

**Appropriation Head 257 – District Secretariat, Kalutara**

Report of the Auditor General on the Accounts of the District Secretariat, Kalutara and the Divisional Secretariats functioning thereunder

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1. Key Activities of the District Secretariat

- I. Initiatives for poverty reduction
- II. Co-ordination of Elections
- III. Planning and supervision of Development Projects
- IV. Administration of Disaster Relief and Rehabilitation Projects
- V. District Projects Administration and Direction
- VI. Revenue Collection

2. Divisional Secretariats under the District Secretariat

Kalutara	Bandaragama
Panadura	Ingiriya
Beruwala	Palindanuwara
Dodangoda	Bulathsinghala
Matugama	Madurawala
Agalawatta	Walallawita
Millaniya	Horana

3. Annual Action Plan

The District Secretariat had not prepared on Annual Action Plan for the year of accounts.

4. Accounts

4:1 Total Provision and Expenditure

The total provision made for the District Secretariat and the 14 Divisional Secretariats functioning thereunder amounted to Rs.499,150,000 and out of that, a sum of Rs.483,636,373 had been utilized by the end of the year under review. Thus, the net savings of the District Secretariat and the Divisional Secretariats amounted to Rs.15,513,627 and represented 3 per cent of the total net provision.

Appropriation Head	Department	Net Provision		Utilization		Savings	
		Recurrent	Capital	Recurrent	Capital	Recurrent	Capital
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
257	District Secretariat, Kalutara	447,400,000	51,750,000	432,214,158	51,422,215	15,185,842	327,785

4:2 Utilization of Provision made available by other Ministries and Departments

The particulars of expenditure incurred out of the special provision totalling Rs.2,300,119,990 made available by various Ministries and Departments for various purposes are given below.

Head	Ministry / Department	Provision Received	Actual Expenditure	Savings/(Excess) (As at 31 December 2010)
		Rs.	Rs.	Rs.
101	Ministry of Buddha Sasana, Religious Affairs and Moral Upliftment	150,000	150,000	--
105	Ministry of Economic Development	839,963,228	667,670,744	172,292,484

106	Ministry of Disaster Management	24,263,646	23,585,098	678,548
110	Ministry of Justice	2,419,404	1,704,811	714,593
117	Ministry of Highways	10,000	10,000	---
120	Ministry of Child Development and Women's Affairs	10,372,239	7,580,188	2,792,051
121	Ministry of Public Administration and Home Affairs	1,096,820	420,553	676,267
124	Ministry of Social Services	6,907,296	6,556,597	350,699
127	Ministry of Labour Relations and Productivity Promotion	193,266	194,214	(948)
133	Ministry of Technology and Research	10,782,001	8,949,734	1,832,267
134	Ministry of National Languages and Social Integration	29,250	29,170	80
139	Ministry of Fisheries and Aquatic Resources Development	880,000	436,756	443,244
142	Ministry of National Heritage and Cultural Affairs	10,650,000	10,649,757	243
145	Ministry of Resettlement	5,275,423	4,902,520	372,903
153	Ministry of Lands and Land Development	136,369,920	135,503,435	866,485

201	Department of Buddhist Affairs	8,271,504	8,082,820	188,684
204	Department of Hindu Religious and Cultural Affairs	100,000	100,000	--
216	Department of Social Services	5,458,374	5,898,740	(440,366)
217	Department of Probation and Child Care Services	4,535,795	4,555,025	(19,230)
218	Department of Commissioner General of Samurdhi	409,738,961	364,037,051	45,701,910
227	Department of Registration of Persons	10,644	10,644	--
253	Department of Pensions	822,642,219	749,661,197	72,981,022
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		2,300,119,900	2,000,689,054	299,430,936
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The following observations are made.

- (i) The savings out of the provisions of Heads 110 and 120 had exceeded 25 per cent while the savings out of the provisions of Heads 121 and 139 had exceeded 50 per cent.
- (ii) Contrary to the directives in paragraph 08 of the letter No. MNB & EID/05/19/50/2010 dated 22 February 2010 of the Secretary to the Ministry of Nation Building and Estate Infrastructure Development, the District Secretariat had paid sums of Rs.220,000 and Rs.441,041 as the final payment on the construction of the Buddhist Shrine in the premises of the District Secretariat and the purchase of other capital goods respectively.
- (iii) The entire provisions totalling Rs.1,409,293 received by the Bulathsinghala and Bandaragama Divisional Secretariats under 105-2-3-0-2502 and 105-2-2-6-2502 had been saved.

4:3 Audit and Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the District Secretariat Kalutara for the year ended 31 December 2010 was carried out in pursuance of provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

4:4 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

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The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statement in accordance with the provisions of Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

4:5 Audit Observations on the Accounts and Reconciliation Statements

According to the Financial Records and Books for the year ended 31 December 2010, it was observed that except for the effects of the general observations appearing at (a) to (d) and other major observations appearing in paragraphs 4:6 to 4:9 herein, the Appropriation Account and the Reconciliation Statement of the District Secretariat, Kalutara had been prepared satisfactorily.

(a) Presentation of Accounts

The District Secretariat had presented the following accounts to audit by 31 March 2011.

Head / Item Number	Name of Account
257	Appropriation Account
25701	Reconciliation Statement of the Advances to Public Officers

(b) Budgetary Variance

The savings of the Objects other than 04 Objects ranged between 17.8 per cent to 46.64 per cent of the net provision.

(c) General Deposit Accounts

- (i) Action had not been taken on deposits amounting to Rs.54,112,612 on which action in terms of Financial Regulation 571 could have been taken.
- (ii) A sum of Rs.8,750 sent by the Department of Labour for conducting the Workshop on Diriyata Saviya had been retained in the Deposit Account without carrying out the intended purpose.

(d) Reconciliation of the Advances to Public Officers

According to the Reconciliation Statement of the Advances to Public Officers Account Item No.25701 as at 31 December 2010, the balances that remained outstanding as at 31 December 2010 totalled Rs.1,123,363 and out of that, a sum of Rs.649,199 had been older than 03 years. The follow up action on the recovery of those balances had been at a weak level.

4:6 Assets Management

Idle and Underutilized Assets

The fully furnished old residence of the District Secretary and the land which had been idling since the year 2006 had been repaired in the year 2010 at a cost of Rs.1,159,501 met from provisions made available by the Ministry of Public Administration and Home Affairs for the establishment of a Training Unit. It remained idle even up to September 2011 without being used for the intended purpose.

4:7 Non – compliances

Non – compliance with Laws, Rules, Regulations, etc.

Instances of non – compliance with the provisions of laws, rules and regulations observed during the course of audit test checks are analyzed below.

Reference to Laws, Rules, Regulations, etc.	Non – compliance
(a) Financial Regulations	
Financial Regulation 110	A Register of Losses and Damage had not been maintained.
(b) Establishments Code	
Section 4:6 of Chapter XXIV of the Establishment Code	Even after taking action formally for the recovery of loan balances in instances of dismissal or vacation of posts of the borrowers, an irrecoverable balance of Rs.249,933 remained.

(c) Public Administration Circulars

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No. 394/04 of 03 April 2003

Even though a sum of Rs.66,072 had been paid for the settlement of telephone calls exceeding the limits specified in the circular obtained by the Assistant Divisional Secretary, Bandaragama in the years 2007, 2008 and 2009, that amount had not been recovered even by the year 2011.

(d) National Budget Circulars

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No. 118 of 11 October 2004

Even though Loan balances amounting to Rs.386,961 due from officers transferred out remained outstanding for more than 03 years, action in terms of the circular had not been taken for the recovery.

(e) Ministry Directives

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Letter No. 03/Para/1/15 dated 08 April 1993 of the Secretary to the Ministry of Lands, Irrigation and Mahaweli Development

Even though a Monthly Return containing the Ministry File Number, Original Plan Number, Block Number, Compensation paid and the interest paid on the lands acquired by the Government for public purposes should be furnished to the Ministry referred to before the 10<sup>th</sup> day of the month following, such Returns had not been furnished.

(f) Land Acquisition Act

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Sections 32 and 33 of Amendment Act, No. 28 of 1964

Whenever it is not possible to determine the person to whom compensation for land acquisitions should be paid, such money should be deposited under a case number of the District Court. Nevertheless, such sum of money amounting to Rs.6,203,992 had been retained in the General Deposit Account without being deposited in the District Court.



4:8 Deficiencies in the Operation of Bank Accounts

Balances for Adjustment

According to the Bank Reconciliation Statements for December 2010 prepared by the District Secretariat and the 14 Divisional Secretariats, the value of cheques issued but not presented for payment for over 06 months and less than 01 year totalled Rs.1,815,759.

4:9 Human Resources Management

(a) Approved Cadre and Vacancies (Inclusive of the 14 Divisional Secretariats)

The cadre as at 31 December 2010 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies	Excess
(i) Senior Level	48	46	02	--
(ii) Tertiary Level	18	11	07	--
(iii) Secondary Level	1,289	1,115	180	06
(iv) Primary Level	146	147	--	01
Total	1,501	1,319	189	07

The following observation is made.

According to information on the human resources as at 31 December 2010 furnished to audit 05 Computer Data Entry Operators, 01 Receptionist and 01 Karyala Karya Sahayaka had been deployed in excess. Nevertheless, a vacancy of 01 Computer Data Entry Operator in the Bandaragama Divisional Secretariat was observed.