitted on due date** | | | |
| 1.1 | Annual Financial Statement | Complied | | |
| 1.2 | Advance to public officers account | Complied | | |
| 1.3 | Trading and Manufacturing Advance Accounts (Commercial Advance Accounts) | - | | |
| 1.4 | Stores Advance Account | - | | |
| 1.5 | Special Advance Account | - | | |
| 1.6 | Others | - | | |
| **2** | **Maintenance of Books and Registers (FR 445)** | | | |
| 2.1 | Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018 | Complied | | |
| 2.2 | Personal emoluments register/ Personal emoluments cards has been maintained and updated | Complied | | |
| 2.3 | Register of Audit queries has been maintained and updated | Complied | | |
| 2.4 | Register of Internal Audit reports has been maintained and updated | Complied | | |
| 2.5 | All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date | Complied | | |
| 2.6 | Register for cheques and money orders has been maintained and updated | Complied | | |
| 2.7 | Inventory register has been maintained and updated. | Complied | | |
| 2.8 | Stocks Register has been maintained and update | Complied | | |
| 2.9 | Register of Losses has been maintained and updated | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| 2.10 | Commitment Register has been maintained and updated | Complied | | |
| 2.11 | Register of Counterfoil Books (GAN 20) has been maintained and updated | Complied | | |
| **3** | **Delegation of Functions for Financial Control (FR 135)** | | | |
| 3.1 | The financial authority has been delegated within the institute | Complied | | |
| 3.2 | The delegation of financial authority has been communicated within the institute | Complied | | |
| 3.3 | The authority has been delegated in such manner so as to pass each transaction through two or more officers | Complied | | |
| 3.4 | The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package | Complied | | |
| **4** | **Preparation of Annual Plans** | | | |
| 4.1 | The annual action plan has been prepared | Complied | | |
| 4.2 | The annual procurement plan has been prepared | Complied | | |
| 4.3 | The annual internal audit plan has been prepared | Complied | | |
| 4.4 | The annual estimate has been prepared and submitted to the Department of National Budget (NBD) on due date | Complied | | |
| 4.5 | The annual cash flow has been submitted to the Treasury Operations Department on time | Complied | | |
| **5** | **Audit Queries** | | | |
| 5.1 | All the audit queries have been replied within the specified time by the Auditor General | Complied | - | - |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| **6** | **Internal Audit** | | | |
| 6.1 | The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019 | Complied | | |
| 6.2 | All the internal audit reports have been replied within one month | Not Complied | At times replies are delayed over a month. | Taking into discussion at the Audit and Management Committee meetings. |
| 6.3 | Copies of all the internal audit reports has been submitted to the management audit department in terms of the Sub-section 40(4) of the National Audit Act No.19 of 2018 | Complied | | |
| 6.4 | All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulations134(3) | Complied | | |
| **7** | **Audit & Management Committees** | | | |
| 7.1 | Minimum 4 meetings of the Audit and Management Committee have been held during the year as per the DMA circular 1- 2019 | Complied | - | - |
| **8** | **Asset Management** | | | |
| 8.1 | The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017 | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| 8.2 | A suitable liaison officer was appointed to coordinate the implementation of the provisions of 13 the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular | Complied | | |
| 8.3 | The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016 | Work is in progress. | | |
| 8.4 | Carrying out the excesses and deficits that were disclosed through the board of survey and other relating recommendations, during the period specified in the circular | Work is in progress. | | |
| 8.5 | Carrying out the disposal of condemned items in terms of FR 772 | Complied | | |
| **9** | **Vehicle Management** | | | |
| 9.1 | The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date | Complied | | |
| 9.2 | The condemned vehicles had been disposed within a period of less than 6 months after condemning | Complied | | . |
| 9.3 | The vehicle log books had been maintained and updated | Complied | | |
| 9.4 | Taking actions in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non- compliance in future. |
|---|---|---|---|---|
| 9.5 | Re-testing of fuel consumption of vehicles in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016 | Complied | | |
| 9.6 | The absolute ownership of the leased vehicle log books has been transferred after the lease term | Complied | | |
| **10** | **Management of Bank Accounts** | | | |
| 10.1 | The bank reconciliation statements had been prepared, got certified and furnished for audit by the due date | Complied | | |
| 10.2 | The dormant accounts that had existed in the year under review or since previous years had been settled | - | | |
| 10.3 | Action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month. | Complied | | |
| **11** | **Utilization of Provisions** | | | |
| 11.1 | The provisions allocated had been spent without exceeding the limit | Complied | | |
| 11.2 | After utilization of provisions, incurred into liabilities as not exceeding the provisions that remained at the end of the year ,as per FR 94(1) | Complied | | |
| **12** | **Advances to Public Officers Account** | | | |
| 12.1 | The limits had been complied with | Complied | | |
| 12.2 | A time analysis had been carried out on the loans in arrears | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| 12.3 | The loan balances in arrears for over one year had been settled | Complied | | |
| **13** | **General Deposit Account** | | | |
| 13.1 | The action had been taken as per F.R.571 in relation to lapsed deposits | Complied | | |
| 13.2 | The control register for general deposits had been updated and maintained | Complied | | |
| **14** | **Imprest Account** | | | |
| 14.1 | The balance in the cash book at the end of the year under review remitted to TOD | Complied | | |
| 14.2 | The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task | Complied | | |
| 14.3 | The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371 | Complied | | |
| 14.4 | The balance of the imprest account had been reconciled with the Treasury books monthly | Complied | | |
| **15** | **Revenue Account** | | | |
| 15.1 | The refunds from the revenue collected had been made in terms of the regulations | - | | |
| 15.2 | The revenue collected had been directly credited to the revenue account without credited to the deposit account | - | | |
| 15.3 | Returns of arrears of revenue forward to the Auditor General in terms of FR 176 | - | | |
| **16** | **Human Resource Management** | | | |
| 16.1 | The staff has been maintained within the approved cadre | Complied. | | |
| 16.2 | All members of the staff have been issued a duty list in writing | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| 16.3 | All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017 | Complied | | |
| **17** | **Provision of information to the public** | | | |
| 17.1 | An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation | Complied | | |
| 17.2 | Information about the institution to the public have been provided through the Website and alternative measures has been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures | Complied | | |
| 17.3 | Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act | Complied | | |
| **18** | **Implementing citizens charter** | | | |
| 18.1 | A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management | Complied | | |
| 18.2 | A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular | Complied | | |
| **19** | **Preparation of the Human Resource Plan** | | | |
| 19.1 | A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018. | Complied | | |

| No. | Applicable Requirement | Compliance Status (Complied/Not - complied) | Brief explanation for non compliance | Corrective actions proposed to avoid non-compliance in future. |
|---|---|---|---|---|
| 19.2 | A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan | Complied | | |
| 19.3 | Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular | Not complied | Annual performance agreements will not be signed as per Public Administration Circular 02/2018 | |
| 19.4 | A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular | Complied | | |
| **20** | **Responses to Audit Paragraphs** | | | |
| 20.1 | The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified | Complied | | |

# Annexure 01

ARI/A/MOA/02/2026/04/07 29May 2026

Chief Accounting Officer,

Ministry of Agriculture, Livestock, Land and Irrigation

Summary Report of the Auditor General on the Financial Statements of the Ministry of Agriculture, Livestock, Land and Irrigation for the year ended 31December 2025in terms of Section 11(1)of the National Audit Act, No 19of 2018

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## 1. Financial Statements

### 1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Agriculture, Livestock, Land and Irrigation for the year ended 31December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154 (1)of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No.19 of 2018.This report contains my views and observations on these financial statements submitted to the Ministry of Agriculture, Livestock, Land and Irrigation in terms of Section 11(1)of the National Audit (Amended) Act No.19 of 2025.The Annual Detailed Management Audit Report will be issued to the Chief Accounting Officer in terms of Section 11(2)of the National Audit Act No.19of 2018in due course. The report of the Auditor General in pursuance of provisions in Article 154(6)of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10of the National Audit Act, No.19 of 2018will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements of the Ministry of Agriculture, Livestock, Land and Irrigation give a true and fair view of the financial position of the as at31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the Note 1 of the basis for preparation of the financial statements.

## 1.2 Basis for Qualified Opinion

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

## 1.3 Emphasis of matter - Basis of preparation of financial statements

Attention is drawn to Note 1to the financial statements, which describes the basis of preparation of these financial statements.The financial statements have been prepared for the needs of the Ministry of Agriculture, Livestock, Land and Irrigation, General Treasury and Parliament in accordance with Financial Regulations 150 and 151 and Public Accounts Guideline No.02/2025dated 17December 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended solely for the use of the Ministry of Agriculture, Livestock, Land and Irrigation, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

## 1.4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Chief Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with State Financial Regulations 150 and 151 and Public Accounts Guideline No.02/2025dated 17 December 2025and for such internal control as the Chief Accounting Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Ministry.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Chief Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be effectively carried out.

### 1.5Auditor'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 and its materiality depends on the influence on economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism 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 Ministry's internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 1.6 Comments on the Financial Statements

### 1.6.1 Revenue

(a) It has been accounted the revenue collected in relation to the Government Paddy Purchasing Program under the revenue code 2003.07.00 during the year under review as Rs.68,273,002 according to the ACA-1 form and the CIGAS computer system, and the revenue in arrears related to the Government Paddy Purchasing Program as at the end of the year under review according to the ACA-1(i) form as Rs.648,779,153 and,According to the files of the Accounts Division, the revenue collected in relation to the said program during the year under review was Rs.61,894,276 and the revenue in arrears was Rs.655,157,879. Accordingly, a difference of Rs.6,378,726was observed between the revenue collected during the year and the revenue in arrears at the end of the year.

(b) The arrears amount and the year-end balance relating to the reporting year had not been accounted in the statement of arrears prepared for the year ending 31 December 2025 as per Form ACA-1(i). Accordingly, it was observed that the total amount of the arrears of income in revenue code2003.07.00 as at 31 December 2025 had not been identified.

(c) According to the files of the Accounts Division, as at the end of the year under review, the outstanding revenue to be collected from the districts of Ampara, Trincomalee, Batticaloa, Polonnaruwa and Puttalam in relation to the Government Paddy Purchasing Programme under the revenue code 2003.07.00 is Rs.579,246,258 and the outstanding revenue to be collected from those districts according to the information provided by the Lanka Sathosa Institute is Rs.24,780,679. Accordingly, a difference of Rs.544,465,579 was observed.

(d) Although the actual revenue received from the sale of hydropower for the year 2025 from the Moragahakanda Hydropower Project implemented under the Irrigation Division as per Form ACA-1(iii) of the financial statements was stated as Rs.1,436,959,970, there was a difference of Rs.434,406,039due tothe actual revenue received for the year 2025 as per the Income Statement (ACA-1)is Rs.1,871,366,009. Also, although the income credited to the Consolidated Fund as income from the power plant project was Rs.1,871,714,60 gh1, the income updated by the CIGAS computer application was Rs.1,872,063,193, resulting in a difference of Rs. 348,592.

(e) Although there was no arrears of revenue from the sale of hydropower as at 31 December 2025according to the income receipt details of the Moragahakanda Hydropower Project, Rs.11,224,726 was shown as arrears for the year 2023 in the statement of arrears of revenue (ACA-1(i)) of the financial statements.

### 1.6.2 Capital Expenditure

Although 05 sets of agricultural equipment and other equipment were received as foreign grants and handed over to the Department of Agriculture under the provisions of Rs.73,489,136 from Head 240 for the 2103 expenditure object of the development programs of the Agriculture Division, Capital expenditure had been understated by that value due to the failure to account in accordance with Financial Regulation 625(1) for the relevant grants. Furthermore, this equipment received as grants had not been entered in an inventory register in accordance with Financial Regulation 625(b) and (e).

### 1.6.3 Non-Financial Assets

(a) The total value of non-financial assets in the Statement of Non-Financial Assets (in Form ACA-06/SA 82) as per the financial statements of the Ministry as at 31 December 2025 is Rs.129,158,836,914 and the total value of non-financial assets in the Statements of Non-Financial Assets prepared by each division of the Ministry is Rs.4,391,348,967. Accordingly, a difference of Rs.124,767,487,947 was observed.

(b) Although the value of non-financial assets transferred from other institutions during the year ended 31 December 2025 in the Statement of Non-Financial Assets was Rs.22,500,000, the value of the assets transferred was Rs.4,500,000 according to the information provided by each division of the Ministry. Accordingly, a difference of Rs.18,000,000 was observed.

(c) Although the value of non-financial assets purchased by each division during the year ended31December 2025 in the Non-Financial Assets Statement was Rs.42,964,030,801, the value of assets purchased during the year was Rs.9,549,976,058 according to the information provided by each division of the Ministry. Accordingly, a difference of Rs.33,414,054,743 was observed.

(d) Although the value of non-financial assets disposed by each division during the year ended31 December 2025 in the Non-Financial Assets Statement was Rs.137,120,134,690, the value of assets disposed during the year was Rs.29,744,688,323 according to the information provided by each division of the Ministry. Accordingly, a difference of Rs.107,375,446,368 was observed.

(e) Although the Rural Economic Division, which was under the Ministry of Agriculture and Plantation Industries was transferred to the Ministry of Trade, Commerce, Food Security, Cooperative Development, Industries and Entrepreneurship Development by the Extraordinary Gazette No.2412/08 issued by the President and dated 25 November 2024, the non-financial assets of the Rural Economic Division worth Rs.109,748,677 were further accounted in the financial statements of the Ministry without being transferred to the new Ministry as per Asset Management Circular No.02/2017 dated 21 December 2017 and resulting in an overstatement of non-financial assets by that amount as at the end of the year under review.

(f) The following matters were observed during the audit of the documents and CIGAS computer system as at 31 December 2025 regarding vehicles used by the Agriculture and Livestock Division of the Ministry.

  (i) It was observed that non-financial assets have been overstated by that amount due to the inclusion of 07 vehicles worth Rs.88,692,820 in the CIGAS computer system and financial statements, which the Ministry does not own and which are not in use,.

  (ii) In accordance with the Asset Management Circular No.2/2017 dated 21December 2017, although vehicles used without registration rights should be registered in the name of their institution with the consent of the institution holding the registration rights or formally transferred to the institution, it was observed that 03vehicles worth Rs.7,600,000 in use by the Ministry of Agriculture, which are legally owned by other institutions have been entered in the CIGAS computer system.

(iii) The Ministry its Non-financial assets had been understated by that amount due to 24 vehicles worth Rs.303**,**980**,**000which is in use by the ministry and holding the registration rightsand 01vehicle whose value was not stated had not been included in the CIGAS computer system and financial statements.

(iv) It was observed that 13vehicles worth Rs.138,700,000 registered under the Ministry of Agriculture andused by other ministries and departments and, 10vehicles that the value was not stated, were being maintained without registering in the name of the transferee ministry and, It was observed that the value of these vehicles was not accounted in the financial statements, resulting in the understatement of non-financial assets by that amount.

(g) The 06 locally funded projects implementing under the Irrigation Division, which had incurred a cost of Rs.13,770.22 million up to 31 December 2023 andwere not completed by 31 December 2025 according to the Treasury print outs, had not been accounted in the Statement of Non-Financial Assets (SA 82). Furthermore, work in progress reports or detailed expenditure details had not been prepared for each of these projects.

(h) Although the Irrigation Division had stated the value of 118 vehicles as Rs.1,120,129,125 under non-financial assets as of 31 December 2025 in the statement of financial position, 178 vehicles including cabs, cars and motor vehicles owned by the Ministry registered in the name of the Secretary to the Ministry according to the information provided by the Mechanical Division had not been accounted. Furthermore, the value of 48 machineries belonging to this division had not been included in the fixed assets register and accounted.

(i) The then Ministry of Irrigation had been carrying out the construction of 5 projects and the total expenditure incurred on those projects as per the Treasury print outs as at31 December 2023 was Rs.9,679,003,446. However, although these projects were abandoned without incurring any expenditure on construction after that date, a detailed expenditure statement had not been prepared for the expenditure incurred for that. However, although the Project Accountant's letter No.MI/F/15/Project Gen/2025 dated 11 December 2025 stated that these project expenses were transferred to the Sri Lanka Mahaweli Authority and were removed from the books without formal approval, the Sri Lanka Mahaweli Authority had not informed the Ministry that those expenses or assets had been accepted and included in the financial statements, and as per the above letter,it was revealed that those expenses had not been included in the books of the Mahaweli Authority.

### 1.6.4 Financial Assets

(a) The outstanding loan balance from three officers who vacated the service in Agriculture Division of the Ministry was Rs.511,340 and the outstanding loan balances were for the period between 1-3 years.

(b) A suspended officer in the Rural Economic Division had a loan balance of Rs.175,714 for a period of 5-10 years, while the loan balance for a period of 5-10 years from two officers who had vacated the service was Rs.249,535.

(c) The outstanding loan of three officers who vacated the service of the Livestock Division was Rs.338,927 andout of which, the total balance of Rs.286,408 of two belonged to the period between 1-3 years, and the balance of Rs.62,519 belonged to the period between 10-20 years.

(d) There was an uncollected long-standingloan balance of Rs.226,024 relating to a period of 01 - 03 years, which was to be recovered from two officers who had vacated the service of the Lands Division in terms of Sections 4.5 and 4.6 of Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka.

(e) It was observed that there is a loan balance of Rs.236,802 relating to a period of 1-3 years, which is to be recovered from a deceased officer by 31 December 2025 in Land Division, as per State Accounts Circular No.262/2017 dated 29 December 2017.

(f) Action had not been taken in accordance with Sections 4.4 and 4.5 of Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka. Accordingly,total loan balance of Rs.1,895,494 asRs.222,545 due from two deceased officers,Rs.359,364 due from four retired officers, Rs.801,408 due from four officers who vacated the service, Rs.80,511 due from three employees who transferred to other institutions and an unidentified loan balance of Rs.431,666 in the Irrigation Division as at 31 December 2025 was in the financial statement without recovery. There were balance of Rs.1,015,749 for less than 1 year, Rs.359,122 for 1-3 years and Rs.520,623 for 10-20 in these balances.

### 1.6.5 Failure to maintain records and books

The Agriculture Division of the Ministry had not maintained the following documents in a systematic and up-to-date manner.

| | Type of Document | Relevant Regulation | Observation |
|---|---|---|---|
| (a) | Losses and Waivers Register | F.R. 104 | It was not updated and maintained. |
| (b) | Vote Ledger | F.R.447 | It was not updated and maintained. |
| (c) | Inventory Register for foreign-funded equipment | F.R.625 (b) and (e) | It was not maintained. |

## 2. Report on other legal Requirements

I hereby declare the following in accordance with Section 6(1)(d) of the National Audit Act, No.19 of 2018,

(a) That the financial statements are consistent with the previous year,

(b) That the following recommendations I had made on the financial statements for the previous year had not been implemented.

| Paragraph reference from the report for the previous year | Unimplemented Recommendation | Paragraph reference in this report |
|---|---|---|

Agriculture Division

| | | | |
|---|---|---|---|
| (a) | 4.9 | Action should be taken to provide answers to audit queries. | 4.6 |
| (b) | 1.6.2.2 (e) | The vehicle should be repaired and put into use. | 4.7(b) |
| (c) | 4.10 | The deposit amount should be recovered. | 4.7(a) |

Irrigation Division

| | | | |
|---|---|---|---|
| (d) | 1.6.1 (b) I | Project expenses that were ongoing under the Ministry, whose construction has been suspended without allocating funds for the years 2024 and 2025, should be accounted in the Statement of Non-Financial Assets (SA 82). | 1.6.3 (g) |

## 3. Financial Review

### 3.1 Imprest Management

In 2025, the Ministry had paid a capital value of Rs.8,784,284,850 and incurred an interest expense of Rs.1,443,211,932 in respect of the term loan amount of Rs.47,465,632,771 obtained from a state bank due to non-receipt of funds from the treasury to pay for the relevant suppliersfor fertilizer imported in the years 2018, 2019, 2020 and 2021 by the previous state fertilizer companies i.e. Ceylon Fertilizer Company Limited and Colombo Commercial Fertilizer Company Limitedat due date of the letters of credit. Accordingly, it was observed that the remaining outstanding loan value was Rs.8,993,745,673.

## 3.2 Revenue Management

(a) Although the semi-annual arrears of revenue reports under the revenue code No. 2003.07.00 of the Agriculture division should be submitted to the Auditor General with a copy to the Director of Public Finance within one month of the expiry of the said period in accordance with the provisions of F.R.128(2)(d), F.R.176(1) andparagraph 08 of the 01/2015 Fiscal Policy Circular dated 20 July 2015, none of the said reports in respect of the financial year 2025 had been submitted to the Auditor General within one month of the expiry of the relevant period.

(b) Although the variance between the revised revenue estimate and the actual revenue related to the government paddy purchasing program in Form ACA-1(iii) was stated as 38 percent and the reason for the variance was stated as the inability to collect the expected revenue, the specific reasons for this had not been given.

(c) According to the financial statements, the arrears of revenue to be recovered as at 31 December 2025 in relation to the government paddy purchasing program is Rs.648,779,153, which is 90 percent of the total arrears of revenue and was a loan balance older than 03 years. Accordingly, the supervision of the Ministry over revenue collection and recovery of arrears of revenue by the District Secretariats was at a very weak level.

(d) The criteria for determining the fees charged by the International Training Institute for Irrigation and Water Management in Kotmale for short-term training programs and the fees charged for other facilities provided by the institute had not been determined and ministerial approval had not been obtained for the same and, the said training institute had conducted 18 short-term training programs during the year 2024 and earnedan income of Rs.4,435,871 to the institute, and although there was a surplus of Rs.2,222,241 after deducting the expenses, only Rs.1,573,127 had been credited to the state revenue. Accordingly, an amount of Rs.649,114had not been credited to the state revenue.

### 3.3 Expenditure Management

(a) Provisions ranging from 16 percent to 100 percent remained in respect of 03 expenditure objects from the provisions allocated from Head No.240 in terms of Section 6 of the Appropriation Act No.03 of 2025 for recurrent and capital expenditure objects under the operational and development programs of the Agriculture Division. It was observed that there were deficiencies in the preparation of the Ministry's annual expenditure estimates, as well as the failure to implement planned capital projects properly and the allocation of provisions in excess of requirements.

(b) A range of 22 percent to 83 percent of the allocations obtained in accordance with Financial Regulation 66 under the Capital Expenditure objects for Capital Expenditure objects Nos.2506 and 2509 in relation to Projects Nos.80, 93 and 94 under the Development Programmes and 15 percent of the allocations obtained for Capital Expenditure Objects No.2003 under the Operational Programmes of the Agricultural Division had been remained.

(c) The budget provisions under capital expenditure objects in relation to project numbers 47, 66, 80 and 95 under the development programs of the agricultural division from 25 percent to 77 percent, and the budget provisions allocated for 10 recurrent expenditure objects under the operational programs of the agricultural divisionfrom 16 percent to 95 percent and the budget allocations for two recurrent expenditure objects related to Project Nos.73 and 91 under the development programs of the agricultural division as 14 percent and 31 percent respectively had been remained in those expenditure objectseven after transferring surplus provisions to other expenditure objects in accordance with Financial Regulation 66.

(d) The budgeted provisions allocated from the Appropriation Actfor recurrent expenditure objects1101, 1102 and 1201 under the operational programs of the agricultural division ranging from 23 percent to 45 percent had been remained.

(e) The budget allocations of Rs.310,500,000 for Capital Expenditure Objects Nos.2001, 2002 and2103 under the operational programs of the agricultural division and for Capital Expenditure Object No.2002 under the development programs, and the remaining allocation after transferring the allocation of Rs.16,668,000 to another expenditure object under F.R. 66 out of the Rs.39,000,000 allocation for Recurring Expenditure Object No.1509 in relation to Project No.64 under the development programs,and after transferring Rs.500,000 from the allocation for recurrent expenditure objectNo.1405 under the operational programs of the agricultural division to another expenditure item under F.R. 66, had been 100 percent remained.

(f) Although provisions should be obtained through the Virement procedure or supplementary for foreign grants/gifts that were not expected at the time of preparing the draft estimates in accordance with Financial Regulation 622, although provisions of Rs.73,489,136 had been obtained under Head 240 in relation to the expenditure object 2103 under the development programs of the agricultural division, it was observed during checking files to the audit that, the foreign grant received was not an emergency grant and that foreign grant had been expected since before the year 2025.

(g) As stated in Form ACA 2(ii) in the financial statements, the savings inprovisions of Expenditure Object No.2103 under Development Expenditures was 79 percent, and although the reason for the saving was stated to be the refusal to purchase laptops and scanners, it was observed that 94 percent of this balance was allocated under Head 240 for agricultural equipment received as foreign grants.

(h) Due to the allocation of funds without identifying the needs and in accordance with Financial Regulation 50 when preparing the estimates and not carrying out the work as planned, Rs.200,000 out of the Rs.15,500,000 allocation for 04 capital expenditure objects and 02 recurrent expenditure objects under the Irrigation Division as at 31 December 2025 had been totally saved. Furthermore, out of the total net provision of Rs.51,247,720,000 allocated for 26 expenditure objects, a total of Rs.23,180,545,846 had been remained, and that saving ranged between 30 percent and 93 percent.

(i) Although the provisions of Rs.11,900,360 were allocated for 03 expenditure objects in Program 01 of the Land Division of the Ministry in the year 2025, Rs.7,529,617 i.e. between 60 and 100 percent had been remained out of those provisions. Furthermore, out of the provision of Rs.31,130,339 allocated for 07 other expenditure objects, Rs. 11,000,869, i.e. between 25 and 50 percent had been remained out of those provisions.

(j) Out of the original provisions of Rs.5,000,000,000 which was allocated without a formal study of whether the relevant projects could be implemented while allocating funds for the land division under expenditure objects 2105 and 2509 for the 02 programs of the Ministry, Rs.1,282,297,793 were transferred to other expenditure objects under F.R.66, and Rs.1,258,279,779 or 34 percent had been remained thereafter.

(k) It is the responsibility of the Accounting Officer to prepare the annual expenditure estimates in accordance with Financial Regulation 50, to ensure that the draft estimates relevant to his department are prepared in accordance with the regulations and to prepare the estimates as completely and accurately as possible. However, it is observed that the original estimate provision of Rs.4,054,000,000made for 09 expenditure objects in the Lands Division was later reduced by 30 percent, i.e. a total of Rs.1,220,265,000.

### 3.4 Incurring Liabilities and Commitments

(a) Liabilities and Commitments of the ministry as at 31 December 2025 amounting to Rs.4,272,613 had not been included in the commitments and liabilities register by the livestock division of the ministry.

(b) Liabilities of Rs.17,127,988 belonging to the agriculture and livestock division of the Ministry had not been included under annexure No. iii of the Statement of Liabilities and Commitments in the Financial Statements.

### 3.5 Certification of the Chief Accounting Officer

Although the Chief Accounting Officer was required to provide assurances regarding the following matters in accordance with the provisions of Section 38of the National Audit Act, No.19of 2018, action had not been taken accordingly.

Although the Chief Accounting Officer and the Accounting Officer were required to ensure that all audit inquiries were answered within the specified time frames as required by the Auditor General, the audit inquiries had not been answered in accordance with paragraph 4.11of the report.

### 3.6 Non-compliance to Laws, Rules and Regulations

| Reference to Laws, Rules and Regulations | Non Compliance |
|---|---|
| Treasury Secretary's Asset Management Circular No. 05/2024 dated 18 December 2024. | It was observed that 41 vehicles belonging to the Agriculture Division of the Ministry proposed to be disposed and 05 vehicles mentioned in the Comptroller General's letter No. CGO/NFAMS/01/03 dated 20 May 2024 had not been disposed of even by the last day of the year under review. |

### 3.7 Informal transactions

Although the driver of the vehicle bearing PF-8350 of the agriculture division of the ministry was not reported for work due to taking leave for personal reasons from the end of July to the end of September 2025, an amount of Rs.110,955 had been credited to his bank account as monthly salary for those months. Accordingly, the audit was problematic about the manner in which the authorization, approval, certification and payment were made in accordance with Financial Regulations 136,137,138 and 139 regarding the payment for a period which not worked and the payment without source documents.

### 3.8 Operating of Bank Accounts

Information regarding two official bank accounts in the names of the Secretary of the Ministry of Agriculture and the Chairman of Farmers' Trust Fund maintained at the Bank of Ceylon of Battaramulla which are operated under the authority of the Secretary of the Ministry had not been submitted in Annexure (viii) included in the financial statements of the Ministry.

### 3.9 Deposit

It was observed that the outstanding deposit balance of Rs.426,593 relating to the land sector, which was over 02 years old as of 31 December 2025 had been retained in that account without being credited to the state revenue.

### 3.10 Informal transactions

Despite the fact that the letter dated 13 March 2024 from the World Bank's Sri Lanka and Maldives Manager stated that accommodation and food would be provided to the both Secretary of the Ministry of Lands and the Director (Land Policy) of the Ministry for the World Land Conference held in 2024, they were paid Rs.714,980 as a combined allowance and as of 27 March 2026, the amount still due from the two said officials was Rs.640,419.

## 4. Operational Review

### 4.1 Performance

#### 4.1.1 Non-achievement of the Expected Output Level

(a) It was observed that the number of land plots surveyed by the Land Division from 2018 to 31 December 2025 after paying Rs.1,656,654,840 to the Survey Department, was 2,134,429 and only 482,139 title deed had been issued.

(b) A provision of Rs.276,510,197 had been provided to the Registrar General's Department for the Bimsaviya program under the Ministry's expenditure object from the year 2018 to 31 December 2025. It was observed that since the year 1998 when this program was initiated, the number of plots for which schedules were sent to the Registrar General's Department for the preparation of title deed was 864,960 and out of that the number of title deed registered was 474,518 or 54 percent.

#### 4.1.2 Non-achievement of the Expected Outcome

(a) A sour banana processing center for export was constructed in a storage facility belonging to the Paddy Marketing Board in the Kachchigalara Grama Niladhari Division of the Hambantota District in 2023, 2024 and 2025 at a cost of Rs.47,289,222 without conducting a feasibility study to minimize post-harvest crop losses and improve storage facilities and specific decision had not been taken to hand over the building and fixtures after the construction work was completed. Later, it was proposed to establish a farming company and hand over the stewardship of the center to that company, and although a contract had been entered into with the selected service provider for the legal procedures related to registering the farming company at a bid value of Rs.500,000, Furthermore, it was observed that exporter had not been identified to export the expected output from the implementation of this project and that the expenditure incurred on this inactive project had been idled.

(b) It had been agreed to develop the software system developed within the National Fertilizer Secretariat under 04 modules (Estimating fertilizer demand, planning distribution, regulating production/blending/import and quality control and other activities) specified in Annexure C of the Agreement with the aim of formalizing the use of fertilizers by preparing accurate and up-to-date estimates to overcome the inconvenience caused by the lack of primary data on fertilizer requirements and demand for fertilizers, nevertheless It was observed during inspections conducted on 13 December 2024 and 02 February 2026 that only the fertilizer production/blending/ regulation of import and quality control were being carried out through this system. Furthermore, it was observed that since other functions that were expected to be performed through this system are also being performed through the recently developed software systems (Agrarian.lk, Geo Goviya and FarmerNet.lk) by the Department of Agrarian Development and due the duplication of Information Technology based services has frustrated the national objective of preventing uneconomical expenditure programs from being added to the national budget and most of them having to be financed through foreign funds.

#### 4.1.3 Annual Performance Report

Information regarding projects under the Irrigation Division that were interrupted or not constructed due to non-receipt of annual allocations or other reasons, i.e., the unfinished projects such as the Maduru Oya South Bank Development Project, the Rideemaliyadda Project, the Welioya Integrated Development Project, the KivulOya Reservoir Project and the Ginnilwala Project which were under construction under the Irrigation Division were not provided in the 2024 and 2025 performance reports.

### 4.2 Foreign Funded Projects

#### 4.2.1 Performance ofForeign Funded Projects

The project to develop 06 small-scale dairy production centers and 30 milk collection centers with financial and technical cooperation from the Republic of France worth of 13.9 million Euros implemented under the Livestock Sectorwith the aim of developing the liquid milk industry in Sri Lanka, provided machinery worth Rs.500,000,000 each to the 06 milk processing centers.Even though the machinery was installed more than 02 or 03 years, production activities had not been commenced in the 05 milk processing centers in Attanagalla, Bandaragama, Polonnaruwa, Wennappuwa and Nawalapitiya due to lack of financial capacity to purchase the homogenizer machine. Furthermore, it was observed during the audit conducted on 2026.03.06 that due to the deterioration of liquid milk products released to the market due to the absence of that machine, approximately 1940 of 250 ml milk bottles were stored at the Nawalapitiya Milk Processing Center for disposal. Also, the modern laboratory equipment set worth Rs.1,429,698 (Euro 4,084.85) provided to milk processing centers to test the quality of liquid milk collected daily had not been used, and the quality of milk samples was tested using traditional methods.

### 4.2.2 Underutilized/ Idle Assets of the Project

The 05 sets of milk cooling tanks each and other related equipment worth Rs.13,366,593 (Euro 38,190.28) had been provided to 06 milk processing centers with the aim of encouraging 30 milk collection centers, each with 5 milk collection centers affiliated to 06 milk processing centers under the project proposal for the development of small-scale dairy cooperatives mentioned in 4.2.1 above under the expenditure object 118-2-3-056-2506/12. Nevertheless, that equipment sets had not been provided to the relevant milk collection centers and although trucks and milk collection units worth Rs.9,131,594 (Euro 26,090.27) and Rs.6,048,262 (Euro 17,280.75) respectively had been provided for the purpose of transporting milk from those milk collection centers to the milk processing centers, the audit observed that the relevant machinery remained idle as the milk suppliers visited the milk processing centers daily and supplied milk.

### 4.3 Procurements

(a) 41,876 metric tons of fertilizer imported into the country by the Ministry of Irrigation under a contract with Ameropa Asia Pte Ltd was received at the port premises on 02 December 2022 and handed over to the Secretary of the Ministry of Agriculture through a letter dated 05 December 2022 from the Secretary of the Ministry of Irrigation and although all the documents related to this fertilizer stock such as Bill of Lading, Commercial Invoice, Customs Declaration (CusDec) and Daily Cargo Discharge Statement (F7) certificate related to fertilizer unloading confirmed that a quantity of fertilizer stock had been supplied, the Secretary of the Ministry of Irrigation had been informed with through letter CCFL/PS/MOP/MI/02/2023 dated 2023.01.20 with a copy to the Secretary to the Ministry of Agriculture and the Operations Manager of the Sri Lanka Ports Authority by the Chairman of the Colombo Commercial Fertilizer Company Limited Relating to the amount of fertilizer received by the relevant fertilizer companies that 41,714.5 metric tons was received and there was a shortage of 161.5 metric tons of fertilizer. The parties responsible for this shortfall had not been specifically identified and steps had not been taken to compensate for the loss of Rs.55,769,987 incurred by the government. The parties responsible for this shortage had not been specifically identified and steps had not been taken to settle for the loss of Rs.55,769,987 incurred by the government.

(b) According to the bidding documents for the construction and maintenance of the International Training Institute for Irrigation and Water Management of Kotmale, the contractor was required to submit valid evidence that at least 02 projects of similar value and complexity had been successfully completed in the last 5 years.Accordingly, although it was recommended that the bid documents submitted for 06 construction contracts of the institution fail to provide valid evidence for the above information, as per the Technical Evaluation Committee report dated 20 September 2024, a re-bidding of the bids was considered as non-responsive; contrary to this, It had been decided on 01 October 2024 by the Procurement Committee to award all 06 contracts with an estimated value of Rs.21,199,239 to one contractor to complete the construction within a month and awarded the contract.

Since the provisions for the year 2024 will end on 31 December 2024 and the bills related to this procurement must be settled before 31 December 2024, the above decision had been taken by the Procurement Committee accepting the registration of this contractor with the CIDA institution as a matter of experience.

### 4.4 Assets Management

(a) The two buses JK-0194 and JK-0188 owned by the Agriculture Division have been operating office transport for many years without the intervention of any responsible official outside the control of the Ministry. After collecting transport fees from the officials travelling on them for many years and covering the fuel expenses of the relevant buses with that money, an amount of Rs.205,840 and Rs.257,111 respectively remained in the hands of those officials on 30 June 2025. However, the audit observed that all the repair and maintenance expenses related to these buses are disbursed by the Ministry and the money earned through the utilization of state property is being misused outside the control of the Accounting Officer, Revenue Accounting Officer or an officer authorized by him.

(b) The Procurement Division of the Ministry had been purchased 05 tires and 05 tubeless valves for the PF-8350 cab belonging to the Agriculture Division on 20 August 2025 and out of which 04 tires worth Rs.127,776 had gone missing while being stored in the net room where scrap materials and tires are stored on the ground floor of the Ministry. Although the higher management had been informed about this on several occasions, the necessary steps had not been taken.

(c) Although 14 vehicles out of the vehicles used by the Irrigation Division were identified as requiring repairs on 04 March 2026, their repairs had not been carried out as of 31 December 2025.

(d) 169 vehicles registered in the name of the Ministry of Irrigation are used by other ministries, departments, boards and private contractors, while 67 vehicles owned by other institutions are used by the Ministry of Irrigation and projects under the Ministry. Action had not been taken in accordance with the circular No. MF/CG/02 (cir) dated 21 December 2017 issued by the Ministry of Finance and Mass Media on the resolution of issues regarding the registration rights of government vehicles.

(e) During the physical inspection conducted on 26 March 2026, it was observed that 21 vehicles including 04 petrol vehicles with an engine capacity of more than 1800 and 11 diesel vehicles with an engine capacity of more than 2300 belonging to the Irrigation Division had been parked for a considerable period of time, exposed to the open environment on the Ministry premises, without being used. No suitable alternative measures had been taken to reuse these vehicles or to dispose of them.

(f) Although the construction of the Uma Oya Multipurpose Development Project was completed on 03 April 2024 at a cost of Rs.76,876,755,039 and the project was handed over and also the handover certificate was obtained and due to the failure to complete the defect liability period by 31 March 2025 that period had been extended to 30 September 2025 and 31 March 2026 respectively. In addition, the Project Management Unit was reappointed to issue the certificate of settlement of the project's accounts as per the Cabinet decision dated 15 December 2025 until 31 March 2026. However, that time had also passed by now and it had been failed to windup the project activities after preparing the final accounts of the project and settling the accounts. Although the power plant, reservoirs and other project assets that generate electricity have been used by the Electricity Board and the Mahaweli Authority since 03 April 2024, their costs had not been identified and their formal transfer to the relevant institutions had not been made.

(g) Although a special investigation committee had been appointed to investigate the irregularities in the organic fertilizer project by the Land Reforms Commission, the report of that committee has not been completed yet. Under the said organic fertilizer project, assets worth Rs.31,027,575 had been included in the fixed assets account of the Ministry and it had been removed from the books in the year 2024 without physical verification of those assets and outside the proper procedure for transferring the assets.

(h) According to the performance report of the ministry submitted on 31 December 2025, although it was planned to amend 12 acts and laws related to the land sector from the year 2023 the work related to 6 more Acts had not been completed and also according to the performance report submitted by the Ministry of Lands in the years 2023 and 2024 also it was mentioned that the State Land Grants (Special Provisions) Act No.43 of 1979 would be amended and although the responsibility of amending this act was assigned to the Department of the commissioner General of Land, the work of amending the act had not been carried out as of 2026.03.31

**4.5 Losses and Waivers**

(a) Although the losses of Rs.29,579,093 related to 44 incidents brought forward between 02 and 11 years after the occurrence of losses related to the agriculture division had been recovered through insurance compensation and from the responsible officers, action had not been taken in this regard in accordance with Financial Regulation 104 (4) and Financial Regulation 109 (1) and also, although approval had been given in the Final Report of Financial Regulation 104 (4) to write off the loss value of Rs.1,788,138 related to 11 incidents, they had been further brought forward as balances in the financial statements without taking action in accordance with Financial Regulation 109 (1).

(b) Although a full report should be submitted within three months from the date of occurrence of the loss or damage as per Financial Regulation 104(4), the final reports for losses of Rs.3,765,406 relating to 26 incidents related to the agriculture division from 2013 to 2023.12.31 had been submitted in the year 2025. Similarly, the loss values of Rs.6,185,021 relating to 05 incidents shown as the closing balances in the financial statement of the year 2024 from previous years in that sector had not been shown as the opening balances of the year 2025.

(c) The loss records had not been updated in accordance with the relevant formats as per Financial Regulation 110 by the agriculture division and the loss value of Rs.9,970,679 relating to 11 incidents reflected in the financial statements had not been recorded in the loss and waivers register and the loss value of Rs.15,120,182 relating to 05 incidents recorded in the loss and damage register of the same division had not been recorded in the financial statements.

(d) Although preliminary reports should be submitted immediately after the incident in accordance with Financial Regulation 104(3) in relation to 07 incidents that occurred in the year 2025, the preliminary reports had not been submitted by the agriculture division by the date of this report.

(e) According to the financial statements submitted as of 31December 2025, the loss of Rs.10,482,500 from a vehicle accident that was not reported and carried forward in the Irrigation Division had not been recovered from the responsible parties.

(f) Although according to the Financial Regulations 104(1), inspections should be carried out immediately after a loss or damage occurs to ascertain the exact extent and cause of the loss to identify those responsible parties, preliminary inspections had not been carried out on vehicles bearing numbers PH-856 and CAO-8946 of the Land Division as of the date of audit 26 March 2026. In addition to the above two vehicles, accidents had occurred on vehicle bearing number 64-3203 on 21st May 2025 and 24th June 2025 and although 07 months had elapsed by the date of audit, it was observed that the final inspection had not been carried out as per Financial Regulations 104(4).

(g) It is observed that the government has suffered a financial loss of Rs.93,750 due to the fact that the item Sony Video Camera Battery Charger which was used by the private secretary of the former Minister of Lands has not been handed over and it was observed that although more than 02 years had passed since the relevant incident occurred as of the 27 March 2026 which audit date, the relevant loss had not been recovered from the responsible parties in accordance with Section 104(4) of the Act.

### 4.6 Failure to respond to Audit Queries

Although the Chief Accounting Officer should be reviewed audit query register referred to in Financial Regulation 452(1) after a specified period and should be taken action to correct the omissions shown in the audit queries received and should be replied to those queries immediately as per the Financial Regulation 155, answers for 06 audit queries issued to the Ministry have not been answered as of the date of this report.

### 4.7 Management Weaknesses

(a) Although the building premises named DPJ TOWER located at No.288, Sri JayawardenapuraKotte, has been handed over to the lessor on 31 January 2020 as per lease agreement No.2178 entered into with the private company on rental basis for the Ministry of Agriculture from 08 April 2016 to 07 April 2021 i.e. for a period of 05 years, the Refundable Security Deposit of Rs.63 million paid to the lessor by the Ministry of agriculture has not been recovered until now. According to the terms of the agreement No.11, the lessor should arrange to give the security deposit to the lessee within one month after the end of the agreement and handing over the leased property. According to that, the time that the lessor has illegally withheld the security deposit has been exceeded 05 years.

(b) An insurance compensation of Rs.7,500,000for the accident that occurred on 21 March 2021 to the vehicle bearing number KW-8202 worth Rs.18,000,000belonging to the fertilizer division allocated to the State Minister of Agriculture had been agreed to pay the insuranceand accordingly the vehicle had been handed over to the relevant garage for repairs on 12 December 2022. An amount of Rs.5,625,000 had been paid by the Insurance Corporation to the vehicle repair company on 23 March 2023. Eventhough 03 years have passed as of the date of this report,the relevant repairs have not been carried out.

(c) A capital expenditure of Rs.125,574,546 had been incurred from the International Training Institute for Irrigation and Water Management of Kotmale in the year 2024. Although it was an increase of 11.67 percent compared to the year 2023, there was no significant increase in the number of new students enrolled for the courses. Accordingly, the number of new students enrolled for the Higher National Diploma in Irrigation Technology course in the years 2024 and 2025 was a low number of 23 and 36 respectively.

(d) The Cabinet approval for conducting international level training courses on irrigation and water management of Kotmale was received through Cabinet Paper No.17/1456/729/017 dated 18 July 2017 nevertheless, the number of international training courses conducted by the institution so far was only 5 and international training course had not been conducted after 2019.

(e) There was an ability to use the institute's website as a main media for promoting international-level training courses on irrigation and water management of Kotmale was noted. Although the website was updated in December 2024 at a cost of Rs.168,275, any detailed information about the foreign training courses planned to be held, the course contents, the facilities provided by the institution and its prices in a way that would attract foreign students had not been displayed through this website.

**4.8 Transaction in the Nature of Financial Irregularities**

The agreements had been entered into for the construction of 200 meters of fence for the women's hostel and 212 meters of fence for the men's hostel under the contract agreement for the construction of a security fence around the hostels of the International Training Institute for Irrigation and Water Management of Kotmale. During the audit conducted with the consultant of this institution on 28 July 2025, it was revealed that an excess of Rs.529,627 had been paid for 55 meters of the fence that had not been constructed.

## 5. Human Resource Management

### 5.1 The Approved Cadre and Actual Cadre

(a) The approved cadre of the agriculture division of the Ministry was 2177 by 31 December by the year under review and out of that 93 were vacant. Out of which, it was observed that 21 posts were senior level posts. The approved cadre of the livestock division was 566 and out of that 45 were vacant. 05 senior level posts, 01 tertiary level post, 26 secondary level posts and 09 primary level posts were vacant in the land division.

(c) On 14 July 2025, the Commission to Investigate Allegations of Bribery or Corruption had recommended the promotion of this officer to Grade I of the Sri Lanka Administrative Service by the Additional Secretary (Administration) of the Ministry of Lands without taking disciplinary action under Chapter XLVIII of the Establishments Code in relation to an Assistant Secretary of the Lands Division who had been arrested under the Anti-Corruption Act No. 09 of 2023 and released on bail. Since the officer was arrested on 14 July 2025 and the approval given to her to perform duties in a higher position had also been terminated, the Assistant Secretary (Administration) had informed the officer by letter No. 1/16/35/101 dated 2025.08.01 to hand over the vehicle and driver allocated to her to the Transport Division from 01 August 2025. However, during the month of August, the vehicle and driver were not handed over to the Transport Division and the vehicle was used as a reserved vehicle.

P.K.M.P.Nonis
Deputy Auditor General
For Auditor General