

**1. Financial Statements**

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**1.1 Qualified Opinion**

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The audit of the financial statements of the **District Secretariat, Malate** 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 was issued to the Accounting Officers on 29 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 May 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 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**

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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**

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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**

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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**

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I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No. 19 of 2018.

- (a) Since there was no need for the preparation of financial statements for the preceding year, it could not be stated that the financial statements presented was consistent with the preceding year.
- (b) Since there was no requirement for the District Secretariat to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.

## 1.6 Comments on Financial Statements

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### 1.6.1 Statements of Financial Performance

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The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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A. Although the advance receipts and payments amounted to Rs. 37.48 million and Rs.64.41 million the correct balances were Rs.49 million and Rs.73.2 million respectively.	Check the balances and action to be taken for correction.	In the preparation of the Appropriation Account, only the cash basis considered as limitations and the same reporting structure is used in the submission of accounts.
B. Although other receipts amounted to Rs. 107.91 million according to the monthly summary of accounts, as per the financial performance statement it was Rs. 107.75 million.	Other income must be properly accounted.	The net income relating to the General Deposit Account of the Department of Motor Traffic, which was not included in the Treasury print out, has been matched.

### 1.6.2 Statement of Financial Position

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The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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A. A sum of Rs. 107.81 million during the year under review in relating to the working progress of new administrative complexes had been omitted	The value of the work in progress should be stated separately in the Financial Statement.	There an error in the presentation of the financial statements and the corrected value was Rs.135,201,204.

from the statement of financial position.

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| B. | Amounting to Rs.27.38 million of advance balances had not been disclosed in the financial statement as at December 31 of the year under review. | Accounts should be brought in accordance with the Public Accounts Circular No. 250/2016 dated 09th June 2016. | Rent and work advance balance was Rs. 26,039,146 |
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### 1.6.3 Reconciliation Statement on Advances to Public Officers Account

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 The following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
A. According to the reconciliation statement submitted for the audit, the total of outstanding balances in respect of six officers was Rs.308,280. Although the balance was remained from 1 year to 17 years the follow up action relating to recovery was at a weak level.	To comply with the provisions of paragraph 1 of the National Budget Circular No. 118 dated 11 October 2004.	<ul style="list-style-type: none"> <li>• All arrears of retired officers have been recovered by 07th March 2019.</li> <li>• A case is pending for Rs. 59,465 for one of the two officers who left the service and the remaining for Rs. 33,320 has been recovered.</li> <li>• A case is pending for Rs. 178,102 for one of the suspended officers and a balance of Rs. 7,454 out of Rs. 33,952 is remaining.</li> </ul>
B. There was a difference of Rs. 73,262 between the individual debt balances of the 07 officers and the members loan register.	Action should be taken to reconcile and correct the balance.	Corrected the CC 10 document and advised not to be made mistake in the future.
C. A sum of Rs.487.38 million of working progress in the non-residential building had not been disclosed separately as at 31 December 2018.	Working progress should be disclosed separately in the financial statements.	There was an error of presenting in the financial statements and corrected balance was Rs. 482,833,922.
D. According to the books of the District Secretariat, working progress value as at 31st December of the year under	The cumulative value of working progress should be accurately stated in	There has been an error in the presentation of financial statements.

review was Rs. 662.1 million and according to the CIGAS programme it was Rs.524.36 million and zero amount in the treasury print out. the Annual Financial Statements.

#### 1.6.4 Imprest Balance

Under mention observation is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>Although the balance of Rs. 11 million had been adjusted as Advance B Account in the imprest adjustment account, the accuracy of that balance had not been confirmed in the audit.</p>	<p>Values should be accurately calculated and adjusted.</p>	<p>After deducting receipts of the District Secretariat from the total receipts of the advance B account, the balance of the other Ministries and Departments had been obtained.</p>

#### 1.6.5 Non-Maintenance of Books & Registers

The following observations are made.

	Audit Observation	Recommendation	Comments of the Accounting Officer
A.	Register of Electrical Fittings		
	<p>Register of Electrical Fittings had not been maintained by the Galewela Divisional Secretariat in terms of Financial Regulation 454 (2).</p>	<p>In terms of financial regulation 454 (2) a register had to be maintained.</p>	<p>This document is being maintained at present.</p>
B.	Register of Counterfoil		
	<p>A register of Counterfoil had not been properly maintained by the Wilgamuwa Divisional Secretariat in terms of Financial Regulations 341.</p>	<p>In accordance with the provisions of 341 Financial Regulation a register should be maintained.</p>	<p>It is being maintained up to date at present in terms of financial regulation.</p>

<p>C. Advance Register regarding Sub imprest for executive offices</p> <p>-----</p> <p>The advance register had not been updated including all the important information by two Divisional Secretariats.</p>	<p>Register had to be maintained up to date by disclosing the important information.</p>	<p>The officers had been informed to take action to complete the shortcomings and up date.</p>
<p>D. Attendance Register of Procurement Committee &amp; Technical Evaluation Committee</p> <p>-----</p> <p>An attendance register had not been maintained by the Galewela Divisional Secretariat in accordance with the Government Procurement Guidelines 2.11.2.</p>	<p>An attendance register should be maintained in accordance with the government guidelines.</p>	<p>The relevant Divisional Secretariat had been advised to maintain these books and documents in future.</p>
<p>E. Biding Register</p> <p>-----</p> <p>A bidding register was not maintained by the Galewela Divisional Secretariat in accordance with the Government Procurement Guidelines 5.2.1.</p>	<p>A Bidding Document should be maintained in accordance with the Government Procurement Guidelines.</p>	<p>The officers were informed to maintain that from this year.</p>
<p>F. Checks Issuing Register</p> <p>-----</p> <p>The Laggala Divisional Secretariat had not maintained a check issuing register in accordance with Financial Regulations 388.</p>	<p>In terms of Financial Regulation 388 checks issuing register should be maintained.</p>	<p>Officers were informed that it should be maintained</p>
<p>G. Grama Niladhari Complaining Register</p> <p>-----</p> <p>The register of Grama Niladhari Complaints at Naulla Divisional Secretariat had not been updated.</p>	<p>Should be updated and maintained the Grama Niladhari Complaint Register.</p>	<p>A file and a register have been prepared and maintained at the relevant Divisional Secretariat.</p>

### 1.6.6 Lack of Evidence for Audit

Under mention observation is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
Information was not submitted to the audit that the motorcycle / scooter provided to the field officers of the Laggala Divisional Secretariat was fully insured.	Action should be taken in accordance with the letter of instruction of BD / GPS / 130/9/14 / M - ii of the Director General of the Ministry of Finance dated 07th July 2015.	It had been revealed that the full insurance coverage is not checked when obtaining online revenue licenses and that method cannot be controlled.

### 1.6.7 Non-Compliance with Laws, Rules and Regulation

The following observations are made.

Reference to Law Rules and Regulation	Non-Compliance	Recommendation	Comments of the Accounting Officer
A. Financial Regulation of the Democratic Socialist Republic of Sri Lanka			
i. Financial Regulation 1645 (a)	The vehicle log books of the District Secretariat and Laggala - Pallegama Divisional Secretariats had not been updated.	Action should be taken to update and maintain the log books.	Will be corrected by August 2019.
ii. Financial Regulations 1646	The District Secretariat and the Laggala - Pallegama Divisional Secretariat had not submitted vehicle log books and monthly summaries from July to September 2018 for the audit.	Action should be taken in accordance with financial regulations.	Action to be taken in due course in the future.

B. Circulars of the Public Administration

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| (i) Combined Services circular No 1/2002 Dated 19 June 2002                                  | There were 62 officers attached to the Naulla Divisional Secretariat for a continuous period of 5 years to 26 years.   | Action should be taken in accordance with the circular instructions. | There is no transfer procedure for development officers, GramaNiladhares have been transferred within divisions and information of other officers had been sent for transfers. |
| (ii) Circular of the Public Administration No. HAF / 01/01 dated 12 June 2013                | Twelve officers of two Divisional Secretariats had forwarded the future program after a delay of six days to 300 days. | Action should be taken in accordance with the circular instructions. | Advised to perform without any shortcomings in the future.   |
| (iii) Circular of the Public Administration No. 03/2016 Paragraph 3.1 dated 29 December 2016 | The vehicle fuel inspection had not been done for a period of 2 to 5 years the by District Secretariat.                | Do   | At present, steps had been taken to check the burning of fuel.   |

C. Public Finance Circular

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| Paragraph 3.2.6 of the Circular No. 05/2016 dated 31st March 2016 | The board of survey report for the year 2017 at the Laggala - Pallegama Divisional Secretariat had not been submitted to the Auditor General by 15th June 2018 | Do | Accepted that there was a time delay. |
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D. National Budget Circular

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| i. Circular No. 01/2016 dated 12 January, 2013 |  |  |  |
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Paragraph 2.6	Two Divisional Secretariats had not been taken action to cancel the removed beneficiaries' certificates and filling safety.	Do	In future advised to hand over the death beneficiaries certificates to the office and filling the certificates after cancelling the removed beneficiaries
Paragraph 2.7	The Rattota Divisional Secretariat was not listed the beneficiaries who had left the residence or died within six to eight months period.	Action should be taken in accordance with the circular instructions.	The beneficiary bearing No.1/ 368D/58 had been removed from the list on July after notifying the Grama Niladhari and after informing the Grama Niladhari the death of beneficiary bearing No 1/369/1 had been removed from the month of May.
Paragraph 2.14	The beneficiaries who had not received the allowance continuously for 3 months had not been removed from the payment register by two Divisional Secretariats.	Do	The post office will be informed and corrective action will be taken in the future
ii.	Letter of Advice No BD / GPS / 130/09/14 / MC - ii dated 07 July 2015	Do	<p><u>Galewela</u></p> <p>If the money will not be paid, inform in writing that further action will be taken to cancel the temporary release and recall the former service.</p> <p><u>Laggala</u></p> <p>Heads of the institutions were informed to recover from their salaries in future.</p> <p><u>Ambangaga</u></p> <p>A sum of Rs.58,500 will be recovered from the salary and the letters of request were sent to the Ministry of Finance to</p>

			recover from 60 premium and, it cannot be sued to recover the remaining debts.	
E.	Secretary to the Land and Land Development Ministry Circular No. of 01/2018 dated a 13 June, 2008 and the Commissioner General of Lands No 01/2018 dated 28 March 2018.	In terms of the circular instructions 1,449 reports were not issued by the 82 Grama Niladharis in the five Divisional Secretariats.	Should be done in accordance with the circular instructions.	Corrected and all Grama Niladharis have been informed.
F.	Letter of Secretary to the Ministry of Environment No. 02/06/02/09 (vii) - GSMB dated 20th October 2010	Amounting to Rs.109,334 of sand mining / transport permit fees of three Divisional Secretariats, had been remitted to the Geological Survey and Mines Bureau after a delay of 5 days to 187 days.	Sand mining / transport license fees to be remitted before 10th day of the following month.	In future arrangements will be made to remit the due date

### 1.6.8 Irregular Transaction

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The following observations are made.

#### A. Unauthorized Transactions

	Audit Observation	Recommendation	Comments of the Accounting Officer
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i.	A sum of Rs.182,400 had been paid for Elderly Aids in 08 instances without formal approval by Rattota Divisional Secretariat.	That the payments should be made with due authority.	Advised not to be made such mistakes.
ii.	A sum of Rs.1,718,520 had been paid by the Divisional Secretariat Matale for seven industries without the recommendation and approval for payment of Technical officer's certificate that the work had been satisfactorily completed.	Action Should be taken in accordance with Schedule 1 (a) of FR 237.	Steps will be taken to remedy the shortcomings in the future

B. Non-Approved Transaction

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The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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i. The Wilgamuwa Divisional Secretariat had paid 600 mango plants Rs. 132,800 worth without approval.	Should be paid on formal approval	This purchase had been made for two projects of two programme separately.
ii. A sum of Rs.411,500 worth goods had been distributed to the beneficiaries without the approval of the Divisional Secretary by the Laggala Pallegama Divisional Secretariat.	Should be done in accordance with the letter of the Secretary of the District Secretariat No. 5/4 / RIDP / 2017 dated 01 April 2017.	It was delayed to obtain relevant approvals and recommendations.

C. Non Certified Transaction

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Under mention transaction is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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A value of Rs.279,437 goods had been given by the Rattota Divisional Secretariat for 06 societies which were not included in the updated list of active societies.	Aid of goods should be provided for actively identified societies in the list of registered societies.	That the relevant societies are registered and active societies.

D. Transactions of Fraudulent Nature

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Under mention transaction is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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Although two officers serving as Samurdhi Development Officers and Public Representatives at the Laggala - Pallegama Divisional Secretariat had obtained motorcycles on both occasions a sum of Rs.377,000 had not been recovered.	Action should be taken to recover the market value of the motor cycles.	Action had been taken to recover from their salary in future.

**2. Financial Review**

**2.1 Expenditure Management**

Under mention transaction is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
Acceptable reasons had not been presented for the remaining of 154.98 million of the allocation	Estimate should be done accurately.	Allocation remained due to expected expenditure had not been occurred.

**2.2 Utilization of allocation received from other Ministries & Departments**

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. The total sum of Rs.2,105.89 million of allocation received from the 47 Ministries and Departments a sum of Rs.357 million had been returned without utilizing. In addition, although total amount of Rs.314.37 million of allocation remained end of the year under review had not been transferred.	Allocation should be made for the intended purpose and the remaining allocation should be transferred to the relevant institutions before the end of the year.	The allocation had been transferred due to non-completion of required infrastructure and the relevant institutions had been informed about the transferred but they have not been informed of the reassigning.
B. A sum of Rs.320,814 received from other ministries and Department for the development 2015 had been credited without utilising the relevant purpose.	Should be financed for the intended development work.	Information is being obtained and answers will be given in the future.

### 2.3 Issuance and Settlement of Advances

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The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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A. The sub imprest issued by the four Divisional Secretariats on 39 occasions were settled after a delay of between 4 and 200 days.	Action should be taken according to the State Finance Circular.	The officers were informed to the submit the sub imprest without delay.
B. The total amount of Rs. 2,43,640 advances from 61% to 100% had been settled for 13 days without utilizing in the Yatawatta Divisional Secretariat on six occasions in 2017 and 2018.	Advance should be taken according to the need and plan.	The program was not performed on the planned date, and voucher was paid without settlement so that advance had been surcharged.
C. A total sum of Rs. 47,500 had been paid to three officers of the Ukuwela Divisional Secretariat for a period of four days prior to the commencement of the work.	Action should be taken in term of circular No. 03/2015 of June 2018.	Officers will be informed and other important information in the advance register will be updated.
D. Although advances of Rs.35,853 as at 29 November 2018 were given in three occasions to three officers of Abangaga koralla Divisional Secretariat had not been settled delay for 15 days to 260 days.	Do	Action will be taken to settle the advance due date.

### 2.4 Deposit Balances

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The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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A. A sum of Rs.13,193,346 of unsettled balances from 1	Action should be taken in accordance with Financial	That the land compensation can be retained for 10 years.

year to 5 years in the General Deposit Account balance.

Regulations 571.

B. Amounting to Rs.533,424 / - had not been settled for more than one year for industries of Dambulla Divisional Secretariat.

. Should be done in accordance with Article 571.

That the retention had been released.

### 3. Operating Review

#### 3.1 Planning

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. Although blank report had been submitted by the Naula Divisional Secretariat regarding to the Planning Division of the Action Plan, 48 Officers of the Planning Division had been deployed for field work.	According to the circular a action plan should be prepared.	Erroneously it was not included in the action plan and 110 projects had been completed.
B. Dambulla Divisional Secretariat was not prepared detailed procurement plan for 33 tasks of the 20 million	Compliance with Procurement Guide 4.2.1.	It was not prepared in 2018 and it would be submitted in 2019.

#### 3.2 Non-Performed Activities

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. The allocated amount of Rs. 45.82 million granted to the Ukuwela District Secretary office for the development of Gamperaliya rapid rural development program it	Action should be done for achieving the expected development projects.	There was a instructions and guidance to stop the implementation of the projects and that were not used outside the scope of the project and they were formally delegated.

had been reassigned the funds without utilizing such projects.

<p>B. When goods and services were not provided ,the Laggala - Pallegama Divisional Secretariat had written and restrained three checks worth Rs.87,465 for purchasing good and servicers</p>	<p>Action should be taken in terms of Financial Regulation137 (2) and (5), 215 (1) (3) F. R 237.</p>	<p>Checks have been issued on February 28, 2019 and March 5, 2019 for the relevant supplies in accordance with the specifications.</p>
<p>C. Due to the delay in the acquisition of lands in the Dambulla Divisional Secretariat Compensation amount of Rs.13.49 million had been remained in the general deposits.</p>	<p>Immediate action should be taken to pay compensation and expedite the development projects.</p>	<p>Action had been taken to notify the owners of the compensation and deposit before the court in <b>the future</b>.</p>
<p>D. Rs.53.31 million and Rs.151.61 million had not been utilized for the rural infrastructure Development special program and the Gamperaliya Rapid Rural Program respectively under the provisions of the other Ministry Departments.</p>	<p>Received provision should be utilized for the development projects within the year.</p>	<p>As a result of stopping the implementation of the projects according to the decision of the state policy, the provisions had been reassigned.</p>

### 3.3 Failure to Obtain Expected Output

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>A sum of Rs. 702,000 had been paid for supplying the two refined water treatment plants without the expected capacity furnished to Wilgamuwa Divisional Secretariat.</p>	<p>Payment should be made that the goods are as per the specifications ordered.</p>	<p>The Matale District Engineer has confirmed that the capacity of the refined water is 90 liters and it can be vary depending on the capacity of the water sources and the quality of the water it is believed that factors have contributed to the decrease in the accession of at the time of the audit.</p>

### 3.4 Project without Progress Despite the Release of Funds

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>A. Out of the provision of Rs. 4,895,250 allocated for the construction of the Common Amenities Center at Laksha village in Maussagolla, Rattota, Rs. 1,386,325 had been spent and only 12 out of 65 subjects in the quantity sheet were fulfilled.</p>	<p>According to the agreement matters should be completed in the event of contractual agreement.</p>	<p>Due to the halting of the implementation of the projects based on the Government's policy decisions, the provisions had been reassigned.</p>
<p>B. Although a total of Rs. 684,483 has been released to the Water Supply and Drainage Board for the Alugolla Maligatenna and Pilihudugolla Lower Water Supply Schemes, the proposed 32 families have not been provided with water connections.</p>	<p>Project should be finished stipulated time achieve the expected development goals of the industry.</p>	<p>As of 18 June 2019, 27 families out of 32 targeted families have received water connections, while the remaining five families have not received the water connection due to economic hardship.</p>
<p>C. Although Rs.376,740 had been paid to the Ceylon Electricity Board under the Gamperaliya program by the Matale Divisional Secretariat 13 beneficiary families were not provide with electricity.</p>	<p>Select the beneficiaries with due care in achieving their desired development goals.</p>	<p>Steps will be taken to provide electricity soon.</p>
<p>D. Even though a sum of Rs.4,680,778 had been paid in the December 2018 to the CEB for providing electricity to the 63 families in the Naula Karanamulayaya Model village basic work had not been done in this regard.</p>	<p>Action should be taken to achieve the expected development goals and future action should be taken in case of delays.</p>	<p>The holes have been set up to install the transformer and the power poles have been taken to the model village and transformer installed.</p>



### 3.5 Procurement

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. 21 Contracts worth Rs.10.44 million have been awarded by the three Divisional Secretariats for 21 societies without adequate financial Strength.	Action should be taken in term of Procurement Manual for compliance with the Procurement Manual in supplementary No. 12 of the Release 3.9.	After consideration of the pre-operative arrangements, the contract should be awarded. Action would be taken in to this matter in the future.
B. A sum of Rs.449,397 had been spent by the District Secretariat to repair a vehicle without the approval of the Secretary of the Ministry.	Should be comply with the Procurement Guidelines 9.3.1.	Approval of the Departmental Planning Board was obtained.
C. The District Secretariat and the Ambanganga Korale Divisional Secretariat have not called for bids from registered suppliers for vehicle repairs.	Should be comply with Section 2.14.1 and 3.4 of Procurement Guidelines.	Registered suppliers are fewer than five and comply with the procurement guidelines.
D. The Dambulla Divisional Secretariat had adopted the Local Market Pricing System for 33 procurement in the range of Rs. 20,000 to Rs. 4,500,000.	Should be comply with the Procurement Guidelines Manual 2.14.1	Exceeding the authority of the Regional Procurement Committee limit erroneously that the approval of the District Procurement Committee has been obtained.

### 3.6 Asset Management

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. Two machines that had not disclosed the value Rs. 134,000 worth of machine and 17 office equipment	Action should be taken to utilize the assets and if not action should be taken to disposal.	The 15 tables are stored in the warehouse, and the fan and the high pressure water pump were used and other machinery

were inactive and under-utilized at the Laggala Divisional Secretariat

would be provided to a government agency in need.

B. Although more than 209 units of 94 categories were disposed during the year under review at 4 Divisional Secretariat had not been adjusted in the Financial Statements.

Disposal must be matched to the current asset movement report.

That will be corrected from the 2019 appropriation account.

### 3.7 Security Deposit of Public officers

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Audit Observation

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Recommendation

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Comments of the Accounting Officer

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23 officer in 04 Divisional Secretariat a sum of Rs.61,000 had not deposited as security.

Compliance with Financial Regulations 880

Kindly informed that the action had been taken to collect the security from the relevant officers periodically.

### 3.8 Losses and Damages

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The following observations are made.

Audit Observation

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Recommendation

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Comments of the Accounting Officer

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A. Although it was decided to collect Rs. 81,250 from the relevant officer for the missing computer at the District Secretariat on 25th October 2016 later a sum of Rs.40,625 had been decided to remove the book.

The proper approval of the Board should be obtained for the reasons of changing the decision of Board of Examiners.

The decision had been informed by the letter of the District Secretary.

B. Although it was decided before to charge a sum of Rs.70,000 from the officer regarding the missing cost of Rs.56,000 tab computer

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Order was issued it was found the charge to be improper from the officer so write off

on 20, May 2016 of Yatawatta Divisional Secretariat later it had been decided later to write off the cost value from the book.

### 3.9 Uneconomic Transactions

Audit Observation	Recommendation	Comments of the Accounting Officer
A sum of Rs.68, 500 had been paid for accomplished work of 50 acre road and by road development project of the Naula Divisional Secretary office.	Action should be taken regarding responsible officers and recovery of the overpayments.	Since the decision was made to reinsertion at the Audit and Management Committee on July 30, 2019 and notice to obtain the report.

### 3.10 Management Weaknesses

The following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
A. Although the acquisition of land for 37 government development projects has taken place from one year to 43 years, it had not been completed by four Divisional Secretariats.	Acquisition of lands should be expedited.	That the Divisional Secretariats are in the process
B. Amounting to Rs.349,000 of benefits had been given to eight same societies or institution on 19 occasions by the Yatawatta Divisional Secretariat.	Action should be taken to distribute the good and equipment among beneficiaries fairly.	It was noted not to do so in the future.
C. Although a vehicle belonging to the Laggala - Pallegama Divisional Secretariat had been renovated at a cost of Rs. 98,825 bids were not called.	Public Administration Circular 30/2016 should be quoted and repaired.	There is no requirement for quotation as per the 30/2016 Public Administration Circular.
D. Regarding 21 plots of land belonging to two Divisional Secretariats used by government	Taking action to transfer the lands in accordance with the and ordinance.	It was decided to send reminders to the Land Assessment and Survey

	agencies, 12 years or more have not been properly acquired.		Institute.
E.	150 units of goods worth Rs.445,873 purchased by the Galewela Divisional Secretariat for development projects were remained inactively on 12, February 2019.	Action should be taken to properly deploy the goods for relevant development projects.	Amano plates and plated plastic arm chairs have been distributed to the relevant societies and PVC water pumps stored at the Divisional Secretariat until the water project is completed.
F.	The Divisional Secretariat of AmbangangaKorale has not taken action to confirm the services of 17 officers who have passed the efficiency bar.	Action should be taken to confirm the officers who have completed the qualifications.	Due to shortcomings in the personal files, the service could not be confirmed so far and the files of eight officers have been submitted to the District Secretary to confirm the service.

#### 4. Achievement of Sustainable Development Goals

Under mention observation is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
Plans for the Sustainable Development Goals have not been prepared according to the United Nations 2030 Agenda.	Plans must be prepared to achieve the 2030 Sustainable Development Goals of the United Nations.	That the notes were taken to correct them promptly.

#### 5. Human Resources Management

The following observations are made.

	Audit Observation	Recommendation	Comments of the Accounting Officer
A.	Action had not been taken to fill the vacancies of 170 officers in 75 posts in 09 Divisional Secretariats.	Action should be taken to fill the vacancies.	This is due to various reasons that are beyond the control and expected to be solved with the new recruits.
B.	Any training had not been given to 180 officers of the Galewela Divisional Secretariat.	Taking action to train the officers.	It is expected to comply with that requirement in the future.

C.	There were 49 vacancies in the field officers to be assigned to various central government institutions of Laggala Divisional Secretariat.	Action should be taken to fill the vacancies.	It is hoped that the new recruits will find solutions.
D.	There were 10 Development Officers attached to 40 Grama Niladhari Divisions in two Divisional Secretariats.	Action should be taken to fill the vacancies.	New recruitment are expected to be recruited solve the shortage of officers.
E.	It was revealed that there were excess of 12 officers in 5 Divisional Secretariats.	Excess officers should be recruited to vacant offices.	In practice, the vacancies of other services are offset by those who have the same nominal excess officers.