

Thalawa Pradeshiya Sabha  
Anuradhapura District  
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1. Financial Statements  
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1.1 Presentation of Financial Statements  
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The financial statements for the year 2019 had been presented to the Audit on 24 April 2020. The summary report of the Auditor General relating to those financial statements, and the detailed management audit report had been submitted to the Chairman on 10 September 2020 and 29 September 2020 respectively.

1.2 Adverse Opinion  
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In my opinion, because of the significance of the matters described in paragraph “Basis for adverse Opinion” of this report, the financial statements do not give a true and fair view of the financial position of the Thalawa Pradeshiya Sabha as at 31 December 2019 and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

1.3 Basis for Qualified Opinion  
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(a) Accounting Deficiencies  
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Audit Observation -----	Recommendation -----	Comment of the Accounting Officer -----
(i) Although rates and tax billing for the year under review amounted to Rs. 6,248,352, it had been stated as Rs.6,074,761 in the financial statements. Accordingly, a sum of Rs. 173,591 had been understated.	Accounts should be properly kept.	Agree.
(ii) Although new water connection revenue billing for the year under review was Rs. 608,063, it had been stated as Rs.749,812 in the financial statements. Accordingly, a sum of Rs. 141,749 had been overstated.	Accounts should be properly kept.	Agree.
(iii) Although the billboard revenue billing for the year under review was Rs. 4,335,441, it had been stated as Rs.4,535,441 in the financial statements. Accordingly, a sum of Rs.200,000 had been overstated.	Accounts should be properly kept.	Agree.

(iv)	The court fine due on 31 December of the year under review amounting to Rs.14,913,461 had been stated as Rs.16,539,796 in financial statements. Accordingly, a sum of Rs. 1,626,335 had been overstated.	Accounts should be properly kept.	Agree.
(v)	Pensions and gratuities payable as at 31 December of the year under review amounting to Rs.1,970,971 had not been accounted for.	Accounts should be properly kept.	Agree.
(vi)	The value of Rs. 105,900 further remained recoverable for renting the backloader had not been identified and accounted for.	Accounts should be properly kept.	Agree.
(vii)	The amount due from the parties responsible for committing financial irregularity by non-crediting of Rs. 371,946 to the Sabha Fund relating to 65 receipts issued in 2018 had not been accounted for.	Accounts should be properly kept.	Agree.
(viii)	The Thambuththegama Multipurpose Building, which was constructed at a cost of Rs.73,000,000 by the Ministry of Megapolice and Western Development and handed over to the Sabha on 27 June 2019, had not been stated in the financial statements.	Accounts should be properly kept.	Agree.
(ix)	Expenditure of Rs. 3,758,195 incurred on 05 projects carried out during the year under review had not been identified and capitalized.	Accounts should be properly kept.	Agree.
(x)	The value of 02 buildings constructed during the year under review amounting to Rs. 2,818,000 had been stated as Rs. 2,246,205 in the financial statements and as such, the fixed assets had been understated by Rs. 571,795.	Accounts should be properly kept.	Agree.
(xi)	The amount of Rs. 2,984,588 payable by the Sabha due to its non-compliance with the agreement reached with the Central Environmental Authority for the construction of the Karagahawewa Waste Management Center had not been shown in the financial statements as liabilities.	Accounts should be properly kept.	Agree.

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|--------|--|-----------------------------------|--------|
| (xii)  | The construction value of the Orugalayaya Waste Management Center has not been identified and stated in the financial statements.  | Accounts should be properly kept. | Agree. |
| (xiii) | The amount of Rs. 2,771,381 due from the Local Government Department in respect of 36 projects implemented during the year under review had not been stated in the financial statements.   | Accounts should be properly kept. | Agree. |
| (xiv)  | The value of 1,895,163 further remained payable to the contractors in relation to 12 contracts carried out under the Gamperaliya Project had not been stated in the financial statements.  | Accounts should be properly kept. | Agree. |
| (xv)   | Although the total cost of capital projects carried out during the year under review was Rs.31,271,403, it had been stated as Rs. 25,943,822 in the financial statements. Accordingly, the capital expenditure had understated by Rs. 5,327,581. | Accounts should be properly kept. | Agree. |
| (xvi)  | The salary reimbursement receipts pertaining to the month of December 2018 amounting to Rs. 2,796,937 had been accounted for as capital grants for the year under review.  | Accounts should be properly kept. | Agree. |
| (xvii) | The sum of Rs. 603,573 received as insurance claim in respect of a vehicle accident caused in 2019 had been stated as warrant fees and fines.  | Accounts should be properly kept. | Agree. |

(b) Unreconciled Accounts

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Audit Observation

Recommendation

Comment of the Accounting Officer

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|-----|--|---|---|
| (i) | The value of 06 items of accounts as at 31 December of the year under review was Rs. 2,107,069 according to the financial statements and it was Rs. 2,142,890 as per the documents, thus resulting in a total difference of Rs. 368,905. | Accounts should be prepared correctly by reconciling the differences in the balances. | Action will be taken to maintain separate records according to income from the year 2020. |
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(ii)	There was a difference of Rs.127,832 between the value of fixed assets and the value of revenue contribution to capital input account as at 31 December of the year under review.	Accounts should be prepared correctly by reconciling the differences in the balances.	Action will be taken to rectify errors in the preparation of the accounts for the year 2020.
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(c) Accounts Receivable and Payable

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

(i)	Three receivable account balances amounting to Rs. 1,490,783, which had continued to exist in the financial statements for the past several years, had not been settled.	Action should be taken to settle the accounts balances receivable.	Action will be taken to make correction in the future.
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(ii)	Two payable account balances of 630,774 that had continued to exist over a past several years had not been settled.	Action should be taken to settle the balances payable.	Action will be taken to settle this amount before the year 2020.
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(d) Lack of Necessary Documentary Evidence for Audit

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

(i)	No acceptable evidence had been furnished in respect of 08 items of accounts valued at Rs. 367,504,800.	Evidence to substantiate the account balance shown in the financial statements should be submitted.	Agree.
(ii)	Files related to the staff restroom and office building of the partially constructed Karagahawewa Garbage Yard had not been submitted for audit.	Relevant evidence should be presented..	Action will be taken to correct the matter and prepare financial statements accordingly, from the year 2020.
(iii)	According to the financial statements, the files related to the Thambuththegama New Weekly Fair construction project worth Rs. 9,500,000 had not been submitted for audit.	Files should be furnished to the audit.	Tenders activities and payments relating to this project have been done by the Department of Local Government.

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| (iv) | A sum of Rs. 26,685,502 in the general deposit account had been taken into income during the year under review and no detailed information had been provided in this regard.   | Relevant information should be furnished to audit               | This value was eliminated from the books on the recommendation of a committee appointed by the Chairman and with the approval of the General Assembly.   |
| (v)  | Relevant evidence was not submitted to the audit to prove that the beneficiaries had received 15817 items worth Rs. 1,308,999 which had been taken away by three members in relation to the Provincial Council projects in 2017. | Relevant information and evidence should be furnished to audit. | As the files containing the documents proving that 15817 items worth Rs. 1,308,909 taken away from the stores by three members were handed over to the relevant beneficiaries could not be found, relevant evidence could not be furnished to the audit. |

#### 1.4 Non-compliance

##### ----- Non-compliance with Laws, Rules, Regulations and Management Decisions -----

Reference to Laws, Rules, Regulations and Management Decisions -----	Value -----	Non-compliance -----	Recommendation -----	Comment of the Accounting Officer -----
(a) Authority of Motor Traffic Act No. 14 of 1951 Chapter 203.	-	A TAFE tractor owned by the Sabha had not been registered	Action should be taken in accordance with the Act.	Agree.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka ----- F.R. 571	207,029	Sixteen deposits of the Sabha that remained for more than 02 years had not been dealt with.	Action should be taken in accordance with Financial Regulations.	Agree.

(c) Gazette Notifications  
of the Democratic  
Socialist Republic of  
Sri Lanka

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(i) Extraordinary Gazette Notification No. 1534/18 dated 01 February 2008 Schedule (c)	288,000	Seventy two industries which had not been licensed in the year 2019 had been identified and the revenue lost to the Sabha had exceeded Rs. 288,000.	Environmental license survey should be conducted and action should be taken to issue licenses.	Agree
(ii) Paragraph 5 of the Gazette Notification No. 2086/15 dated 29 August 2018 of the Governor of the North Central Province	53,000	Although allowances at Rs.500 should be paid for one meeting attended by the members with effect from 01 July 2018, the Sabha had paid the allowances from April 2018 and as such, the allowances overpaid to 37 members totalled Rs.53,000.	Action should be taken to recover unauthorized payments.	Agree.
(d) Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka Paragraph 2.9.1	174,200	i. Although the amount of decisions taken at one procurement committee should be considered as one committee for the payment of allowances, the payment of allowances had	Action should be taken to pay allowances and recover the overpayments in terms of the Procurement Guidelines.	Since a committee report is written for each decision after discussing the amount of the decisions separately in each procurement committee and reaching a decision on the

		<p>been made based on the number of procurement decisions made by two committees held on 20 December 2018 and 31 December 2019 and accordingly, Rs. 174,200 had been overpaid.</p>		<p>bidders, the procurement allowances have been obtained based on the number of decisions made by the committee</p>	
	910,832	ii.	<p>The examination fee for field inspections for recommending building applications, street line certificates and non-acquisition certificates, and issuing certificates of conformity had been recovered without a Sabha decision.</p>	<p>The examination fee to be charged in accordance with the Circular shall be determined by the Sabha .</p>	<p>Agree.</p>
(e)	<p>Circular No. 09/2009 dated 16 April 2009 of the Secretary to the Ministry of Public Administration and Home Affairs</p>	-	<p>During the year under review, 24 employees had not used the fingerprint machine to record daily arrivals and departures.</p>	<p>In accordance with the circular, action should be taken to use the fingerprint machines.</p>	<p>Agree.</p>
(f)	<p>Public Administration Circular No. 30/2016 dated 29 December 2016</p>		<p>Fuel consumption testing of 10 vehicles belonging to the council had not been carried out.</p>	<p>Circular should be complied with.</p>	<p>Agree.</p>

## 02. Financial Review

### 2.1 Financial Results

According to the financial statements presented, the revenue of the Sabha in excess of the recurrent expenditure amounted to Rs. 22,570,537 for the year ended 31 December 2019 as compared with the corresponding revenue in excess of the recurrent expenditure amounting to Rs. 12,224,306 for the preceding year.

### 2.2 Financial Control

#### Audit Observation

#### Recommendation

#### Comment of the Accounting Officer

Out of the Rs. 3,446,848 provided by the Central Environmental Authority for the construction of the Karagahawewa Garbage Yard, a sum of Rs. 1,121,026 had been spent on the project and the balance Rs. 2,325,822 had been spent on the affairs of the Sabha.

Funds externally granted should be used for the relevant purposes.

Although Rs. 2,609,601 out of the Rs. 3,446,848 provided by the Central Environmental Authority for the construction of the project has been spent for the construction, there is no written evidence with details in full.

### 2.3 Revenue Administration

#### 2.3.1 Estimated Revenue, Billed Revenue, Collected Revenue, and Outstanding Revenue

Details on the Estimated Revenue, Billed Revenue, Collected Revenue, and Outstanding Revenue presented for the year under review and the preceding year are as follows.

Source of Revenue	2019				2018			
	Estimated Revenue	Billed Revenue	Collected Revenue	Total arrears at at 31 December	Estimated Revenue	Billed Revenue	Collected Revenue	Total arrears at at 31 December
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Rates and Taxes	14,388,929	14,136,456	13,640,296	16,011,924	13,186,113	13,697,894	14,871,741	15,515,764
(ii) Lease Rent	18,306,305	12,275,059	12,174,008	853,619	22,669,866	12,322,425	12,636,255	752,568
(iii) Licence Fees	4,963,000	5,460,218	5,460,218	-	2,678,000	4,149,953	4,149,953	-
(iv) Warrant Charges and Court Fines	6,967,000	14,324,423	10,396,339	16,539,796	6,930,000	12,319,650	9,500,000	12,611,712
<b>Total</b>	<b>44,625,234</b>	<b>46,196,156</b>	<b>41,670,861</b>	<b>33,405,339</b>	<b>45,463,979</b>	<b>42,489,922</b>	<b>41,157,949</b>	<b>28,880,044</b>

### 2.3.2 Performance in the Collection of Revenue

#### Audit Observation

#### Recommendation

#### Comment of the Accounting Officer

The arrears of water tax on 04 water projects had been Rs. 1,431,280 as at 31 December of the year under review and it was 64 per cent of the billed revenue for the year.

Action should be taken to recover the arrears of revenue.

Action will be taken to recover the arrears.

### 2.3.3 Rates and Taxes

#### Audit Observation

#### Recommendation

#### Comment of the Accounting Officer

(a) Taxes had been levied on 3408 assessment units based on the assessment made in 2009.

Action should be taken to charge rates on a new assessment.

It is informed that information is being prepared on the instructions of the Assistant Commissioner of the Department of Local Government to conduct a new assessment.

(b) No action has been taken to obtain provisional assessments and levy of rates on new constructions and alterations done in the assessment area after 2009.

A new assessment should be made and action should be taken to recover the rates accordingly.

As the provisional assessment has been obtained, it will be forwarded with the decisions of the General Assembly to the Minister in charge of the subject for approval through the Department of Local Government in the future.

### 2.3.4 Lease Rent

#### Audit Observation

#### Recommendation

#### Comment of the Accounting Officer

(a) The outstanding rent due from 18 shops as at 31 December of the year under review was Rs. 267,120

Action should be taken to recover the outstanding rent

The matter with regard to the amount to be recovered will be referred to the Sabha in the future and action will be taken against it.

- (b) Out of the 15 cases of leasing of trade rights in the previous year and the year under review, the outstanding amount was Rs.359,964.
- Action should be taken to recover the outstanding rent
- It is a trade item leased before 2018. It is not possible to confirm the matter as there are no relevant legal documents thereon.

### 2.3.5 Licencse Fees

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#### Audit Observation

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The total amount due from 84 billboards displayed in the area and 97 billboards in the Thambuththegama office area as at 31 December of the year under review amounted to Rs. 1,491,175.

#### Recommendation

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Action should be taken to recover the relevant charges.

#### Comment of the Accounting Officer

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Agree

### 2.3.6 Court Fines and Stamp Duty

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#### Audit Observation

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The court fine and the stamp duty due from the Chief Secretary of the Provincial Council and other authorities as at 31 December of the year under review amounted to Rs.14,913,461 and Rs.17,231,141 respectively.

#### Recommendation

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Action should be taken to charge fees from the relevant officers.

#### Comment of the Accounting Officer

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Agree.

## 3. Operating Review

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### 3.1 Performance

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Matters revealed in the regulation, control and administration of all matters relating to public health, public utility services and public thoroughfares and generally with the protection and promotion of the comfort, convenience and welfare of the people in terms of Section 3 of the Pradeshiya Sabhas Act, are as follows.

(a) By-laws

Audit Observation	Recommendation	Comment of the Accounting Officer
Although by-laws should be enacted under Section 126 of the Pradeshiya Sabha Act to fulfill 28 main functions, by-laws had not been enacted with respect to the relevant matters by 31 December 2019.	Action should be taken to enact by-laws with respect to the relevant matters	It is informed that action will be taken to enact by-laws under Section 126 of the Pradeshiya Sabha Act for 28 key functions in the future.

(b) Failure to achieve the expected output level

Audit Observation	Recommendation	Comment of the Accounting Officer
Although Rs. 1,121,027 had been spent for the performance of 03 various functions mentioned in the action plan, expected output level (Out Put) had not been achieved.	A feasibility study should be conducted on the implementation of projects and action should be taken to carry out those projects effectively.	As there is not enough money to make project usable, it has not been completed.

(c) Delays in the Performance of Functions

Audit Observation	Recommendation	Comment of the Accounting Officer
i. Although Rs. 3,500,000 had been allocated to repair the water pipe system of Thambuththegama Central College under special local government projects, the project had not been initiated until 31 December of the year under review.	Approved projects should be completed within the same year.	As it had to be tendered by the Local Government Department, it could not be completed due to insufficient time.
ii. Although Rs. 500,000 each and Rs. 1,000,000 had been allocated to pave blocks and rehabilitated	Approved projects should be implemented effectively within the same year.	The contract for this project had been signed on 10 December 2019 and the

the road in front of Palugaswewa Mr.Piyadasa's house and the Nallamudawa village by road under the Special Needs Village Development Program, the project had not been completed even by 31 December of the year under review.

project was cancelled due to non-fulfilment of project work within the relevant period.

(d) Sustainable Development Goals

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

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The Sabha was unaware of the United Nations 2030 Agenda for Sustainable Development Goals.

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Action should be taken to implement the Sustainable Development Agenda.

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Action will be taken to prepare a development plan for the Thalawa area whilst giving priority towards the Sustainable Development Goals for the coming year.

3.2 Management Inefficiencies

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

(a) Two projects proposed by the Sabha when court fines were remitted by Provincial Treasury in the year 2018 had not been started by 31 December 2019 and Rs. 7,420,864 received thereon retained idle in the People's Bank Industries Current Account No. 315-1001-10000041.

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Necessary steps should be taken to start the proposed projects expeditiously and vest them in the public.

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Procurement activities related to the construction of the Sabha Hall building is being done by the Local Government Authority and it has been completed.

(b) Financial Regulations 103,104 and 105 had not been followed on the financial losses of Rs. 4,334,020 incurred due to accidents of 02 vehicles worth Rs.7,590,000 caused during the year under review.

Action should be taken in accordance with Financial Regulations in order to recover losses from the responsible parties.

- i. The loss of the Cab PF-7345 is Rs. 3,400,520. The responsible parties have not yet been identified.
- ii. The loss of the LL-6932 tipper was Rs.932,500. 80 per cent of it has been received from the insurance company.

3.3 Contract Administration

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Audit Observation	Recommendation	Comment of the Accounting Officer
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(අ) Without being recovered the delay charges to be recovered for 03 construction sub projects at Thalawa Karagahawewa Garbage Center amounting to Rs. 235,440, payments has been made to the relevant contractors.	Necessary arrangements should be made to recover the delay charges as per the agreement.	It is confirmed that delay charges have not been recovered.
(b) Since the construction of the Waste Management Center had not been completed, an additional cost had to be incurred to transport the daily collection of waste to the Thambuththegama Orugalayaya Garbage Center.	Action should be taken to complete the project expeditiously.	Since one tractor is being used to collect garbage in Thalawa, transportation costs will be minimized if it is constructed.
(c) Under the Katiyawa Pre-School Building Construction Project, concrete pillars had been constructed around the old building and an asbestos roof had been erected over the old roof, but due to the failure to remove the dilapidated old roof, the pre-school children and teachers were left unprotected.	Measures should be taken to ensure the safety of pre-school children and teachers.	The work could not be completed due to non-receipt of funds from the Local Government Department for the second part of this project.

3.4 Human Resource Management

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Audit Observation	Recommendation	Comment of the Accounting Officer
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The employees loan of Rs. 980,845 due from 32 officers who had been transferred, resigned and interdicted during the last 02 to 05 years had not been recovered.	Action should be taken to recover the employee loans due.	Agree.

### 3.5 Transactions of Contentious Nature

#### 3.5.1 Revaluation of Assets

Audit Observation	Recommendation	Comment of the Accounting Officer
Non-current assets amounting to Rs.206,049,855 as at 01 January of the year under review had been revalued and accounted for to the value of Rs.286,567,906 by a committee appointed by the Sabha. Accordingly, the value of land and buildings had increased by 335 per cent and the value of three categories of assets had decreased by 23 per cent to 94 per cent.	Revaluation should be carried out by doing assessment through a committee with experts.	Agree.

#### 3.5.2 Non-acquisition of Assets

Audit Observation	Recommendation	Comment of the Accounting Officer
Action had not been taken to take over the ownership of 12 vehicles used by the Sabha and annual revenue licenses had not been obtained for 21 vehicles and insurance cover for 04 vehicles.	Action should be taken to take over the ownership of the vehicles and to obtain revenue licenses and insurance.	Steps will be taken to obtain a revenue license and insurance coverage in the year 2020. As there was no registration for 04 vehicles, they had not been insured.

#### 3.5.3 Idle/Underutilized Assets

Audit Observation	Recommendation	Comment of the Accounting Officer
(a) Eight motor vehicles valued at Rs.17,615,000 remained idle.	The vehicles that remained idle should be made use of for the benefit of the Sabha.	Action will be taken to repair vehicles that are advantageous to repair and dispose of other vehicles.
(b) Eight shops on the first floor of the two-storey building worth Rs. 73,000,000 constructed by the Ministry of Megapolice and	The relevant shops should be used for a productive purpose or to earn income.	Upstairs is currently used for the sub office. Action will be taken to lease the remaining shops.

Western Development and handed over to the Sabha on 27 June 2019 had not been leased out.

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| (c) | The Thambuththegama Weekly Fair building complex constructed at a cost of Rs. 9,500,000 in the year 2017 had been left overgrown without being used.                          | Action should be taken to use weekly fair buildings.                               | Although I took steps to move the Weekly Fair to that place, the General Assembly has decided to keep the Weekly Fair at its former location.         |
| (d) | The crematorium built by the Sabha at a cost of Rs. 5,421,890 in the Eppawala area had remained idle for more than two years due to failure to install the required furnaces. | Action should be taken to make the relevant projects usable.                       | Work of the crematorium will be completed in the year 2020 by obtaining furnaces under project development activities.                                |
| (e) | The auditorium building, valued at Rs. 8,000,000, was in a state of disrepair and overgrown in the vicinity without being used.   | Necessary action should be taken for the use of idle assets.                       | As there are not enough employees, the auditorium is cleaned during the reservation and it is accepted that the electrical systems has been damaged.  |
| (f) | The two-storey building with 20 shops in Thalawa town has been closed for nearly three years and the land has been overgrown and the shops have become dilapidated.           | Action should be taken to recover the loss by identifying the responsible parties. | Apart from the lessee of one shop on the first floor, shopkeepers have not come forward for the remaining 19 shops as per the decisions of the Sabha. |

### 3.6 Identified Losses

----- Audit Observation -----	----- Recommendation -----	----- Comment of the Accounting Officer -----
(a) Newspaper advertisements had been published at a cost of Rs. 73,255 in the year 2017 relating to the procurement for the lease of 20 Pura Neguma shops and subsequently it had been cancelled. As a result, financial loss of Rs.73,255 had been incurred.	Action should be taken to recover the loss by identifying the responsible parties.	Agree

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| (b) | Although the driver had reported a malfunction in the brake system of a tipper truck, it had been driven and met with an accident on 31 January 2019, causing a loss of Rs. 933,500.  | Action should be taken to recover the loss by identifying the responsible parties. | Action will be taken to prevent such situations in the future.   |
| (c) | A cab worth Rs. 6,390,000 had involved in an accident on 15 April 2019 causing an estimated loss of Rs. 3,400,000. As insurance compensation had been denied based on the incorrect status of the information related to the accident and misuse of the vehicle, the vehicle had been retained at the local agent's local repair center without being repaired. | Action should be taken to recover the loss by identifying the responsible parties. | Action will be taken to impose surcharges after the investigations are completed and the responsible parties are confirmed by the Local Government Department. |

3.7 Apparent Irregularities.

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

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The inspection conducted on 14 January 2020, revealed a shortage of Rs. 152,961 of the cash in hand.

Necessary steps should be taken on the shortage.

Although the payee's signature was not obtained and a cash deficit was shown, payments therefor has actually been made. A daily receipts and payments record is maintained by the Shroff at present and action will be taken to avoid this error through it.

3.8 Procurement

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Supply and Services

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Audit Observation

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Recommendation

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Comment of the Accounting Officer

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(a) The compost yard construction project to the estimated value Rs. 5,760,735 had been awarded to the community based organizations by dividing it into 04 sections without calling for any national competitive bidding as per the Guideline 3.2 of the Procurement Guidelines.

Procurement guidelines should be followed in awarding projects.

Since the construction project takes a long time to be carried out on a competitive bidding basis and the construction is being carried out in an elephant populated area, it was assumed that the bidders would not come

forward and accordingly, the entire amount was divided into shares and action was taken to carry out constructions directly through the farmer organizations.

(b) The contracts for the construction of Karagahawewa Garbage Recycling Centers had been awarded at a cost of Rs. 4,488,490 without examining the qualifications as per Procurement Guidelines 3.9.1

Procurement guidelines should be followed in awarding projects.

When these projects are assigned to community based organizations, the certificates confirming the contract viability of the organizations were obtained according to the Procurement Guidelines and the contracts for the construction of Karagahawewa Garbage Recycling Center have been awarded at Rs. 4,488,490 .

4. Accountability and Good Governance

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Internal Audit

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Audit Observation

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An Internal Audit Officer had not been appointed as per paragraph 06 of Circular No. 04/2015 dated 18 March 2015 of the Commissioner of Local Government, North Central Province.

Recommendation

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Action should be taken in accordance with the Circular.

Comment of the Accounting Officer

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It is informed that an Internal Auditor will be appointed and further action will be taken by obtaining the necessary reports.