

## **Head 278- Rathnapura District Secretariat**

### **1. Financial statements**

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#### **1.1 Qualified opinion**

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The audit of the financial statements of the Rathnapura District Secretariat 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 provision 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 consisting my comments and observations on the Financial statements of the Rathnapura District Secretariat in terms of section 11 (1) of the National Audit act No.19 Of 2018, was forwarded to the Accounting officer on 27 May 2019. The Annual Detailed Management Audit Report relating to the District Secretariat in terms of Section 11 (2) of the National Audit Act was forwarded to Accounting officer on 10 May 2019. This reports is submitted to Parliament in terms of Section 10 of the National Audit Act No 19 of 2018 read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist of Republic of Sri lanka.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, financial statements give a true and fair view of the financial position of the Rathnapura District Secretariat as at 31 December 2018 and of its financial performance and its cash flow for the year then ended in accordance with General 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 responsibility on Financial Statements is further described in the Section of Auditor's Responsibility. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **1.3 Responsibility of Chief Accounting Officer and Accounting Officer's on Financial Statements**

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Chief Accounting Officer and Accounting Officer's are responsible for preparation of these financial statements that give a true and fair view in accordance with generally Accepted Accounting Principles and in accordance with direction in Section 38 of the National Audit Act No 19 of 2018 and for determination of internal control which is required to enable to prepare of financial statements that are free from material misstatement due to fraud or errors.

District Secretariat shall maintain proper books and records of its income, expenses, assets and liabilities in order to prepare Annual and Periodic Financial Statements in terms of Section 16 (1) of the National Audit Act No.19 of 2018.

Chief Accounting Officer and Accounting Officer shall ensure that an effective internal control system is maintained for financial control of the District Secretariat in terms of Sub-

section 38 (1) (c) of National Audit Act and the review of the system should be done running efficiently effectiveness and make any changes to keep periodically.

#### **1.4 Auditor's Responsibility 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 misstatements, whether due to frauds and error, and to issue Auditor General Summary 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. Misstatement can arise from frauds 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 risks 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.
- District Secretariat does not intend to comment on effectiveness of internal control in order to plan appropriate audit procedures in a timely manner.
- 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.
- The transactions and events underlying the structure and content of the financial statements are presented appropriately and fairly in presenting the financial statements as a whole.

Accounting officer was made aware on important audit findings, key internal control deficiencies and other matters identified in my audit.

#### **1.5 Report on other legal requirements**

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In terms of Section 6 (d) of National Audit Act No. 19 of 2018, I declare the followings.

- (a) As there was no need to prepare financial statements for the previous year, it could not be stated that Financial Statements for the year under review were consistent with Financial Statement of previous year.
- (b) As there was no necessity for preparation of Financial Statement for the previous year by District Secretariat, recommendations had not been presented for the preceding year.

## 1.6 Comments on Financial Statements

### 1.6.1 Financial Performance Statement

The following observations are made.

Audit Observation	Recommendation	Comments of Accounting Officer
<p>(a) Although the figures stated in the financial performance statement are to be agreed with the Treasury's Final Account statements, in terms of paragraph 3.1 of the public Accounts Circular No.267/2018 dated 21 November 2018, the deposits receipts amounting to Rs.483,412,888 shown in the Treasury final Account had been shown as Rs.327,302,083 understating by Rs. 156,110,805</p>	<p>Action should be taken in accordance with the Paragraph 3.1 of the State Accounts Circular No.267/2018 dated 21 November 2018.</p>	<p>These circumstances had been occurred due to change of the entering place of cash value in the table.</p>
<p>(b) As a result of the observation in (a) above, the balance of imprest account should be amounting to Rs. 3,724,099,617 as at 31 December 2018, it had been stated as Rs. 3,567,988,812.</p>	<p>-As above-</p>	<p>These circumstances had been occurred due to change of the entering place of cash value in the table.</p>

### 1.6.2 Statement Financial Position

Following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(a) As per the paragraph 3.1 of the Public Accounts circular, figures of the Statement of Financial Position, are to be agreed with the Treasury Final Accounts figures. However balance of the Deposit account amounting to Rs. 327,302,083 shown in the</p>	<p>Should be done according to the Paragraph 3.1 of the Public Account circular.</p>	<p>This circumstance had been occurred due to change of entering place of the relevant cash value in the tables.</p>

Treasury final account had been shown as Rs.483,412,863 by overstating Rs.156,110,780.

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| <p>(b)As a result of the observation in (a) above, the net asset value should have been Rs. 113,093,943. But it had been shown as Rs. 269,204,723.</p>  | <p>As above</p>   | <p>Take action to avoid these circumstances on Treasury advice in the future events.</p>  |
| <p>(c).There was a difference of Rs. 1,213,199,114 between the balance of non financial assets as at 31 December 2017 comparatively submitted with the statement of financial position as at 31 December 2018 and the balance appearing in the ACA- 6 Format of the financial statement for 2018 as at 31 January 2018.</p> | <p>Financial statement should be prepared after comparing the books and record of the office.</p> | <p>Facts pointed out by audit are correct.</p>  |
| <p>(d).There was a difference of Rs. 2,865,573,937 in 12 instances between the balances in the form of ACA-6 in the financial statement and summary of individual information provided by the District Secretariat and Divisional Secretariats on non-financial assets.</p>   | <p>Financial statements should be prepared after comparing the office books and documents.</p>    | <p>Although in preparation of the consolidated financial statements it had been stated on the balances as at 31 December 2017, the divisional secretariats had been given the amounts after doing valuation to the audit.</p> |
| <p>(e).A difference of Rs. 373,237 was disclosed when comparing the balances as per general deposit reconciliation statement submitted to audit and balances on information obtained from Divisional Secretariat office.</p>  | <p>Financial statement should be prepared after comparing the office books and documents.</p>     | <p>The reason for this difference was not shown the expenditure code No 6000-18-0-12 and 6000-13-0-27 General Deposit Accounts, according the reconciliation statement.</p>   |

- (f) Although the balance of the 6003 deposit category should be settled as per Section 2.7 of the public Accounts Circular No.258/2017 and 16 October 2017, the minus balance of Rs. 108,030 had been consisted as at 31 December 2018.
- (g) According to Advance Account and Individual Balance classification, differences were observed as Rs. 136,880 , Rs. 796,776 , Rs. 248,880 , Rs. 16,101,096 and Rs. 1,694,774 in respectively under the festival advances, property loans, vehicles loans, distress loans and other debts.

Action should be taken as per Section 2.7 of the public Accounts Circular No. 258/2017 and 16 October 2017.

The Treasury has been informed to take action to settle this minus balance by 31December 2018.

Financial statement should be prepared after comparing the office books and documents.

Paragraph was accepted and explanations had been given regarding on differences.

### 1.6.3 Cash flow statement

Following observations are made.

Audit Observation -----	Recommendation -----	Comments of the Accounting Officer -----
(a) Even though the non-revenue receipts generated from operating activities had been shown as Rs. 6,669,526,436, it was Rs. 6,588,627,790 according to information submitted to the audit.	Financial statements should be prepared in accordance with the instructions of the Public Accounts Circular No. 267/2018 dated 21 November 2018.	The total sum of receipts has been amounted as Rs.6,669,526,436 which had been shown as the value of Rs.6,588,627,790 submitted by the information to the audit by adding the value of Rs. 80,898,646 as the advance accounts receipts.
(b) Deposits payments of Rs. 453,036,874 had been paid as per the monthly summaries submitted to audit, but it had not been shown under the cash out	-As above-	According to the given cash flows format the deposit payment of Rs.453,036,874 , had been included the

- flow for operating activities in the cash flow statement.
- money baring for financial activities expenditure under the deposit payment and changing of other liabilities of Rs.4,203,597,322 in the cash flow format.
- (c) According to monthly Account Summary submitted to the Audit, the Advance Receipts and payment were Rs. 80,898,646 and Rs. 82,968,771 respectively. But those information had not been denoted under the cash generated by investment activities and cash out flow under the investment activities.
- As above-
- The value of advances received amounting to Rs.80,898,646 is shown as non-income receipts under operating activity and advance payments amounting to Rs.82,968,711 is shown as differences in deposits accounts and other liabilities in cash outflow under the finance activities.
- (d) Even though the total expenditure of Rs. 6,133,511,105 had been incurred for Personnel Emoluments, Operational Expenses, Subsidies, Transfers and Physical Assets constructions or Purchasing and Acquisition of Other Investments, according the information given to the Audit, in the cash flow statement that total amount had been represented as Rs. 2,465,919,428.
- Financial statements should be prepared in accordance with the instructions of the Public Accounts Circular No. 267/2018 dated 21 November 2018.
- The cash flow had been shown by deducting the expenditure value of the main ledger amounts to Rs.536,005,645 from the total value of cash out flow for operational activities of Rs.723,913,817, construction of physical assets of Rs. 1,742,005,611 and cash generated from finance activities of Rs.4,203,597,322.
- (e) Even though the District Secretariat had not been engaged into the Financial Activities during the year under review. A sum of Rs. 4,203,597,322 had been
- As above-
- The amount of Rs. 4,203,597,322 reporting by Audit had been represented under the money generated from the Financial

represented according that.

Activities.

- (f) The disposal of assets amounting to Rs.764,841 stated in the ACA-6 format in the Financial Statement for the year 2018 had not been indicated under the cash generating from the Investment Activities in cash flow statement.
- Disposals of Asset should be represented under the Investment Activities in cash flow statement.
- Because the money had been received by assets disposing in the format ACA 6 of Rs.764,841 consist with other receipts, that had not been represented , generating cash flow under the investment Activities.

#### 1.6.4 Non compliance with Laws ,Rules and Regulations

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The following instances of non –compliances with Laws, Rules, Regulations and Management Decisions were observed.

Reference to Laws, Rules and Regulations	Non Compliance	Recommendation	Comments of the Accounting Officer
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<b>Establishment Code of the Democratic Socialist Republic of Sri Lanka</b>			
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(a) Section 5 of Chapter xix	Rental of the quarters had not been calculated according to the Section 05 Chapter xix of Establishment Code. So the rental had been charged less than Rs. 542,929 since year 2016 to year 2018.	Should be done according to the Establishment Code regulations.	Arrears rental will be charged after doing the calculations.
(b) Section 4.4 of	The Committee	Should be done	To be noted to appoint

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**Establishment Code of the Democratic Socialist Republic of Sri Lanka**

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|------------------------------|--|---|--|
| (a) Section 5 of Chapter xix | Rental of the quarters had not been calculated according to the Section 05 Chapter xix of Establishment Code. So the rental had been charged less than Rs. 542,929 since year 2016 to year 2018. | Should be done according to the Establishment Code regulations. | Arrears rental will be charged after doing the calculations. |
| (b) Section 4.4 of           | The Committee  | Should be done  | To be noted to appoint                                       |

Chapter xix Report Book according to the the housing committee regarding to the Section 4.4 of and work according to quarters had not Chapter xix that. been updated Establishment Code.

### 1.6.5 Informal Transactions

Following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) In making payment for compensation for good affected by floods disaster in Rathnapura Divisional Secretariat area, over payment of Rs. 2,088,965 had been made as compensation in 49 instances on the recommendation of the Divisional Secretariat and the committee appointed for that purpose and even exceeding the amount requested by the beneficiaries.	Compliance with Financial Regulations 104, 109 and 156	Instruction have been given to pay in accordance with the circulars and inquiries have been made to comply with the said instructions
(b) In making payments for compensation for the houses damaged by floods in the Rathnapura Divisional Secretariat area in 2017 over payment of Rs. 1,187,711 had been made for 31 houses in 09 division contrary to the circular instruction of No.NDRSC/01/04/01/2017 dated 25 June 2017.	Compliance with Financial Regulations 104, 109 and 156	Instruction have been given to pay in accordance with the circulars and inquiries have been made to comply with the said instructions
(c) Three other Ministries and Departments had been provided the allocations to the 06 Divisional Secretary Offices for doing various activities. Accordingly the agreements had	Compliance with Financial Regulations 104, 109 and 156	The examination should be done from other Technical Officer who engaged in other office, if over payment had been made proper action have



been entered for the value of Rs.25,817,599 under the provisions to do the 20 number of works in the 18 industries. The over payment of Rs. 361,267 had been made when measuring in respect of such agreements. Rs.15,278 had been recovered. The balance of Rs. 345,989 had to be recovered further.

to be got against to such responsible officers.

- (d) The amount of Rs. 2,019,865 had been allocated to three Divisional Secretariats to fulfil four contracting industries by the Ministry of National Policy and Economic Affairs. The amount of 14.046 cubic feet of concrete had been used for private homes. The sum of Rs. 193,307 had been paid for that.
- Investigations should be made to recover the excess payments from the relevant parties
- After doing the examination if the excess money payment had been made taking action to recover from the responsible officers.
- (e) A Sum of Rs. 784,000 had been allocated for the construction of the side bund of Dehiathhawela Ela in Imbulpe Divisional Secretariat, area by the Irrigation and Water Resources Management Ministry. Death Donation and concessionary Society in the area had been entered into the Agreement of Rs. 784,000 for completing that project. Even though on the statement of completing the project at 23 July 2018, the amount of Rs.705,575 (after deducting the 10 percent for retention) had been paid to the Society, that project had not been constructed when physically checked on the date of 11 December 2018.
- To comply with the financial regulations in making payments for the project and take disciplinary action against.
- Agreed with the observation and after doing the investigation the future events shall be done.

## 2. Financial Review

### 2.1 Imprest Management

Following observations are made in connection with the imprest requesting and the imprest receiving in District Secretariat.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
<p>The imprest had been received exceeding the requested amount by the District Secretariat from the month of January to May and November to December of the year under review in the range of Rs.39,853,382 to Rs 785,430,213. From the month of June to October imprest received less than the requested amount in the range of Rs. 212,222,000 to Rs 525,659,000.</p>	<p>The Treasury imprest must be requested after estimate the correct necessity of the imprest.</p>	<p>Direct involvement of the relevant ministries to get the imprest from Treasury for the settling the bill in hand (2017) in the first period of the year under review before requesting the advances and not receiving the enough imprest at the end of the year was the reason for that.</p>

### 2.2 Utilization of funds provided by other Ministries and Departments

Following observation is made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments of the Accounting Officer</b>
<p>Out of the amount of Rs. 1,846 million allocated for 32 needs of 16 Divisional Secretariats by 22 other Ministries / Departments , Rs.1,062 million was left over at the end of the year under review. The savings were in the range of 11 percent to 100 percent.</p>	<p>Arrangements should be made to prepare the plan accurately for getting the imprest allocation granted from the treasury.</p>	<p>I agree with the observations.</p>

### 2.3 Issuing and Settlement of the Sub-imprests

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Following observation is made.

Audit Observations	Recommendation	Comments of Accounting Officer
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Even though the Advances must be settled within the 10 days after finishing the works according to the Financial Regulation 371, the 46 advances value of Rs.495,392 obtained for the years 2017 and 2018 in relevance to the 03 Divisional Secretariats had been settled after delaying the period of 01 day to 54 days.	Should be done according to the Financial Regulation 371.	To be avoid this circumstances in the future events.

### 2.4 Deposit Balances

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Following Observation is made.

Audit Observation	Recommendation	Comments of the Accounting Officer
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Action had not been taken as per financial Regulation 571 In connection with the 187 Deposits totalling to Rs. 39,504,359 exceeding the 02 years in relating to the District Secretariat and 09 Divisional Secretariat.	Should be done accordance to the Financial Regulation 571.	Without receiving the Treasury imprest could not be worked in accordance to the Financial Regulation 571.

## 2.5 Reconciliation Statement of the Advances to Public Officers Account

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 Following Observations are made.

Audit Observation	Recommendation	Comments on the Accounting Officer
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(a) Even though the loan balances of the transferring officers should have to be settled within the three months period in accordance to the Financial Regulation 485(4) and National Budget Circular No 118 dated 11 October 2004, although the transferring officers total of Rs.158,455 loan balances had not been settled within the period of 03 months to 12 months up to the dated 31 December 2018, the office unable to settle that balances.	The loan balances should be settled accordance to the circular.	Notifications send to related parties to settle the outstanding loan balances.
(b) The 03 outside loan balances totalling of Rs. 285,250 exceeding the range of period 03 months to 12 months of the pensioners had not been settled at the end of the year under review.	Action should be taken according to the paragraph 4 in xxiv Chapter of Establishment Code.	Taking action to recover the loan balance from the pension salary Gratuity.
(C) There were loan balances amount to Rs. 989,956 receivable from the 7 interdicted officers and last instalment had been charged more than one year. The action had not been taken to recover that loan balances from the loan holders or guarantors up to dated 31 December 2018. The 04 loan balances total of Rs.333,306 exceeding over the 05 years were among that.	Action should be taken to settle the debt balance	Taking necessary action regarding the outstanding balance of the loan.

### 3. Operation Review

#### 3.1 Activities without performing

Following observations are made.

<b>Audit Observation</b> -----	<b>Recommendation</b> -----	<b>Comments of the Accounting Officer</b> -----
(a) A sum of Rs. 343,000 had been allocated to eight Divisional Secretariats for the implementation of three social development programs under the Department of Divineguma Development. Due to lack of adequate funds from the Treasury, these functions were not performed.	Arrangements should be made for the preparing the imprest plan properly and request imprest from the Treasury accordingly.	Inability to perform these tasks due to insufficient funds available despite the provision
(b) A project for the registration of all blacksmiths in Hatanpola under the Industrial Development Board had been made available Rs 121,856 to the Divisional Secretary of Imbulpe by the Ministry of Fisheries, Water Resources Development and Rural Economic Affairs. Those blacksmiths had not been registered as at 31 May 2019	Take steps to achieve the main objectives of the project by working closely with the Industrial Development Board.	Registration was not done due to supervision of rural industries is not carried out by the Industrial Development Board during this period.
(c) The amount of Rs. 5,000,000 had been allocated for the construction of the Kiriella Divisional Secretariat Quarters in 2018, but it had not been implemented by the end of the year under review.	Action should be taken to complete the projects after having the provision expeditiously.	Estimates were approved but the project was not implemented due to lack of funds
(d) The construction of the Farm garden Goluwawila Road in the Ratnapura Divisional Secretariat Division should be completed by 14 January 2018. The 10 number of works in the estimate had not been done as there was no provision for expenditure	Taking necessary steps to provide relevant information to the relevant parties and take action to complete the work which has not been accomplished.	Only the essential works were done by the contractor within the allocation limit.

amounting to Rs.1,336,403 as at  
23 January 2019.

### 3.2 Not Achieving the Desired Output Level

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Following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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(a) In the examination of the action plan of the District Secretariat and two Divisional Secretariats in 2017 and 2018, there was a slight improvement in the range of 6 percent to 69 percent between the expected targets and actual for 48 activities. Goals on 17 activities were not reached.	Work towards achieving the targets set out in the action plan.	Training fo officers in the future to avoid the inaccuracies in identifying desired targets.
(b) According to the Land Commissioner General's Circular No. 2008/04 dated 15 June 2015, issuing permits / grants for government lands as at 31 December 2018, the number of land kachcheri held in eight Divisional Secretariats was in the less range of one to eight. No land kachcheri were held by two Divisional Secretariats and the number of lands Identified for regulation out of the number of plots of land to be regulated in respect of 5 Divisional Secretariats was in the low range of 0 to 50 percent. Also, the process of regularization of unauthorized lands in the Ratnapura District has been slow, as information on the number of plots of land to be regulated by two	Action should be taken to expedite the process of regulation of unauthorized lands.	In the Ratnapura District, there is very limited number of lands for people to live in. Therefore regulation of land cannot be done.

Divisional Secretariats has not been clearly identified.

### 3.3 Abandan the projects without completion

Following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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<p>(a) A sum of 50,653,814 had been allocated by the Ministry of Home Affairs for the development of the Galagama Laduyaya Road. A Memorandum of Understanding was signed with the Western Provincial Road Development Authority on 14 December 2016 on the basis of completion of the contract in 37 days. By December 2017, construction work in the industry had been halted. Not less than 5 per cent of the estimated amount of the contract, as per the Guidelines 5.4.8 (a) of the Government Procurement Code. Amount of Rs. 2,532,691 had not been got the performance protection, In the event of failure to include the contractor's name in the list of contractors who have defaulted in accordance with the Government Procurement Guidance Code 8.11.4, the Memorandum of Understanding shall be cancelled by the other agency / contractor.</p>	<p>The relevant contractor shall be blacklisted and the termination of the Memorandum of Understanding with that party to be carried out and in compliance with the guidelines of the Government Procurement Guidelines 5.4.8 (a).</p>	<p>Although the Western Provincial Road Development Authority had confirmed that the construction would be completed before the end of the year, but it had failed to do so.</p>
<p>(b) Under the Damage Road</p>	<p>Plans must be properly</p>	<p>Unable to advise contractors</p>

Maintenance Program of the Ratnapura District, the physical progress of continuation projects worth Rs. 322.77 million in the year 2018 had been in the range of 10 percent to 97 percent. The construction work had been suspended due to non availability of funds for 34 of them so, Two projects worth Rs. 25.71 million had been abandoned. due to the non-availability of grants by 06 February 2019. The projects that have been abandoned the expenditure & time expense for this purpose have been in vain.

prepared and executed within the time frame so that projects can be executed on time.

to continue construction work as there is no allocation for disrepair projects.

### 3.4 Delays in completing projects

Following observations are made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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(a) The provision of Rs. 429.82 million had been allocated for the implementation of 39 projects for the District Secretariat and two Divisional Secretariats in the year under review. Delays in carrying out these projects resulted in a saving of Rs.329.83 million or 76.7 percent, was saved.	Taking action to prepare the plans properly so as to complete the projects within the time frame expeditiously.	Agree with Audit Observations and these matters are outside the control of the District Secretary.
(b) The total number of houses affected by floods and landslides in the year 2016, 2017 and 2018 was 16991. A sum of Rs. 1,075,757,044 had to be paid as compensation. For that the total amount of	Arrangements should be made to pay the relevant compensation expeditiously in close collaboration with the Treasury and the Line	Delays in payment of compensation should be outside the control of the District Secretary.



compensation payable was Ministry.  
Rs. 327,713,533 as at 31  
December 2018.

- (c) During the years 2016, 2017 and 2018 there were 2213 families who were identified as providing alternate lands to the people affected by the floods and landslides in the Ratnapura District. Only 882 families have been provided with suitable lands.
- Taking immediate action to obtain Survey Reports of the acquired lands and to distribute the lands to a significant number of families.
- Agree with Audit Observations. These are matters outside the control of the District Secretary.

### 3.5 Procurements

Following observations are made.

Audit Observation	Recommendation	Comments on the Accounting Officer
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(a) As per last year's Audit Inquiry of the construction of the new building by the District Secretary of Ratnapura, the delayed fines amounted to Rs. 12,528,000. By the time of the payment of the Interim Bill 17 of 12 July 2018, the amount had been overpaid to the contractor due to the failure to pay a maximum of Rs 23,266,017 as 5 percent of the contract amount, according to Contract Data 8.7 on delay days.	To comply with Section 8.7 of Agreement.	Payments have been made in accordance with the Financial Regulations.
(b) Without preparing the estimates and obtaining the approval the District Secretary of Ratnapura had demolished the 225 mm brick wall allocated to the warehouse of the new building and replaced it with a cement moulding wall.	Actions should be taken to commence the constructions after the proper preparation of estimates and approval.	It is difficult for the Contractor to prepare a preliminary estimate and at the monthly Progress Review Meeting on 22 November 2018, the Contractor, Consultancy Agency and District Secretariat Officers unanimously decided to

make the construction expeditiously and then approved the estimate.

### 3.6 Asset Management

Following observations are made.

Audit Observation	Recommendation	Comments on the Accounting Officer
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(a) The Construction work of two Sewa Piyasa Offices at Pelmadulla Divisional Secretariats was completed at a cost of Rs. 2.5 million by 31 December 2017 under the provisions of the Ministry of Home Affairs. The buildings were inactive as at 29 October 2018.	Buildings constructed under development projects should be utilized efficiently.	One service office is already in use and actions are being taken to use another service
(b) The two public service houses owned by the District Secretariat remained inactive by the end of the year under review.	Steps need to be taken to make proper use of the property.	Taking action to repair and regulate the two public service houses as they are in a state of repair.

### 3.7 Sureties of Public Officers

Following observation is made.

Audit Observation	Recommendation	Comments on the Accounting Officer
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In accordance with the provisions of the Financial Regulations 880,	Taking action to obtain bail in terms of	Work on this is underway.

relevant bonds hadn't been deposited by 86 officers who should deposited sureties in District Secretariat and 16 Divisional Secretariats. Actions had not been taken to obtain sureties from subordinates during the due period of time, in terms of the provisions of Financial Regulation 881 (ii).

**3.8 Management Deficiencies**

Following observations are made.

<b>Audit Observation</b>		<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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(a) The following are the paragraphs which have not been rectified in respect of the deficiencies pointed out in the audit paragraphs contained in the Auditor General's Reports relating to the District Secretariat.			
Reference to the Auditor General's Report	The subject of reference		
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Year	Paragraph number		
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2008	10(c)(1)	An additional sum of Rs.159,279 had been paid in excess for 9 concrete cubes that were not used for the concrete layer used for the road of Udakada across the field from	Investigations should be completed expeditiously and appropriate payments will be made at the appropriate rates for the relevant amounts on constructions. A committee has been appointed to investigate and report on this matter.

Watuyaya Junction belonged to Divisional Secretary's Division of Kuruvita under the provisions of the MagaNeguma programme.

2013	1.7(a)(1)	<p>Even though, Rs. 241,316 had been paid to renovate the old roof of the Kuruwita Divisional Secretariat using wood frames, underneath woods and rafters which were used in old roof.</p>	<p>Disciplinary action should be taken against the parties responsible for these payments.</p>	<p>As the Technical Officer in charge of the incident is attached to the Provincial Council, a draft of the charge sheet along with a copy of the preliminary investigation report has been forwarded to the Chief Secretary of the Sabaragamuwa Province for necessary action based on the recommendations of the preliminary investigation report.</p>
2015	3.12(c)(iv)	<p>The construction of 5 Cultural Canters work had been commenced in 2010 the value of Rs.12,952,497 in vain due to the failure of completion of the work at the end of</p>	<p>Development projects should be carried out efficiently and effectively.</p>	<p>Estimates are being prepared for the remaining work.</p>

December  
2015.

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| (b) According to the audit inspections carried out on six Divisional Secretariats relating to providing motor bikes on concessionary terms to the field officers, further three officers in two Divisional Secretariats maintained the arrears amounting to Rs. 428,340, above offices couldn't recover such amount. | Action should be taken to collect the money from the relevant authorities or from the parties for release of such officers. | Despite of repeatedly informing the officer and his employers about the matter, payments have not yet been made. |
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#### 4. To achieve Sustainable Development Goals

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Following observation is made.

<b>Audit Observation</b>	<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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No internal circulars, action plans or guidelines have been issued for identifying and implementing the objectives and targets of the District Secretariat in terms of the United Nations 'Sustainable Development Agenda 2030'. The audit report of the previous year had shown that, no formal action had been taken as at 05 March 2019.	Ensure that circulars and guidelines are used to inform with regard to the relevant objectives and targets effectively, and identify and incorporate Sustainable Development Goals and target relevant to the organization into the action plan.	According to the discussion held on 22, May 2019, taking necessary actions in this regard.

#### 5. Good Governance

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##### 5.1 perform services to the public

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Following observation is made.

<b>Audit observation</b>	<b>Recommendation</b>	<b>Comments on the Accounting Officer</b>
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Auditing is of the view that having exceeded the targets from 8 percent up to 117 percent of the Issuance of Timber Transport	It is important to take in to account the eco friendly manner in	Reason for this is that annual targets are in erroneous status.

License, Issuance of Animal performing the tasks.  
Transport Licenses and Excise  
Licensing by the licese Branch  
of Administration division in the  
Pelmadulla Divisional  
Secretariat has resulted in  
adversely effecting for social and  
eco friendly manner.