

Central Provincial Council – Year 2023

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Central Provincial Council for the year ended 31 December 2023 comprising the Statement of Financial Position as at 31 December 2023, Statement of Financial Performance, Cash flow Statement, significant accounting policies and the summary of other explanatory information was carried out, for the year then ended, under my direction in pursuance of provisions in Article 154 (3) of the constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 23(1) of the Provincial Council Act No. 42 of 1987 and Provisions of the National Audit Act No. 19 of 2018. The summary report was issued on 30 May 2023 in accordance with the provisions of Section 23(2) of the Provincial Council Act and sub-section 11(1) of the National Audit Act No. 19 of 2018 and the detailed management audit report was issued on 31 May 2024 in terms of sub-section 11(2) of the National Audit Act. This report is submitted to the Parliament in terms of Article 154(6) of the Constitution and sub-section 10(1) of the National Audit Act and a copy of the report is submitted to the Governor for tabling at the Provincial Council under Section 23(2) of the Provincial Councils Act No. 42 of 1987.

In my opinion, except for the effects of the matters described in paragraph of Basis for Qualified Opinion of this report, the accompanying financial statements give a true and fair view of the financial position of the Central Provincial Council as at 31 December 2023 and 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

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although Rs. 28,675,000 had been debited to the work in progress account related to the Ministry of Industries under Head 580 during the year under review, there was no record of transactions during the year of relevant reserve account.	Corrected by the journal entries of the year 2024.	Financial statements should be prepared correctly.
(b) Due to the non-submission of documents, files and ownership verification documents related to 23 vehicles amounting to Rs. 46,106,500 in the financial statements of 05 institutions of the Provincial Council as at the last date of the year under review, they could not be verified effectively.	Information on current situation of 23 vehicles are provided.	Registration certificates confirming ownership of vehicles should be submitted for audit.

- (c) The value of 05 vehicles of the Central Provincial Council was double accounted as Rs. 57,000,000 in the financial statements of 06 institutions.
- That 03 vehicles have been taken over to the name of the Ayurveda Commissioner and accounted in the Department of Ayurveda. Accounting and removals should be verified by the institutions that have been double counted.
 - That the vehicle belonging to the Ministry of Industry, which was temporarily given to the Chief Secretary, was also accounted in the Chief Secretary's office and due to that the Ministry of Industry was removed from the accounts.
 - That one vehicle is accounted in the Ministry of Agriculture.
- (d) A jeep which had been purchased for Rs. 7,236,595 in the period between 2011 to 2015 was accounted with Rs. 3,836,595 less as Rs. 3,400,000 in the financial statements of the Provincial Council. Answers were not given. The correct value should be identified and accounted in the financial statements.
- (e) Due to Rs. 3,400,000 refundable bail deposits received from 34 licensees was credited to the head of 1003-07-10 which is the charges charged from the goods mortgagee in the revenue account instead of being retained in a deposit account, the income for the year was overstated by Rs. 3,400,000. Action will be taken to rectify in future. Revenue of the year should be properly accounted.
- (f) The information related to Rs. 40,385,000 which had been removed from the bail deposit account of the goods mortgagee during the year under review was not submitted to the audit. That the treasury will be given when the Revenue Department request for the refund of the deposit. That the relevant confirmations should be submitted to the audit.

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| (g) | A tax amount of Rs. 23,324,800 to be received from 10 January 2010 to the last day of the year under review from a land leased to a person in Walapane Divisional Secretariat was not accounted in the financial statements of the Department of Land. | An amount of Rs. 1,200,000 has been collected on 26.02.2024. | Receivable revenue should be accurately indicated in the financial statements. |
| (h) | Although the value of the property and equipment in the trial balance submitted by the Department of Land was Rs. 15,517,605, there was a difference of Rs. 20,821,221 due to the mentioning of Rs. 36,388,826 in the statement of financial position. | Only the account entries made by this department are included in the trial balance. Therefore, the changes mentioned in the audit query are mentioned. | Differences should be identified, settled and accounted. |
| (i) | Although the total value of land, buildings and vehicles was Rs. 670,664,375 according to the fixed asset register of the Department of Animal Production and Health as at the end of the year under review, the assets had been understated by Rs. 33,431,375 due to accounting of Rs. 637,233,000 in the CIGAS computer programme. | The financial statements are prepared based on the balances of the assets accounts entered into the CIGAS software. Since it has not been possible to enter the assessed assets in the CIGAS system, I will enter those assessed assets in future. | Assets should be accounted accurately. |

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those financial statements are further described under the Auditor's Responsibilities 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 Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted accounting principles, 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.

Management of the respective institutions including the Provincial Treasury is responsible for the financial reporting process of the Provincial Council.

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

1.4 Responsibility of the Auditor for the audit of Financial Statements

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercised 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 of the Provincial Council 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 its 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 those charged with governance regarding significant audit findings, significant deficiencies in internal control and other matters that were identified during my audit.

1.5 Comments on Financial Statements

1.5.1 Head 540 – Governor's Secretariat Office

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) As per paragraph 4 and 7.3 of the Public Expenditure Management Circular No. CS/CS/11-8 dated 12 October 2018 of the Secretary to the President, two official vehicles used by the Governor were paid Rs. 930,020 for 6720.21 liters of additional fuel in addition to	That several Provincial Councils have done this and made payments accordingly.	Should be followed the circular instructions.

fuel allowances for the period of 24 months from May 2020 to April 2022.

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| (b) | According to the Provincial Financial Rules 54.1.2, 54.1.3 and 54.1.6, action was not taken to recover damages in regarding to Rs. 889,506 which occurred in relation to 06 vehicles belonging to the Governor's Secretariat. | That Rs. 59,125 has been deducted from the provincial council fund and Rs. 26,561 is being recovered from the driver and the case related to the value of Rs. 168,031 is ongoing. | Action should be taken to recover damages. |
| (c) | According to Public Administration Circular No. 01/2002 dated 25 February 2002, 07 vehicles belonging to the Governor's Secretariat were not used the state emblem and the name of the institution was not written on the body of vehicle. | That the state emblem will be used as instructed in the circular. | Should be followed the circular instructions. |
| (d) | According to paragraph 3.1 of Public Administration Circular No. 30/2016 dated 29 December 2016, the fuel emission test was not done within the stipulated time regarding 02 vehicles belonging to the Governor's Secretariat. | That the circular instructions will be followed in future. | Action should be taken as per the circular instructions. |
| (e) | Basic investigations and final investigations were carried out as per F.R. 54 and the responsible parties were not identified in relation to 09 vehicle accidents in which the loss was Rs. 1,458,304. Rs. 57,081 was deducted from the provincial council fund in 01 vehicle accident out of that and basic and full investigations were conducted and the responsible parties were identified in relation to 05 other accidents, but an amount of Rs. 148,215 was deducted from those damages and losses. | Answers were not given. | Damages and losses should be recovered according to Financial Rules. |

1.5.2 Head 541 – Council Secretariat

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) A motor vehicle registered as the name of Council Secretary remained idle for more than 5 years from 08 October 2018.	As this vehicle is not required for the use of Council Secretariat, that is informed Chief Secretary to agree to give to another institute for repair and use.	Assets should be actively utilized.
(b) The loan balance of Rs. 249,291 to be charged from two members of the Provincial Council for a period of 06 to 17 years had not been settled by 31 December of the year under review.	Action is being taken to settle the loan balances.	Action should be taken to to recover the loan balances.
(c) The documents were not kept up-to-date in related to 12 vehicles belonging to the Council Secretariat and the value of those vehicles was not assessed and accounted.	Those 12 vehicles have been handed over to the Chief Secretary.	Action should be taken to account the vehicles.
(d) As per F.R. 54, the initial and final investigations were not carried out and the responsible parties were not identified regarding a vehicle accident with a loss of Rs. 154,397.	Answers were not given.	Damages and loss should be recovered as per Financial Rules.

1.5.3 Head 543 - Chief Secretariat (Personnel and Training)

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to paragraph 3.1 of Public Administration Circular No. 30/2016 dated 29 December 2016, the fuel consumption test was not done with the stipulated time in related to 01 vehicle belonging to the office of the Deputy Chief Secretary (Personnel and Training).	That the circular instructions will be followed in future.	Should be followed circular instructions.

1.5.4 Head 544 - Chief Secretariat - (Control)

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) 05 Vehicles remained idle in the Chief Secretariat office as at 13 October 2023.	That was agreed to give another institution.	Assets should be actively utilized.
(b) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 38 vehicles belonging to the Chief Secretariat Office had not been used state emblem and written the name of the institute on vehicle body.	That the state emblem will be used as instructions in the circular.	Should be followed circular instructions.
(c) Documents were not kept up-to-date regarding 09 vehicles belonging to the Chief Secretariat and the value of those vehicles had not been assessed and accounted.	Answers were not given.	Action should be taken to update vehicle records and accounted.
(d) The arrears of Rs. 135,833,299 had not been collected as at 31 December 2023 in relation to 04 subjects in the Provincial Council revenue account. The unrecovered arrears of income for more than 05 years was Rs. 28,513,534. It was 21 percent from the total revenue.	Accepted.	Action should be taken to recover the arrears of income immediately.
(e) According to the information obtained from the data systems of the Motor Vehicle Registration Department and the Provincial Transport Department, information about 04 vehicles belonging to the Chief Secretariat was not disclosed and any evidence was not presented that the said vehicles are used by the institutions of the Central Provincial Council.	That information are investigated and reported.	Information should be disclosed and acted upon accordingly.

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| (f) | Although 38 vehicles owned by the Central Provincial Council were auctioned between 2017 and the year under review, the registration rights of those vehicles had not been handover to the relevant private party. | It has been informed that it will be checked and further action will be done. | Transfer of registration rights should be done immediately. |
| (g) | The initial and final investigations according to F.R. 54 were carried out and the responsible parties were not identified regarding 06 vehicle accidents with a loss of Rs. 254,151. | Answers were not given. | Action should be taken to recover the damages and losses as per F.R. |

1.5.5 Head 546 - Provincial Revenue Department

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Due to non-submission of bank receipts for stamp duty income of Rs. 50,613,378 credited to the Peoples' Bank current account of the Provincial Revenue Department during the period from 01 January 2015 to 10 July 2022 in the transfer of property within the Central Province, it was not possible to confirm the correctness of those incomes. Also, the income of Rs. 1,063,261, which was credited to the relevant current account, was not recognized and accounted.	That only the remaining receipts which failed to be brought to the department has been subject to audit query.	Action should be made to verify the correctness of banked income and settle unrecognized income.
(b) The Revenue Department had not taken action to accurately assess the values of properties and collect the stamp duty to be charged to the government in relation to 280 transfers of property identified by the District Registrar's office and referred to the department during the exchange or sale of properties with low values.	Investigations are being done. An amount of Rs. 416,850 has been collected for 05 cases where the investigation has not been completed.	Action should be taken to collect correct stamp duty regarding the Transfers of low value properties.

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| (c) | According to the sample inspection of 96 cases of revaluation of property sales made under section 73(8) of the Central Provincial monetary statute No. 17 of 1990, the Revenue Department had not taken action to collect the additional stamp duty to be charged on property transfers/ sales in relation to 70 cases was Rs. 5,936,082 from the respective buyers for a period between 10 months to 07 years. | Fixing additional charges is a lengthy process. 109 property prohibition orders and 23 court cases were made in 2023. | Action should be taken to collect additional stamp duty. |
| (d) | The documents were not kept-up-to-date and the value of the vehicles was not assessed and accounted regarding 01 vehicle belonging to the Provincial Revenue Department. | That will be accounted in the year 2024. | Assets should be assessed and accounted. |

1.5.6 Central Province Regional Economic Development Institute

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) “Deferred income” of Rs. 3,622,114, which is “arising from value exchange transactions” according to Sri Lanka public Sector Accounting Standard No. 10 or “arising from non-value added transactions” as per Public Sector Accounting Standard No. 11, or an unrecognized source of income was shown as income in the statement of financial performance for the year ended 31 December 2023 and due to that, the profit of the year under review was overstated by that amount.	Noted to prepare the profit and loss account for next years as indicated in relation to the audit of 2023 final accounts.	Should be followed Sri Lanka Public Sector accounting standards.
(b) The fixed deposit of Rs. 3,000,000 released on 10 April 2023 was credited to the current account on 11 April 2023 as Rs. 2,999,897 after deducting bank charges and although it have been recorded as a cash inflow in the cash flow statement of the year under review, it was recorded as a cash outflow.	That will mention to the audit that it has been noted for future correction.	Cash flow statement should be prepared correctly.

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| (c) | There was a balance of Rs. 2,628,231 in the suspense account in the statement of financial position of the year under review and the trial balance prepared as on the last date of the year under review was also not balanced by Rs. 2,628,231. | That the balance of the suspense account in the statement of financial position will be investigated and corrected and reported in future. | Balance of the suspense account should be settled immediately. |
| (d) | The institution had not recorded the cash receivings and updated the cash book from 08 August 2022 to the last date of the year under review. There was a credit balance of Rs. 3,019,614 in the computerized cash book as at 31 December 2023, but the cash book had not been checked and corrected. | That the cash book prepared by the institution with the use of computer (Excel) has been prepared in the format of the physical cash book and that the credit balance of Rs. 3,019,614 in the cash book is being investigated even now. | Action should be taken to check about the credit balance in the cash book and indicate the correct balance. |
| (e) | Although an interim imprest given for the performance of any work in terms of Financial Rules 261.2.2 should be settled immediately after completion of the relevant work, Rs. 442,600, which was given in 15 cases, was settled with a delay of 30 days to 08 months after the completion of the related tasks. | There has been a delay in settlement. | The imprests should be settled without a delay as per F.R. |
| (f) | Without taking prior approval of the General Treasury and the Department of Management Services and the recommendations of the National Salary and Carder Commission in accordance with paragraph II of Management Services Circular No. 03/2018 dated 18 July 2018 and Presidential Office Circular No. PS/PCMD/SD/01/08 dated 09 March 2019, Rs. 110,500 for 11 non-executive or non-staff officers had been paid telephone allowances during the year under review. | Paid subject to the approval of the Board of Management. | Action should be done as per circulars. |
| (g) | The sum of Rs. 1,841,626 service fee to be charged from the Library Services Board for the security and cleaning services during the period from September 2019 to the last day of the year under review was not collected. | The Secretary of the Chief Ministry has been informed to recover the money. | Arrears of building rents should be recovered immediately. |

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| (h) | According to amendments to the procurement committee limits as per Financial Rules 422 as amended with the approval of the Governor as per Secretary to the Governor's letter No. GCP/AO/8-4 dated 11 November 2020, although the prices should be called from not less than 05 institutions in the purchasing of goods and services less than Rs. 03 million, dry food worth Rs. 1,339,380 was purchased in the year under review from 02 institutions for providing bags of dry food items to the security and cleaning services for the Sinhala and Hindu New Year. | That the price was called from 02 government affiliated institutions of Sathosa and Central Province Multipurpose Services Cooperative Society Ltd. | Action should be taken as per the Financial Rules and the provisions in the letter. |
| (i) | According to the provisions of sections 41(1) and (2) of the National Audit Act No. 19 of 2018 and Provincial Internal Audit Guidelines No. 01 of the Department of Management Audit No. DMA/GL/PC/2020 dated 26 August 2020, the audit and management committees had not been held by the end of the year under review. | Attend to the Audit and Management Committees in the Chief Secretariat office. | Should be followed the National Audit Act and Provincial Internal Audit Guidelines. |
| (j) | The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted regarding 04 vehicles belonging to the central Provincial Regional Economic Development Institute. | Answers were not given. | Vehicles should be assessed and accounted. |

1.5.7 Head - 550 – Chief Ministry

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The registration rights of a motor vehicle of Rs. 8,000,000 included in the financial statements of the Ministry of Home Affairs and Education were in the name of a private party.	That it was removed from the financial statements.	The reasons related to the difference in registration rights should be investigated and act in accordingly.

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| (b) | According to the Public Administrative Circular No. 01/2002 dated 25 February 2002, 11 vehicles belonging to the Chief Ministry were not used the state emblem and the name of the institute was not noted on the vehicle body. | That the state emblem will be used as directed in the circular. | Should be followed circular instructions. |
| (c) | The documents were not kept up-to-date and the value of vehicles was not assessed and accounted in relation to 01 vehicle belonging to the Chief Ministry. | Answers were not given. | Documents should be updated and the vehicles should be assessed and accounted. |
| (d) | 01 Vehicle belonging to the Chief Ministry had not been disposed. | Since the right is delegated to the Chief Secretary, the Chief Secretary has been informed for transfer of the right. | Disposals should be done in timely. |
| (e) | The initial and final investigations were not carried out according to F.R. 54 and identified responsible parties regarding 03 vehicle accidents in which the loss was Rs. 128,073. Also, damages and losses amounting to Rs. 23,821 in 03 vehicle accidents were deducted from the provincial council fund and an amount of Rs. 76,090 was deducted from those damages and losses after initial and final investigations were conducted in relation to 02 other accidents. | Answers were not given. | Recovery of damages and losses should be done as per Financial Rules. |

1.5.7.1 Provincial Library Services Board

Audit Observation	Comments of the Chief Accountin Officer	Recommendation
(a) Although 1,200 square feet of land on the ground floor and first floor of the building in the Library Services Board has been given to the Regional Economic Development unit for a computer lab on a monthly rental basis from 03 August 2018 without a written agreement, a total of Rs. 4,925,234 had not been recovered for the period from 03 August 2018 to 31 December 2023.	Answer were not received.	Arrears of rent should be recovered.

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| (b) | Documents were not kept-up*to-date in related to 01 vehicle belonging to the Library Services Board and the value of those vehicles had not been assessed and accounted. | Answers were not given. | Documents should be updated and vehicle values should be assessed and accounted. |
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1.5.7.2 Early Childhood Development Unit

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to section 16 of part II of the Early Childhood Development Charter No. 03 of 2015 of the Central Provincial Council, although an advisory committee consisting of nineteen members should be appointed to provide necessary advice and guidance for carrying out the functions of the management committee, advisory committees have not been appointed in the last 8 years since the approval of the charter.	Answers were not received.	Action should be done as per the articles of the charter.
(b) Rs. 3,033,556 of the allocations given by 03 non-governmental institutions for early childhood development projects during the period from 2018 to 2023 had been credited to the income without being used for the relevant purposeful work.	Answers were not received.	The received allocations should be spent fulfill the relevant objectives.

1.5.8 Head 551 – Department of Local Government

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although it has been passed 02 months to 03 1/2 years since the relevant committees were appointed to conduct initial investigations regarding 11 irregularities in 09 local government institutions, initial investigation reports had not been submitted until 31 December of the year under review.	The relevant committee members have been informed by letters to provide the reports that are beyond 03 months. 07 reports have been submitted according to the current progress.	The initial investigation reports completed by the initial investigations should be submitted to the audit.
(b) The total of Rs. 9,704,687 of 15 audit surcharges issued in relation to 06 local government institutions during the period from 2013 to 2022 had not been collected or taken legal action by the last date of the year under review.	The amount to be recovered is Rs. 9,704,687.32 according to the recovery progress.	Surcharges should be recovered.
(c) According to Provincial Financial Rules 54.1.2, 54.1.3 and 54.1.6, action was not taken to recover the damages and losses in relation to the accidents of Rs. 909,027 which occurred in relation to 03 vehicles belonging to the Department of Local Government.	That the insurance has been reimbursed and the part not reimbursed by the insurance has been recovered from the relevant responsible parties.	Evidence of reimbursements from insurance and recoveries from relevant responsible parties should be submitted.
(d) As non-compliance to the Provincial Financial Rules 54.5 and 54.6, initial investigation or final investigation had not been conducted until 30 June 2023 regarding the loss of Rs. 10,932 in an accident related to a vehicle of the Department of Local Government.	Inquiry has been conducted and the report is given according to F.R. 104(4).	Inspection reports as per Financial Rules should be submitted to the audit.
(e) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 14 vehicles belonging to the Department of Local Government were not used the state emblem and the name of the institution was not written on the body of vehicle.	That the state emblem will be used as directed in the circular.	Action should be taken in accordance with circular instructions.

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| (f) The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation 11 vehicles belonging to the Department of Local Government. | That will be accounted in future. | The documents should be updated and the value of the vehicles should be assessed and accounted. |
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1.5.9 Head 552 – Department of Education

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) When a cheque can be cashed and paid directly to the relevant payee in accordance with Financial Rules 179.1, the Principal of Galewela Central College had written cheques from the school development account in the name of the day watchman of the school on 23 occasions from the year 2021 to the year 2023 for the total remuneration of Rs. 1,843,850 related to the persons holding the positions of day watchman, night watchman and sanitation worker.	104(4) investigation is being carried out. That will be reported to the audit in future.	Action should be taken as per the Financial Rules.
(b) According to section 7 of chapter V of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, 09 officers attached to the zonal education offices of Hanguranketha, Katugasthota, Kandy and Gampola had gone abroad without formal approval, but necessary action was not taken regarding those officers.	It is mentioned that there are deficiencies in the documents given for the leave approval of two officers, one officer has been approval for foreign leave, another officer is being considered for leaving the post and the remaining of the foreign leave has already been approved.	Action should be taken as per provisions of the Establishment Code.
(c) According to section 1.4 of chapter XXX of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, 12 officers working in the Central Provincial Department of Education participated to the board meeting of Central Provincial Education Service Savings and Credit Transactions Cooperative Society Ltd. between the year 2019 and January 2023 without obtaining approval and received a total of Rs. 3,674,354 allowances during their duty.	That further action will be taken as soon as the investigations are completed.	Action should be taken as per provisions of the Establishment Code.

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| (d) | The service of 235 teachers and other staff officers working in 10 zones of the Central Province were not confirmed for a period between 11 months and 32 years. | The service of 67 officers is permanented. 67 officers are referred to approval for the permanent. The remaining will be corrected deficiencies and action will be taken to permanent. | Staff management activities should be done in timely and regular manner. |
| (e) | 05 Teachers working in Nuwara eliya and Kandy regions and three in non-technical service had not completed the basic qualifications related to the position and had been employed by the last date of the year under review. | Secretary of the Chief Ministry has been requested to take further action from Kandy region. The qualifications of a Teaching Assistant officer in Nuwara eliya region have been completed and it has been recommended to terminate the service of one female teacher. | Formal further action should be taken against those currently employed who have not completed the basic qualifications relevant to the post. |
| (f) | Rs. 2,146,072 was paid as salary to a mathematics teacher working in MP/MH/Vidayaloka Maha Vidyalaya from 18 March 2021, without giving a schedule for teaching , engaging in educational activities at the school and performing duties . | 104(3) investigation is being carried out. | Formal action should be taken against paid salary without performance of duties related to the post. |
| (g) | Although 27 teachers and other employees who worked in schools belonging to Gampola and Hatton regions had gone abroad and left their posts on foreign leave, the salaries of Rs. 854,912 were overpaid due to that the Principals had not informed properly to the Zonal Director. | Further action will be taken regarding recovery of money. | The overpaid salary should be recovered from the relevant responsible party. |
| (h) | As per section 25 of Chapter XLVIII of part II of the Establishment Code, disciplinary action should be taken against two teachers and a school worker and 07 supervisory level officers were informed that appropriate legal action should be taken under the log disciplinary procedure according to the report of the inquiry board appointed by the Chief Secretary in relation to the financial irregularity related to the salaries of the Hanguranketha zone | The two officers of teaching service and the school worker have been duly handed over the charge sheets and the tribunals have been appointed for the disciplinary investigations and the investigations have been delayed due to the deficiencies in the documents.
As per section 25 of Chapter XLVIII of part II of the Establishment Code in relation to | Action should be taken as per provisions of the Establishment Code. |

education office, the relevant recommendations had not been implemented by the end of the year under review. the 07 supervisory level officers, one person was strongly waned by letter dated 07 November 2023 and three persons were punished under log discipline by letters dated 16 October 2023.

- (i) Fake bills were prepared as payments for the purchase of building materials from a private institute in Galewela Central College in the year under review and last 02 years and 07 cheques totaling to Rs. 710,533 from the school development fund were credited to the bank accounts of then Principal of the college and his wife. 104(4) investigation is being carried out in this regard. That will be done accordingly and reported to the audit. The department should be conducted investigations and take appropriate legal action regarding financial irregularities.
- (j) The former Principl of MH/ St. Anthony Girls' College used the van owned by the school to travel and a total of nearly Rs. 1,283 037 had been spent on fuel for traveling to school 04 tines a day at a distance of 112 km per day from 15 January 2018 to 16 June 2023 without approval by the school development society. F.R. 104(3) investigation is being carried out. Accordingly, further action will be taken. Action should be done in accordance with the provisions of the Financial Rules and the Establishment Code regarding irregularities.
- (k) MP/He/Nishshankamalla primary school was separated from Nishshankamalla secondary school in 2016 and started classes in a 60'x20' building at another location and then contracted with a contractor on 16 August 2021 to demolish the roof of that building and construct a 80'x25' two stored building with an estimation of Rs. 15,700,655 and the construction was terminated by the Deputy Provincial Director (buildings) and the contract was to be completed by 28 December 2021. But the contractor had abandoned the contract by building the siding which was not included in the original estimate and only 19 concrete pillars were Answers were not given. Financial Rules should be followed regarding the irregularities.

constructed out of the items included in the estimate. Due to that, the contractor was blacklisted and without re-procurement, the contract was terminated based on an anonymous agreement between the contractor and the Deputy Provincial Director (Engineering services and Education buildings as per the decision of the procurement committee held on 31 December 2022 in the Chief and Education Ministry of the Central Province. In that time, Rs. 3,963,395 paid to the contractor had become a useless expense. There were 117 school children in this school and it was seen that teaching is currently being done in a textile industry building with minimum facilities. Futhermore, the valuable wood and other materials were not handed over to the school by the contractor during the demolition of this ancient building and the work was stopped around the building and the weeds were allowed to grow and perish as at the last date of the year under review.

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| <p>(k) An allocation of Rs. 1,460,000 was given last year for the construction of a toilet system in Nu/Dir James Peiris school under the General Education Modernization Project (GEMP) and Rs. 733,525 out of that was spent and the related project was abandoned without completing the construction work.</p> | <p>Answers were not provided.</p> | <p>The planes works related to the relevant project should be completed.</p> |
| <p>(l) Although Rs. 771,065,663 was spent on 189 school buildings in the Central Provincial Department of Education at the end of the year under review, the relevant buildings remained idle as the construction was not completed.</p> | <p>Annual allocations are allocated for completion of the building in stages or not the entire building.</p> | <p>The construction should be completed and the buildings should be used.</p> |

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| (m) | According to the results of the students in the Central Province who appeared for the G.C.E. (O/L) exam, the province-wide skill level was between 5 to 8 in the period from 2018 to 2022. Also, according to those results, the results of 10 regions out of 15 regions in the Central Province were higher than the 50 th place according to the regional level of the island. | I inform you that the result level of 72.73 percent obtained by Central Province is not a low value. I accept 50 th place. Contracted with Zonal Director of Education to pass students at failing level. | Action should be taken to improve the results of the students. |
| (n) | According to the percentage of students who appeared in the Central Province for the Grade five scholarship examination conducted in the period from 2018 to 2022 by the Central Provincial Department of Education, the Central Province was ranked seventh and eighth in the merit level around the province. Also, according to those results, the results of 11 out of the 15 regions of the Central Province had exceeded the 50 th place according to the regional level of the island. | The percentage of decrease to 70 marks is between 19 and 25 percent per year. Various activities are organized annually to reduce this percentage. 2.2.1 is a minimum level compared to the national level and cannot be considered a significant decrease. | Action should be taken to raise the skill level of island wide and regional level. |
| (o) | According to Public administration Circular No. 01/2002 dated 25 February 2002, 24 vehicles belonging to the Department of Education were not used the state emblem and the name of the institution was not written on the body of the vehicle. | The state emblem will be used as directed in the circular. | Action should be taken as per circular instructions. |
| (p) | The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation to 05 vehicles and motorcycles belonging to the Department of Education. | Answers were not given. | Documents should be updated and vehicles should be assessed and accounted. |

1.5.10 Head 553 – Provincial Department of Land

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to the land tax revenue reports maintained by the Provincial Department of Land, a total of Rs. 68,561,923 was not collected from the land tax tenants from 36 Divisional Secretariat divisions located in the Central Province as at 31 December of the year under review. A total of Rs. 62,627,387 arrears of tax out of that is relevant to 07 divisional Secretariat divisions and that figure was as high as 91 percent of the total arrears of tax revenue to be collected. Accordingly, the follow-up process for recovery of arrears was weak.	That the Divisional Secretary will do the recovery of land tax arrears and that a follow-up process will be carried out.	Action should be taken to recover tax arrears.
(b) The Department of Land had received 903 survey requests from Ind owners in the Central Province regarding problematic lands and out of 670 requests received in Kandy district, only 55 requests were completed during the year uner review.	According to Survey General’s balance officer circular 6/2007, a surveyor can complete 04 survey requests on average per month.	Action should be taken to fulfill survey requests.
(c) A total of Rs. 64,263,189 has been allocated to Divisional Secretariats from 2010 to 2023 for the purpose of acquiring school lands of 50 selected schools in 22 Divisional Secretariat divisions and although it has been takn 01 to 13 years, the land could not be acquired.	The acquisition of 08 school lands is the last proposal for the acquisition of 50 school lands.	Action should be taken to get the land acquisition properly.
(d) Although 03 hydropower plants located in 02 Divisional Secretariats have produced electricity for a period from 03 to 20 years and released electricity to the national system. The Provincial Department of Land had lost a tax income of Rs. 4,668,164 by not issuing water diversion permits and collecting taxes for those power plants by the last date of the year under review	Taxes were not charges.	Tax permits should be formally issued and collected tax.

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| (e) | The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation to 01 vehicle belonging to the Department of Land. | Action will be taken to be assessed and accounted. | Documents should be updated and the vehicles should be assessed and accounted. |
| (f) | according to the information obtained from the data systems of the Department of Motor Vehicle Registrations and the Provincial Department of Transport, information about 01 vehicle belonging to the Provincial Department of Land was not disclosed and evidence was not presented that those are being used by the institutions of the Central Provincial Council. | The information are sought and reported. | Action should be made to properly maintain information of the vehicles and collect relevant information. |

1.5.11 Head 554 – Department of Cultural Affairs

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted regarding 01 vehicle belonging to the Department of Culutral Affairs.	That the ownership will be taken over and then accounted.	The documents should be updated and the vehicle should be assessed and accounted.

1.5.12 Head 555- Department of Provincial Engineering Services

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
02 industries worth Rs. 31,650,000 approved to be implemented under the Ministry of Education, Isurupaya and 25 projects worth Rs. 239,619,000 planned to be implemented in Nuwara eliya district under other funds, 33 projects worth Rs. 421,321,000 estimated to be implemented in the health sector of Central Province	Answers were not provided.	Projects should be implemented as planned.

under the HSEP project were not implemented by the Department of Engineering Services during the year under review.

1.5.13 Head 556 – Provincial Department of Tourism

Audit Observation	Comments of the Chief Accountant Officer	Recommendation
<p>(a) It was decided on 16 March 2012 to give the kitchen and 02 classrooms of the Matale Hotel School to the Regional Development Institute by charging Rs. 1,000 per month according to the meeting decision number 07 of the governing board that does the administration of the Matale tourism promotion complex. According to the physical inspection conducted in this regard on 06 December 2023, it was observed that the Regional Economic Development Institute is using the entire hotel school with 4000 square feet without approval and payment of rent. Also, due to the use of the Matale hotel school by the Regional Economic Development Institute for more than 10 years without a written agreement based on a legal assessment, the Provincial Department of Tourism Affairs had lost about Rs. 25 million in revenue.</p>	<p>Accept. The advice of the Secretary of the Chief Ministry has been requested.</p>	<p>The meeting decisions of the governing body should be followed and the lost income should be recovered.</p>
<p>(b) The Department of Tourism had built the Dambulla Ayurvedic Wellness Center on a land belonging to the Rangiri Dambulu Rajamaha Vihara at an expenditure of Rs. 7,948,336 in the year 2016 and although it had been passed 07 years by the end of the year 2023, action had not been taken to acquire the ownership of the land. Due to this, the established objectives could not be fulfilled and this ayurvedic wellness center remained unused from the date of its inception until the end of 2023.</p>	<p>Recommendation of the Dambulla Ayurvedic Community Health Service Officer is to develop an Ayurvedic Wellness Center. The Secretary of the Health has also requested to transfer the Center to the Ayurvedic Department and to the Dambulla Municipal Council.</p>	<p>Action should be made to take over the ownership of the land and use the Ayurvedic Center.</p>

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| (c) | According to Public Administration Circular No. 01/2002 dated 25 February 2002, 01 vehicle belonging to the Department of Tourism has not been used state emblem and the name of the institution has not been mentioned on the body of the vehicle and the documents have not been updated and vehicles has not been assessed and accounted. | As per the instructions in the circular, the state emblem will be used and the assessed value will be accounted after taking over the cab. | Vehicle records should be updated, assessed and accounted in accordance with circular instructions. |
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1.5.14 Head - 557 – Department of Cooperative Development

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 06 vehicles belonging to the Department of Cooperative Development were not used the state emblem and the name of the institution was not written on the vehicle body.	The state emblem will be used as directed in the circular.	Action should be taken as per the circular instructions.
(b) The initial and final investigations were conducted as per Financial Rules 54 and the responsible parties were not identified in relation to 01 vehicle accident in which the loss was Rs. 40,028. Also, damages and losses of Rs. 12,723 in 01 vehicle accident were deducted from the provincial council fund.	Answers were not given.	According to Financial Rules, relevant investigations should be conducted and damages and losses should be recovered from the responsible parties.

1.5.15 Head 558 – Cooperative Employees Commission

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation to 03 vehicles belonging to the Cooperative Employees Commission.	Answers were not given.	Documents should be updated and vehicles should be assessed and accounted.

1.5.16 Head 560 – Ministry of Health

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 02 vehicles belonging to the Ministry of Health were not used the state emblem and the name of the institution was not mentioned on the vehicle body and the vehicle records were not maintained and the vehicle value was not assessed and accounted.	According to the instructions of the circular, the state emblem is being used and the right of registration is with the Chief Secretary and it has not yet been decided to transfer the right to the Ministry of Agriculture.	Vehicle records should be updated, assessed and accounted in accordance with circular instructions.
(b) According to the information obtained from the data systems of the Department of Motor Vehicle Registration and the Department of Provincial Transport, information about 05 vehicles belonging to the Ministry of Health was not disclosed and evidence was not presented that those vehicles are being used by the institutions of the Central Provincial Council.	That information is sought and reported.	Action should be made to properly maintain vehicle information and collect relevant information.

1.5.17 Head 561 – Central Provincial Department of Health Services

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The advance balance of Rs. 171,988,242, which had been given to the Department of Health continuously from more than 05 years, had not been settled by 31 December of the year under review.	Information has been requested in writing from Colombo Medical Supplies Division to solve this issue.	Action should be taken to settle the advance balance.
(b) There were 452,650 units of expired drugs worth Rs. 3,250,741 and 72,206 units of quality failed drugs worth Rs. 398,280 in Galagedara Regional Hospital within a period of 03 months to 96 months as at the last day of the year under review in 03 district and regional hospitals implemented under the Department of Health.	The Medical Supplies unit intervenes and dispose the expired medicines.	Process of regular distribution of drugs and maintaining optimal stock levels to avoid drugs expiry and quality failure.
(c) Although Chief Secretary of the Central Province recommended that the amount of Rs. 3,114,905 wrongly paid by the Director office of Kandy District Health Services for the painting of health equipment to be collected from 14 relevant responsible officers on 09 May 2019, a total of Rs. 1,618,191 out of that had not been recovered from 08 officers by the last day of the year under review.	The amount to be surcharged for 08 officers is Rs. 1,594,455.	Action should be taken to recover the overcharged amount and take disciplinary action against the relevant officers.
(d) Although a medical officer who worked at Theldeniya Basic Hospital had been approved for no pay leaves between 02 May 2016 and 01 May 2021 and gone abroad, but since he had not reported to work by October 2023, the amount of Rs. 1,175,222 to be charged according to the agreement had not been recovered. A medical officer of that hospital had gone abroad	Officers have been informed to refund. Legal action will be taken if payment is defaulted.	Action should be taken to proceed as per the agreement and collect the salary paid during the period in which the foreign leave was not approved.

from 28 June 2022 to 06 October 2022 without formally approving foreign leave, but she had been paid salary of Rs. 350,325 for that period.

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| (e) | There was a shortage of Rs. 25,074 units of medicines totaling Rs. 2,879,966 as at the last day of the year under review in Rikillagaskada and Hatharaliyedda hospitals under the Department of Health. | Action will be done as per the Financial Regulations regarding the reported deficiencies in future. | Action should be taken as per the Financial Rules regarding the deficiencies. |
| (f) | An ambulance of unrecognizable value used by the Nuwara eliya Regional Health Services Director's office was registered under the name of a private plantation company. | Reserved for dispose. Requests have been made to hand over to the Central Provincial Health Department and the private institute has sent a letter that they will be taken back to their institute. | Information related to change of registration rights should be disclosed. |
| (g) | An initial investigation or final investigation had not been conducted regarding the damages and losses of Rs. 1,411,172 until 30 June 2023 that had occurred in accidents in relation to 05 vehicles in Matale and Nuwara eliya Regional Health Services Director's office in violation of provincial Financial Rules 54.5 and 54.6. | F.R. 104(4) committees have been appointed in the Matale Divisional Health Services Director's office, but reports have not been submitted yet.

Loss of 02 vehicles have been written off in Nuwara eliya Divisional Health Service Director's office and F.R. 104(4) investigations are being carried out for one vehicle. | Should be followed Financial Rules. |
| (h) | According to paragraph 3.1 of Public Administration Circular No. 30/2016 dated 29 December 2016, the fuel emission test was not done within the stipulated time in relation to 129 vehicles belonging to Kandy, Matale and Nuwara eliya Divisional Health Services Director's office. | The circular instructions will be followed in future. | Should be act as per circulars. |

- (i) Records of 237 vehicles belonging to the Department of Health and Kandy, Matale and Nuwara eliya Regional Health services Director's offices were not kept up-to-date and the value of those vehicles was not assessed and accounted.
- That the Kandy Regional Health Services Director's office will account before the end of this year.
 - That the Matale Divisional Health Services Director's office has handed over a vehicle to the Dambulla district hospital and it has been informed that action should be made to account it.
 - That the Nuwara eliya Regional Health Services Director's office is to be accounted by the CIGAS programme.
- Documents should be updated and vehicles should be assessed and accounted.
- (j) A vehicle belonging to the Nuwara eliya Regional Health Services Director's office was involved in an accident and remained without repair and the repair expense was identified to be Rs. 16,500,000.
- That the motor vehicle inspector has recommended that the repair of the vehicle is not effective and the recommendations of the inspection report are being implemented under F.R. 104(4). The written agreement to provide an amount of Rs. 6,600,000 has been published by the insurance company.
- Should be act as per the Financial Rules.
- (k) According to the information obtained from the data systems of the Motor Vehicle Registration Department and Provincial Transport Department, information about 04 vehicles belonging to the Department of Health was not disclosed and evidence was not mentioned that those vehicles are being used by the institutions of the Central Provincial Council.
- That information is sought and reported.
- The information of the vehicles should be properly maintained and relavnt information should be collected.
- (l) The Department of Health, the Regional Health Services Director's office in Kandy and the Regional Health Services Director's office in Nuwara eliya had not taken action to dispose 18 vehicles that had been taken out of service from between 01 to 10 years.
- 02 Vehicles have been auctioned in the Department of Health.
 - That 02 vehicles are being repaired and used at the Kandy Regional Health Services Director's office, 03 vehicles have been handed over to the Ministry of Health of the Central Government and 01 vehicle has been handed over to the Kandy Municipal Council, 02 vehicles have been retained until disposal.
 - That 01 vehicle have been formally handed over to the registered owner
- Unusable vehicles should be disposed immediately.

of the Nuwara eliya Regional Health Services Director's office, that 02 vehicles will be given to Wattegama Municipal Council and Kotagala Cambridge College, that 01 vehicle is parked at Lidula Health officer's office , 01 vehicle is to be repaired and used again and 03 vehicles have been requested to be used.

- (m) The losses were Rs. 2,717,500 and the responsible parties were not identified in relation to 05 vehicle accidents in Matale Health Services Director's office as per Financial Rules 54. Also, damages and losses of Rs. 2,235,500 had not been reimbursed for 03 vehicle accidents and initial and full investigations were carried out regarding 01 vehicle accident and the responsible parties were identified and an amount of Rs. 698,997 was cut off from those damages and losses. Answers were not given. Should be act as per the Financial Rules.
- (n) The loss was Rs. 16,500,000 and the responsible parties were not identified in relation to 01 vehicle accident in Nuwara eliya Health Services Director's office according to Financial Rules 54. Also, initial and full investigations of 02 vehicle accidents were carried out and an amount of Rs. 333,193 was cut off from those damages and losses. Answers were not given. Should be act as per the Financial Rules.

1.5.18 Head 562 – Central Provincial Department of Ayurveda

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Department of Ayurveda had recruited 26 employees who worked as internal workers in the department in the years 2014 and 2015 in Grade III of the post of Attendant. As in the case of appointment to the post of Attendant, the last salary received by the office at the time of promotion is included in the salary scale and only an additional salary increase shall be paid by keeping it in the nearest higher salary step as per the Chapter VII of the Establishment Code, but 26 officers were overpaid Rs. 4,259,877 for a period of 10 years from 2014 to 2023, excluding overtime allowances and other allowances, for a period of 10 years from 2014 to 2023.	The salary conversions made at that time were revised based on the corrected salary. That overpayments will be charged by installments.	Overpaid salary should be recovered.
(b) According to the information obtained from the data systems of the Motor vehicle Registration Department and Provincial Transport Department, information about 01 vehicle belonging to the Ayurveda Department was not disclosed and evidence was not submitted that those vehicles are used by the institutions of the Central Provincial Council.	The information is sought and reported.	Action should be taken to properly maintain vehicle information and collect relevant information.

1.5.19 Central Provincial Ministry of Road Development

Audit Observation	Comments of the Chief Accountant Officer	Recommendation
(a) According to Provincial Financial Rules 54.5 and 54.6, initial investigation or final investigation had not been conducted until 30 June 2023 regarding the damages and losses that had occurred in an accident related to a vehicle belonging to the Ministry of Road Development.	F.R. 104(4) investigation has been conducted and the report will be provided immediately.	Should be followed Financial Rules.
(b) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 05 vehicles belonging to the Ministry of Road Development were not kept-up-to-date with use the state emblem and the name of the company on the body of vehicle and the value of one vehicle was not assessed and accounted.	As per the instructions in the circular, the state emblem will be used and necessary action will be taken to account it.	The circular should be followed and documents should be up dated and the vehicles should be assessed and accounted.
(c) The Ministry of Road Development had not taken action to dispose 03 vehicles which had been taken out of service for a period of 02 to 05 years.	That the disposal committee has recommended to dispose one vehicle and repair and use another vehicle.	The vehicles that can be repaired and used should be repaired and those that cannot be disposed.
(d) The initial and final investigations were conducted as per Financial Rules 54 and the responsible parties were not identified in relation to 04 vehicle accidents in which the loss was Rs. 762,881. Also, the damages and losses of Rs. 51,205 in 02 vehicle accidents were cut off from the provincial council fund and the damages and losses of Rs. 400,072 in another 02 vehicle accidents were not reimbursed.	Answers were not given.	Action should be taken as per the Financial Rules.

1.5.19.1 Central Provincial Passenger Transport Services Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to a map prepared in 2001 regarding the land where Ragala bus stand is located, it is stated that there were 02 acres and 24 perches, but according to the plan prepared on 09 July 2017 in relation to that and the title deed dated 15 September 2022, the land was 01 acres, 01 roods and 35 perches, leaving 02 roods and 29 perches for unauthorized occupation and the right had been illegally disposed.	Due to there is a court case, future actions will be delayed.	The squatters should be evicted and action should be taken to formally acquire the ownership of the land.
(b) Although it has been mentioned that as per the recruitment procedure of the Passenger Transport Services Authority, the right to be promoted to Station Officer Grade I will be granted after reaching the maximum salary scale of Station Officer Grade II after 18 years of recruitment, 01 year and 06 months after the officer's appointment on 06 September 2002, the authority had considered the officers' requests and appointed the officer in charge of first class according to the board meeting report dated 26 September 2002.	According to the decision of the Board of Directors, the salary scale of the Officer in Charge Grade I has been given.	The recruitment process should be followed.
(c) A permanent officer in the post of Senior Manager (Running) of Passenger Transport Authority, who was not fulfilled the qualifications required of an internal applicant in the H.M.1.1 service category mentioned in the H.M.1.3.4.1.1 and 4.1.2 of the code of recruitment and promotion procedure (2015) without the approval of the relevant authorities under the provisions of Chapter 13.1 (b) of the Establishment	The duties are done on acting basis for several vacancies as per the approval of the Board of Directors.	Action should be taken to recruit qualified officers for vacancies.

Code II, had been appointed to the post of Deputy General Manager (Development) from 05 August 2021 and the General Manager (Acting) by the letter dated 02 February 2023 by the Chairman of the Authority.

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| (d) | As per Financial Rules 54, initial investigation or final investigation had not been conducted until 30 June 2023 regarding the damages and losses of Rs. 2,297,968 which had occurred in relation to 03 vehicles belonging to the Passenger Transport Service Authority contrary to Provincial Financial Rules 54.5 and 54.6. | F.R. 104(4) investigation will be done and the damages and losses will be recovered. | Should be followed the Financial Rules. |
| (e) | According to the Public Administration Circular No. 01/2002 dated 25 February 2002, 27 vehicles belonging to the Passenger Transport Service Authority were not used the state emblem and the name of the institute was not mentioned on the vehicle body. | The state emblem will be used as directed by the circular. | Action should be done as per the circular instructions. |

1.5.19.2 Central Provincial Road Development Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although Rs. 1,714,250 were spent in the year under review and newspaper advertisements were published on two occasions for leasing the Gampola multi purpose building, the money spent for it was useless as no applicants to take lease the premises due to the building was not in the condition to fulfill the business needs.	It is not an idle expenditure but a function of procurement.	Action should be taken not to expenses will be idle.

- (b) The Ambathanna Mechanical Engineering unit failed to collect the total amount of Rs. 5,605,441 for repairing machines in 86 cases in 34 institutions between 17 August 2010 to 05 January 2023. Rs. 4,141,876 out of that was to be recovered from more than 05 years. There were error and problems in the revenue collection system in the year 2016 and before that year. Now, Rs. 4,034,941 has been received from the outstanding amount. Action should be taken to recover the arrears.
- (c) 03 Machines valued at Rs. 4,040,000 purchased for the service center in the year 2015 remained idle in the service center from more than 08 years due to the delay in hiring the technically trained staff required to operate the machines in the service center. 02 Machines generate active income. It has not been possible to hire a skilled worker for the other machine. Technically trained staff should be recruited and actively maintain the service center.
- (d) Ambathanna Mechanical Engineering unit has a total of Rs. 2,800,000 worth 08 plate compactors and those had been inactive and allowed to dispose since the year 2007. Action was not taken to dispose of these machines or get any other appropriate action. It was difficult to use in using these machines to the work in sites because of having to use a lot of human labour to load the vehicles to the work sites. Out of this, 07 machines are proposed for disposal. Action should be taken to active use of assets or suitable effective action.
- (e) 04 Vehicles were out of service from a period of two to 12 years due to breakdowns and without repairing those vehicles, the authority had acquired 06 vehicles on rental basis and spent Rs. 1,212,824 each on a monthly basis. Vehicles are not in repairable condition. (Not confirmed) Submitted to Chief Secretary for disposal. The recommendations of a motor mechanical engineer should be followed in relation to vehicles.
- (f) After a proper feasibility study, without properly planning and preparing the total cost estimate, the estimates for the construction of the Gampola multipurpose building were built at Rs. 146,971,232 in the year 2018 and a total of Rs. 305,607,447 had been spent on 10 September 2023. Accordingly, Rs. 158,636,215 had been spent for the construction, exceeding the estimated cost. The total estimate is Rs. 189,793,007.13. Although the estimate was in the year 2018, the construction was started in the year 2020. Due to the existence of Corona situation, as increasing the prices of goods and need to perform essential duties, it has to be over expenditure than estimation. The estimate should be revised and approved.

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| (g) | After the dissolution of the Central Provincial Council on 18 October 2018, while 61 vehicles used by the Minister and personal staff of 05 Ministries were handed over to the Chief Secretary and other institutions, without considering the availability of such vehicles to the Road Development Authority as per the requirement, 12 dual purpose vehicles for its Chief/Executive Engineers to attend the divisional road inspection activities and various meetings on hire basis during the period from 2018 to August 2023. A total of Rs. 75,092,077 had been paid to private parties as rent. | Being used as pool vehicles attached to other institutions. | When incurring an expense, the alternative measures that can be followed for it should be evaluated and the most effective option should be taken. |
| (h) | The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation to 03 vehicles and motorcycles belonging to the Road Development Authority. | As the details of these used vehicles are not given in writing, the values have not been assessed and accounted. | Vehicles and motorcycles should be assessed and accounted. |

1.5.20 Head 571 - Central Provincial Department of Housing

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) 53 Borrowers had not received outstanding loans of Rs. 1,504,991 from the loan amount given under the Housing Department "Sahana Piyasa" housing loan programme from 2014 to the end of the year under review.	A request has been made from the bank to provide information regarding borrowers who have defaulted payments on 31.12.2023.	Arrears should be recovered.
(b) The Housing Department had not taken action to collect the loan amount of Rs. 5,682,579 given to 880 housing loan beneficiaries during the period from 1994 to 2001.	According to the F.R. 104(4) investigation report held by the Secretary to the Ministry, the outstanding loan balances were cut off from the books.	Action should be taken to recover the outstanding housing loans.

1.5.21 Head 582 – Central Provincial Department of Industrial Development and Enterprise Promotion

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the lecture hall of Tolabogolla Technology Training Institute of the Department of Industrial Development and Enterprise Promotion was renovated at an expenditure of Rs. 2,384,612 in the year 2016, it was not used and remained idle from that date till the end of the year 2023. Also, the student hostel and the kitchen remained idle without being used and the conference hall of Watapuluwa Wood work Technology Training Institute was also underutilized.	That the lecture hall will be given to external institutions under regular fee system. The conference hall is not underutilized as it is taken for various programmes conducted by the department.	Action should be taken to utilize assets efficiently.

1.5.22 Head 583 – Central Provincial Department of Sports

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although the Ministry of School Sports Infrastructure has given Rs. 2,000,000 to the Central Provincial Council in the year 2021 to purchase the necessary equipment for the Central Provincial Sports Academy, equipment was provided to multiple sports centers of the Central Provincial Sports Department at the expense of the entire amount without using the allocation for the intended purpose.	Although goods were purchased for the provision of Rs. 3 million allocated for multi-sports centers in the year 2021, that money was used due to non-receiving of money in that year.	Provisions should be used to achieve specific objectives.

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| (b) | Although there was a balance of Rs. 2,117,465 in the current account belonging to the Central Provincial Sports Complex as at the end of the year under review, that money remained idle without being used for purposeful activities or invested in a effective field. | Action will be taken to invest Rs. 50 lakh and make a fixed deposit. | Assets should be utilized effectively. |
| (c) | According to Public Administration Circular No. 01/2002 dated 25 February 2002, it was not used the state emblem on the vehicle belonging to the Department of Sports and the name of the institution was not mentioned on the body of the vehicle and the documents were not kept up-to-date and the value was not assessed and accounted. | The state emblem will be used directed in the circular. | The circular should be followed, documents should be updated and the vehicle should be assessed and accounted. |

1.5.23 Head 590 - Ministry of Agriculture

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although the Provincial Ministry of agriculture planned to implement 35 programmes with an allocation of Rs. 66,550,000 under provincial specific development grants and sub-measurement based grants in the year under review, physical progress in each programme was at a minimum of 0-25 percent at the end of the year under review.	The physical progress is in the minimum range of 0 percent to 25 percent as at the last day of the year under review.	Development programmes should be implemented as planned.
(b) According to Public Administration Circular No. 01/2002 dated 25 February 2002, 40 vehicles belonging to the Ministry of agriculture were not used the state emblem and the name of the institution was not written on the body of the vehicles.	The state emblem will be is used as directed in the circular.	Should be followed instructions of the circular.

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| (c) According to information obtained from the data systems of the Motor vehicle registration Department and Provincial Transport Department, the information about the vehicle belonging to the Ministry of Agriculture was not disclosed and evidence was not submitted that the vehicles are being used by the institutions of the Central Provincial Council. | That information is sought and reported. | The vehicle information should be properly maintained and related information should be collected. |
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1.5.24 Head 591 – Central Provincial Department of Agriculture

Audit Observation	Comments of the Chief Accountant; Officer	Recommendation
(a) The construction was made at Rs. 10,229,108 on 04 October 2021 to renovate Mulhalkele Agriculture Adviser quarters renovated as Walapane Assistant Director of Agriculture's office in the year 2021 under provincial specific development grants. Even though, the work was stopped until 15 December 2022 and Rs. 4,094,544 had been paid for the completed work. Due to that its construction had not been completed by the last day of the year under review, the money spent on it had become useless expense.	Answers were not given.	Planned projects under specific development grants should be implemented effectively.
(b) After the construction of safe houses under the agricultural innovation project of the Department of Export Agriculture, when water supply kits should be provided but the houses have not been constructed and handed over, the Provincial Department of Agriculture provided 25 micro water supply kits worth Rs. 2,876,088 to 25 beneficiaries of the Rambukpitiya advisory division under the Entrepreneurship Agricultural Export	The programme will be started by August 2024 with given the micro irrigation kits.	Capital grants should be effectively directed towards the desired goals of the respective project.

Village Programme, phase II in last year, but the water supply kits remained idle even at the end of the year under review.

- (c) A total of Rs. 17,518,059 was spent as Rs. 3,000,000 and Rs. 14,518,059 respectively for the renovation of the soil laboratory and testing equipment of Nawayalathenna District Agriculture Research and Training Center belonging to the Department of Agriculture under the allocation for the organic fertilizer production project in the year 2021, but although it had been passed more than a year by the end of the year under review, the provided equipment for that purpose was kept in its packaging and remained idle without starting soil testing.
- Soil testing will be started properly by August 2024.
- Action should be taken to utilize capital grants effectively.
- (d) Although 90 soil test kits worth Rs. 10,349,100 have been distributed to all Agriculture Advisory Offices in the Central Province per 01 kit for fulfilling the role of the Ministry of Agriculture (Central Government) in the years 2022/2023 project to test the soil of paddy lands and provide soil health reports. According to sample testing, the progress of soil sample testing in the years 2022 and 2023 in 34 Agricultural Advisory Divisions located in Nuwaraeliya and Matale was at a minimum level from 1 to 34 tests and soil testing was not done in 11 Agricultural Advisory Divisions during that period.
- 1124 samples in Nuwara eliya district have been tested and relevant reports have been sent to the farmers. Action has been made to get the underground water used for this set in Matale, but it has not been received yet.
- Capital grants should be effectively used.
- (e) 02 Vehicles totaling Rs. 5,500,000 owned by the Department of Agriculture were parked at Kundasale and Nuwaraeliya district Director of Agriculture office premises without repair for a period from 02 to more than 3 years.
- The agreement to give to another institution has been effected.
- Assets should be utilized efficiently.

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| (f) | According to Public Administration Circular No. 01/2002 dated 25 February 2002, 28 vehicles belonging to the Department of Agriculture were not use the state emblem and the name of the institution was not written on the body of the vehicle. | The state emblem will be is used as directed in the circular. | Should be followed instructions of the circular. |
| (g) | The documents were not kept-up-to-date and the value of vehicles was not assessed and accounted regarding 03 vehicles and motorcycles belonging to the Department of Agriculture. | It has been registered and accounted under the name of the Director of Agriculture. | Documents should be updated and the vehicles should be assessed and accounted. |
| (h) | According to information obtained from the data systems of the Department of Motor Vehicles Registration and the Provincial Transport Department, information about 06 vehicles belonging to the Department of Agriculture was not disclosed and evidence was not submitted that those vehicles are being used by the institutions of the Central provincial Council. | That information is sought and reported. | Action should be taken to properly maintain vehicle information and collect relvant information. |

1.5.25 Head 592 – Provincial Department of Animal Production and Health

Audit Observation	Comments of the Chief Accountin Officer	Recommendation
(a) Out of 22,700 scalp vein set (Butterfly needles 100N) that were purchased at an expenditure of Rs. 2,383,500 in last year for the treatment of the vaternity hospital and vaternity offices without specifically idenitfyng the need, a total of 17,240 sets worth Rs. 1,810,200 remained in surplus in the warehouse of the Provincial Director’s office until 31 December of the year under review.	The requirement in the year 2022 is 2027. As these drugs have en expiary date of 2027, the stock available in the warehouse is being released as per the requirement.	An optimal stock management should be established in the institute in accordance with the stock requirements.

- (b) According to statistics of the Department of Animal Production and Health, 156,128 artificial inseminations were done between the year 2020 and February 2023 by animal development consultants and private artificial insemination technicians in 44 veterinary divisions of the Central Province, but the number of births was 46,208, which was a minimum of 30 percent of the total artificial insemination. Accordingly, 109,920 artificial inseminations had failed, which was a percentage of 70 percent.
- The success of artificial insemination in Sri Lanka is 50 percent due to various reasons such as heat illness, abortions, selling pregnant animals, moving animals around under the micro meaning or free method, births if male calves not being recorded and animals not being properly cared for during pregnancy. A systematic programme for the attention of inseminators will focus on the follow-up-process in future.
- Action should be taken to maintain a formal information system in order to make artificial insemination successful.
- (c) Although increasing the production contribution of agricultural animals through the development of animal breeding activities is a major task of the Provincial Animal Production and Health Department, the total number of registered farms in the Central Province was 38,081 in the year 2020, but the number of farms had decreased by 6,737 to 31,344 by the year 2022 and the number of cow and goat farms, which are the main contributors to the local milk production, had decreased by 6441 or 17 percent in relation to that period. Also, the animal population of 100,423 in the year 2020 had decreased by 18,195 to 82,228 in the year 2022, which had affected the reduction of milk production. Although Rs. 123,163,160 had been spent on various development projects in the livestock sector from the year 2020 to 2022, a large number of farmers had been left out of animal husbandry.
- This situation seems to be normal with the end of the financial crisis. Special programmes are implemented by the department.
- Capital grants for development projects should be used effectively and follow-up activities should be done regularly.

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| (d) | According to paragraph 3.1 of Public Administration Circular No. 30/2016 dated 29 December 2016, the fuel emission test was not done within the stipulated time regarding 03 vehicles belonging to the Department of Animal Production and Health. | Action will be taken as per the circular instructions. | Action should be taken as per the circular instructions. |
| (e) | The documents were not kept up-to-date and the value of those vehicles was not assessed and accounted in relation to 03 vehicles and motorcycles belonging to the Department of Provincial Animal Production and Health. | The assessment report obtained by the Engineering Division of the Department of Agriculture has been submitted. | Documents should be updated and the vehicles should be assessed and accounted. |
| (f) | 07 Vehicles belonging to 07 vaternity offices were involved in an accident and those were parked in the relevant vaternity offices without repair. | The disposal committee has recommended that 01 vehicle be repaired to use of hand over to another institute and 01 vehicle be disposed from use. One vehicle has been submitted for approval for repair and repair of 01 vehicle has been completed. 03 vehicles have been given to the Provincial Road Development Authority. | The recommendations of the disposal committee should be implemented in relation to other vehicles for repair of vehicles that are repairable and usable. |
| (g) | According to the information obtained from the data systems of the Department of Motor Vehicle Registration and the Provincial Transport Department, information about 09 vehicles belonging to the Provincial Department of Animal Production and Health was not disclosed and evidence was not submitted that those vehicles are used by the institutions of the Central Provincial Council. | That information is sought and reported. | Action should be taken to properly maintain vehicle information and collect relevant information. |

1.5.26 Head 593 – Provincial Irrigation Department

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
<p>According to section 7(5) and paragraph 7(7) of Part II of Central Provincial Council Irrigation Charter No. 05 of 2017, due to failure to prepare a list of all irrigation systems under the purview of the Irrigation Department and publish it in the government gazette and to establish, register and monitor Irrigation Management Local Authority Boards, the role of (a)-(l) of the Irrigation Management and development Committees could not be performed according to paragraph 12 of Part III of the charter.</p>	<p>Action will be taken to take over the Udathenna lake. Minor irrigation is not required to be gazette as per the Central Provincial Irrigation Act. That the staff is not sufficient to implelement the Charter.</p>	<p>Should be act in accordance with the Charter.</p>