ANNUAL PERFORMANCE REPORT
2024

DEPARTMENT OF NATIONAL COMMUNITY WATER SUPPLY
HEAD 332

CONTENTS

Chapter 01

Organizational Profile and Executive Summary

1.1. Introduction

Water is a basic human right, and community-based water projects have been implemented in Sri Lanka for decades to provide safe drinking water to the rural population, who are facing difficulties in obtaining adequate and quality drinking water. By 2010, the number of community water projects implemented and handed over to the community throughout the island, with the full support and financial contribution of international organizations such as the Asian Development Bank, the World Bank, DANIDA and FINNIDA, was close to 5000.

However, due to various problems, nearly 500 community water projects out of the projects initiated were at risk of becoming inactive by the 2010s. Having understood this, the then government established the National Community Water Supply Department to prevent this situation and ensure the sustainability of community water projects.

The main objective of this department, which was established with effect from 19th September 2014, was to regulate these community water projects and ensure their sustainability.

Although this department was established in the latter part of the year 2014, the slow pace of approving the recruitment procedures for the department for recruiting officers necessary for the Department, appointing staffs, and establishing the head office and district offices resulting in the amount of funds allocated for this Department by the General Treasury being less than Rs. 100 million annually remained a major obstacle in carrying out its duties.

By 2019, overcoming these challenges, the implementation of new water projects was initiated, moving beyond the regulation function over the existing water projects and community-based organizations, thereby expanding the role of the department to provide a unique service and function to the rural community. It is worth mentioning here that a programme called "Praja Jala Abhimani" (Community Water Pride) was introduced, thereby providing safe drinking water to many new villages and implementing the programme continuously.

This department, which had been operating very sluggishly for more than 5 years with an annual budget of less than Rs. 100 million, has been continuously allocated more than Rs. 1500 million from the annual budget of the Government of Sri Lanka since 2019 because of overcoming of the above-mentioned challenges. At a time when the department is working to expand its role, it should be noted that the years 2021 and 2022 in particular were two years that saw a huge crisis in the economy of the entire world. Although the Corona disaster could be controlled to some extent, many economies have failed to recover from the economic disasters caused by it and recover.

The government has introduced various strategies to overcome this economic crisis, and the priority of development programmes has been challenged by factors such as political instability and the declaration of the country's bankrupt state. In 2022, the annual budget allocation was cut by 50%, resulting in a number of projects which had been suspended and aborted, having to be funded in 2023.

The continuous increase in the prices of goods and services created a hyperinflationary situation in the country, and the entire economy was in a state of severe crisis. In particular, the construction sector suffered a massive collapse. This situation also adversely affected community water projects and various strategies were used to successfully meet the existing challenges and continue to achieve the expected objective of the department.

It was possible to improve the performance of this Department in the year 2024 and 5836 new water connections were provided by completing the work of the new water projects under the Prajaa Jala Abhimaanee Programme and 4170 beneficiary families were provided with drinking water under nano water projects. In addition, it was possible to link 26,498 families with the Department by registering the existing water projects with the Department. A survey conducted on the water projects that became inoperative because of acquisition by the National Water Supply and Drainage Board and various other reasons revealed that the number of associated water connections was 163,394. At present, the number of beneficiary families provided with water by the community-based organizations registered with the Department is 604,981, which is 11 % of the national cover.

In the year 2024, 179 projects were implemented targeting 47,667 beneficiary families under the Prajaa Jala Abhimaanee Programme and it was possible to complete the work of 22 of the projects. In addition, programmes such as preparing purification methodologies, conducting awareness and training programmes, implementing rain-water collecting and sanitary programmes, conserving water catchment area, supplying water to areas where chronic kidney disease of unknown aetiology, and rehabilitating and equipping of water projects implemented targeted at 64,100 member families of existing water projects were also conducted successfully.

The auditing of the programme to formulate and implement water security plans was carried out in the year 2024, thereby making it more meaningful. The water security planning auditor specially trained for this purpose were summoned once again to conduct an audit review, which enabled the identification of many problems. Moreover, one programme to supply solar power to water projects and three projects to recharge subterranean water were conducted with a view to opening new pathways to the field of community water supply and completed during the year.

Execution of many decisions aimed at regulating registered community-based organizations with the Department and ensuring their sustainability was commenced during the year and regimens were formulated for activities such as management of assets belonging to community-based organizations and for bringing under the Department those community-based organizations that had been functioning under various institutions.

The Strategic Development Plan for the Department was prepared to be implemented from the year 2025 to the year 2029. This Plan identified the present condition of the community-based organizations that implement community water projects as well as that of the Department of National Community Water Supply and it is expected to give sustainable solutions to the existing problems and cause all community water projects to supply safe drinking water as well as increase the community water supply cover to 14 % by 2029.

At present, 11 % of Sri Lanka's pipe-borne water cover is from community water projects. Around 604,981 families in over 5000 villages have their water needs met through 3783 community water projects and as far as the overall number of beneficiaries is concerned, it is a population in excess of three million people.

This report summarizes the Department's maximum commitment and intervention in 2024, especially in providing safe drinking water to the public, for the purpose of achieving the Sustainable Development Goals which the United Nations expects its member countries to achieve by the year 2030.

1.2. Vision, Mission, and Objectives of the Department

Vision

Providing safe drinking water through sustainable community water projects

Our Objectives

- Providing facilities necessary for the community to obtain clean and safe drinking water
- Minimizing the expenditure on supply of safe drinking water through guiding community-based organizations and providing them with technology
- Identifying and saving sources of water and catchment areas while guiding Community-Based Organization towards it
- Managing community water projects through implementing the participatory development approach positively and practically and
- Developing the Department's capacity to conduct sustainable community water projects.

1.3. Main Functions

1. Assisting in the preparation and the updating of national policies relating to rural water supply and sanitation.

2. Preparing constitutions and agreements for community-based organizations.

3. Managing the construction and maintenance of water schemes carried out by community-based organizations and providing technical assistance when necessary.

4. Coordinating with relevant government and non-government organizations at various levels to facilitate the work of community-based organizations.

5. Introducing and monitoring relevant criteria to prepare and keep water tariff systems of community-based organizations in a fairer and more systematic manner.

6. Providing necessary support and regulation to maintain the financial management of community-based organizations in a systematic manner with financial discipline.

7. Implementing a participatory monitoring system to effectively carry out the activities of community-based organizations.

8. Encouraging and assisting CBOs to identify and implement strategies to ensure the long-term sustainability of CBOs and the water schemes they manage and providing the necessary financial and technical support for the renovation and improvement necessary in this regard.

9. Directing CBOs to treat the water they provide before supplying it whenever necessary and providing the necessary technical support for this.

10. Establishing regional forums, district forums and national forums for CBOs.

11. Identifying and implementing a practical methodology for continuous monitoring of the quality of water provided by water schemes belonging to CBOs.

12. Preparation of the plan for water source conservation and improvement and water security

13. Providing necessary training to streamline the management activities of community-based organizations to ensure the continuity of community water projects

14. Implementation of rainwater management programs and sanitation programmes

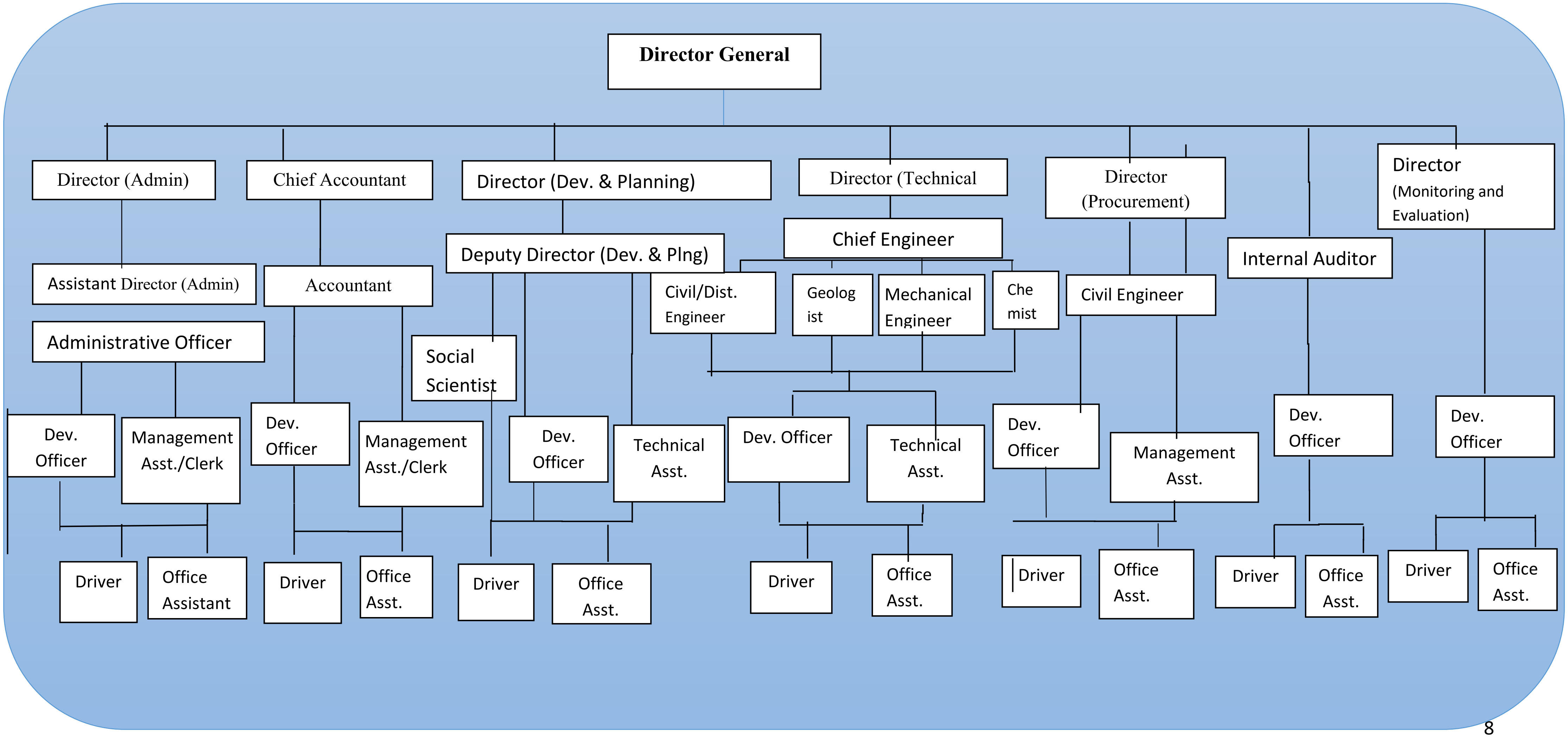
15. Taking action necessary for re-activating the now-defunct community-based organizations.

1.4. Organizational Structure

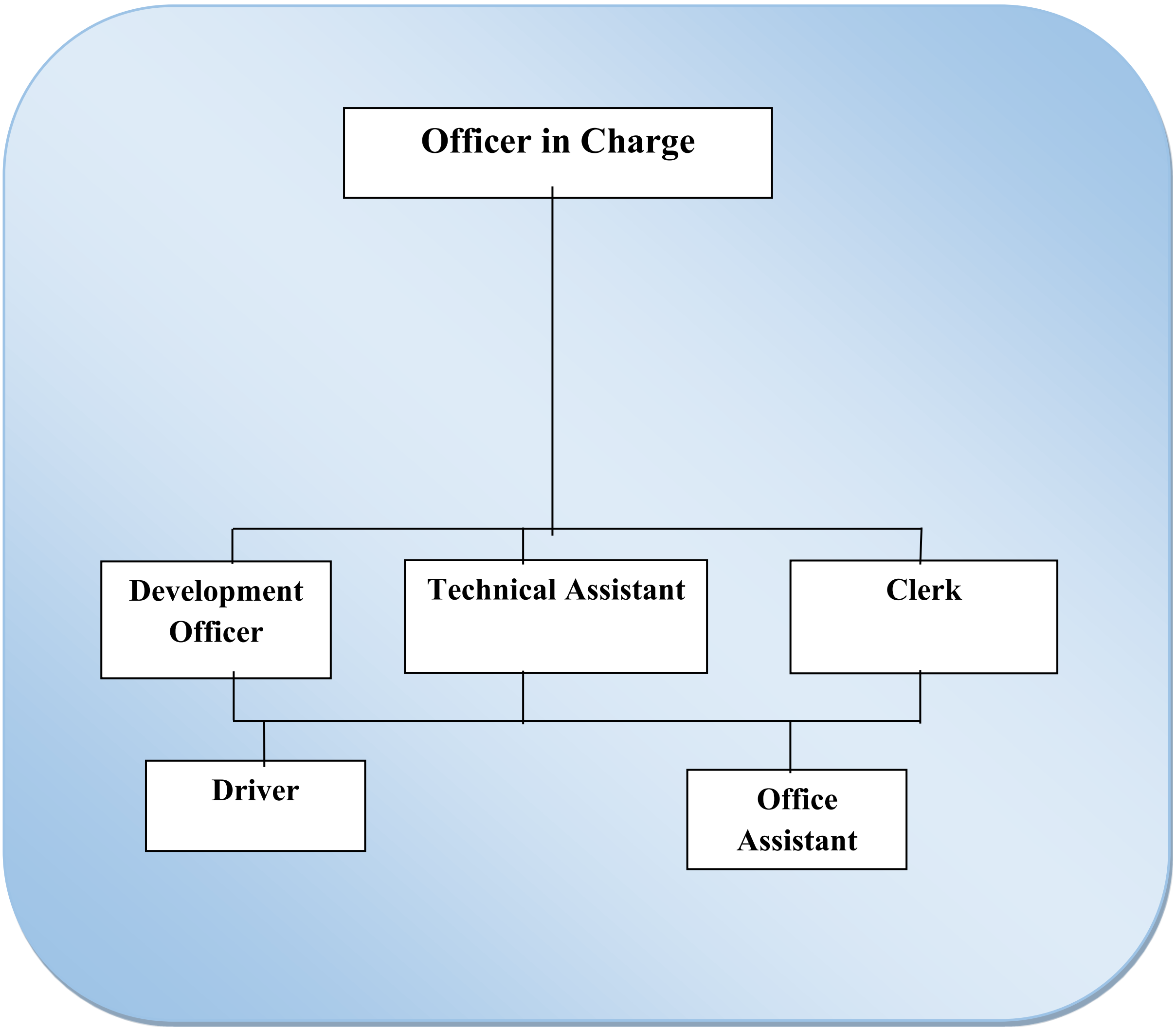
The Department consists of a Head Office under a Director General and 25 District Offices and a staff attached to it to take its task to people. A total staff of 503 has been approved by the Department of Management Services and as at 31.12.2024, a total staff of 437 (including 18 Staff Officers) is in operation. A graduate has been assigned to cover each Divisional Secretariat Division and Zonal Engineers and Technical Officers have been assigned at the Zonal level.

Its organizational structure is as follows:

Organizational Structure – Head Office



District Organizational Structure



1.5. **Main Divisions of the Department**

The Department, which was commenced in the year 2014, is governed under a Director General and at present consists of the Head Office and 25 District Offices. The Head Office is operating under the following divisions:

1. Administration Division
2. Development and Planning Division
3. Accounts Division
4. Technical Division
5. Procurement Division
6. Monitoring and Evaluation Division
7. Internal Audit Division
8. District Offices

Administration Division

The functions assigned to the Administration Division are to handle the human resources and to assist in the financial control of the Department for the purpose of providing an efficient and effective service to people, thereby fulfilling the role and responsibilities assigned to the Department of National Community Water Supply. The Administration Division conducts the organising of in-service and human resource development training programmes for the staff of the Department. For managing all these affairs, a staff of 17 including a Director from Class I of the Sri Lanka Administrative Service is in operation.

Development and Planning Division

The Development and Planning Division performs all relevant development and planning activities of the Department. This Division conducts many activities including identifying of development needs at District level, preparing the annual action plan accordingly, supervising the implementation of development programmes, conducting training programmes for community-based organizations, preparing project reports and performing many other activities directly relevant to development. Astaff of 11 persons including a Director of Class I of the Sri Lanka Planning Service who supervises and oversees all functions of the Division, are at work in the Division.

Accounts Division

This Division makes all payments relevant to the Department, prepares monthly and annual accounts and presents them to the Treasury, prepares final accounts, carries out activities pertaining to settling advances, gives replies to audit queries, coordinates activities with the Committee on Public Accounts, and settles annual accounts as its main functions. A staff of 12 personnel under the supervision and guidance of a Chief Accountant of the Sri Lanka Accountants Service - Class I performs all functions of this Division.

Technical Division

All of the Department's activities of a technical nature are performed by this Division. Preparing plans and estimates for the construction work of new water projects, preparing all estimates pertaining to the rehabilitation and maintenance activities of the existing projects, inspecting construction works and giving necessary technical instructions, supervising constructions, checking bills and giving approval, organising training pertaining to the technical field, assisting in providing representatives of community-based organizations with necessary training on maintenance of community water projects, and assisting in preparing the annual action plan are the main functions performed by this Division. All the activities of this Division are performed by a staff of 11 at the Head Office including a Director of the Class I of the Sri Lanka Engineers' Service, and 09 Engineers, and 27 technical officers at regional level.

Procurement Division

The role of the Division is to conduct all the purchases necessary for maintaining the activities of the Department and all the purchases necessary for maintaining the activities of community water projects in accordance with the Procurement Guidelines and the Financial Regulations. Supervision and monitoring of all these activities is to be carried out by a Class I Director of the Sri Lanka Engineers' Service with a staff of 06. However, the post of Director (Procurements) remains vacant at present.

Monitoring and Evaluation Division

This Division performs the function of subjecting all the development programmes and projects implemented by the Department and all the community-based organizations established throughout the island to supervision, monitoring and evaluation. This Division intervenes in completing projects planned by the Department efficiently and effectively and bringing benefits to people. Especially a state-of-the-art management information system has been prepared under World Bank aid. It is a small victory that quite accurate and up-to-date data and information relevant to proper development and planning in the rural community water supply sector are made available through it. Preparing a computerized information system incorporating all the community water projects, expediting of giving solutions to problems by providing facilities for people to give instant telephone calls (on 1914), providing a quick and efficient service to people through preparing a methodology for close monitoring of affairs of community-based organizations, as well as conducting development programmes quite efficiently and effectively are carried out through this Division. This Division also formulates water safety plans, trains on preparing such plans, audits and monitors, conducts all training and awareness activities relating to community-based organizations, introduces technology including on groundwater recharging to community-based organizations, carries out progress review and research and development activities. The Division consists of a staff of a Class 1 Director of the Sri Lanka Planning Service and 04 officers.

Internal Audit Division

This Division was established in the year 2020 as a separate unit. The main objective of establishing this Division is to minimize mistakes and lapses through guiding the Department to conduct its activities correctly and to conduct its internal control process with transparency and accuracy. Yet another objective expected through it is taking measures to minimize mistakes occurring in community water projects, get organizations to move through a correct process, and taking measures to minimize opportunity to carry out acts of fraud and corruption. In order to supervise and monitor all these activities, a Class II Internal Auditor post of the Sri Lanka Accountants Service has been approved and the Division has been established accordingly. Although the Audit Division was established formally in the year 2020, its functions are hampered by the difficulty in filling Class II Accountant vacancy. The Ministry of Public Administration has been informed of this and a prompt solution is expected to be given to this problem.

District Offices

In order to take the functions of the Department of National Community Water Supply closer to people, 25 District Offices have been established covering all the Districts. The main functions performed by District Offices are: identifying and prioritizing community's water needs prevailing in the District; building community-based organizations; strengthening and regulating the existing community-based organizations; preparing project reports and plans based on identified water needs and finding necessary funds for them by referring them to relevant parties; identifying problems of community-based organizations and working out solutions for them, building their capacity and providing technical assistance, and guiding them to maintain water quality and to prepare and implement water protection plans; motivating people to save water catchment areas; and collecting and updating information and maintaining the management information system up-to-date.

In order to perform these functions, each District Office has an Officer-in-Charge and a staff including development officers attached to it, the strength of each Office depending on factors such as the size of the District, the number of community-based organizations and the existing piping coverage. In addition, district engineers and technical officers have been attached at District level to provide technical guidance.

In addition, district engineers and technical officers have been assigned at Provincial level to provide technical guidance.

However, a new organizational and staff structure has been drafted and sent for approval after studying the existing the district system with a view to strengthening the district-level management so that they can give effective solutions to the challenges faced at present.

1.6. Institutions and Funds Existing Under the Ministry, the Department and the Provincial Council

All the administrative and financial activities of the Department are conducted in a centralized manner while activities of all community water projects are conducted through District Offices. District Offices have been established covering all the Districts in order to make the function closer to people.

1.7. Information on Foreign-Funded Projects

No project is implemented directly under the Department while it functions as a partner in projects implemented by the WASSIP Project, CRIWMP and UNICEF projects. At the same time, the Department works in collaboration with the ChinaSri Lanka Joint Research and Demonstration Centre (JRDC) and RECAS of China.

Chapter 02

Progress and Future Perspectives

Special Achievements, Challenges and Targets for the Future

2.1 Development Programs and Projects Implemented in the year 2024

The total amount of provisions allocated to the Department of National Community Water Supply by the Annual Budget 2024 was 1,724.22 million rupees and a further provision of 43.26 million rupees could be obtained basing on requests by Provincial Councils and various institutions. It was possible to implement 435 projects from the provision of the Department of National Community Water Supply and 13 projects from the provisions of the Ministry of Water Supply while two projects were implemented from additional provisions allocated by UNICEF. The Department was able to complete 169 of the projects commenced, benefitting around 35,000 families.

2.1.1 Progress of the Overall Action Plan

Number of Projects Approved	475
Number of Projects Completed	169
Number of Projects in Progress	306
Total Provisions Received	1878.252
Total Expenditure (Million Rupees)	985.75
Bills in Hand (Million Rupees)	0

2.1.2 Progress of the Projects Implemented from Provisions of the Department

	Programme	Projects in Progress	Total Provisions Received (Mn.Rs.)	Number of Projects Approved	Financial Progress		Physical Progress	
					Expenditure (Mn.Rs.)	Bills in Hand (Mn.Rs.)	Projects in Progress	Projects Completed
1	Praja Jala Abhimani Programme	Completing work on 179 projects commenced for the 25 Districts	1231.23	179	663.44	0	157	22
2	Improvement of community water projects	Rehabilitation of existing projects and completing work on 74 continuing projects.	213.293	74	255.34	0	122	131
		Completing work on 294 continuing projects under the sanitation programme	4.5	8				
		Completing work on 08 continuing projects under the common sanitation programme	7	8				
		Installing nano-purification systems for 30 community water projects	35.35	30				
		Completing rehabilitation work on 68 community water projects	218.49	68				
		Conducting awareness programmes and mobile services	1	5				
		Conducting 50 training programmes for members of community based organizations in 21 districts	5	50				
		Providing facilities necessary for community-based water projects in times of emergency	15.36	10				
3	Water Protection Plan	Implementing water protection plans and ground water recharging projects for community water projects	3	3	3	0	0	3
			1737.223	**435**	**921.78**	**0**	**279**	**156**

2.2 Significant Achievements

As a result of all sectors experiencing a collapse because of being caught in the severe economic crisis as a country in the year 2022, a large number of projects that were being implemented at that time had to be rolled over to the year 2023. Nevertheless, the Department was able to solve some of the problems in the year 2023 and acquire several significant achievements in the year 2024.

1. The Praja Jala Abhimani Programme, which had been commenced as a medium-term programme for starting water projects with a view to providing safe drinking water to one thousand villages, was taken forward uninterruptedly.

2. Capital was obtained for a large number of projects through the World Bank, UNICEF and the United Nations Development Programme - UNDP (CRIWMP) programmes as a remedy for the crisis in finding local funding.

3. Many capacity building programmes were implemented for members of community-based organizations and officers attached to the Department through the funding of the World Bank, UNICEF and the United Nations Development Programme – UNDP (CRIWMP) programmes:

    - Training of engineers and technical officers on water purification technology under the WASSIP Project,

    - Training of staffs on technical capacity development and project planning and raising awareness and sharing of knowledge and coordination under UNDP provisions.

4. Work was completed on installing 50 nano-purification plants for the resettled people in 3 Districts of the Northern Province as a remedy for the lethal kidney disease and the projects were handed over to people.

5. The database introduced under the Water Supply and Sanitation Improvement Project implemented under the World Bank aid was improved and updated.

6. Physical and human resources essential in performing the functions of the Department were acquired.

7. A high level of progress was achieved compared to the previous year despite lack of adequate technical and other personnel.

8. Updating of guidelines and introduction of new procedures were commenced from the former part of the year 2025, taking into account the existing problems and the issues pointed out by the audit.

2.3 . Future Targets

The oncoming period can be termed a very challenging one for the Department because Sri Lanka is bound to provide safe drinking water to all by the year 2030 under the Sustainable Development Goals as a member state of the United Nations. The following future targets of the Department have been set to provide rural people with safe drinking water by managing the available resources during the existing crisis period:

- Empowering of all relevant organizations so that all the community water projects registered with the Department so that they do not become a burden on the government,
- Establishing purification systems necessary for enhancing the quality of water provided by the community water projects established within the past four decades,
- Continuously implementing the Prajaa Jala Abhimaanee Programme commenced as a medium-term programme for providing safe drinking water to one thousand villages to which the National Water Supply Board cannot provide water,
- Preparing and implementing a water protection plan for every community water project,
- Conserving water catchment areas belonging to all community water projects
- Updating and maintaining the national database established for the rural water supply sector,
- Achieving the 100% target in terms of sanitary toilet facilities focusing on the rural and plantation community,
- Installing purification systems (RO Plant/Nano Plant/EDR Plant) to provide safe drinking water to people in areas where the kidney disease is rampant, and
- Providing rain water collection systems for people suffering because of extreme difficulties and shortage of water and implementing water projects with public private partnership (PPP).

2.4. Challenges

1. Delay in the approval of the legal framework available for regulating community-based organizations.

2. Problems cropping up in obtaining community contribution, which is an essential factor for the continuous existence of projects within the concept of community water projects in the face of the economic crisis.

   Crises arisen due to contamination of existing sources of water — climate change, various activities of man, urbanization and development activities taking place in the country have caused contamination and pollution of sources of water.

3. Risk of community-based water projects becoming defunct due to inadequacy of water springs because of drying of springs due to climate change as well as due to action to give benefits exceeding the target group of planned projects.

4. Problem in purifying water of currently functioning projects, which is distributed without purifying at present — most projects distributed water without purifying for over four decades; an extra cost has to be borne in planning new purification systems because such systems had not been included in the project plans.

5. Lack of adequate facilities to properly test the quality of water in community-based water projects — it is costly and chemicals are scarce.

6. Risk of challenges to the sustainability of community-based water projects which use electricity due to increase of their expenses to unbearable levels with the increase of electricity tariffs.

7. Risk of sustainability being challenged in the case of community-based water projects which use bulk water supplies from the National Water Supply and Drainage Board due to increase of their expenses to unbearable levels with the increasing of charges for water by the Board concerned.
8. Shortage of staff existing in the Department
9. As various organizations supply water to community free of charge (especially nano- and RO water purification systems), the community is unwilling to conform to the departmental methodology when supplying water to such areas, resulting in the projects implemented there being ineffective.

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Thalawathugoda.

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Accounting Officer

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Chief accounting officer

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Chapter 3

Overall Financial Performance for the Year that Ended on 31st December 2024

3.1 Statement of Financial Performance **ACF**

Statement of Financial Performance
for the Year that Ended on 31st December 2024

Revised Budgetary Provisions 2024		Note	Actual		
			2024	2023	
Rs.			Rs.	Rs.	
-	**Incomes received**		-	-	
-	Income tax	1	-	-	
-	Taxes on local goods and services	2	-	-	**ACA-1**
-	Taxes on international trade	3	-	-	
-	Non-tax and other incomes	4	-	-	
-	**Overall Income Receipts (a)**		-	-	
-	**Non-income receipts**		**-**	-	
2,150,953,950	Treasury imprests		1,523,447,017	1,000,913,619	**ACA -3**
100,000,000	Deposits		133,043,184	134,171,377	**ACA -4**
20,000,000	Advance accounts		15,850,464	10,015,711	**ACA -5**
	Other major ledger account receipts				
2,270,953,950	**Overall Non-Income Receipts (b)**		**1,726,800,257**	**1,169,607,116**	
2,270,953,950	**Total of Income Receipts and Non-Income Receipts (c) = (a) + (b)**		**1,726,800,257**	**1,169,607,116**	
26,020,457	**Transfers to the Treasury (d)**		26,020,457		
2,244,933,493	**Net Income Receipts and Non-Income Receipts (e) = (c) – (d)**		1,700,779,799	1,169,607,116	
	Less: Expenditure				
	Recurrent Expenditure		**-**	-	
314,167,250	Salaries, wages and other employee benefits	5	312,409,143	270,995,224	
124,240,000	Other goods and services	6	117,852,307	88,832,767	**ACA-2(ii)**
900,000	Subsidies, grants and transfers	7	613,663	728,902	
-	Interest payments	8	-	-	
300,000	Other Recurrent Expenditures	9	144,000	112,500	
439,607,250	**Total Recurrent Expenditures (f)**		**431,019,114**	**360,669,394**	

	Capital Expenditures				
14,000,000	Rehabilitation and improvement of capital assets	**10**	4,592,357	4,094,583	
31,015,512	Acquisition of capital assets	**11**	31,015,504	804,858	
-	Capital transfers	**12**	-	-	**ACA-2(ii)**
-	Acquisition of financial assets	**13**	-	-	
1,000,000	Capacity building	**14**	943,114	535,396	
1,734,232,238	Other capital expenditures	**15**	922,070,659	530,863,592	
1,780,247,750	**Total Capital Expenditures (g)**		**958,621,633**	**536,298,429**	
	Deposit payments		180,699,420	88,497,077	**ACA-4**
	Advance payments		21,562,117	12,641,670	**ACA-5**
	Other main ledger account payments		-	-	
	Main Ledger Expenditures (h)		202,261,537	101,138,747	
2,219,855,000	**Total Expenditure (i) = (f + g + h)**		1,591,902,284	998,106,569	
25,078,493	**Balance as at 31st December (j) = (e-i)**		108,877,515	171,500,547	
	Balance as per statement of Imprest Adjustments		108,877,515	171,500,547	**ACA-7**
	Balance of Imprests as at 31st December			-	**ACA-3**
				-	

Statement of Financial Position
as at 31st December 2024

	Note	Actual	
		2024	2023
		Rs.	Rs.
-			
Non-Financial Assets	-		-
-	-		-
Property, plant and equipment	ACA-6	1,076,070,995	125,984,833
Financial Assets			
-			
Advance accounts	ACA-5/5(A)	31,757,659	26,046,006
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**1,107,828,654**	**152,030,839**
Net Assets / Equity			
-			
Net assets to the Treasury		-195,255,479	248,623,368
Property, plant and equipment reserve		1,076,070,995	125,984,833
Rent and work advance reserve	**ACA-5(B)**		
Current Liabilities			
-			
Deposit accounts	ACA-4	227,013,138	274,669,374
Imprest balance	ACA-3	-	-
Total Liabilities		**1,107,828,654**	**152,030,839**

Statement of Cash Flows
For the Year that Ended on 31st December 2024

	Actual	
	2024	2023
	Rs.	Rs.
Cash Flows Generated from Operational Activities		-
Total tax receipts	-	-
Fees, surcharges, fines and permits/licences	-	-
Profits	-	-
Non-income receipts	54,459,591	24,506,408
Incomes added for other expenditure heads	-	-
Imprest receipts	1,523,447,017	1,000,913,619
Advance recoveries	12,070,722	10,434,334
Deposit receipts	133,043,184	134,171,377
Cash Flow Generated from Operational Activities (a)	**1,723,020,515**	**1,170,025,739**
Less: Cash Spendings		
Personal emoluments and operational expenses	1,387,642,245	895,111,724
Subsidies and transfers	613,663	728,902
Expenses borne for other expenditure heads	107,097,515	172,510,970
Imprests settled to the Treasury	26,020,457	-
Advance payments	20,004,100	12,641,670
Deposit payments	180,699,420	88,497,077
Cash Flow Spent for Operational Activities (b)	**1,722,077,400**	**1,169,490,342**
Net Cash Flow Generated from Operational Activities (c) = (a) – (b)	**943,114**	**535,396**
Cash Flows Generated from Investment Activities		

Interests	-	-
dividends	-	-
Provisions for equity flight and sale of physical assets	-	-
Recoveries of sub-loans	-	-
Cash Flows Generated from Investment Activities (d)	**-**	**-**
Less: Cash Spendings		
Physical resource constructions or purchases and other investment acquisitions	-	-
Total Cash Flows Spent for Investment Activities (e)	**-**	**-**
Net Cash Flows Generated from Investment Activities (f) = (d) – (e)	**-**	**-**
Net Cash Flows Generated from Operational and Investment Activities (g) = (c) + (f)	**943,114**	**535,396**
Cash Flows Generated from Financial Activities	-	-
Local borrowings	-	-
Foreign borrowings	-	-
Grant receipts	-	-
Total Cash Flows Generated from Financial Activities (h)	**-**	**-**
Less: Cash Spendings		

Local loan repayments	-	-
Foreign loan repayments	-	-
Total Cash Flows Spent for Financial Activities (i)	-	-
Cash Flows Generated from Financial Activities (j) = (h) – (i)	-	-
Net Changes in Cash (l) = (g) + (j)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-
	-	-

Account information presented through forms from ACA-1 to ACA-7 on pages 21 to 23 and account note details contained in Annex pages 19 to 20 are integral parts of this Final Account. Preparing of these Financial Statements has been carried out in accordance with the generally accepted accounting principles and as disclosed through Notes to Financial Statements, most suitable accounting policies have been used. We hereby certify that the figures stated in the abovementioned Final Account, Account Notes pertaining to it and other account information have been compared with treasury account books and they tally with those figures.

We hereby certify that an effective internal control system is available at the reporting institution for financial control while periodic reviews are conducted in order to monitor the effectiveness of the internal control system for financial control, and to make necessary changes for implementing such internal control systems successfully.

....	....	....
Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/Commissioner (Finance)
Name :	Name :	Name
Designation :	Designation :	Date:
Date :	Date :	

M.M. Ananda Wijitha Kumara Mapa
Director General
Department of National Community Water Supply

M.K.P. Rukmani
Chief Accountant
Department of National Community Water Supply
No. 1114, Pannipitiya Road,
Thalawathugoda.

3.5 Notes to Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period pertaining to these Financial Statements is 1st January 2024 to 31st December 2024.

2) Basis of Measuring

The Financial Statements have been prepared on historical basis and certain assets have been presented at their re-assessed value. Unless otherwise stated, preparing of accounts is carried out on enhanced cash value.

Financial Statements have been presented in Sri Lanka rupees at the closest rupee.

3) Revenue Recognition

Exchange and non-exchange incomes are recognized as income of the period of receipt notwithstanding the time they are due.

4) Recognizing and Measuring Property, Plant and Equipment

Where there is assurance that future economic benefits are accrued to the institution from assets and they can be measured reliably, such assets are recognized as Property, Plant and Equipment.

Property, plant and equipment and recognized at cost and in instances where the cost model is not applicable, the re-assessed value is used.

5) Property, Plant and Equipment Reserve

This reserve account is the account corresponding to property, plant and equipment.

6) Cash and Cash Equivalents

Cash and cash equivalents as at 31st December 2024 comprise locally used currency notes and coins.

* When there are transactions unique to any reporting institution, such information can be included in the Financial Statements as appropriate with the approval of the Department of Public Accounts. In addition, necessary disclosures can be included for such specific transactions under “Basis of Reporting”.

* Only the accounting policies relevant to the reporting institution should be disclosed under the “Basis of Reporting”.

3.6 Performance of Revenue Collection – Not Relevant

Rs. ,000

Revenue Code	Description of Revenue Code	Revenue Estimate		Revenue Collected	
		Initial Estimate	Final Estimate	Amount (Rs.)	As % of Final Revenue Estimate

3.7 Performance in Terms of Utilizing the Provisions Allocated

Rs. ,000

Type of Provision	Provision Allocated		Actual Expenditure	Provisions Utilized as % of Final Provision
	Initial Estimate	Final Estimate		
Recurrent	404,000	439,607.25	430,577.389	97%
Capital	1,767,000	1,773,247.75	958,621.633	54%
Total	2,171,000	2,212,855	1,389,199.022	

Rs. ,000

S. No.	Ministry/ Department Receiving Provisions	Objective of the Provision	Provisions		Actual Expenditure	Provisions Utilized as a % of Final Provisions Provided
			Initial Provisions	Final Provisions		
1	Ministry of Water Supply	Construction of new water projects, rehabilitating existing water projects, prevention of kidney diseases, construction of rain water tanks, sanitation facilities				
2	Ministry of Urban Develop and Housing	Accelerating the resettlement activities in the northern and				

		eastern provinces (providing nano purification systems)				
3	Ministry of Public Services, Provincial Councils and Local Government – graduate trainee	Paying graduate trainee allowances				

3.8 Provisions Granted to this Department as a Representative of other Ministries / Departments as per Financial Regulation 208

3.9 Performance in Reporting Non-Financial Assets

Rs. ,000

Asset Code	Code Description	Balance as at 31.12.2024 according to the inventory survey report	Balance as at 31.12.2024 according to the Financial Position Report	Scheduled to be accounted in due course	Reporting Progress as a %
9151	Buildings and structures				
9152	Machinery		125,984,832.77		
9153	Land				
9154	Intangible assets				
9155	Biological assets				
9160	Work in progress				
9180	Leased out assets				

3.10 Report of the Auditor General **

Annexed (Annex No. 1)

Chapter 04

Performance Indicators

9.1 Performance Indicators of the Institution (Based on the Action Plan)

Specific Indicators	Actual Output as a Percentage (%) of Expected Output		
	100%- 90%	75%-89%	50%- 74%
Construction of 179 new water projects			63.3%
Rehabilitation of 74 existing water projects		84.6%	
Construction of sanitary toilets for 294 low-income earners		85%	
Construction of 08 public toilets	95%		
Installing 30 nano-purification systems for prevention of kidney disease.		82%	
Rehabilitation of 68 existing water projects			68%
Conducting 5 moblile service and awareness programmes	100%		
Implementing 50 training programmes for community-based organizations	100%		
Providing community based water projects with necessary facilities in times of emergency	90%		
ෂ Implementing water protection plans for community water projects and groundwater recharging projects	100%		

Chapter 05

Performance in Achieving Sustainable Development Goals (SDG’s)

5.1 Indicate the Identified Sustainable Development Goals

Goal	Targets	Achievement Indicators	Progress in Achievements so far		
			0%-49%	50%-74%	75%-100%
Safe water and sanitation for all	Safely managed water supply by 2030	Population cover 14%	**11.46%**		

5.2 Briefly describe the challenges and achievements in attaining Sustainable Development Goals

(1) Financial support and technical cooperation were received continuously from international organizations and agencies such as the World Bank, UNDP, UNICEF and Europa.

(2) With the expansion of the role and the scope of the Department, it was possible to supply safe drinking water through alternative sources of water to difficult and extremely difficult villages gravely affected by scarcity of water.

(3) Training and awareness programmes were conducted for officers of community-based organizations and rehabilitation and improvement programmes were implemented for water projects with a view to maintaining the sustainability of existing community water projects.

(4) Water protection process was expedited with a view to providing safe drinking water through all water projects and auditor were trained on water protection auditing, and the auditing process was commenced.

Chapter 06

Human Rights Profile

06.1 Cadre Management

	Approved Cadre	Actual Number of Employees	Vacancies / (Excess)
Senior	36	18	18
Tertiary	1	1	-
Secondary	442	376	66
Primary	70	42	28

* As at 31.12.2024, one staff-grade officer had obtained local no-pay leave while one staff grade officer and 25 other (secondary / primary) officers had obtained no-pay leave to be spent overseas.

06.2 ** Briefly explain how the shortage or excess of human resources has affected the performance of the institution.

The shortage of human resources poses a serious impact on the performance of the organization. The approved cadre of the Department stood at 548 as at 31.12.2024 and 62 vacancies prevailed in 18 approved designations under various grades. As 13 of the 40 positions of technical officer approved by the Department of Management Services remained vacant, official functions were managed with great effort while the number of drivers in service as at 31.12.2024 was 17 although 36 posts had been approved in the combined drivers service.

This scarcity in human resources has become a hindrance to the efficient and effective delivery of day-to-day work of the Department. All the officers give their contribution to overcome the challenge of maintaining the performance of the Department at the maximum level in order to manage the human rights scarcity prevailing from senior to primary level.

At a time when a large number of development projects are conducted covering the whole island within the scope and the function of the Department, the dearth of officers has posed a particular impact on the estimation, supervision and monitoring of projects.

Chapter 07

Compliance Report

7.1 Compliance Report

No.	Requirement to be Applied	Compliance Status (Compliant / Non-Compliant)	Brief Explanation if Non-Compliant	Corrective Measures Proposed for the Prevention of Non-Compliance in Future
1	The following financial statements / accounts were submitted as at the specified date.			
1.1	**Annual Financial Statements**	In compliance		
1.2	Advances to Public Servants Account	In compliance		
1.3	Business and Production Advance Account (commercial advance account	Not in compliance	The Department does not keep the Commercial Advances Account.	The Department does not conduct transactions relevant to this account.
1.4	Stores Advance Accounts	Not in compliance	The Department does not keep the Stores Advances Account.	The Department does not conduct transactions relevant to this account.
1.5	Special Advance Accounts	Not in compliance	The Department does not keep the Special Advances Account.	The Department does not conduct transactions relevant to this account.
1.6	Other	Not in compliance	The Department does not keep the Other Accounts.	The Department does not conduct transactions relevant to this account.

2	**Maintaining Books and Registers (Financial Regulation 445)**			
2.1	Maintaining Fixed Assets Register in accordance with Public Administration Circular No. 267/2018	In compliance		
2.2	Updating and maintaining Personal Emoluments Registers/ Personal Emoluments Cards	In compliance		
2.3	Updating and maintaining Audit Query Register	In compliance		
2.4	Updating and maintaining Audit Reports Register	Not applicable		
2.5	Preparing all monthly account summaries (CIGAS) and presenting to the Treasury on the specified date	In compliance		
2.6	Updating and maintaining Cheques and Money Orders Register	In compliance		
2.7	Updating and maintaining Inventory Register	In compliance		
2.8	Updating and maintaining Stocks Register	In compliance		
2.9	Updating and maintaining Damage and Loss Register	In compliance		
2.10	Updating and maintaining Liabilities Register	In compliance		
2.11	Updating and maintaining Counterfoil Books Register (GA – N20)	Not in compliance		Instructions have been given to maintain the Counterfoils Register.
03	**Delegation of Functions for Financial Control (FR 135)**			

3.1	Delegation of financial powers within the institution	In compliance		
3.2	Informing within the institution about the delegation of financial powers	In compliance		
3.3	Delegation of powers so that every transaction is approved through two or more officers.	In compliance		
3.4	Working subject to the control of accountants in using the government payroll software package, in accordance with Circular No. 171/2004 dated 11.05.2014.	In compliance		
4	**Preparing Annual Plans**			
4.1	Preparing the Annual Action Plan	In compliance		
4.2	Preparing the Annual Procurement Plan	In compliance		
4.3	Preparing the Annual Internal Audit Plan	Not applicable		
4.4	Preparing the Annual Estimate and Presenting it to the National Budget Department (NBD) as at the due date.	In compliance		
4.5	Presenting the Annual Statement of Cash Flows to the Treasury Operations Department as at the due date.	In compliance		
5	**Audit Queries**			
5.1	Providing replies to all the audit queries as at the date specified by the Auditor General	Not in compliance	Replies to audits have to be given after checking with the relevant projects. It has been difficult to give the replies on the due date as replies are obtained through the limited number of technical	Informing the respective officers to produce replies quickly.

			staffers.	
6	**Internal Audit**			
6.1	Preparing the internal audit plan after discussing with the Auditor General as per Financial Regulation 134(2) and DMA/1-2019	Not applicable		
6.2	Providing replies to all internal audit reports within one month	Not applicable		
6.3	Copies of all the internal audit reports have been presented to the Management Audit Department in terms of Subsection (4) of Section 40 of the National Audit Act No. 19 of 2018	Not applicable		
6.4	Copies of all internal audit reports have been presented to the Auditor General as per Financial Regulation 134(3)	Not applicable		
7	**Audit and Management Committees**			
7.1	Has conducted at least 04 Audit and Management Committee meetings within the respective year as per DMA Circular No. 1-2019	Not applicable		
8	**Asset Management**			
8.1	Information on purchase and disposal of assets has been presented to the Office of the Comptroller General as per Paragraph 07 of the Asset Management Circular No. 01/2017.	In compliance		
8.2	A suitable Coordination Officer has been appointed for coordinating the execution of the directives of the above-mentioned Circular as per its Paragraph 13 and reported the information about such officer to the Office of the Comptroller General.	In compliance		
8.3	Inventory surveys have been conducted and relevant reports have been presented to the	Not in compliance	Difficulty in conducting	Informing officers to

	Auditor General as per Public Finance Circular No. 05/2016.		surveys as at the due date because of the limited staff.	present replies expeditiously.
8.4	Surpluses and deficits disclosed at the annual inventory survey have been dealt with and recommendations have been made within the stipulated time.	Not in compliance	Difficulty in conducting surveys as at the due date because of the limited staff.	Informing officers to present replies expeditiously.
8.5	Conducting the disposal of condemned goods as per Financial Regulation 772.	Not in compliance	Non-disposal of the goods.	
9	**Management of Vehicles**			
9.1	Daily running charts and monthly summary reports for pool vehicles have been prepared and presented to the Auditor General by the due date.	In compliance		
9.2	Vehicles have been disposed within a period less than 06 months from being condemned.	Not in compliance	It takes time to obtain reports and approval from other institutions.	Taking proper action to obtain reports that should be obtained from other relevant institutions.
9.3	Keeping vehicle logbooks up-to-date.	In compliance		
9.4	Action has been taken in accordance with Financial Regulations 103, 104, 109 and 110 in respect of every vehicle accident.	In compliance		
9.5	The fuel efficiency of vehicles has been re-inspected as per the provisions of Paragraph 3.1 of the Public Administration Circular No. 2016/30 dated 29.12.2016.	In compliance		
9.6	The total ownership of the logbooks of vehicles has been acquired at the expiry of the period of lease.	In compliance		
10	**Management of Bank Accounts**			
10.1	Bank Reconciliation Statements have been prepared, certified and presented for audit by the due date.	In compliance		

10.2	The non-performing bank accounts in the year under review or brought forward from previous years have been cleared.	Not in compliance	No defunct bank accounts exist.	
10.3	The balance which were revealed by the bank reconciliation statements and should have been adjusted have been dealt with as per Financial Regulations and settled within one month.	In compliance		
11	**Utilization of Provisions**			
11.1	Expenditure has been borne without exceeding their limits.	In compliance		
11.2	After utilization from allocated provisions, liabilities have been entered into so that the remainders of the provisions are not exceeded as per Financial Regulation 94(1).	In compliance		
12	**Public Officer Advance Accounts**			
12.1	Limits have been complied with.	In compliance		
12.2	A time analysis has been carried out with regard to outstanding loan balances.	In compliance		
12.3	Outstanding loan balances existing for more than one year have been settled.	In compliance		
13	**General Deposits Account**			
13.1	Action has been taken in accordance with Financial Regulation 571 with regard to deposits past expiry.	Not in compliance	The Expired General Deposits Account exists.	
13.2	Keeping the control account for general deposits up-to-date	In compliance		
14	**Imprests Account**			
14.1	The balance of the Cash Book has been transferred to the Treasury Operations Department at the end of the year under review.	In compliance		
14.2	Ad hoc interim imprests have been settled within one month from the completion of the activity as per	In compliance		

	Financial Regulation 371.			
14.3	Issuing ad hoc interim imprests without exceeding the approved limits as per Financial Regulation 371	In compliance		
14.4	Reconciling the balance in the Imprest Account with the Treasury books on monthly basis.	In compliance		
15	**Revenue Account**			
15.1	Repayment from the collected income has been done in accordance with relevant regulations.	In compliance		
15.2	Crediting the collected revenue directly to income without crediting to the Deposit Account	In compliance		
15.3	Presenting deficit revenue reports to the Auditor General as per Financial Regulation 176	Not in compliance	The Department does not generate revenues.	
16	**Human Resource Management**			
16.1	Maintaining the staff within the approved cadre limits	In compliance		
16.2	Having provided all members of the staff with duty lists in writing.	In compliance		
16.3	Presenting all reports to the Department of Management Services as per MSD Circular No. 04/2017 dated 20.09.2017.	In compliance		
17	**Providing Information to the General Public**			
17.1	Appointing an information officer as per the Right to Information Act and maintaining a up-to-date register on information provided.	In compliance		
17.2	Availability of information on the institution and making available facility of expressing praise / complaints of the general public regarding the institution through the website or alternative means.	In compliance		
17.3	Producing biannual or annual reports in terms of Sections 08 and	In compliance		

	10 of the Right to Information Act.			
18	**Implementing the Citizen Charter**			
18.1	A citizen / client charter has been formulated and implemented as per Ministry of Public Administration and Management Circulars No. 05/2008 and No. 05/2018(1).	In compliance		
18.2	The institution has adopted a methodology for formulating and implementing the citizen / client charter and monitoring its implementation as per Paragraph 2.3 of the above-mentioned Circular.	In compliance		
19	**Formulating the Human Resource Plan**			
19.1	A Human Resource Plan has been prepared basing on the format in Annex 02 of Public Administration Circular No. 02/2018 dated 24.01.2018.	In compliance		
19.2	Ensuring in the Human Resource Plan referred to above a training opportunity not less than 12 hours per year for every member of the staff.	In compliance		
19.3	Signing annual performance agreements with the whole staff basing on the format in Annex 01 of the Circular referred to above.	In compliance		
19.4	Appointing a senior officer assigned the responsibility for preparing the Human Resources Development Plan, developing capacity building programmes, and implementing skills development programmes as per Paragraph 6.5 of the Circular referred to above.	In compliance		
20	**Responding to Audit Paragraphs**			
20.1	Shortcomings pointed out by audit paragraphs issued by the Auditor General for the previous years have been rectified.	In compliance		

Sri Lanka, as a State that has Agreed to Attain United Nations' Sustainable Development Goals

Sri Lanka has planned to supply safe drinking water to all by 2030. The government has given priority to the drinking water sector with a view to achieving those Goals.

Especially, the Department of National Community Water Supply functioned with dedication to manage the existing water resources and achieve this Goal through the rural water supply sector. I wish to remember at this juncture all those who supported this endeavour including the political authorities, all officers and the community with gratitude.

This brief report has been prepared in order to meet the statutory requirement of presenting to Parliament a year-end report containing the information on the performance of the tasks implemented during the year 2024 in reaching this Goal within the scope, function and responsibility assigned to the Department of National Community Water Supply under the Ministry of Water Supply and Estate Infrastructure Development.