

Head 265– District Secretariat, Mannar

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the District Secretariat, Mannar for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. The summary report containing my comments and observations on the financial statements of the District Secretariat, Mannar was issued to the Accounting Officers on 30 May 2019 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was issued to the Accounting Officer on 14 October 2019 in terms of Section 11 (2) of the National Audit Act No. 19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the District Secretariat, Mannar as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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

1.3 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Secretariat's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

1.5 Report on Other Legal and Regulatory Requirements

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

- (a) During the year financial statement had been submitted and compared with the previous year's amounts. However, funds for the year preceding the audit have not been properly prepared and submitted for audit. Therefore, the correctness of previous year amounts cannot be ascertained.
- (b) As there was no requirement of preparation of financial statements by the District Secretariat, the preceding year, recommendations on financial statements had not been made.

1.6 Comments on Financial Statements

1.6.1 Accounts Deficiencies

The following observed were made regarding the income of the District Secretariat

Audit Observation	Recommendation	Comments of the Accounting Officer
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<p>(a) Revenue were accounted in impress</p> <p>(i) According to the Public Accounts Circular No. 264/2018 with Section 7 (i) of 21 November 2018. It was observed that five Divisional Secretariats and the District Revenue collected by the District Secretariat for the year amounting to Rs.37,525,067 had been presented in the imprest adjustment account without submitting the financial performance statement.</p>	<p>Action should be taken in accordance with the appropriate circular notification.</p>	<p>Since the Collected revenue are not covered under the ACA I in the financial performance statement, the accumulated income is shown in the ACA II as a control from the Treasury.</p>

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| (ii) | Rs. 147,220 of the sales of capital assets of the District Secretariat during the year under review was not disclosed in the cash flow. | Action should be taken in accordance with the Generally Accepted Accounting Principles | Non-income class is shown as investment income. Will be displayed in the correct class in the coming period. |
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(b) Reconciliation statement on Advance to Public Officers Account

The following observations were made for advance to Public Officers Account.

Audit Observation	Recommendation	Comments of the Accounting Officer
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Rs. 604,106 outstanding arrears distributed by six officers had been in arrears for a period of 01 to 3 years but no suitable action had been taken to recover them in terms of section 4 of Chapter XXIV of the Establishments Code.	Action should be taken to recover according to the Establishments Code.	Action will be taken to retire and charge the sureties.

(c) Property Plant and Equipment

The following deficiencies of property, plant and equipment were observed.

Audit Observation	Recommendation	Comments of the Accounting Officer
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According to the financial performance statement of the Mannar District Secretariat in the year under review. The balance of the total capital assets purchases was Rs. 37,675,623 disclosed in the financial performance statement. But according to the financial statement (ACA -6) the non - assets had been disclosed the balance of capital assets purchases was Rs. 7,675,628.	Action should be taken to comply with this balance.	Action will be taken to rectify the final accounts of the during the year.

(e) **Impress Balance**

The following deficiencies were observed relating to impress balance.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
According to the Cash Flow Statement of the Mannar District Secretariat for the year under review, the cash remitted to the Treasury was stated as a Balance of zero, but the amount remitted to the Treasury in the notes(ACA-03) amounted to Rs. 2,002,408,271.	Balance should be reconciled	The Treasury did not have clear-cut liabilities, but incorrectly entered ACA 3.

2. Financial Review

2.1 Expenditure Management

The following deficiencies were observed relating to expenditure management.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
(a) Su of Rs.16,989,843 of the provision made for the six subjects of the District Secretariat in the during financial year was a saving of 7% to 27%.	Effective budgetary control should be implemented.	Action will be taken to minimize the savings when prepared the budget in future.
(b) The total amount of allocation for 5 expenditure subjects was Rs. 4,800,000, 50% or Rs. 2,271,281 from transfers without utilizing the relevant expenditure. It was revealed that the switching to three other spending subjects had not prepared the budget effectively.	Effective budgetary control should be implemented.	Has been accepted. The relevant officers have been instructed to prepare and prepare the accounts in the future budget.

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| (c) | Sum Rs.10,900,000 for three subjects. That three subjects cost more than 25% due to inadequacy of related subjects Rs.3,123,281 had been made by way of transfers. | Effective budgetary control should be implemented. | Has been accepted. The relevant officers have been instructed to prepare and prepare the accounts in the future budget. |
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2.2 Assurances to be made by the Chief Accounting Officer and the Accounting Officer

In terms of the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer and the Accounting Officer were required to confirm the following, but were not complied with.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(i) The Chief Accounting Officer and the Accounting Officer should ensure that an internal control system is developed and implemented to facilitate the financial control of the Mannar District Secretariat, but periodically reviews the effectiveness of the system and changes necessary to implement the system effectively. Should be done. However, such a review should be made in writing and a copy of the same should be submitted to the Auditor General.	Action should be taken according with the provisions of Section 38 of the National Audit Act No. 19 of 2018.	Action will be taken in the future.
(ii) The Chief Accounting Officer should ensure that all audit queries are answered within the prescribed time period as required by the Auditor General, but not one audit query has been answered in terms of Section 3.6 of the Report.	Action should be taken according with the provisions of Section 38 of the National Audit Act No. 19 of 2018.	Has been accepted. These errors will be corrected in the future.

2.3 Non-compliance with Laws, Rules, and Regulations

Instances of non-compliance with provisions in laws, rules and regulations observed during the course of audit test check are analysed below.

		Audit Observation			Comments of the Accounting Officer
Reference to Laws, Rules and Regulations	Value (Rs.)	Non-compliance	Recommendation		
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(a)	Financial Regulation of the Democratic Socialist Republic of Sri Lanka			-	-
(i)	Financial Regulation 570, 571	2,309,500	31 Lap deposits	Action should be taken in accordance with the Financial Regulation.	Action will be taken for deposits which have expired for more than 2 years.
(ii)	Financial Regulation 137, 138	3,177,511	Five cheques had been written by the Madhu Divisional Secretariat without obtaining contract works and services.	Action should be taken in accordance with the Financial Regulation.	The National Water Supply and Drainage Board has stated that it is customary for the National Water Supply and Drainage Board to implement the work according to the National Water Supply and Drainage Board's operational plan after receiving the entire estimated budget for the plan.

- (b) Ministry Circulars, Regulations and Regulations.
- (i) Letter No. MR/4/31 dated 09th February 2016 of the Secretary to the Ministry of Prisons, Rehabilitation, Rehabilitation, Resettlement and Hindu Religious Affairs. 95,072 The Nanattan Divisional Secretariat has been providing additional livelihood assistance packages to 45 beneficiaries through four categories of livelihood assistance packages. Action should be taken in accordance with the circular. Action has been taken. Answers will be submitted in real time.
- (ii) Article 3 of the Letter No. MR/4/31 dated 9th February 2016 of the Secretary to the Ministry of Prisons, Rehabilitation, Rehabilitation, Resettlement and Hindu Religious Affairs and the Governor's letter NN/GA/ PL / COM / R / 00/2016 of 2017 685,000 Mantai West Divisional Secretariat had to provide livestock to eight beneficiaries, but the money had been paid. Action should be taken according to the instructions of the circular. Action will be taken to prevent such errors by advising the relevant officers.
- (iii) Circular No. 01/2016 dated 17th March 2016 of the Provincial Director of Livestock and Production Department of Northern Province 13,212,500 i. The cattle were purchased for 151 beneficiaries by the Nanattan Divisional Secretariat through the veterinary surgeon of the Murungan government without determining the prices. Action should be taken according to the instructions of the circular. Action will be taken to avoid such errors by advising the relevant Divisional Secretary

		11,900,000	ii. Manthai West Divisional Secretariat had purchased 36 cows without determining prices.		
(iv)	Circular No. 04/2014 of the Provincial Director of Livestock and Health Department, Northern Province, dated 09th September 2014	199,800	i. Manthai West Divisional Secretariat had purchased two goats without setting the price of goats.	Action should be taken according to the instructions of the circular	Action will be taken to prevent such errors by advising the relevant Divisional Secretary.
		2,160,000	ii. The Nanattan Divisional Secretariat had purchased 24 goats without purchasing goats.		
(v)	Circular No. NP/26/02/C/R/2016/02 dated 05th July 2015 of the Provincial Director of Livestock Production and Health Department of Northern Province.	161,500	The Manthai West Divisional Secretariat has purchased 1,700 chicks for 17 beneficiaries.	Action should be taken according to the instructions of the circular	Accepted. Action is being taken. Answers will be given in real time.

2.4 Irregular Transactions

The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
Nanattan, Musali Livestock Breeding Cooperation (LIBCO) 151 beneficiaries out of every beneficiary of the donation Rs.500 per person of dairy cattle, though there is no agreement or document that the service fee of Rs. 75,500 had been recovered.	Any benefit not specified in the contract cannot be charged from the beneficiaries.	Discussion with the relevant officers will be answered in due progress

2.5 Fraudulent Transactions

The following are observations of fraudulent transactions detected during the sample audit.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Two Sewing Centers in Periyagamam and Panankattukottu have been opened by the Ministry of Handicrafts and Commerce for the purpose of setting up small apparel and handloom industries in the year 2018. There are 152 sewing machines and furniture centers belonging to the two sewing training centers The places, not seen.	The machines should be delivered during the specified period.	The sewing machine haded over and training has been completed now.
(b) Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs Livelihood Support Program 2016 - Nanattan Divisional Secretariat. The following observations are made regarding this program implemented by the Nanattan Divisional Secretariat for a value of Rs. 22 million.		
(i) Although the Murungan Government veterinary superintendent had purchased 151 milch cows (Rs. 87,500 x151) for Rs. 13,212,500 that payment cheques has been written to Nanattan, Musali Livestock Breeding Cooperation (LIBCO).	Action should taken according to the Procurement Guidelines.	Action has been taken. Answers will be given in real time.
(ii) On the instructions of the Veterinary Superintendent of the Murungan Government, the Bank Branch Manager confirms that the employees of Nanattan, the Musali Livestock Breeding Cooperation (LIBCO), have written	Cheque should be written directly to the supplier's name.	Investigations are ongoing. Answers will be given in real time.

cheque of three employees of the Murungan Government Veterinary Superintendent Office that amount worth Rs. 7,525,000 has been confirmed.

- (iii) On the instructions of the Superintendent of Veterinary Surgeons of the Government of Murungan, Nanuttan, the Musali Livestock Breeding Association (LIBCO) had written cheques to seven beneficiaries of Rs.4,025,000. Beneficiaries cannot write cheques. Further, cheques should be written directly to the supplier's name only. Investigations are ongoing. Answers will be given in real time.
- (c) The following observations are made with regard to the project implemented by the Manthai West Divisional Secretariat for the Rehabilitation, Rehabilitation, Resettlement and Livelihood Support Program of the Ministry of Hindu Religious Affairs (2016) at a cost of Rs 32.5 million.
- (i) According to an estimate prepared by the Manthai West Veterinary Superintendent of the Mannar District on 11 July 2016 for the purchase of livestock for the livelihood assistance program, the cost of a cow between the ages of 3-6 to 250 to 280 kg is estimated to be between Rs. 84,000 to Rs. 90,000 had been done. The beneficiaries had stated in writing that they had paid Rs. 30,000 to the Manthai West Veterinary Superintendent in addition to the estimated value of two beneficiaries for the purchase of cows that complied with the conditions. Payments had not specified in the agreement cannot be made. Investigations are ongoing. Answers will be given in real time.

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| (ii) | Although Mantai West Divisional Secretariat had paid for the livelihood program for the year 2016 for the purchase of cattle, goats and chickens from Nanattan and Musali Livestock Cooperative Society, Mantai West veterinary superintendent had written checks worth Rs. 2,206,750. | Cheques should be written only in the name of the supplier. Further, formal investigations should be carried out. | Investigations are ongoing. Answers will be given in real time. |
| (iii) | Although the checks should be written directly to the supplier's name, the cash deposit receipt slip confirms that Rs. 318,000 had been deposited through the Bank of Mannar on 28 th February 2016 in the name of the Veterinary Superintendent. | Cheques should be written only in the name of the supplier. Further, formal investigations should be carried out. | Investigations are ongoing. Answers will be given in real time. |
| (d) | 121 cheques worth Rs. 2,516,812 of the funds of the Democratic Socialist Republic of Sri Lanka by the Managing Partner of Manthai West Divisional Secretariat from 2014 to 2017. 80 cheques valued at Rs.1,809,827 were received by the Divisional Secretariat and 41 cheques valued at Rs.706,985 had not been confirmed till 30th April 2019. Further, the District Secretariat had not submitted its audit details regarding the fraud. | A formal decision should be taken regarding fraud. Also, action should be taken to recover government funds. | Preliminary investigations have begun. Further action will be taken as soon as advised by the Ministry. |

3. Operating Review

3.1 Delays in the Implementation of Projects

The following are the observations made by the District Secretariat of Mannar regarding the delays in carrying out certain projects.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Out of the 43 projects that should have been implemented under the provisions of the Village Transformation Program for 2018, four projects worth Rs.9 million had not been completed by the Nanattan, Divisional secretariat,	The projects should be implemented within the relevant timeframe without any delay in receiving the funding.	Some projects were abandoned at the end of the year and due to the rainy season. Has been accepted.
(b) Out of the 60 projects that should have been implemented with the funds allocated for the Village Gamraliya Program for 2018 The Mannar Divisional Secretariat has not implemented six projects worth Rs. 6.57 million.	The projects should be implemented within the relevant timeframe without any delay in receiving the funding.	Has been accepted. Some projects were abandoned at the end of the year and due to the rainy season.

3.2 Non-achievement of expected Outcome

Following are the observations on the unavailability of expected benefits from the work performed by the Mannar District Secretariat.

Audit Observation	Recommendation	Comments of the Accounting Officer
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An additional difference of Rs. 1,674,732 was observed between the measurements and payments made to the actual work on the Erikkalampitiya sea road and the Erikkalampitiya Amayipadukkai Padaguthurai road constructed by the Mannar Divisional Secretariat at a cost of Rs. 2,910,000.	Action should be taken to carry out more formal investigations and recover more money.	Investigations are underway to recover more payments.

3.3 Procurements

Following are the observations on procurements made by the Mannar District Secretariat.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Ministry of Prison Reforms, Rehabilitation, Resettlement and Livelihood Program of the Hindu Religious Affairs (2016). According to the Guidelines 6.3.3 to 6.3.7 of the Procurement Guidelines of the Government of 2006. Livelihood assistance programs and livestock and sheets worth Rs. 22,000,000 were purchased.	The Procurement Procedure should focus on the facts of the Procurement Guide line.	Has been accepted. Steps have been taken to increase the knowledge of procurement process to the relevant officers so that such errors do not occur in the future.
(b) Accordance with the Guidelines 2.14.1 of the Government Procurement Guidelines 2006 by the Provincial Procurement Committee. Rs.10 Million for procurement activities. However, contrary to the procurement guideline, it is worth Rs. 22 million The Nattattan Divisional Secretariat had purchased the livestock procurement guidelines without following them.	The Procurement Process should be implemented with a focus on the matters of the Procurement Guide Manual.	Has been accepted. Actions have been taken to increase the knowledge of procurement process to the relevant officers so that such errors do not occur in the future.

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| (c) | <p>according to the Government Procurement Guidance Code 8.9.1 (b), Nanattan does not enter into contracts Rs.500,000 with Livestock Breeder's Co-operative Society to purchase and distribute milch cows, goats, chicks and plates, contrary to the requirement for more purchases. 22 million had been paid by the Secretariat.</p> | <p>The Procurement Process should be implemented with a focus on the matters of the Procurement Guide Manual.</p> | <p>Has been accepted. Steps have been taken to increase the knowledge of procurement process to the relevant officers so that such errors do not occur in the future.</p> |
| (d) | <p>The Divisional Procurement Committee had approved the procurement up to Rs. 10,000,000 in accordance with the Guidelines 2.14.1 of the Government Procurement Guidelines 2006. However, the purchases made by the Manthai West Divisional Secretariat did not follow the procurement guidelines for livestock and other purchases worth Rs. 15,499,800.</p> | <p>The Procurement Process should be implemented with a focus on the matters of the Procurement Guide Manual.</p> | <p>Has been accepted. Actions have been taken to increase the knowledge of procurement process to the relevant officers so that such errors do not occur in the future.</p> |
| (e) | <p>During the audit inspection of the quotation committee decisions regarding the quotation process, the chairman and the members disclosed as the chairman of the quotation committee decisions, on personal leave, duty leave, during field duty and on the date of quotation committee decisions. Come on holidays when they are on time The fact that the bidding committees had not been signed had not been recorded in any document of arrival at the office during the holidays or holidays, but the authenticity of the quotation committee decisions could not be verified in the audit.</p> | <p>The Procurement should be implemented in accordance with the Procurement Guideline Manual.</p> | <p>Has been accepted. Actions have been taken to increase the knowledge of procurement process to the relevant officers so that such errors do not occur in the future.</p> |

- (f) According to the Procurement Guidelines 2.8.4 of the Procurement Guidelines on Construction of a Parking Lot, Technical Parks and Discussion Boards with an estimate of Rs. However, only one person was selected as a member of the Technical Committee for these activities worth Rs. 9.4 million.
- The Technical Evaluation Committee should be appointed in accordance with the Procurement Guide.
- Accepted. Procurement procedures disrespect will be avoided in the future

3.4 Assets Management

The following observations were made on assets management of District secretariat, Mannar.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) In the year under review, the administrative area of the District Secretariat and 5 Divisional Secretariat Divisions amounted to Rs. 334,900,000. These buildings have been inactive for 1 to 9 years due to the lack of maintenance of the 33 valued apartment complexes by the owners, who have been residing elsewhere as well as the housing complexes that have been built in low lying areas.	Prior research should be carried out on the scheme of housing plan and appropriate inquiries should be made regarding the use of these and the measures to be used.	Accepted. Due to various personal reasons has not living in the right places.

- (b) Mannar District Secretariat and 5 Divisional Secretariats in use and under control of the 17 number of building, machineries had not been utilized amounting to Rs. 30,358,3450 for the period 02 years to 07 years.
- These should be used to achieve economic objectives.
- Action should be taken to rectify the damaged buildings and utilize them to provide basic facilities.

3.5 Uneconomic Transactions

The following observations were made on uneconomic transactions of District secretariat, Mannar.

Audit Observation	Recommendation	Comments of the Accounting Officer
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The beneficiaries have confirmed that the number of beneficiaries who have been given the cows by selling the cows given to them by the other five farmers of the Manthai West Divisional Secretariat has not been sufficiently benefited.	Plans should be properly implemented	Accepted. Action has been instructed for proper livelihood activities in future

3.6 Unanswered the audit Queries

The following observations were made on unanswered audit queries by the District Secretariat

Audit Observation	Recommendation	Comments of the Accounting Officer
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07 Number of audit queries had not been answered by the District Secretariat and 05 Divisional Secretariats had not been answered the audit queries for a period of 01 month to 08 months.	Unanswered audit queries should be taken in during the period.	These will be avoided in the future

3.7 Management Weaknesses

The following observations were made on the management weaknesses of the District Secretariat, Mannar.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Providing sewing machines for setting up of small garment factories should be sent to the Secretary of the Ministry of Handicrafts and Commerce through the letter dated June 23, 2016 dated 23rd June 2016 to inform the selection of trainers, beneficiaries and guards. But there were five regional offices in Mannar town, Nanattan, Mantai West, Madhu and Musali in the Mannar district. In spite of the fact that there are 14 sewing training centers in the Mannar Town Divisional Secretariat alone and one sewing training center in the Nanattan Divisional Secretariat is an informal beneficiary choice.	Programs should be conducted in advance and the beneficiaries should be selected based on the plans.	Accepted. Sewing training was provided according to the list of instructors selected by the relevant Ministry.
(b) Three Indian trainees were selected in contravention of the letter dated 23 June 2016 dated 23 June 2016 of the Secretary to the Ministry of Handicrafts and Commerce on the provision of sewing machines to 15 centers for setting up small garment industries. The Department of Examinations of Sri Lanka has not sat for the GCE (O / L) examination.	Instructors should be selected with minimum qualifications and inquiries should be made into the subject	Accepted. Sewing training was provided according to the list of instructors selected by the relevant Ministry.

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| (c) | Rs.2.5 million cheques of fraudulent fraud of the Management Assistant of the Manthai West Divisional Secretariat for the use of the Sigas computerized accounting system used by the Accounting Division of the District Secretariat.ad had been given. Nevertheless, the weakness of internal control was illustrated by the fact that only one cleared official was permitted to use both of these passwords, and was permitted to make payments and to pay for bank accounts. | The internal control system needs to be strengthened and duties are delegated to more appropriate persons | Accepted.
The responsible officer has been instructed and advised to take extreme care of internal control. |
| (d) | Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs Livelihood Support Program – 2016. The following observations are made regarding the program implemented by the Nanattan Divisional Secretariat for Rs. 22 million. | | |
| (i) | Although 151 cows were insured, only 83 beneficiaries were directly insured while 23 cows were killed, but only two beneficiaries were insured. It was observed that the remaining 21 beneficiaries did not meet the objective of insurance by not paying for the claims and that the beneficiaries had suffered losses. | Officers should ensure that the insurance compensation is available to the beneficiaries. | Accepted.
Action has been taken to insurance beneficiaries who are active. |
| (ii) | Goats of 22 beneficiaries were insured, but 20 beneficiaries out of 13 beneficiaries died 20 goats when the sample was directly inspected. It has been observed that the insured's compensation was not saw by any beneficiaries and the insured purpose was not saw and the beneficiaries suffered. | Officers should ensure that the insurance compensation is available to the beneficiaries. | Beneficiaries had not maintained vaccine-like maintenance facilities in a timely manner. There is a risk of insuring the beneficiaries without having to undergo a veterinary examination. |

4. Good Governance

4.1 Fulfilment of Services to General Public

The following observations were made on the weaknesses in the service fulfillment to the public by the District Secretariat of Mannar.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) In the Mannar District Divisional Secretariat Division, the state land of Chilawathurai village has already been granted to 18 beneficiaries and their application has been rejected without any reason. A long-term lease for aquatic organism to a private company called SL Aquatac Internation (Pvt) Ltd is unreasonable.	Inquiries should be made and action should be taken to provide the relevant beneficiaries.	- The committee has been set up and an initial inquiry has been held and the ministry has been notified.
(b) Beneficiaries of livelihood for Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs, although the payment was made to Nanatan Musali Livestock Cooperative Society (LIBCO) for the purchase of milch cow valued at Rs. 90,000, the cows were purchased from the Manthai West Divisional Secretariat with value of less than 7 beneficiaries and that cows had been distributed to beneficiaries.	Purchasing should be done to ensure the effectiveness of the money spent	A report has been required from the Divisional Secretary regarding the improper payment