Annual Performance Report for the Year 2023

Name of the Institution**: Department of Buildings**
Expenditure Head No**: 309**

Contents

Chapter 01 - Institutional Profile/Executive Summary

1.1 Introduction

The Department of Buildings (DOB) which functioned under the Public Works Department (PWD) was established in 1969 and existed for over 5 decades as an independent organization responsible for building and infrastructure development. The department was the sole authority and the advisory body in the field of building and related infrastructure works. It was called upon to provide expert advice on building works in implementation of building programmes and any litigation of building programmes.

The Functions of the Department were set out in Financial Regulations, Treasury Circulars and Gazette notifications. The Department plays commendable role in the national development and in the preservation of the public building assets.

DOB was restructured with the 13th Amendment to the constitution. Department has the authority and responsibility for the design and construction of public buildings in Sri Lanka. The department also redefines its role and carries a specific reference to project management and technical accountability.

Name	-	Department of Buildings
Legal Status	-	Government Fully Owned
Ministry	-	Ministry of Urban Development and Housing
Head Office	-	Second Floor Sethsiripaya, Battaramulla Sri Lanka Tel. 94 11 2862588 Fax. 94 11 2864771 E mail. info@buildingsdept.gov.lk Web. www.buildings.gov.lk

Figure 1: Location of Department of Buildings Head office

Zonal offices

Zone	Address
Zone 1 (Western South)	Chief engineer's office (Zone 1) , Department of buildings, No 213, Torrington Avenue, Colombo 07
Zone 1 (Western North)	Chief engineer's office (Zone 1), Department of buildings, No 213, Torrington Avenue, Colombo 07
Zone 2	Chief engineer's office (Zone 2), Department of buildings, Beach road, Gurunagar , Jaffna
Zone 3	Chief engineer's office (Zone 3), Department of buildings, Wilgoda road, Kurunagala
Zone 4	Chief engineer's office (Zone 4), Department of buildings, Divisional Secretariat Manmunai-North, Batticaloa
Zone 5	Chief engineer's office (Zone 5), Department of buildings, P.O.Box 113, Kandy
Zone 6	Chief engineer's office (Zone 5), Department of buildings No.10, Upper Dickson Road, Galle

MAP OF ZONAL OFFICES

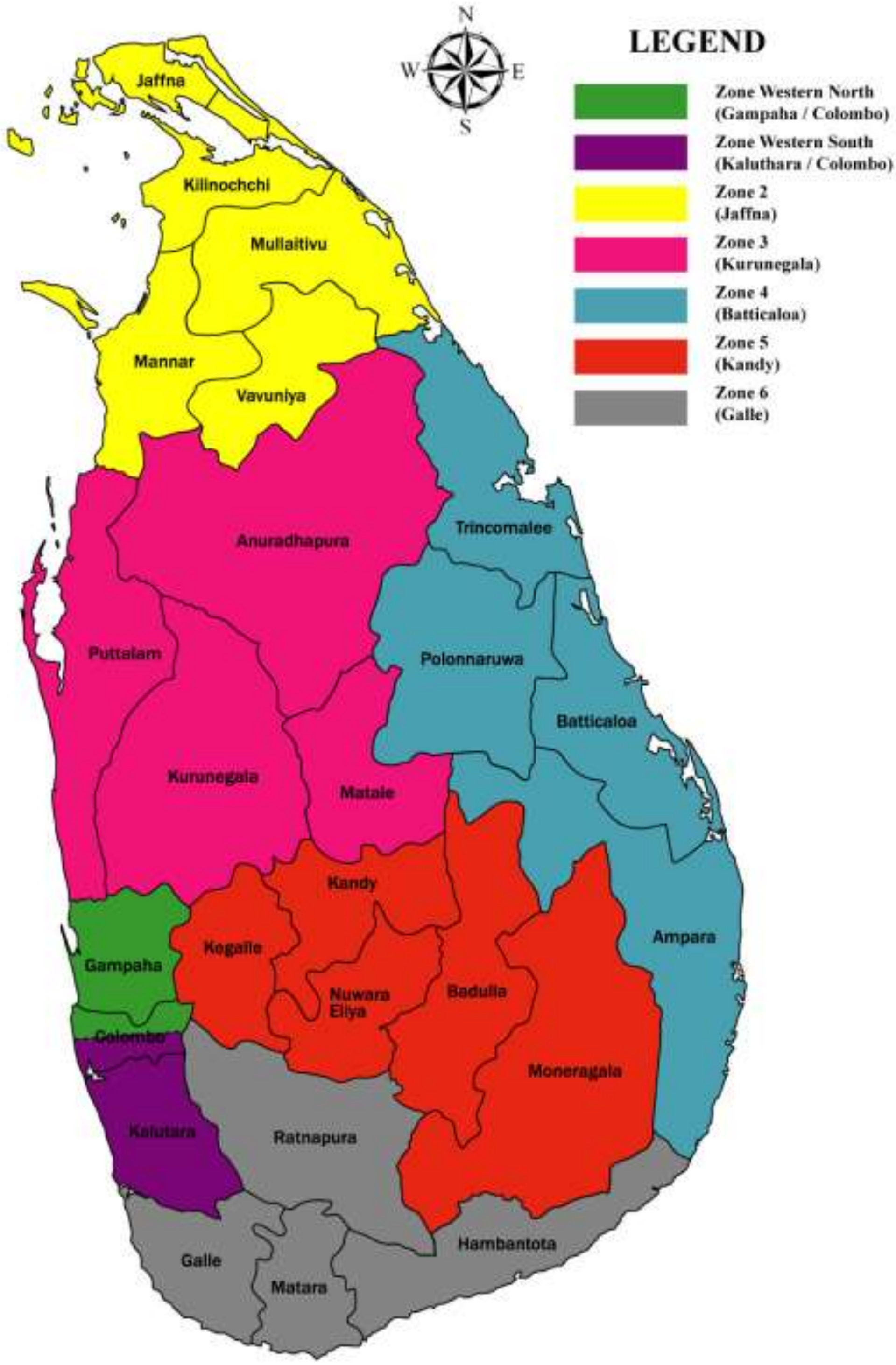


Figure 2: Zoning map

Executive Summary

DOB has existed over 5 decades as a pioneer government organization responsible for the design and construction of public buildings in Sri Lanka. This organization has now become an entrepreneurial and innovative department in the changing economy and technology. The Department also has begun to redefine its role and mission statement and now carries a specific reference to project management and technical accountability aspects.

This performance report was prepared in order to set benchmarks for improved performance, measure, control and monitor the workforce, demonstrate compliance and produce external reports, learn and enhance performance and improves communication among, engineers, subordinates, clients and contractors.

Performance of the Department in year 2023 was at an appreciable level compared to the past. Projects undertaken by the DOB are summarized in this report. Summary of recurrent expenditure and capital expenditure shows that the output was cost effective and efficient compared to the other similar organizations.

Performance on annual implementation program, considering the progress against the target reviewed to improve performance and the quality of works. Multi professional staffs in the department deliver the services in a professional manner by optimizing the resources available. Department is trying to fill the cadre in order to achieve the set goals with maximum efficiency. Capacity building skills were given for the staffs of DOB by conducting different training programs externally and internally. Internal Audit Division carried out auditing of administration, finance and other works as per the annual audit plan.

In depth, the study of DOB was necessitated, in order to remodel the department functions to cater the present requirements and the DOB is taking steps to achieve goal of undertaking all the projects related to building construction and maintenance related to the government in the future.

1.2 Vision, Mission, Objectives of the Institution

Vision

To be the technical authority in buildings works ensuring the public sector organizations possess safe, economical, sustainable, elegant, built environments to deliver high quality services to the nation.

Mission

To provide excellent services for the development of public sector building works by provision of architectural design, engineering design, construction, maintenance, project management and technical assistance ensuring technical accountability in quality, economy, functionality and soundness for the total satisfaction of the stakeholders by a team of dedicated multidisciplinary professionals.

Objectives

DOB being the Pioneer Government Organization responsible for providing excellent services for the development of public sector building works by

- Delighting the clients through professional services beyond expectations.
- Adhering to the statutory, regulatory requirements and relevant standards to achieve excellent built environment.
- Continuously focusing on improving of our services through monitoring, customer feedback and updating know-how.
- Total participation of our dedicated multidisciplinary professionals through teamwork.

The Department's Guarantee

The DOB provides proactive and forensic support considering the client's technical and management capacities. We **value** the need of **guarantee** for the constructions, and take responsibility to **neutralize the risk** by,

a. **Life time technically / financially accountable**
b. **Designs** for **complete building need** by **highly authorized professional**
c. **Adhere** to all **rules, regulations, and quality and safety standards**
d. **Highly accurate scope specially developed** utilizing **past experience**
e. **Assure quality, safety** by **scrutinize, concur** designs, document of other service providers
f. **Manage contracts**
g. **Ensure value** by **experienced professional project management service**
h. **Assistance** in hassles of **management audit**
i. **Assistance** in contractual **litigations**
j. **Technical Assistance** by participating in Technical Evaluation Committees and Procurement Committees and Standing Technical Committees
k. **Preparation and publication of Building Schedule of Rates (BSR)** for Construction and maintenance of Building

The Management Hierarchy

Director General	Eng. (Mrs.)K.G.S.Kumudini
Additional Director General (Engineering Services)	Eng. (Mrs.)G.H.Hirimuthugoda
Additional Director General (Consultancy Services)	Arch.(Mr.) Menaka Mangalanantha
Director (Construction Region I)	Eng.(Mr.) A.M.Wickramasingha
Director (Construction Region II)	Eng. (Mr.) G.R.S.B.Gamlath
Director (Construction Region III)	Eng. (Mr.) S.S.Ranwatta
Director (Procurement and Technical Development)	Eng. (Mr.) H.M.R.Bandara
Director (Engineering Design)	Eng.(Mr.) G.H.A.B.Sajotha
Director (Electrical and Mechanical)	Eng.(Mrs.) E.D.M.S.Gunarathna
Director (Administration)	Mrs. S.D.D.P. Singhapura
Chief Accountant	Mrs.G.V.A.Sajeewani
Chief Internal Auditor	Mr. K.G.B.Priyantha
Director (Architecture)	Arch.(Mrs.)R.A.T.S.Ranathunga

Services provided

The DOB provide services to clients to cater their needs and bridge the capacity gap they encounter in executing their buildings, infrastructure development activities to achieve their goals.

Project Proposals (*The role is to facilitate client identified projects)*

We undertake preparation of Project Briefs, Feasibility Reports, Cost Estimates, and technical assistance for clients to pursue project approvals and to obtain financial allocations.

Turnkey (*The role shall be Entrepreneur Project Manager)*

We undertake the entire responsibility from design through completion and commissioning. The client only has to turn the proverbial key to make everything function, as it should.

Funds, as provided by FR, shall be released to DOB by: Transferring the Vote or Cheque drawn in favour of Director General of Buildings.

Consultancy (*The role shall be Executive Project Manager)*

We undertake projects with feasibility study; develop design, bill of quantities, and bidding documentation as pre-contract responsibility and construction management services as post contract responsibility. Client will undertake the responsibility of bidding process.

Funds will be retained with the client, payment for construction works paid by the client.

Project Management (*The role shall be Executive /consultant Project Manager)*

We undertake the responsibility of managing the consulting and contracting agencies. We shall undertake executing of advising the client. We undertake Private Sector Investment Programmes BOT, BOOT, Design and Build Contracts by Government or Donor Agencies.

Funds will be retained with the client, payment for construction works paid by the client.

Maintenance, Special Repairs, Improvements (*The role shall be facilitating client)*

We undertake preparation of condition report, maintenance manual, maintenance estimates, implementing maintenance, restoration of building and infrastructure.

Funds shall be released to Department of Buildings in executing the work.

Other services rendered.

We participate for the Procurement Committees, Technical Evaluation Committees, Standing Technical Committees, Subcommittees and other related committees of the other institutions by appointing competent officers as members.

Director General's Statement

Contribution to National Development

The department was separately involved in the works development activities in the country on building sector. The Department was able to provide more and more project management services for island wide construction projects.

Summary of Progress

During the year 2023 the overall percentage of financial progress against the target value is 86.47%.

Obstacles faced during the year 2023

- Shortage of Staff
  - Engineers
  - Technical Officers & Draughts persons
  - Technical Assistant
  - Public Management Assistants
  - Drivers
- Difficulty in retaining officers in government sector due to lack of facilities and benefits; no pay leave circular for government officers recently issued caused to shortage of staff.
- Shortage of vehicles for site visits.
- No approvals for obtaining site staff on assignment basis for urgent projects.
- No sufficient allocations for maintenance /uplifting of circuit bungalows.
- Nonpayment of management fees to the department for suspended projects (after completion of designs)
- Delay in projects due to changes requested by clients during construction stage.
- Difficulty in completing projects in time due to lack of resources of contractors and unavailability of funds & material shortages.
- Delay of approving projects by client and getting local government approvals.

Strategies to overcome obstacles

- There are 135 vacancies in the staff (page no 39) and they have been submitted to the relevant authorities for approval to fill the vacancies.
- Actions have been taken to carry out the duties by the existing staff under the duty coverage and acting biasis.

Eng.K.G.S.Kumudini

Director General of Buildings

1.3 Key Functions

The DOB is vested with the authority under the Financial Regulation Nos. FR 787, FR 788, FR 789 and FR 790. Accordingly, Department undertake following responsibilities from the non-technical departments and other institutions.

Department provide services with an agreement in the form of a memorandum of understanding to be more binding to our commitment.

Followings are the key functions of the Department.

1. Planning, Designing, Estimation & Construction of buildings and related facilities by financial allocations provided within the votes of Government Ministries, Departments and Agencies.
2. Provide consultancy & project management services to state agencies on building works.
3. Maintenance, Additions and Improvements to Government buildings
4. Addition, improvement, maintenance of state residences and bungalows.
5. Ensure technical accountability for all building works performed by the Department.
6. Certification for the buildings for the occupation of the Condominium Property as per Act of Apartment Ownership (Special Provisions) published in gazette on 25.05.2018
7. Technical assistance to other institutions
8. Provide in plant training facilities to university undergraduates and students from the other technical institutions.
9. Provide design office training facilities to acquire the Chartered Engineer status to Civil Engineers from internal and external departments from Government organizations.
10. Preparing and updating construction and maintenance Buildings Scheduled of Rates (BSR).
11. Issuing certification of building condition report as per UDA general regulation.

1.4 Main Divisions of the Department

1. Consultancy Division
   - Architectural Division
   - Structural Division
   - Electrical Division
   - Water supply and Sewerage Division
   - Mechanical Division
   - Estimate Division

2. Procurement & Technical Development
   - Planning Division
   - Management Development Division
   - Contract Division

3. Zonal Offices
   - Western North
   - Western South
   - Zone 02- Jaffna
   - Zone 03-Kurunagala
   - Zone 04- Batticaloa
   - Zone 05- Kandy
   - Zone 06- Galle

4. Administration Division
5. Finance Division
6. Internal Audit Division

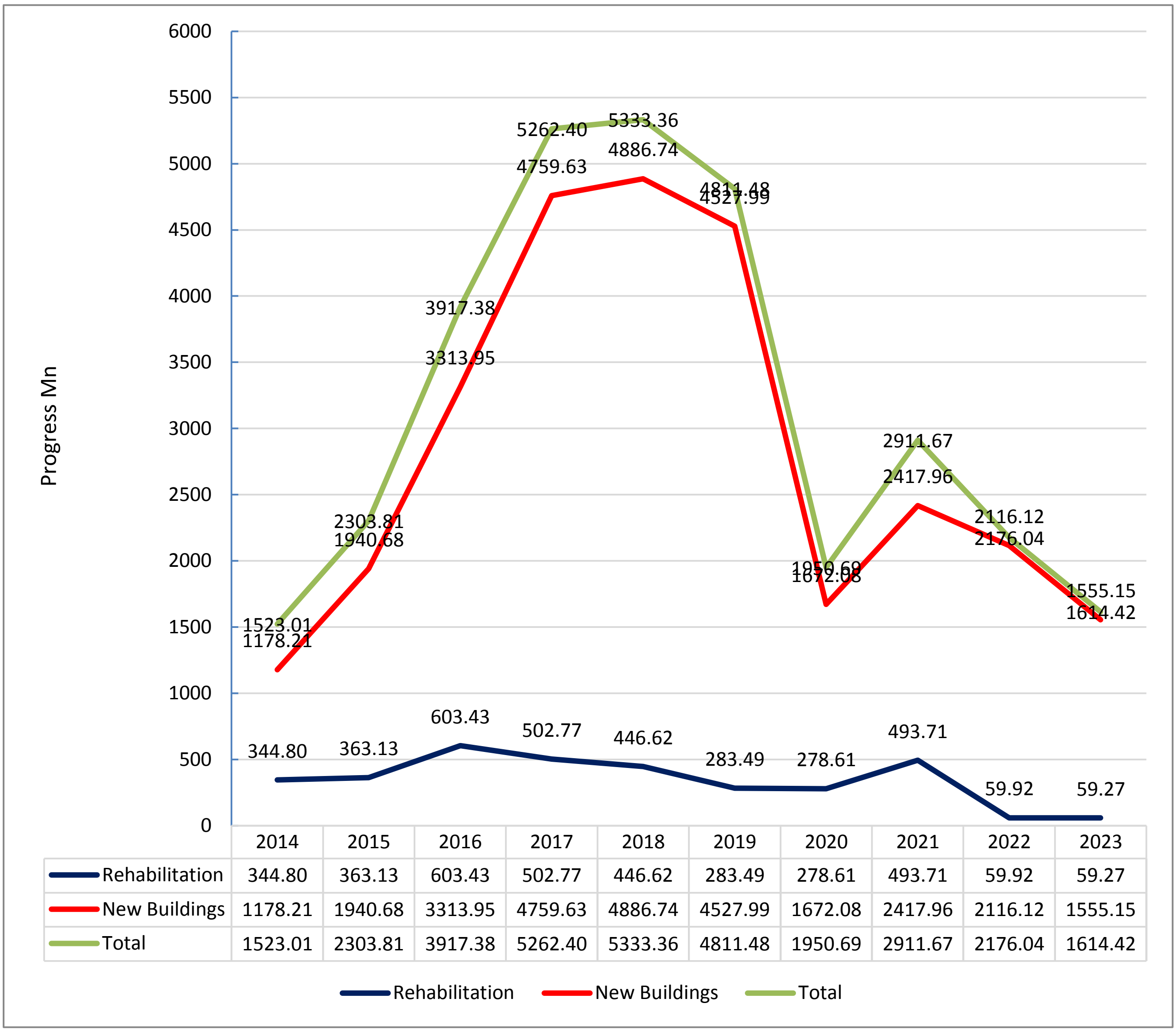
1.5 Institutions/Funds coming under the Ministry/Department/Provincial Council

-Not Applicable-

Chapter 02 — Progress and the Future Outlook

2.1 Past Performance upto 2023

Brief discription of specific achievements, challenges and future objectives to be signed by head of institution chief administrative officer/administrative officer.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rehabilitation	344.80	363.13	603.43	502.77	446.62	283.49	278.61	493.71	59.92	59.27
New Buildings	1178.21	1940.68	3313.95	4759.63	4886.74	4527.99	1672.08	2417.96	2116.12	1555.15
Total	1523.01	2303.81	3917.38	5262.40	5333.36	4811.48	1950.69	2911.67	2176.04	1614.42

Figure 3: Comparison to Last Ten Years

DOB provides services to the clients of other Ministries, Departments and Government Institutions. The main service provide by the Department can be categorized as, new buildings and infrastructure constructions, rehabilitation. The Department as shown in Table 1 and Figure 3 has fluctuated its performance from Rs. 1523.01 Mn in year 2014 to Rs. 1614.42 Mn in year 2023. Performance has decreased the by 26% from 2022 to 2023 due to unavailability of Imprest/Allocation to the client, contractor's financial crisis and price escalation (Import banned and government regulations).In addition to that, the Department of buildings regularly provided estimates for the future development works of other institutions. Accordingly, estimates of about 21,830.72 million rupees have been prepares and handed over to the relevant institutions for the year 2023.Estimates were not approved due to unavailability of allocations to the client's institutions and further work will be done after getting the approval. (Refer the table 4).In addition, 72 technical reports required to make decisions in the problems related to existing buildings of government have been given in the year 2023.

Table 1: Annual Increase from Year 2014-2023

Year	Annual Performance (Rupees Million)	% Increase (Base 2014)	% Increase (Base Previous Year)
2014	1523.01		
2015	2303.81	51	51
2016	3917.38	157	70
2017	5262.40	246	34
2018	5333.35	250	1
2019	4811.48	216	-10
2020	1950.69	28	-59
2021	2911.67	91	49
2022	2176.04	43	-25
2023	1614.42	6	-26

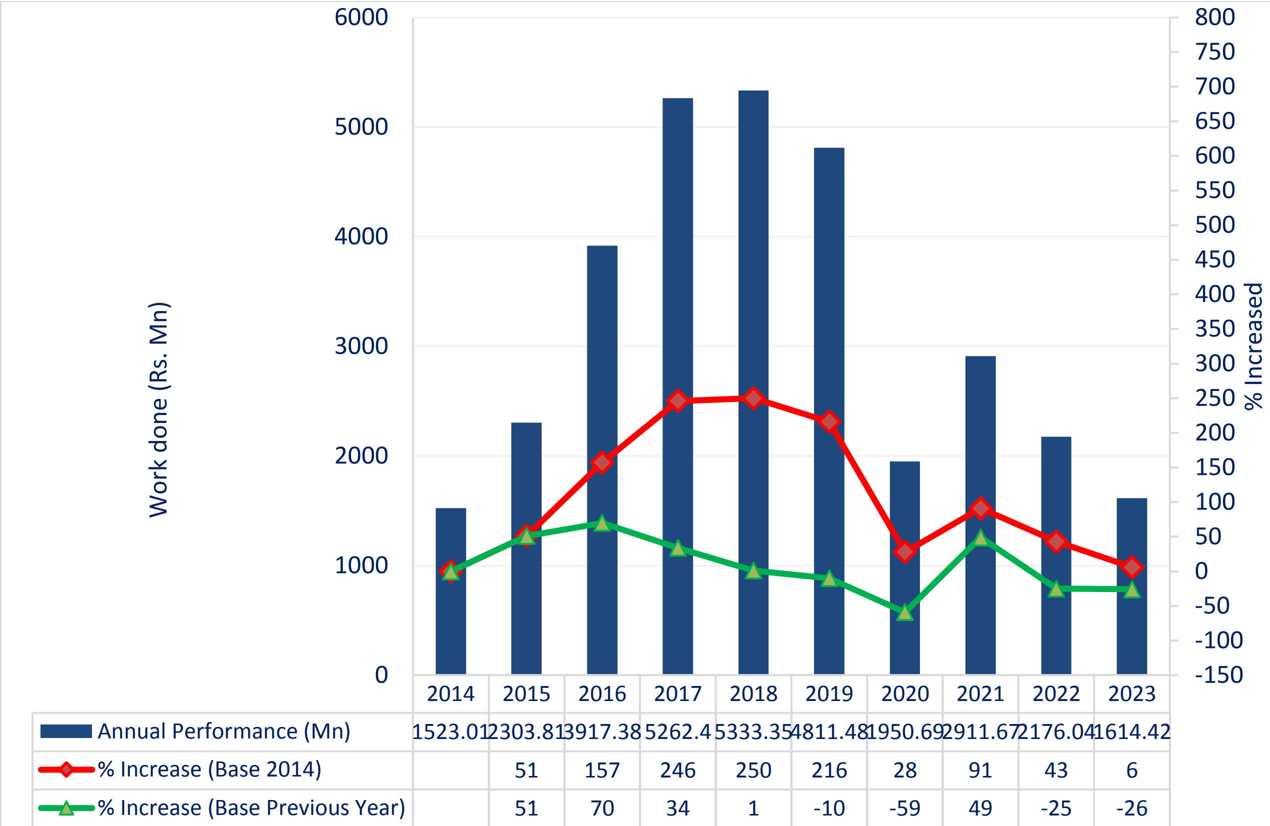


Figure 4: Increase of Performance

From 2022 to 2023 the department, as Shown in table 1, has decreased its performance from 2176.04 Mn to 1614.42 Mn. Table 2 below shows the performance of the Maintenance and Improvements. New Buildings decreasing the performance by 26% and Maintenance and Improvements of Projects decreased by 1% from 2022 to 2023. Total progress is decreased due to unavailability of Imprest/Allocation to the client, contractor's financial crisis and price escalation (Import banned and government regulations).

Table 2: Sectorial Comparison of Annual Performance

Sector	Annual Performance (Mn)		% Increase (Base Previous Year)
	2022	2023	
Maintenance and Improvements	59.92	59.27	-1%
New Buildings	2116.12	1555.15	-26%
Total	**2176.04**	**1614.42**	**-26%**

2.2 Summary of Projects in Year 2023

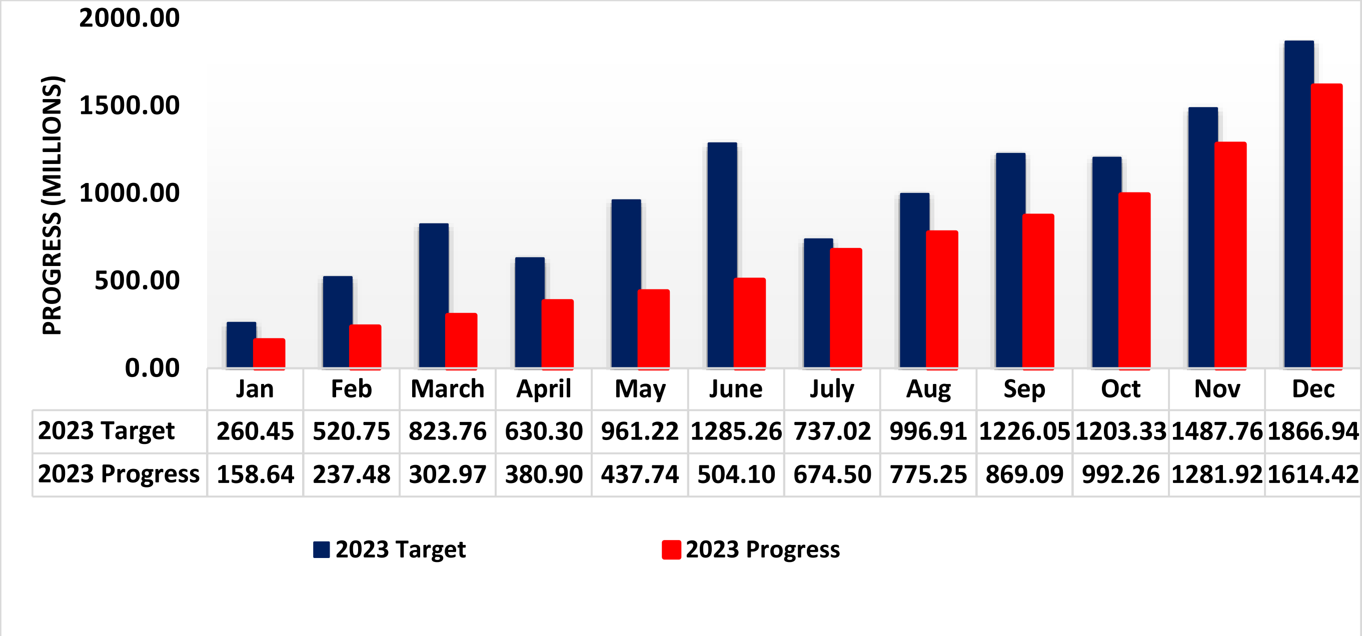


Figure 5: Comparison of Construction Performance up to last year

Department handled 119 projects in year 2023 out of which, 76 projects having project value up to 25Mn, 24 projects having project value in-between 25Mn to 100Mn, 7 projects having project value in-between 100Mn to 200Mn and 12 projects having project value more than 200Mn as shown in Table 3.

Table 3: Summary of Construction according to Zonal office's Projects in Year 2023

Zonal Office	Project Value Rs. (Mn)				
	0-25	**25-100**	**100-200**	**>200**	**Total**
Zone Western - South	06	03	02	03	**14**
Zone Western - North	07	03	00	03	**13**
Zone 2	11	01	00	00	**12**
Zone 3	10	04	04	00	**18**
Zone 4	27	04	00	01	**32**
Zone 5	06	02	00	04	**12**
Zone 6	09	07	01	01	**18**
Total	76	24	07	12	**119**

Table 4: Estimates submitted for clients in 2023 for client requests

Department Zonal office	Number of estimates submitted in year 2023	Value of estimates(Mn)
Zone 01 – Western South	66	2,420.64
Zone 01 - Western North	57	1,080.47
Zone 02	50	2,962.70
Zone 03	39	2,249.50
Zone 04	63	3,200.44
Zone 05	61	3,344.22
Zone 06	38	3,067.75
Supply and installation of solar system at government hospitals	46	3,505.00
Total	**420**	**21,830.72**

2.3 Consultancy Division Performance

The Consultancy division is the core of the services provided by the Department. The division provides Design services in the form of Architectural, Structural, Electrical, Water supply, Drainage, and Mechanical design and bill of quantities related to Building and related infrastructure. The above services are provided by dedicated professional Architects and Engineers. Table 5 is given the summary of consultancy division from 2019 to 2023.

Table 5(a): Summary of Projects Architectural Division in 2023

		2019	2020	2021	2022	2023
Sketch Design	Target	75	57	67	19	38
	Progress	67	50	61	18	34
Detailed Design	Target	48	23	55	21	14
	Progress	43	12	40	14	12

Table 5(b): Summary of projects structural division in 2023

Detailed Design	Target	51	36	40	19	28
	Progress	66	09	42	14	12

Table 5(c): Summary of projects water supply and sewerage division in 2023

Detailed Design	Target	58	25	56	21	20
	Progress	45	17	52	18	14

Table 5(d): Summary of projects electrical division in 2023

Detailed Design	Target	62	26	64	21	17
	Progress	60	24	63	21	17

Table 5(e): Summary of projects mechanical division in 2023

Detailed Design	Target	26	25	61	24	13
	Progress	26	25	61	24	13

Table 5(f): Summary of project estimate division in 2023

Preparation of BOQ	Target	38	20	26	13	7
	Progress	26	8	29	10	4

2.4 Certification of Condominium Projects

DOB inspected the housing units for the issue of certification for the buildings for the safety of occupation of the Condominium Property as per Act of Apartment Ownership (Special Provisions) published in Gazette on 25.05.2018.Certificate issued for 720 housing units which was constructed by National Housing Development Authority(NHDA), Divisional Secretariat Habaraduwa, Divisional Secretariat Akmeemana, Divisional Secretariat Moratuwa (Goodwill watta) and Divisional Secretariat Madampagama in year 2023 as shown in table 5.

Table 6: Condominium Projects-Housing units

	Up to 2022/12/31	**In Year 2023**	**Total**
NHDA	1038	599	1637
SLLRDC	144	-	144
Municipal Council- Kandy	32	-	32
DS Habaraduwa	-	37	37
DS Akmeemana	-	36	36
DS Moratuwa(Goodwill watta)	-	24	24
DS Madampagama	-	24	24

Chapter 03 - Overall Financial Performance for the Year ended 31st December 2023

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2023

Revised Budget Allocations 2023 Rs.		Note	Actual 2023 Rs.	Actual 2022 Rs.	
-	**Revenue Receipts**		-	-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	-	-	ACA-1
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**				
-	Treasury Imprests		1,744,858,000	1,033,698,000	ACA-3
-	Deposits		655,733,191	1,096,123,274	ACA-4
-	Advance Accounts		25,680,234	24,592,206	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		**2,426,271,425**	**2,154,413,480**	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**2,426,271,425**	**2,154,413,480**	
	Remittance to the Treasury (D)		**110,000,000**	-	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**2,316,271,425**	**2,154,413,480**	
	Less: Expenditure				
	Recurrent Expenditure				
392,000,000	Wages, Salaries & Other Employment Benefits	5	360,320,160	371,850,773	ACA-2(ii)
141,100,000	Other Goods & Services	6	154,946,611	136,578,828	ACA-2(ii)
2,700,000	Subsidies, Grants and Transfers	7	1,857,406	2,288,307	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
200,000	Other Recurrent Expenditure	9	128,377	116,792	ACA-2(ii)
536,000,000	**Total Recurrent Expenditure (F)**		**517,252,554**	**510,834,700**	
	Capital Expenditure				
14,900,000	Rehabilitation & Improvement of Capital Assets	10	14,879,199	23,494,075	ACA-2(ii)
1,400,000	Acquisition of Capital Assets	11	1,890,775	1,488,889	ACA-2(ii)
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	ACA-2(ii)
850,000	Capacity Building	14	834,013	989,425	ACA-2(ii)
550,000	Other Capital Expenditure	15	39,350	470,029	ACA-2(ii)
17,700,000	**Total Capital Expenditure (G)**		**17,643,337**	**26,442,418**	
	Deposit Payments		1,384,230,520	1,065,443,813	ACA-4
	Advance Payments		23,994,736	24,627,708	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**1,408,225,256**	**1,090,071,521**	
	Total Expenditure I = (F+G+H)		**1,943,121,147**	**1,627,348,639**	
	Balance as at 31st December J = (E-I)		**373,150,278**	**527,064,841**	
	Balance as per the Imprest Adjustment Statement		373,150,278	527,064,841	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3
			-	-	

3.2 Statement of Financial Position

As at 31st December 2023

ACA-P

Statement of Financial Position
As at 31st December 2023

	Note	Actual 2023 Rs	2022 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	849,295,652	841,132,720
Financial Assets			
Advance Accounts	ACA-5/5(a)	63,869,881	65,555,379
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		913,165,533	906,688,099
Net Assets / Equity			
Net Worth to Treasury		(577,251,939)	(1,304,063,770)
Property, Plant & Equipment Reserve		849,295,652	841,132,720
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	641,121,820	1,369,619,149
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		913,165,533	906,688,099

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from **01** to **44** and Annexures to accounts presented in pages from **45** to **76** form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

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

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date : 27/02/2024	Date : 26.02.2024	Date : 22/02/2024
W.S. Sathyananda SLAS (SPECIAL GRADE) MBA(Ballarat), PGD(La-Trobe),BSc (Sri Jayawardenepura) Secretary Ministry of Urban Development and Housing 12th Floor, "Sethsiripaya" Stage - II, Battaramulla	Eng. K.G. Sandya Kumudini Director General of Buildings Department of Buildings "Sethsiripaya" Battaramulla	G.V. Anusha Sajeewani Chief Accountant Department of Buildings "Sethsiripaya" Battaramulla

3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2023

	Actual	
	2023 Rs.	2022 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	272,495,073	207,251,945
Imprest Received	1,744,858,000	1,033,698,000
Recoveries from Advance	23,878,265	22,991,433
Deposit Received	655,733,191	1,096,123,274
Total Cash generated from Operations (A)	**2,696,964,530**	**2,360,064,652**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	513,030,848	507,561,343
Subsidies & Transfer Payments	1,857,406	2,288,307
Expenditure incurred on behalf of Other Heads	646,295,305	733,498,303
Imprest Settlement to Treasury	110,000,000	-
Advance Payments	23,907,114	24,830,468
Deposit Payments	1,384,230,520	1,065,443,813
Total Cash disbursed for Operations (B)	**2,679,321,193**	**2,333,622,234**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**17,643,337**	**26,442,418**
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:		
Capital Expenditure	17,643,337	26,442,418
Total Cash disbursed for Investing Activities (E)	**17,643,337**	**26,442,418**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(17,643,337)**	**(26,442,418)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4 Notes to the Financial Statements

Basis of Reporting

1. Reporting Period

   The reporting period for this financial statement is from 01st January to 31st December 2023.

2. Basis of Measurement

   The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

   The figures of the financial statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3. Recognition of Revenue

   Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

4. Recognition and Measurement of Property, Plant and Equipment (PP&E)

   An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

   PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5. Property, Plant and Equipment Reserve

   This reserve account is the corresponding account of property, plant and Equipment.

6. Cash and Cash Equivalents

   Cash and cash equivalents include local currency notes and coins in hand as 31st December 2023.

- ❖ In case where there are transactions which are specific to a particular reporting entity, relevant information can be entered in and revisions can be made as needed in the formats and the disclosure required for those specific transactions may be included under “Reporting Basis”.
- ❖ Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.5 Performance of the Revenue Collection

Rs……………….

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
	NOT APPICABLE				

3.6 Performance of the Utilization of Allocation

Type of Allocation	**Allocation (Rs)**		**Actual Expenditure (Rs)**	**Allocation Utilization as a % of Final Allocation**
	Original	**Final**		
Recurrent	536,000,000.00	541,154,000.00	517,252,554.00	96%
Capital	17,700,000.00	17,700,000.00	17,643,337.00	100%

3.6a 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

No	Department/ Ministry	No of Projects	Received funds 2023	Total Expenditure up to 31/12/2023	Balance	Progress (%)
1	Ministry of Buddhasasana Religious and Cultural Affairs	01	6,340,616.75	6340,616.75	-	100.00
2	Ministry of Defense	03	1,445,793.67	1,445,793.67	-	100.00
3	Ministry of Health	19	164,467,773.21	164,467,773.21	-	100.00
4	Ministry of Urban Development and Housing	01	722,787.20	722,787.20	-	100.00
5	Ministry of public Security	03	76,324,253.91	76,324,253.91	-	100.00
6	State Ministry of Foreign Employment promotion and Market Diversification	02	1,525,000.00	1,525,000.00	-	100.00
7	Department of National Museum	03	51,044,554.98	51,044,554.98	-	100.00
8	Department of Ayurveda	01	1,300,358.26	1,300,358.26	-	100.00
9	Department of Labour	03	8,293,558.98	8,293,558.98	-	100.00
10	Department of Police	28	281,259,516.81	281,259,516.81	-	100.00
11	Department of Inland Revenue	02	7,285,460.30	7,285,460.30		100.00
12	Department of Excise	01	21,000,000.00	21,000,000.00	-	100.00
13	Department of Census and Statistics	02	2,022,114.12	2,022,114.12	-	100.00
14	Department of Valuation	01	786,500.00	786,500.00	-	100.00
15	Department of Export Agriculture	01	680,989.36	680,989.36	-	100.00
16	Department of post	02	7,040,715.00	7,040,715.00	-	100.00
17	Election Commission	01	7,241,215.00	7,241,215.00	-	100.00
18	Department of Sri Lanka Customs	02	3,951,995.95	3,951,995.95	-	100.00
19	Ministry of Sports and Youth Affairs	01	1,311,730.09	1,311,730.09	-	100.00
Total		**77**	**644,044,933.59**	**644,044,933.59**	-	

3.7 Performance of the Reporting of Non-Financial Assets

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2023 (Rs)	Balance Per Financial Position Report as at 31.12.2023 (Rs)	Yet to be Accounted	Reporting Progress as a %
9151	Buildings and Structures	112,302,689.29	112,302,689.29	-	100
9152	Machinery and Equipment	271,515,239.10	271,515,239.10	-	100
9153	Land	461,398,355.60	461,398,355.60	-	100
9154	Intangible Assets	3,979,368.00	3,979,368.00	-	100
9155	Biological Assets	-	-	-	-
9160	Work in Progress	100,000.00	100,000.00	-	100
9180	Lease Assets	-	-	-	-

3.8 Auditor General's Report ***

CAE/A/BD/FS/2023/01 2024 **May**

Director General
Department of Buildings

Head 309- Auditor General's Summary Report pursuant to Section 11(1) of the National Audit Act No. 19 of 2018 on the Financial Statements of the Department of Buildings for the year ended 31 December 2023

1. Financial Statements

1.1 Qualified opinion

Head 309 - Statement of financial position as at 31 December 2023 of the Department of Buildings, financial performance statement for the year ended and cash flow statements for the year ended 31 December 2023 Sri Lanka to be read in conjunction with the provisions of the National Audit Act No. 19 of 2018. The provisions contained in Article 154(1) of the Constitution of the Democratic Socialist Republic were audited under the command of the Prime Minister.This report states my comments and observations about the financial statements submitted to the Department of Buildings in accordance with Section 11(1) of the National Audit Act No. 19 of 2018. To the Accounting Officer in accordance with Section 11(2) of the National Audit Act No. 19 of 2018. The annual detailed management audit report is issued in real time.The Auditor General's report to be submitted in accordance with Section 10 of the National Audit Act No. 19 of 2018 to be read in conjunction with Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be submitted to the Parliament in due course.

I am of the opinion that, except for the effect of the matters mentioned in 1.6 of this report, the financial statements reflect a true and fair view of the financial position of the Department of Buildings as of December 31, 2023 and its financial performance and cash flow for the year ending on that date in accordance with generally accepted accounting principles.

1.2 Basis for Qualified Opinion

The opinion is qualified based on the facts given in paragraph 1.6 of this report. I conducted my audit in accordance with the Sri Lanka Auditing Standards (Sri Lanka Audit Standards). My responsibility in relation to financial statements is further described in the section entitled Auditor's responsibility. I believe that the audit evidence I have obtained is reasonable and appropriate to provide a basis for my opinion.

1.3 Accountability Officer's responsibility for financial statements

Financial statements must be prepared with a true and fair situation in mind, and they must be free of material misstatements that could be the consequence of fraud or error, in compliance with generally accepted accounting principles and Section 38 of the National Audit Act No. 19 of 2018. The enumeration officer is in charge of figuring out the forest's internal control.

To generate annual and periodic financial statements, the department office must keep accurate books and records of its revenue, spending, assets, and liabilities in compliance with Section 16(1) of the National Audit Act No. 19 of 2018.

In accordance with sub-section 38(1)(c) of the National Audit Act, the Chief Accounts Officer shall ensure that an effective internal control system is developed and maintained for the financial control of the department and shall review the effectiveness of that system from time to time and accordingly to carry out the system effectively. Necessary changes must be made.

1.4 Auditor's Responsibility for Auditing Financial Statements

In addition to issuing the audit report with my view, my goals are to reasonably assure you that there are no major misstatements in the financial statements as a whole that come from fraud or mistakes. In line with Sri Lanka Auditing Standards, reasonable assurance is a high level of assurance, although it does not guarantee that the audit will always find major misstatements. When fraud and error combine, they can lead to major misstatements. How big of a misstatement these are will depend on how they affect users' ability to make sound financial decisions based on these financial statements.
Conducted the audit in compliance with Sri Lanka Auditing Standards by using professional judgment and professional skepticism. I also,

- Planned and performed appropriate audit procedures on occasion to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, in providing a basis for the issued audit opinion. The impact of fraud is stronger than the impact of material misstatements due to misrepresentations because they are caused by negligence, falsification of documents, intentional omissions, misrepresentations or circumvention of internal controls.
- Internal control was understood in order to occasionally create suitable audit procedures; this was done without intending to voice an opinion regarding the efficacy of internal control.
- Assessing the appropriate and fair presentation of transactions and events underlying the structure and content of financial statements that include disclosures.
- Evaluated the financial statements' overall presentation, taking into account the proper and equitable inclusion of the transactions and events that underlie the six financial statements' structures and disclosures.

I let the accounting officer know about the significant audit results, critical flaws in internal control, and other issues I found.

1.5 Report on other legal requirements

According to Section 6(1) (d) of the National Audit Act No. 19 of 2018, I declare the following facts.

a) The financial statements are consistent with the previous year.

b) The recommendations I had made regarding the financial statements related to the previous year had been implemented.

1.6 Providing feedback on financial records

1.6.1 Non-financial assets

a) Opening balances of 08 types of non-financial assets mentioned in Form ACA-6 of Financial Statement and Form SA-82 of Treasurer Rs. 77,537,055 were collected during the year under review. These assets are assets identified in 2023, which were not included in the new CIGAS system when compared to the 66 model of BHA as per the 2022 Commodity Survey Report. This is due to the preparation of financial transfers without verifying whether all the physical assets that actually exist are included in the new CIGAS program.

b) In order to facilitate the identification, accounting and control of non-financial assets, a department number should be followed for non-financial assets, but due to the absence of a code number for the assets in areas 02 and 04 in the list of assets controlled by the department's new CIGAS program, SA- 82 and ACA-6 forms, it was not possible to confirm whether the amount of non-financial assets is actually the amount of physical assets of the department.

1.6.2. Deposit payments

According to F.R.. 571(3) all overdue deposits should be credited to the state revenue but the balances of 02 deposit accounts 16/33 and 13/52 which were not settled by 31st December 2023 over 05 years Rs.53,108,686, between 3-5 years Rs.83,219,886 and Rs.81,678,965 between 2-3 years, the total was Rs.218,007,537. The following observations are made in this regard.

a) In relation to the deposit account bearing No. 16/33, although a long time had gone since the defects liability period had passed, but due to the non-rectification of the defects that should be corrected, the retention money of 300 projects had been retained in the deposit account.
b) While the projects were terminated, the related retention money was kept in the 16/33 deposit account for more than two years without being credited to the government revenue or the account of the relevant clients.
c) The value of 10 construction contracts, which were suspended due to non-performance, was Rs. 36,132,685 performance securities were en-cashed in the year 2023, but the money was retained in the deposit account number 13/52 on December 31, 2023 without being credited to the relevant client institution or government revenue.

1.6.3. Advances

a) Regarding the year under review, a technical officer of the Sri Lanka Technology Service who was not released but did not report to work due to non-payment of dues to the government despite requests to leave the service, Rs. An amount of 221,439 is in the loan balance.

b) Loan balance due from deceased officers: as of 11.03.2021, one deceased officer's balance of Rs. 174,487 has been unpaid for more than three years. In the loan balance due from retired officers, the outstanding balance for a period of five to ten years is Rs. 115,861, and the outstanding balance for a period of one to three years is Rs. 380,304.

2. Financial Review

2.1 Utilization of funds provided by other Ministries and Departments

a) In accordance with the 208 of F.R., in order to carry out the construction work of other ministries and departments, Rs. 644,102,933 that is only 48 percent of the allocated amount had been utilized. Remaining Rs. 691,793,409 had been unutilized and diverted. It is 52 percent of the total provision. In this, there are 08 projects for which the entire allocation has not been utilized and the value of the total allocation was Rs.310,934,000.

b) 2022 Appropriation Act No. 43 No. 43 of 2022 Section 6(1) Supplementary Support Services and Emergency Liability Projects allocated to the Department of Buildings from the supplementary estimate of Rs. 5,154,000, the provision used for the repair of the main air conditioning system was Rs. 4,757,237 only and for other functions Rs. 276,638 were employed. Also, an amount of Rs. 120,124 was shown as the remaining balance in the financial statement.

2.2 Non-compliance with laws, rules and regulations.

	With reference to laws, rules and regulations	non-compliance
(a)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka Currency Regulation No. 1645	The log books to be maintained were not kept up to date.
(b)	Code of Government Procurement Guidelines 8.8.1. (a)	The unsuccessful bidders were not informed of the reasons for the failure of the bid showing particular deficiencies.
(c)	No. MF/CG/02/(iv) of Treasury Secretary and Asset Management Circular 01/2017 dated 28.06.2017.	Information to be sent to the Comptroller General was not submitted under the documentation of all non-financial assets of the government for asset and cost management.

3. Operational Review

3.1 Vision and Mission

Technical responsibility: To achieve the desired qualities and sustainability, cost-effectiveness, and quality to the full satisfaction of their clients, a group of committed professionals in various professions and situations manage architectural and engineering design and construction projects as well as provide technical maintenance and consulting. Enhancing the construction of public buildings by offering top-notch services.

3.1.1 Performance

According to Finance Regulation 787, the general rule is that the Government Works Department i.e. the Building Department is responsible for the execution of all Government works and works. In order to carry out these tasks and other construction tasks, the department has a staff of 205 planners, quantity surveyors and technical officers, including 73 senior level engineers related to the construction sector, 12 senior level architects and 205 technical officers as of December 31, 2023. It was in poor condition as mentioned below.

3.1.2 Issuance of certificates that the property is safe for occupancy.

a) In terms of sub-section 3.(3)(1) of the Condominium Rights (Special Provisions) Act No. 23 of 2018 dated August 15, 2018, the Director General of the Building Department shall issue a written statement at the time of registration of the condominium, certifying that the condominium property is safe for registration. Although the information related to 61 properties had been forwarded to the Building Department to obtain the certificate, only 49 certificates had been given by December 31, 2023. The Acting Associate Director of the National Housing Development Authority had informed that only 29 units can be given deeds. Section 2 of the Act stated that this Act should be implemented for a period of five years from the date of commencement and although the period had been completed by August 18, 2023, the desired purpose could not be achieved due to the non-issuance of safety certificates.

As of December 31, 2022, there were 710 property units in the National Housing Development Authority and the number of certificates issued in 2023 was only 599.

b) The following houses in Tsunami and other apartment complexes built before December 31, 2009 in the Divisional Secretariats have not been inspected and certified for habitability so far.

i. RatmalanaRastamwatta Apartment Complex

The certificates for the flats comprising 321 houses were requested from the Building Department by the Divisional Secretary through letter No. RAT/LAN/09/F1/122(i) dated 22nd July 2021, but the certificates were not provided and again on 11th January 2024. Although reminder letters have also been sent, no certificates have been issued till now.

ii. Unsafe conditions for PanaduraModaravila Apartment Complex, MataraNupewela Renaissance City Housing Project, KalutaraThekkawatta, Mataji Housing, Jesuit

Housing, Red Cross Housing and RatmalanaKandawalawatta Tsunami Apartment Complex project, which were requested to be issued by the Divisional Secretariats. It was observed that due to not providing certificates for these houses without mentioning the appropriate suggestions and measures for repair, the houses cannot be compensated.

c) The preparation and updating of the Building Rate Schedule (BSR) was stated as a major task of the Building Department and although the Building Rate Schedule had been updated in the year 2023, the norms such as labor, raw materials etc. required for a unit and for different sizes had not been updated after the year 1988. Therefore, in the preparation of quantity sheets for construction projects, it was observed that these standards have not changed due to the changes in labor caused by the use of advanced technical tools and machinery and the changes caused by the alternative raw materials used instead of traditional cement, brick, sand, that it is not paternalistic to use them nowadays.

3.1.3 Misrepresentation of information in performance report in respect of incomplete projects.

a) Although the contractual value of the construction contracts as well as the price variations were fully paid by the client, the scope was limited and the project was completed in the performance reports. Also, in cases where the scope limitation is not requested by the client, even though the estimated cost is equal to the actual cost, this does not reflect the actual progress of the works of the building department, as the expected benefits cannot be obtained from these projects that have stopped in the middle due to the fact that only the works have not been completed.

b) It was noted in the performance report of the department that the performance security of 10 projects was turned into cash (en-cash) and the relevant money was kept in the deposit account and the projects were handed over to the client after 100 percent completion.

3.1.4 Construction projects that did not achieve the desired level of completion

a) Project for proposed extensions and alterations to the headquarters building of the Sri Lanka Agricultural Research Policy Council.

(i) The department had awarded the contract to a private entity selected through the procurement process at an initial cost estimate of Rs.12,300,000 for the provision of consultancy and management services at a bid value of Rs.8,191,437 which was 33 percent less than the contract estimate value.

(ii) A variation in the range of 550 percent to 99 percent was observed between the proportion of the engineer's estimate and the contractor's quote. As per 7.9.11 (a) of the Procurement Guidelines, clarifications for such material were to be obtained but there was no evidence in the files confirming that such clarifications were obtained. Also, in this regard, the evidence that had been dealt with in accordance with 7.9.11 (b), (d) of the Code of Guidelines was not submitted to the audit. Furthermore, over and above the provision for contingencies which was Rs.829,059 in the initial estimate, Rs. 1,992,487 had been paid to the contractor.

(iii) The contract period is 182 days and although the client requested that the construction be completed before the end of 2019, the building department awarded the project to the contractor on December 6, 2019 and it was not completed until December 31, 2023.

(iv) The contractor's sole proprietorship at the time of contracting had been converted into a company with effect from 23 June 2021. Despite this, after June 23, 2021, the department had issued checks worth Rs. 5,784,594 in the name of the old individual business which was closed by law. And the department was not focused on making new contracts.

(v) Although the performance security for the contract was obtained from the Construction Security Fund and its period expires on September 30, 2022, therefore the department requested to extend their period or to convert the relevant security into cash on failure of the contractor to complete the project. The Construction Safety Fund had informed that the time limit cannot be extended for the safeguards of a company covered by the law.

(vi) Although the Sri Lanka Agricultural Research Policy Council had paid Rs.12,217,304 to the Building Department for this contract which had been agreed to be completed under a bid value of Rs.8,191,437, the projects were not completed until December 31, 2023 and the project was submitted for audit on December 31, 2023 as completed. A preliminary estimate of Rs.9,702,000 (without VAT) was submitted to the Agriculture Policy Council on October 11, 2023 to complete the remaining work, despite the project performance report. Due to the non-completion of the project within the stipulated time, the government has to pay an additional sum of Rs. 9,702,000 (VAT exclusive) to put the building in a state of use and otherwise the expected benefit cannot be obtained from the money spent so far.

3.1.5 Delays in project execution

a) Construction of detached reed houses at Kurunduwatta Police Station, Batticaloa of the Inland Revenue Department due to non-payment of money to the contractor due to non-payment of funds from the Treasury due to the non-payment of funds from the Treasury due to the long-term failure to complete and finalize the contracts for the contracts that were being allocated from the budget to other government institutions to the Building Department. The projects such as providing and installing power generators and air conditioners in the office, construction of ValpothuwewaKobeigane Central Dispensary, Warakapola Labor Office, construction of Mahaoya Health Medical Officer Office Building - Phase 04 etc. were suspended.

b) 23 construction contracts worth more than 659 million rupees awarded to the building department by the state and semi-state institutions in the last 06 years were stopped midway without completion.

c) Construction of WataraTutsyala Buildings (Phase II) of HomagamaPradeshiyaSabha.

At the request of the secretary of the local council, the building department had prepared and submitted an estimate of Rs.30,000,000 for a contract for the provision of project management services. Even if the individual business of the selected contractor is not in compliance with clauses 2.14.1, 2.7.5, 2.8.4 and 5.3.1 (d), 5.4.8 of Supplement No. 35 of the Procurement Guidelines Code and has been closed and converted into a company with effect from September 01, 2021 The department was informed about it on September 9, 2022. However, on October 05, 2021, a performance security worth Rs.1,076,424 and an advance security worth Rs.4,568,719 had been submitted through Seylan Bank in the name of individual business.The contractor informed that the performance security cannot be paid on behalf of a contractor without legal personality. During the project, the building department did not investigate and take legal action regarding whether the closure of the business by law and the establishment of a new business was valid as per the contract agreement and whether the newly established entity had such past data.

The department had issued the completion certificate stating that the work has been completed as per the terms of the agreement even though only Rs.17,846,691 had been incurred under a reduced scope for the contract amount of Rs.21,528,447. However, it was observed that the project was not completed and at a level where it could be used.

d) Contract for Construction of Marital Quarters of Junior Police Officers.

The contract value of the project is Rs.482,424,569 and an agreement was entered into on December 18, 2017 with a private company with an agreement to complete in 910 days i.e. by May 17, 2022. The Department of Buildings was appointed for the procurement and management of this contract and the Central Engineering Consultants Bureau as the engineer. Due to the fact that the maximum time for checking the bills was 21 days, but the time was taken between 28 and 100 days, due to the disagreement between the contractor and the engineer, several issues were referred to an arbitrator.
As to problem number 02, to pay an amount of Rs.18,293,273 to the contractor company due to the breach of the terms of the contract by the employer i.e. the building department regarding the permanent work during the period from November 20, 2017 to August 20, 2019 and additional to the contractor for problem number 3, 4, 5 In the final decision, the arbitrator had directed not to pay the payments and to pay part of the late payments of Issue No. 06. According to the above facts, it is not reasonable to bear the late interest payment from the government fund due to the negligence of the contractor and the employer, but a late interest of Rs. 5,322,685 had been paid by the date of audit on February 26, 2024.
No amount was charged for liquidity losses as per Clause 8.7 of the Contract Agreement despite the fact that the Central Engineering Advisory Bureau had been informed on several occasions about the deficiencies of the contractor.

3.2 Asset Management

a) There are 45 lands owned by the department, including 05 flats, of which title deeds were not prepared for 29 lands.

b) Out of the 45 lands owned by the department, the land value shown in the financial statements shows inaccurate low values due to the fact that the assessed values for 25 lands cannot be identified separately.

c) Since March 2020, it was not possible to provide the Tangalle tourist bungalow to the tourists and a group of outsiders stayed without paying and booking under the proper procedure. As a result, electricity and water charges increased abnormally, but there was no income to pay for the maintenance of the bungalow. The amount of Rs. 699,387 which was the cost of electricity and water so far and the outstanding amount of electricity and water cost of Rs. 95,185 due on November 16, 2023 had not been reimbursed. And due to this, the government has lost the income that could have been obtained by renting out the bungalow to tourists and the government has to bear expenses for the repair work here. The authorities did not take effective and legal steps in the relevant period to recover this loss or to evacuate the relevant personnel.

d) Part of the land where the NuwaraEliya Tourist Bungalow is located was occupied by unauthorized persons and the land had not been surveyed and title deeds had not been obtained.

e) The Diyathalawa land owned by the department has been taken over by the Divisional Secretary and although it was announced that a land in the HaputaleIbbanAra area will be given instead, no action has been taken to obtain the deeds.

3.3 Management weaknesses

a) Although it should have been confirmed that the spare parts to be removed during vehicle repair were duly documented and handed over to the warehouse, this was not the case and these spare parts were not auctioned formally.
b) During the awarding of contracts by the department, during the bid inspection, the projects previously carried out by the relevant bidders in the institution, continuous delays, abandoning the work and canceling the contracts in the middle, and continuously assigning contracts without blacklisting to the contractors who were recommended to cash the performance security. Cases were observed.

4. Sustainable development

According to the United Nations 2030 "Agenda" on sustainable development, every government agency has to work and one objective was identified as preparing plans and specifications for installing solar panels to 46 existing public hospitals during the year under review. The goal of this objective was to reduce the thermal electricity demand by using solar energy and producing renewable energy. Although it is known that letters related to the installation of solar panels in existing hospitals have been sent to the Ministry of Health, there has been no progress in the related construction of this project, which was planned to be implemented under World Bank assistance. Due to this, the building department was unable to prepare the related sustainable development objectives even in 2023. Therefore, the progress shown in the performance report cannot be accepted in the audit.

5. Human Resource Management

5.1 Attached staff, actual staff

The details of approved, actual and vacant posts as on 31st December 2023 are given below.

Type of employee	Approved number of employees	Actual number of employees Permenant	Contract	Excess/deficiency
Senior level	126	95	0	31
Tertiary level	24	5	0	19
Secondary level	285	265	0	44/ (24)
Primary level	178	137	3	41
Total sum	**613**	**502**	**3**	**135/(24)**

a) Rs.355,320,160 had been spent for the personnel expenditure category for the year under review. Accordingly, the per capita expenditure was Rs. 703,604.
b) There is a surplus of 24 development officers in the secondary level posts and for that, as per the instructions of the Ministry of Public Administration Secretary No. (PS/GT/2020) (Volume 111) and the letter dated January 03, 2022, F.R.71 approval has not been done so far.
c) And while the staff has grown from 476 to 502 that is 5 percent in the last 5 years, the performance of renovation and new construction projects is Rs. From 4811.48 million to Rs. 1,614.42 that is 66 percent decreased.

H. A. D. ChandaniAbeysinghe
Senior Assistant Auditor General
For Auditor General

Chapter 04 — Performance indicators

Specific Indicators	Actual output as a percentage (%) of the expected output			
	100%- 90%	75%- 89%	50%- 74%	Less than 50 %
Drawing produced			63.2%	
Project completed (No of projects)		79%		
Project completed value base	90%			

Chapter 05 - Performance of the achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified Respective Sustainable Developments Goals

Goal/Object	Target	Indicator	Progress of the achievement
Preparing plans and specification for installing solar panels for 46 existing government hospitals	Demand reduction by generating renewable energy using solar power	Install Solar panels for existing hospitals 1. Relevant documents have been prepared and handed over to Ministry of Health.	100%

Chapter 06 - Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Casual/Contract	Vacancies/(Excess)
Senior	126	95	0	31
Territory	24	5	0	19
Secondary	285	265	0	44/(24*)
Primary	178	137	3	41
Total	613	502	3	135/(24*)

❖ 24 Development officers are redundant. For above matter, according to the Public Administration Secretary’s no (PS/GT/2020 - (III annexure) and 2022/01/03 dated letter, efforts are being made to get approval.

.

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

- Department of Buildings plays a huge role on behalf of the government construction sector and performs maintenance works in many government buildings.
- Due to shortage of technical staff there are so many difficulties in implementation of projects.
- Out of 613 approved cardre for the department only 502 employees are working as at 31/12/2023.
- If necessary approvals and assignments were obtained to fill the necessary technical posts or positions, the project activities could be carried out more efficiently.

6.3 Human Resource Development

No.	Name of the Training Program	No. of Staff trained	Duration of the Programme	Total Investment (Rs)		Nature of the Programme- Abroad/ Local	Output/ Knowledge Gained
				Local	Foreign		
1	Workshop on ISO 9001 2015 standard and implementation of quality management systems planning	01	02 Days	17,692.29		Local	
2	Advanced Professional training programme for Green Accreditation	01	03 Days	40,000.00		Local	
3	One day workshop on scientific efficient and safe driving for drivers	04	01 Day	20,000.00		Local	
4	Online seminar on who creates delays, disputes, issues, claims, corruption clauses, unlawful clauses, impracticable specification in government and private sector construction	01	01 Day	4,000.00		Local	
5	Programme on sustainable development goals	28	01 Day	15,020.00		Local	
6	Design course on (Structural design Transition to Euro codes online	01	08 Days	15,000.00		Local	
7	Training programme on economic of development, administration and impactful growth strategies	01	04 Days	Free of Charge		Local	
8	CPD course on Lightning problems and related designs	01	04 Days	25,600.00		Local	
9	CPD course on Finance for Engineers	01	08 Days	12,200.00		Local	
10	One day training programme on dispute resolution in construction industry	01	01 Day	12,000.00		Local	
11	Two day workshop on office equipment control	01	02 Days	7,500.00		Local	
12	Telephone skills and etiquette training for secretaries and front office staff (online)	01	02 Days	7,500.00		Local	
13	Transport management	01	01 Day	6,000.00		Local	
14	Maintaining personal file	02	02 Days	19,000.00		Local	

No.	Name of the Training Program	No. of Staff trained	Duration of the Programme	Total Investment (Rs)		Nature of the Programme- Abroad/ Local	Output/ Knowledge Gained
				Local	Foreign		
15	Seminar on “Introduction to total station survey”	01	01 Day	6,000.00		Local	
16	Online workshop for procurement process	06	01 Day	15,000.00		Local	
17	MSc/ PG Diploma programme in building services engineering	01	02 years	200,000.00		Local	
18	Answering Audit Queries	01	03 Days	15,000.00		Local	
19	Certificates course on procurement process	01	11 Days	25,000.00		Local	
20	Five day training course for the development of productivity trainers	01	05 Days	Free of Charge		Local	
21	Accessibility audit training for people with disabilities	03	02 Days	Free of Charge		Local	
22	3rd Efficiency bar exam for Sri lanka technical officer service Grade 1 officers 2020(2022)	01	03 Months	17,500.00		Local	
23	Integrated treasury management information system	01	04 Days	72,000.00		Local	
24	Preparing Cabinet Papers	02	01 Day	12,000.00		Local	
25	Internal Auditing and internal methods of control	01	02 Days	9,500.00		Local	
26	M.Sc. in electrical installation	01	01 Year	125,000.00		Local	
27	Diploma in procurement management and contract administration course	01	01 Year	100,000.00		Local	
28	100 Hours Tamil language Course	19	05 Days	22,500.00		Local	
29	150 Hours Tamil language Course	53	14 Days	63,000.00		Local	
30	Course on plumbing systems for high rise buildings	01	02 Days	13,000.00		Local	
31	MTCP: Occupational safety and health in construction industry management (OSHCIM) - Online	02	05 Days		Free of Charge	Foreign	

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
01	**The following Financial Statements / accounts have been submitted on due date**			
1 .l	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts(Commercial Advance Accounts)	Not Applicable		
1.4	Stores Advance Accounts	Not Applicable		
I .5	Special Advance Accounts	Not Applicable		
1.6	Others	-		
02	**Maintenance of books and registers (FR445)/**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA — N20) has been maintained and update	Complied		
03	**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 I 1.05.2014 in using the Government Payroll Software Package	Complied		
04	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due dale	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
05	**Audit queries**			
5. I	All the audit queries has been replied within the specified time by the Auditor General	Complied		
06	**Internal Audit**			
6. I	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 has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in Terms of Sub-section 40(4) of the National Audit Act to. 19 of 2018	Complied		
6.4	All the copies of internal audit Reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
07	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular I -2019	Complied		
08	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01 /2017	Complied		
8.2	A suitable 1iaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the afore said circular	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
8.3	The boards of survey were conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		-
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	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 made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
11	**Utilization of Provisions**			
11.1	The provisions allocated load been spent without exceeding the limit	Complied		
I I.2	The liabilities not exceeding the provision that remained at the end of the year as per the FR 94(I)	Complied		
12	**Advance Account of Public Officers**			
12. I	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
13	**General Deposit Account**			
13. 1	The action had been taken as per E. R.57 1 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for General deposits had been updated and maintained	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TSHD	Complied		
14.2	The ad—hoc sub imprests issued as PerF.R.371settled within one month from the Completion of the task	Complied		
14.3	4 he ad-hoc sub imprests had been issued exceeding the line it approved as per F. R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury book s monthly	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms other regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the .Auditor General in terms of FR 176	Not Applicable		

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
16	**Human Resource Management**			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
l 6.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Providing 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 by Website or alternative measures and has it been facilitated to appreciate/ allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Reports have been submitted twice a year or once a year as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			
18.1	A citizen's / 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		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 Dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Not - Complied	Inadequate provision under training expenditure head	

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
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 to 6.5of the afore said Circular	Complied		
20	**Responding to Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

END