

Auditor General's Triennial Report

2021-2023

District Secretariat

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1. Executive Summary

The financial statements of the 25 District Secretariats, consisting of the results of the financial and operational activities of the 25 District Secretariats and the 341 Divisional Secretariats operating under them, for the years 2021, 2022 and 2023, were audited under my direction in accordance with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka and the provisions of the National Audit Act, No. 19 of 2018. The observations and my recommendations, which I intend to submit to Parliament in relation to the financial statements and operational activities so audited, have been tabled in Parliament in the respective years. Among my observations and recommendations contained in those reports, the significant observations that I consider should be referred to the attention of Parliament, which have still been unresolved, are presented in this Triennial Status Report, which is submitted to Parliament in terms of Section 14 of the National Audit Act, No. 19 of 2018.

341 Divisional Secretariats are functioning under the 25 District Secretariats and the annual budget estimate for non-financial and operational activities to be implemented in the district provisions funds for the District Secretariat expenditure heads and the funds allocated for the expenditure heads of other ministries and departments are also spent through the District Secretariats. The District Secretariats and the Divisional Secretariats under them provide the services and facilities required by the people by strengthening the regional governance and implementing various development and welfare programs. The District Secretariats and Divisional Secretariats also perform the task of providing services on behalf of a large number of other public institutions, including the implementation of development projects at the Divisional Secretariat Division level covering the district, payment of pension benefits, management of activities under the Department of Social Services, assistance in the payment of social welfare benefits, state land-related activities, disaster relief services, etc. The audit observations reported to Parliament in the financial statements of the District Secretariats in the years 2021, 2022 and 2023, but which have not been resolved, including the observations revealed during the examination of these subject areas, are presented in these triennial status reports under the respective District Secretariats.

2. Opinion of the Auditor General on the Financial Statements

District Secretariats prepare annual financial statements comprising the statement of financial position as at the end of the year and income statement, a cash flow statement, statement of changes in equity and a summary of significant accounting policies and other explanatory information for the year then ended. The Auditor General provides independent assurance that the financial statements give a true and fair view of the operations of the entities. This assurance is provided by expressing an opinion on the financial statements. The conclusion of the Auditor General as to whether the statement of financial position and the statement of financial performance of the District Secretariats present a true and fair view and as to whether those financial statements comply with Sri Lanka Accounting Standards or Sri Lanka Public Sector Accounting Standards, which are currently compliant with International Public Sector Accounting Standards, and Financial Reporting Standards is expressed by the audit opinion.

Four types of opinions are expressed after considering material misstatements or discrepancies according to the financial statements, and limitations of scope and disagreements between management and the auditor. They are:

Unqualified Opinion

This opinion is expressed when material misstatements or non-compliances have not been reported in the financial statements.

Qualified Opinion

This opinion is expressed when material / misstatements or inconsistencies have been reported in the financial statements, but, they have not been extended to the financial statements of entity.

Adverse Opinion

Adverse audit opinion is expressed when material / misstatements, reported in the financial statements have been extended to the financial statements.

Disclaimer of Opinion

This opinion is expressed when the auditor is unable to obtain sufficient and appropriate audit evidence for audit opinion owing to the limitation in the scope and when the auditor decides that there may be undisclosed misstatements in the financial statements.

Details of Opinions of District Secretariats

Information of audit opinions issued on the financial statements submitted in relation to 25 district secretariats for the years 2021, 2022 and 2023 is mentioned in the following table.

	2021	2022	2023
Unqualified	03	03	02
Qualified	22	22	23
Adverse	-	-	-
Disclaimer	-	-	-
Opinion has not decided yet	-	-	-
Financial Statements not received	-	-	-

	Company Name	2021	2022	2023
1.	District Secretariat – Ampara	Qualified	Qualified	Qualified
2.	District Secretariat - Anuradhapura	Qualified	Qualified	Unqualified
3.	Secretariat – Badulla	Qualified	Qualified	Qualified
4.	District Secretariat – Batticaloa	Qualified	Qualified	Qualified
5.	District Secretariat – Colombo	Qualified	Qualified	Qualified
6.	District Secretariat – Galle	Qualified	Qualified	Qualified
7.	District Secretariat - Gampaha	Unqualified	Unqualified	Unqualified
8.	District Secretariat – Hambantota	Qualified	Qualified	Qualified
9.	District Secretariat – Kalutara	Qualified	Qualified	Qualified
10.	District Secretariat – Kandy	Qualified	Qualified	Qualified
11.	District Secretariat – Kegalle	Qualified	Qualified	Qualified
12.	District Secretariat – Kilinochchi	Qualified	Qualified	Qualified
13.	District Secretariat – Kurunagala	Unqualified	Qualified	Qualified
14.	District Secretariat – Mathara	Qualified	Qualified	Qualified

15.	District Secretariat – Matale	Qualified	Qualified	Qualified
16.	District Secretariat – Monaragala	Qualified	Unqualified	Qualified
17.	District Secretariat – Nuwara Eliya	Qualified	Qualified	Qualified
18.	District Secretariat – Polonnaruwa	Qualified	Unqualified	Qualified
19.	District Secretariat – Puttalm	Qualified	Qualified	Qualified
20.	District Secretariat - Rathnapura	Qualified	Qualified	Qualified
21.	District Secretariat - Trincomalee	Qualified	Qualified	Qualified
22.	District Secretariat – Vauniya	Unqualified	Qualified	Qualified
23.	District Secretariat – Jaffna	Qualified	Qualified	Qualified
24.	District Secretariat - Mannar	Qualified	Qualified	Qualified
25.	District Secretariat – Mullaitivu	Qualified	Qualified	Qualified

3. Audit Observation for District Secretariats

3.1 District Secretariat – Ampara

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	3,625,116,050	3,459,491,085	165,624,965	Qualified
2022	3,921,985,477	3,842,420,658	79,564,819	Qualified
2023	7,596,175,528	7,524,581,657	71,593,871	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	No action had been taken to recover outstanding Lease rental of Rs.24,538,440 to be recovered from Damana, Akkarapattu and Kalmunai Divisional Secretariats in relation to providing of lands on long-term least as at December 31, 2023.	2023	The action should be taken to immediately recover the long-term outstanding lease rental.	It is informed to you that the obstructions had occurred to recover long-term outstanding lease rental due to numerous issues.	The recommendation had not been completely implemented as at 30 September 2024.
2	Even though it had been valued the loss occurred from opening of Sadhatissa store belonging to Ampara District Secretariat by the thieves and taken the goods on 21 September 2015 was Rs.850, 738, no	2023	The measures should be taken to immediately recover the loss occurred from the responsible parties and other relevant action should be taken without delay.	The decision of the Inquiry Board had been submitted to District Secretariat on 06.07.2023. Since it had not been completed by carrying out a preliminary inquiry and taking a disciplinary action	The implementation of the recommendations had not been completed even up to 30 September 2024.

further action had been taken on that matter. As at 07 May 2024.

in relation to this, it had been informed that F.R.104 (4) final inquiry report can't be forwarded.

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| 3 | In accordance with section 4.2 of the circular No.DRD/2023-1 dated 09 February 2023 issued by Ministry of Finance, Economic Stabilization and National Policies in relation to paddy purchase program in Maha season 2022/2023 and paddy stock distribution program, even though the action should be taken by District Secretary to carry out the operational expenses incurred in purchase of paddy subject to relevant Financial Regulations, circulars and other government approvals, an amount of Rs.15,580,562 had been completely paid up to July 2023 as administration expenses based on number of months they have joined to project an amount | 2023 | The action should be taken to pay only actual administration expenses incurred with due approval as per circular. | It had been informed by Department of Development Finance to be purchased paddy 30,000 metric tons in Ampara District and the money should be credited to the account of relevant farmer within 24 hours from purchase of paddy. This is a very complex process and the payment had to be made to the farmers after purchasing a paddy stock worth of Rs.270 million. A committee had been appointed by former District Secretary as per the instructions of Department of Development Finance on the facts such as selection of rice millers, registration of them, identification of | It had not been acted as per the recommendation. |
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equal to $\frac{1}{4}$ of basic salary of the relevant officers as per the committee decisions by appointing a committee chaired by Ampara District Secretary mentioning that on the verbal instructions of Department of Development Finance without considering the actual expense incurred by the officers contrary to the circular by allocating the provision of Rs.30,890,000 for administration expenses of 17 district secretariats and divisional secretariats as a percentage of 1% from the whole provision of Rs.3,089,000,000 as per allocation of administration expenses for normal projects by Ampara District Secretariat.

the farmers, determination of the paddy quantity purchased from them, preparation of reports, payments to the bank, discharge the duties outside the official time, had to go field visits frequently, usage of private mobile phones for this task. On the decisions taken at that committee, these payments had been made and the recommendations of heads of divisions and Divisional Secretary had been obtained prior to the payments.

4	Rs.6,500,000 provided from Provincial Educational Department to Addalachchainai Divisional	2023	After the work should be completed within due time and the deposit account should be settled.	This money had been deposited for an acquisition of a private land related to Addalachchainai Ak/AI/Arham school. The	Up to 30 September 2024, the recommendation had not completely implemented.
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Secretariat for acquisition of a land for school had not been utilized for relevant purpose and retained in the deposit account since 05 years.

acquisition of relevant land is a task with several stages and takes much time. The approval of the Ministry of Lands had to be obtained for every stage separately.

Furthermore, there is a delay of receipt of survey plan and the Divisional Secretary had informed that the action will be taken to acquire the relevant land by making payments after completion of the all stages.

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| 5 | Even though a vehicle belonging to District Secretariat had been handed over to the garage for repairs since more than last 22 years, no action had been taken to get it repaired or get it back even up to the end of year under review. | 2023 | In accordance with the Circular No.05/2020 dated 02 October 2020 issued by Comptroller General's Office of Ministry of Finance, the action should be immediately taken to dispose the vehicles which can't be used. | Since this lorry had decayed, it was difficult to carry it to District Secretariat and it had been decided to auction it at that place itself. Since this lorry had been registered under Ministry of Rehabilitation, the ownership should be transferred in the name of District Secretary as per Assets Circular | Up to 30 September 2024, the recommendation had not completely implemented. |
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No.03/2008.

Presently, there is no Ministry of Rehabilitation and it is difficult to identify the ministry which carries out that subject. However, the request relation to transfer of this vehicle had been referred to Ministry of Justice and Prisons.

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| 6 | <p>Subsequent to the government had purchased the paddy and provided to low income families under purchase of paddy and distribution of paddy stock in Maha season 2022/ 2023, no measures had been taken to give the money to District Secretariat after providing 1,226,373 of rice kilograms worth of Rs.170,122,703 to the supplier on 05 May 2024 which should be provided to District Secretariat by 24 rice millers selected under 07 Divisional Secretariat divisions for purchase of rice</p> | 2023 | <p>The action should be immediately taken to obtain the due rice quantity and taken legal action in relation to the rice millers who do not provide rice in that manner.</p> | <p>The action had been taken to sell the rice stocks remained under custody of rice millers under this program through the procurement activities as the letter the letter No. DFD/MD/GPPP/P D/Maha/2022/23 dated 17 July 2023 issued by Director General of Department of Development Finance. Accordingly, the rice had been sold to the buyers selected under the first stage and 1,226,372.99 kilograms of rice had to be provided by relevant rice</p> | <p>As at 02 October 2024, 1,193,493,.89 kilograms of rice had to be provided by relevant rice millers and the value of that rice was Rs. 165,571,452.66. A compliant had been lodged in Ampara Police station in relation to not providing the rice stocks by relevant rice milers and the investigation is being carried out by Crimes Investigation Unit.</p> |
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to the selected buyer as per the first tender carried out in September in 2023 in relation to remaining paddy stock under District Secretariat in accordance with the letter No. DFD/MD/GPPP/PD/Maha/2022/23 dated 17 July 2023 issued by Director General of Department of Development Finance with regard to purchase of government paddy stock under custody of rice millers and sell after converting into rice.

millers on
20.05.2024 and
the value of that
rice was Rs.170,
122,703.38.

3.2 District Secretariat - Anuradhapura

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	4,325,791,013	326,268,036	3,999,522,977	Qualified
2022	4,459,191,794	139,388,112	4,319,803,682	Qualified
2023	4,565,507,795	167,897,602	4,397,610,193	Unqualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	The balance to be further settled from the advance given by the Treasury during the period of 2001 to 2006 for the purchase of paddy was Rs.32,247,247.	2022	Arrangements should be made to collect money from the relevant parties and pay it to the treasury.	A request has been made to obtain a report for the amount of Rs. 3,485,983 to be recovered from the Sri Lanka Cooperative Society and to write off a sum of Rs.2,120,000 related to the District Agrarian Service Office. The proceedings have been made to file a case against 02 Agrarian Development Councils and 03 Multi-Purpose Co-operative Societies, to recover after liquidating the Nochchiyagama Multi-Purpose Co-operative Society	The balance to be further recovered as of 30 September 2024 was Rs.31,187,247.

and to obtain a report from the Eppawala Multi-Purpose Co-operative Society.

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| 2 | <p>In relation to the aloe vera project, according to the proposal presented and approved by the Minister of Finance and the Minister of Lands to the Cabinet on 27 August 2021, to start a medicinal product industry from the aloe vera plant for export under the organic cultivation system in Anuradhapura district and the total investment and initial investment are USD 783 million and USD 300 million respectively.</p> <p>Although the objectives were to be obtained, none of the objectives had been achieved even though about 02 years had passed since the approval of the Council of Ministers.</p> | 2023 | <p>The project should work to achieve the desired objectives</p> | <p>It is kindly informed that there is no responsibility of the Divisional Secretary in respect of implementing this project.</p> | <p>The recommendation has not been implemented.</p> |
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3	<p>Although the relevant grant papers should be taken over to government according to the circular No.2020/02 dated 06 February 2020 named the follow-up of the grant papers issued under the Land Development Ordinance of the Land Commissioner General and instructions in part vi of the said circular should be followed in cases where a the land plots has been set aside by the owners of grant papers given for agricultural and residential purposes under the Land Development Ordinance to be used for commercial purposes for the construction of transmission towers to various companies, the above circular had not been followed regarding 139 transmission towers located in 14 Divisional Secretariats.</p>	2022 2023	Circular should be followed.	Further activities are being done.	The recommendation had not been implemented even by 30 September 2024.
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4	<p>The government fee to be charged for black stone mining in 09 Divisional Secretariat Divisions was Rs.147,298,661 when comparing the quantity of black stone cube that paid the Royalty Return to the Geological Survey and Mines Bureau in payment of the fees mentioned in Extraordinary Gazette No.34/2216 dated 25 February 2021 issued by the Conservator General for black stone mining.</p>	2022	<p>The relevant amount should be collected immediately.</p>	<p>The written reminders have been made frequently about the payments of overdue charges and the actions have been taken to discuss with the respective parties in future for the recovery and reach a decision.</p>	<p>The total overdue amount to be recovered from 17 Divisional Secretariats as at 30 April 2024 was Rs.386,411,749, and it included the overdue amount of Rs.130,641,681 to be recovered as at 30 April 2024 by the Divisional Secretaries as per the instructions received by the Letter No. L2/1/89/Circulars/2022 from the Land Commissioner General addressed to the Divisional Secretaries.</p>
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3.3 District Secretariat - Badulla

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,846,555,657	245,445,556	2,601,110,101	Qualified
2022	2,877,042,385	199,840,103	2,677,202,282	Qualified
2023	2,969,501,007	140,338,794	2,829,162,213	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Although it has been 01 year 05 months since a cab belonging to Ridhimaliyadda Divisional Secretariat was involved in an accident on 31 December 2019, action had not been taken as per the F.R. 104 regarding recovery of loss of Rs.6,349,333.	2021	Actions should be taken to recover the loss in terms of Financial Regulations.	The examination has been conducted as per financial regulations.	The proceedings had not been done as per the recommendations.
2	It was observed that the funds of Rs.44,898,005 owned by 160 Grama Shakthi Janatha society in Badulla district were not being used properly and effectively to improve the living	2023	The funds of Grama Shakthi Janatha society should be efficiently utilized to improve the quality of life of the community.	The divisional secretaries have been informed to transfer the funds of the inactive societies to the active societies.	The recommendations had not been implemented.

conditions of the rural community and were idled in the bank accounts.

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| 3 | A cab belonging to Uva Paranagama Divisional Secretariat had an accident on 25 August 2010 and the estimated loss of Rs.500,000 had not been recovered by 21 March 2022 and the vehicle was kept in the district secretariat premises for over 12 years without being repaired and put into running condition. | 2022 | It should be repair or disposal or take other appropriate action. Actions should be taken to recover the assessment loss from the responsible party. | It has been informed that an assessment report was obtained on 15 May 2019 and that the driver who was responsible for the damages caused by the accident has left the service and legal advice has been taken to recover the damages. | Although the vehicle has been disposed, the loss had not been recovered. |
| 4 | The loan balances amounting to Rs.219,692,070 from the loan amount given by 05 Divisional Secretariats to 4976 Samurdhi beneficiaries under the various loan programs had been overdue and a sum of Rs. 42,997,627 given to 989 debtors had been identified as bad debts. The legal actions had not been taken for the recovery of this overdue loan. | 2021 | The loan installments should be collected within due period. | Haputale Divisional Secretariat had informed that the actions are taken to collect the loan installments and Soranathota, Kandaketiya, HaliEla, and Ella Divisional Secretariats had not presented the answers. | The recommendations had not been implemented. |

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| 5 | It was observed during a sample inspection that there has been an opportunity for misappropriation of government property due to 21 eviction orders were received for taking back the possessions regarding the illegal seizure under the Meegahakivula and Badulla Divisional Secretariats and but the non-implementation of those orders even though between 9 months and 5 years have passed. | 2023 | Appropriate provisions should be made to implement the eviction orders. | Accept. | It is mentioned that if the people involved in the illegal seizure of the Badulla Divisional Secretariat do not come forward to pay the money, necessary actions will be taken to recover the possession. | The recommendations had not been implemented. |
| 6 | The 02 pepper drying machines costing Rs.4,555,000 installed by Kandaketiya and Haldummulla Divisional Secretariats on 20 and 21 May 2022 for white pepper production projects were underutilized by the date of 31 March 2024. | 2023 | Arrangements should be made to utilize the maximum capacity of these valuable machines. | Due to the decrease in the yield of pepper, it was not possible to dry the pepper as expected using the machine. According to the alternative crop drying plan prepared by the Export Extension Officer in 2024, project proposals have been prepared and the work has been started. | The recommendations had not been implemented. | |

3.4 District Secretariat - Batticaloa

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,679,582,048	99,513,306	2,580,068,742	Qualified
2022	2,790,036,333	88,107,922	2,701,928,411	Qualified
2023	3,001,624,714	89,949,459	2,911,675,255	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	A memorandum of Understanding (MOU) had been signed on 23 October 2014 between the District Secretary of Batticaloa and the Chief Secretary of Eastern Provincial Council for the consultancy service of constructing new building complex, and the Memorandum of Understanding had been ended on 08 October 2015 due to varied delays of the consultation process. 40 percent from the charge; that is Rs.7.2 million, had been paid by the District Secretary disregarding the fault of the consultant.	2021	The conditions stipulated in the bid document should be followed and the payments should be done accordingly.	The Central Buildings Department has accepted the quantity of bills prepared by the Provincial Buildings Departments.	The recommendations had not been implemented up to 30 September 2024.

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| 2 | A license for river sand mining had been issued by the Kiran West Grama Niladhari Office under the Koralaipattu South Divisional Secretariat without a recommendation of the Divisional Secretary and under a situation where there is no river in the area for sand mining activities. Further, as per the provisions of the Mines And Minerals Act, the license is valid to execute sand mining activities in the rivers only within the respective division. However, sand mining activities from the land areas had been carried out using this license. Also, 1,400 cubes of sand had been sold within 02 months without an approved project. | 2022 | The actions should be taken to introduce a strong internal control system related to giving recommendations for the issuance of sand mining. | The measures are to be taken regarding the particulars pointed out. | Any action has not been taken up to 30 September 2024. |
| 3 | Sand had been illegally mined near the Weliaru and Maduruoya river banks in Koralaipattu South Divisional Secretary's Division and in the areas of | 2022 | A strong internal control mechanism should be established to stop such illegal sand mining activities. | The measures are to be taken regarding the particulars pointed out. | Any action has not been taken up to 30 September 2024. |

Mullivankam

Niraidai and Vaval Niraidai situated away from these places. A huge environmental damage had been caused and even the direction of the natural water flow of the river had changed due to these illegal mining activities. However, the Divisional Secretariat; which should take actions to prevent these illegal activities, has not taken effective actions in this connection.

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| 4 | According to the guidelines given by the Geological Survey and Mines Bureau, non-commercial activities have been described as small-scale activities and those are used for self-requirements without an intention of sale. However, it was observed that one-day permit had been issued for 04 persons to excavate and transport 64 sand cubes and 508 soil and gravel cubes with | 2023 | The actions should be taken to establish and strengthen an internal control system for the sand mining permits. | The measures will be taken regarding the particulars pointed out. | Any action has not been taken up to 30 September 2024. |
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a period of 16 months from January 2022 to 30 April 2023.

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| 5 | According to the Guideline No.04, the maximum limit allowed to issue permits for a month had been prescribed as 02 cubes of sand and 35 cubes of soil and gravel. However, sand and gravel/soil permits against the maximum limit allowed for one month had been issued by the Divisional Secretariats on 03 occasions and 04 occasions respectively during the year under review. | 2023 | The proceedings should be done to set limitations for the maximum quantity permitted for the protection of non-renewable sources and the environment. | The measures will be taken regarding the particulars pointed out. | Any action has not been taken up to 30 September 2024. |
| 6 | 50 state lands reserved for public purposes near the housing scheme of Kumburumulai Grama Niladhari Division of Koralaipattu Divisional Secretary's Division had been vested to 50 people who were not selected in the land kachcheri in accordance with the Land Order No. 83 to | 2023 | The steps should be taken against the officers regarding the alienation of the state lands and the proceedings should be done to alienate the lands as per the provisions of the Land Development Ordinance. | The measures will be taken regarding the particulars pointed out. | Any action has not been taken up to 30 September 2024. |

88 and the Section 20 of the Land Development Ordinance. Further, the Blocking out Diagram (BOD) of the Survey Department, the approval of the District Land Use Committee and the approval of the Provincial Land Commissioner/ Land Commissioner General had not been obtained for the new vesting of the above state lands. The electoral register of those persons had been intentionally transferred to Kumpurumulai Grama Niladhari Division of Koralaipattua Divisional Secretary's Division for the intention of calling them for the Land Kachcheri. Most of them had not resided in those lands. More than 50 allocated lots have been fenced and it was observed during the audit that the temporary huts not spacious enough for them to live have been set up.

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| 7. | The process of land acquisition for the Faculty of Healthcare Sciences of the Eastern University had been started since 2009 and the Valuation Report of the Valuation Department had been obtained by the Divisional Secretary in the year 2016. As a result, the financial provision had been allocated for the above acquisition in the year 2017; that is to make payment to the Land Reforms Commission (LRC). However, the Acquisition Officer had not paid money to the Land Reforms Commission as per Section 17 of the Acquisition Act. The District Secretary had not used such financial allocations for the intended purposes in the year 2017. Consequently, the above lands had not been acquired even as at 31 December 2023. | 2023 | The proceedings should be done to acquire the lands. | The actions will be taken to give the answers immediately. | Any action has not been taken up to 30 September 2024. |
| 8 | The lands in Thiraimadu Grama Niladhari Division of Manmunai North | 2023 | The acquired lands should be used for the relevant objective | The actions will be taken to give the answers immediately. | Any action has not been taken up to 30 September 2024. |

Divisional Secretary's Division had been acquired under the Land Acquisition Act for the resettlement of tsunami victims in the year 2005. Although the lands had been acquired for the resettlement of tsunami victims in Thiraimadu Grama Niladhari Division of Manmunai North Divisional Secretary's Division as per the Section 02 of the Land Acquisition Act No. 9 of 1950, the Divisional Secretary had given 50 land lots to the government officials who were not affected by tsunami. The purpose of acquiring these lands has been violated by the Divisional Secretary due to the said alienation.

as per the Section 02 of the Land Acquisition Act No.09 of 1950.

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| 9 | The land ledger should be maintained in the prescribed form (LC 12) as per the Land Order No. 125 for each land permit issued under the Land Development | 2023 | The proceedings should be done as per the Land Order No.125. | The actions will be taken to give the answers immediately. | Any action has not been taken up to 30 September 2024. |
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Ordinance. In addition to that, the installment payments should be entered by the District Secretary / Divisional Secretary or an authorized officer according to the Land Order No. 126. Although 30 middle-income families had been provided with lands as 10 acres per one family by the Koralaipattu Divisional Secretariat of Valachchena, only 22 permits had been submitted for the audit. As such records were not in the land ledger, whether the permits have been issued for the remaining 08 people was not confirmed in the audit. Consequently, the fact that those are not illegally acquired lands could not be verified.

3.5 District Secretariat - Colombo

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	8,982,349,621	963,922,168	8,018,427,453	Qualified
2022	4,764,463,110	463,883,095	4,300,580,015	Qualified
2023	5,548,499,247	394,015,515	5,154,483,732	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	There are 11 encroachers residing in the land where Kolonnawa Divisional Secretariat is located and even though they had been informed that necessary measures would be taken to evacuate them, the information related to that was not submitted to the audit.	2021	Actions should be taken to get clear ownership of the land without delay.	Eviction Notices have been issued under the Repossession Act to the encroachers to vacate the respective unauthorized lands if not moved, legal actions will be taken.	The recommendations have not been implemented.
2	Before establishing a Divisional Secretariat, the divisions and delimitation of the Divisional Secretariat should be determined and published in the Gazette in Trilingual, the Gzatted Notifications for	2021	Before establishing the Divisional Secretariat, the divisions and boundaries of the Secretariat should be determined and published in the Gazette in Trilingual.	The Draft Report prepared on behalf of Thimbirigasaya and Padukka Divisional Secretariat determining the relevant boundaries has been forwarded to the State Ministry of Home Affairs for	The recommendations had not been implemented even by 30 September 2024.

delimitation and establishment of Divisions for Thimbirigasaya and Padukka Divisional Secretariats commenced on 03 March 1999 and 19 May 1999 respectively had not been published.

further activities.

- 3 Although more than 10 years had passed until 31 December 2022 since the damage caused by the fire of the Colombo District Secretariat, it was not possible to recover or cut off the damages as the police investigations had not been completed in this regard and the value of the loss caused by the fire was Rs.92,606,688.
- 2022 The losses and damages should be immediately investigated and action should be taken to recover from the relevant persons and solve the damages after that as per the provisions of Financial Regulations 101 and 156 of the Code of Financial Regulations regarding the disciplinary action against the officers and employees who are responsible for that and loss to the government.
- Police investigations have been conducted in this regard and the file has been filed in the division due to successful response has not been received and advise has been sought from the Department of Public Finance about the possibility of cut off this loss and it has been informed that cut off the losses before identifying the criminals may discourage ongoing criminal investigations and completion the investigations immediately and take legal action to recover the related loss from the criminals is the most suitable.
- The proceedings had not been done as per the recommendations .

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| 4 | The rental income related to the government offices located in Kotabodawaththa had not been collected from a long time and it had not been act as per the court order. | 2022 | Further action should be taken in relation to tenants residing in quarters. | It is informed to the Divisional Secretary of the Seethwaka to arrange for an alternative land to be transferred to the National housing Development Authority instead of the Manikkawatta land given in the settlement of the case assigned to the Supreme Court and also informed to the General Manager of the National Housing Development Authority to get the decisions of the Board of Directors of the Housing Development Authority immediately and to implement them in order to take the necessary steps to improve the conciliation measures in that case. | The proceedings had not been done as per the recommendations . |
| 5 | Expenses of Rs.1,674,120 had been accounted for 39 out of 53 projects which was not implemented, half-implemented and canceled projects in 04 Divisional | 2023 | The projects should be implemented according to the relevant laws, rules and circular provisions as planned and formal investigation | That the audit observations are accepted. That it is accepted that preparing vouchers and cheques before receiving the goods and services is a | The proceedings had not been done as per the recommendations . |

Secretariats under the decentralized capital budget program for the year 2021 by preparing vouchers and cheques before receiving the goods and services. As non-supply of goods by the relevant institutions, the said amount had been credited to the state revenue in the year under review.

should be conducted regarding preparing vouchers and cheques before receiving goods.

be fault. Due to the increase in material prices with the economic crisis and caused by the covid disaster in the year 2021 and the lack of supplies, although a situation has arisen where the related goods and services are not supplied without cheques and cheques were written with the intension of providing goods and services to the beneficiaries as it was not possible to relevant supplies, the cheques written related to the projects were canceled and credited to the state revenue.

3.6 District Secretariat - Galle

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	4,842,705,000	588,448,216	4,254,256,784	Qualified
2022	4,968,614,605	420,582,814	4,548,031,791	Qualified
2023	5,151,649,363	362,778,719	4,788,870,644	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Out of the loan totaling Rs. 21,598 million paid by 68 Samurdhi Community Based Banks belonging to the 19 Divisional Secretariat Divisions to 669,338 borrowers, a sum of Rs. 505.188 million remained as overdue debts and Rs. 160.755 million paid to 3,408 recipients had been identified as bad debts. No action had been taken to recover those debts expeditiously. Further, a sum of Rs.5,096 million paid to 114,088 borrowers had been identified as outstanding debts.	2021	Actions should be taken to review and recover the given loan.	A number of legal actions have been taken in order to recover overdue debts and bad debts. Due to reasons such as the Covid 19 epidemic, lack of fertilizers, paralyzing tourism, granting loan grace periods, etc., it remains in arrears.	Rs.28,283 million had been given to 713,059 persons through 69 Samurdhi banks as at 30 June 2024 and Rs.704.9 million had been identified as overdue loans and Rs.340.38 million provided to 4959 persons had been identified as bad debts and Rs.5,091.09 had been identified as outstanding.

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| 2 | Due to the Covid 19, 2021 a sum of Rs. 483.56 million had been paid to the beneficiaries by 19 Divisional Secretariats and 68 Samurdhi banks and that money had not been reimbursed even by the end of the year under review. | Steps should be taken promptly to recover the amount that needs to be reimbursed. | A sum of Rs.483.56 million out of the funds belonging to the Samurdhi banks has been paid to the beneficiaries on the basis of reimbursement to the Samurdhi Department by the General Treasury. However, these funds have not so far been reimbursed to any district by the General Treasury. | As on 30 September 2024, the amount of Rs.483.56 million had not been reimbursed. |
| 3 | In the year 2019, an agreement was made for the construction of a 2,000-seat auditorium at the Galle District Secretariat office, with a contract value of Rs. 2,656.877 million. Work had not been completed in accordance with the agreement and there were paid bills and the bills in hand worth Rs.874.785 million, whereas the physical progress was as low as 15 per cent. The amount that remained payable for the completed work was Rs.238.953 million. | The work should be completed as per the agreement. | As decided at the Audit and Management Committee, it has been notified to refer this audit query to the Ministry of Home Affairs. | The recommendation had not been implemented until 30 September 2024. |

- 4 Out of the 228 2021 Gramashakthi Janatha Societies registered in relation to 19 Divisional Secretariat Divisions, 214 Janatha societies were inactive by 31 December 2021 and a balance of Rs.98.383 million remained inactive as bank deposits of those inactive societies. A sum of Rs.104.240 million deposited by all the societies in the state bank remained idle due to the discontinuation of all the project activities.
- Since the implementation of the program's objectives has been hindered for years and due to the lack of proper guidance, timely actions must be taken regarding inactive bank balances.
- In this connection, a policy decision will be taken by the Ministry in the future regarding the activities of the societies. Accordingly, these societies can be activated and implemented in the future.
- At present, 226 societies out of 228 societies are inactive, and a balance of Rs.109.35 million is inactive in bank deposits of those societies.
- 5 Although a staff 2021 grade officer who draws a salary exceeding Rs.30,175 should be provided with government quarters consisting of 1991 square feet as specified in Section 2.3.1 of Chapter XIX of the Establishments Code, contrary to that, a quarters with 10,015 square feet had been constructed and its maintenance expenses alone had been Rs. 1.504 million from the year 2020 April to 2021 December.
- Actions must be carried out in accordance with the provisions of the Establishment Code.
- As it is the quarters of the chief staff officer of the District, plans have been drawn to suit that position. It is kindly informed that a sum of Rs.1,504,688 has been incurred on the water, electricity, assessment tax, and security charges of the District Secretary's official quarters from April 2020 to December 2021 and out of that, Rs.1,361,662 has been spent on
- The recommendation has not been implemented.

6	<p>A sum of Rs.8.025 million had been spent for the construction work of the Gabion wall in front of the District Secretary's official quarters at Bataganvila. Before the construction of the Gabion wall, the National Building Research Organization had carried out a site inspection on 15 May 2018 following the landslide on the land where the official quarters is situated and issued a report. As the Gabion wall had been constructed without adhering to the recommendations specified in the report, a part of the wall had collapsed on 24 and 25 October 2019 thus causing damages to the wall.</p>	2021	<p>A formal investigation should be conducted regarding the damage, and the responsible officials must be held accountable to recover the losses.</p>	security service.	<p>According to the report of the National Building Research Organization, recommendations have been made to construct a drainage system to drain water from the land where the District Secretary's official quarters is located. Nevertheless, constructions of the Gabion wall had been stated by then. As the construction of the drainage system, which is a recommendation of the above NBRO report, should have been done along with the construction of the official quarters of the District Secretary, the drainage system has been constructed accordingly. Due to heavy precipitation that occurred during the construction, a part of the wall was damaged due to soil erosion.</p>	<p>Arrangements had not been according to the recommendation.</p>
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| 7 | After the collapse of the relevant Gabion wall, the renovation of the wall according to the report issued by the National Building Research Organization on 10 April 2020 charging Rs.486,000 on the restoration of the wall and the recommendations therein had not been completed even after 02 years and 06 months from causing damage to the wall. | 2021 | A formal investigation should be conducted regarding the damage, and the responsible officials must recover the losses | The contractor has been informed on several occasions to restore the wall. Nevertheless, he commenced the work in January 2022 and only a part of the Gabion wall has been restored. | An investigation board consisting of three officers has been appointed at the ministry level and conducted a formal investigation in accordance with F.R. 104 and submitted an investigation report with 03 recommendations. Further work was not completed. |
| 8 | The Gonapinuwala Divisional Secretariat had not provided Grants to 26 housing beneficiaries who were displaced by the tsunami disaster that occurred on 26 December 2004. | 2021 | An investigation should be conducted for families who have not yet received allowance certificates, and necessary actions should be taken to provide the Grant Certificates to eligible individuals | Under the mobile service conducted on 03 March 2022, the present residents were summoned to the office and initial investigations were carried out according to the 2008/04 circular. Preparation of Grants for them has been initiated and action will be taken to complete it immediately. | One offer sheet was handed over to an owner and only 4 other offer sheets were prepared. |
| 9 | Only 105 out of the 319 home beneficiaries in Ambalangoda Divisional Secretariat area had been given the deeds by 31 | 2022 | This task must be completed promptly. | Further steps are being taken to distribute the remaining deeds. | As on 30 September 2024, only 138 people have not been given the deeds. |

December 2022 in the distribution of deeds to those displaced by Tsunami disaster that occurred on 26 December 2004.

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| 10 | <p>Although the period from 01 year to 06 years had been passed since the files related to 36 tax payers were forwarded by the Hikkaduwa Divisional Secretariat to the Land Commissioner of Southern Provincial in order to take rent approval by the date of audit on 21 September 2023, the rent approval had not been received. Also, according to the Circular No.2021/06 dated 22 October 2021 of Land Commissioner General, the annual rent amount had not been calculated according to the prescribed percentages based on a gross assessment.</p> | 2023 | <p>Immediate actions should be taken to collect tax revenues and ensure the government receives the income.</p> | <p>That the rent approval letters in respect of two tax payers have been received from the Land Commissioner General Department and a reminder letter has been sent to the Land Commissioner General Department in respect of the remaining 34 payers.</p> | <p>As on 30 September 2024, tax had been collected from only 8 tax payers.</p> |
| 11 | <p>Despite the monthly rent valuation of Rs.250,000 was given by the Department of</p> | 2023 | <p>It was observed during the audit that this activity was carried out</p> | <p>It had been informed that an independent committee was</p> | <p>Investigation had not been conducted and formal action</p> |

Government Valuation while renting a new building for Rathgama Divisional Secretariat, by ignoring that, a monthly rent of Rs.325,000 was contracted for up to 4 years based on the rental value given by a committee appointed by the Divisional Secretary. In the same way, before notifying the contractor regarding the renting, the partition parts, files and cabinet received from the Provincial Council had been moved to the new building.

without revealing the government's assessment. Therefore, formal actions must be taken regarding this matter.

appointed and the rent was reassessed and the relevant building was leased since the building cannot be given at the assessed value of government. Likewise, by mutual agreement with the lessee, the partitions removed from the old building were stored in the new building. had not been taken.

3.7 District Secretariat - Gampaha

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	5,809,732,879	250,042,338	5,559,690,541	Unqualified
2022	6,525,777,851	1,945,310,899	4,580,466,952	Unqualified
2023	7,196,572,495	1,031,319,122	6,165,253,373	Unqualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	A total of Rs.40,518,538 had been overpaid by the 13 Divisional Secretariats in Gampaha district to 419 pensioners who were receiving pensions as on 31 December 2023 due to delay in notifying the deceased and non-adherence to pension circulars and other reasons	2021 2022 2023	Actions should be taken to recover overpayments immediately.	It is expected to be recovered before 30 November 2024 or recovering by the relevant parties.	A balance of Rs.2,407,045 had to be further recovered on 31 July 2024.
2	According to the final investigation report held in terms of Financial Regulation 104(4) regarding the disappearance of money from the safe on 15 July 2014 in the Mahara Divisional Secretariat, it was	2021 2022 2023	Loss should be recovered and action should be taken against the responsible officers as per the financial regulations for not taking action to recover.	An amount of Rs.42,275 has been recovered from the loss to be recovered from the officers who responsible for the money fraud that occurred in the Mahara Divisional Secretariat in 2014 and regular	On 30 September 2024, only Rs.84,550 had been recovered from the loss and the remaining amount had not been recovered.

recommended that it should be charged from 04 officers as Rs.270,561 by each and the recommendation and approval for the relevant charge from the letter dated 22 September 2020 of the Secretary of the Ministry Home Affairs and, according to the order to recover the loss dated 23 November 2023 of the Secretary of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, although it was ordered to be charged from the parties responsible for the fraud of Rs.1,082,245 which was loss to the government before 31 December 2023, only Rs.42,275 had been recovered on that day.

notifications has been given to the relevant officers and the institutions which they work to recover the remaining money.

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| 3 | According to the 104(4) report related to the misappropriation of Rs.1,441,400 of unpaid public assistance money received in the period | 2021
2022
2023 | According to the letter No.WP/ADM/09-34/F1/101 letter dated 26 July 2021 of the Western Province Chief Secretary, | It has been informed by the letter No.Gam/DS/5/Minu/MF dated 06 August 2021 of the then District Secretary to the Divisional Secretary Ja Ela that | The relevant recoveries had not been carried out even up to 30 September 2024. |
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- from 10 February 2011 to July 2013 to the Minuwangoda Divisional Secretariat by the officer, even though the instructions had been given by the letter dated 26 July 2021 of Chief Secretary to charge that amount and a surcharge of 2 percent, only an amount of Rs.84,840 had been charged by 08 November 2023.
- amount of Rs.1,470,268 should be charged i
- of the amount of Rs.1,470,268 should be charged in 03 equal installments according to the letter No.CSWP/ADM/09-34/F1/101 dated 26 July 2021 of Western Province Chief Secretary. This officer has retired by now. Further work will be done accordingly.
- 4 The 10 Sewa Piyasa which had been constructed at a cost of Rs.8,202,635 in Mirigama Divisional Secretariat was semi completed and remained idle without use
- 2022
2023
- The construction should be completed and the land should be used for effective purposes.
- It is kindly informed that estimates have been prepared and forwarded to the Ministry of Home Affairs to complete the deficiencies of all Sewa Piyasa and Nila Sewana the Ministry had informed that the relevant estimates have been included in the budget proposals of the year 2024.
- The recommendations had not been implemented.
- 5 Due to the project was completely abandoned after spending Rs.800,714 to build a tube well and install a water pumping station in Minuwangoda Nalanda Boys School
- 2022
- That the actions should be taken to complete the projects within the contracted period
- The tube well is expected to be used soon after testing the water samples.
- Subsequent to water sample test, it had been identified as an unsuccessful project.

to provide drinking water, that money had been an useless expense.

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| 6 | The up stair of constructed building in the western agricultural equipment storage complex in Uruwala, which was built in the year 2020 at the expense of Rs.481,086 under the Sapirigamak project of the Mahara Divisional Secretariat could not be used for the intended purpose due to the non-fulfillment of works such as binding walls and plastering the upper floor and providing a handrail for the stairs. | 2023 | That the construction should be completed and put to productive use | the | The approved provision amount is not enough to complete the project completely. The estimated works have been completed under the approved amount of provision for the project. The relevant program was completed in the same year and provision was not made for the unfinished parts. | The recommendation had not been implemented. |
| 7 | Although an expenditure of Rs.290,478 has been incurred for the construction of 03 rooms for a Kirikitta Eastern Sewa Piyasa in the Mahara Divisional Secretariat in the year 2022, it had not been taken to the usable condition by installing the windows and doors. | 2023 | That the construction should be completed and put to productive use. | the | The estimated works have been completed under the approved amount of provision for the respective project | The recommendation had not been implemented. |

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| 8 | Rs.336,821 was spent out of the Rs.1,200,000 allocated for the construction of the multi-purpose building on the land near the playground of the 367, Nagoda Grama Niladhari Domain in Atthanagalla Divisional Secretariat under the Gama Smanga Pilisandarak 2022, and only 10 concrete pillars were built and it had been ceased midway. | 2023 | That the project should be completed within the contract period. | The value of the project is Rs.1,200,000. Rs.336, 821 has been paid for constructing the 10 concrete pillars which are the completed works. It is informed that, due to non-allocation of money in the second quarter, it is not possible to complete the remaining work. | The remaining work had not been completed due to non-receipt of the provisions. |
| 9 | The construction of the Dela North maternity clinic building and the library building in the Wattala Divisional Secretariat incurring Rs.491,091 and Rs.388,242 respectively from the provisions of Rs.500 000 received under the rural infrastructure development program of 2020 and the provisions of Rs.400 000 received under the decentralized budget program of 2021 was abandoned without completing the project after build | 2023 | That the funds should be applied immediately and the projects should be completed and ready for use. | The building was built up to the roof level with bricks laying foundations. Due to non-availability of funds, the work has suspended at present. Looking forward to getting the provisions and taking further action. | The recommendation had not been implemented. |

it only up to the roof level with brick laying the foundation of this building and therefore the amount spent had also become an idle expense.

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| 10 | Although more than 02 years had passed since the construction two-storey building in the land of the Bonegala domain owned by the Attanagalla Pradeshiya Sabha with a playground at a cost of Rs.2,925,000 to conduct training programs and use the Attanagalla Divisional Secretariat for jewelery and brass manufacturers under the Saubhagya Production Village Program 2021, it had not been taken into used. Also, it was not possible to obtain minimum infrastructure such as water and electricity. | 2023 | That the assets should be taken to usable condition and used effectively | Written submission was made to the regional coordination committee, and it is informed that, the Attanagalla Regional Coordination Committee has agreed to prepare the complete building with water electricity within a few months in response to that | As at 30 September 2024, the action had not been taken to supply water and electricity which are minimum infrastructure. |
| 11 | Attanagalla Divisional Secretariat had spent Rs.1,980,171 for the completion of work on the vocational | 2023 | That the project should be completed within the contract period. | Construction was done under the Rural Development Program 2017 and Sapiri Gama Program 2020. | As at 30 September 2024, the relevant construction activities of the fitness center had |

training center which was half completed under project No.ATT/RIDP/16/14 6/3/2017 under the "2020 Sapiri Gamak Programme".

Although the roof have been completed binding the walls of the physical wellness center and 03 adjacent rooms to that according to the design of the relevant multi-purpose building by July 2023, the related construction work has not been completed to a level that can be used and therefore the amount spent had been an idle expense.

Money has been not been allocated under the completed for provincial council utilization. program and decentralized budget program in this year also. Accordingly, the deficiencies are to be fixed. It will be expected to complete the relevant constructions and use effectively in the future.

3.8 District Secretariat - Hambantota

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	5,978,609,705	243,734,676	5,734,875,029	Qualified
2022	20,959,895,066	130,259,276	20,829,635,790	Qualified
2023	6,274,665,277	73,929,848	6,200,735,429	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	According to the approved estimate, although the road base should be laid with ABC at 100mm density, it had been laid at 90mm density. Accordingly, a sum of Rs. 4,112,657 had been paid to the contractors by preparing plans for the roads that had not been constructed in the prescribed standard in 07 divisional secretariats.	2021	Action should be taken in accordance with the estimates.	The measures taken had not been reported.	No recommendations had been implemented.
2	According to the records of the mining licensee, of Ambalantota Divisional Secretariat the total quantity of granite cubes quarried was	2021	Action should be taken in accordance with Paragraph 10(1) of the Extraordinary Gazette Notification No.	It had been informed that the future action will be taken as per the instructions of the Attorney General's Department.	The recommendations had not been implemented.

	173,586.2 cubes and the total amount of government charges of Rs. 173,586,200 to be recovered from the licensee under the Forest Ordinance had not been recovered. However, it was observed that an expert report should be obtained to identify the total quantity of granite cubes quarried by the licensee, and accordingly, the amount of government charges to be further recovered should be identified.		1600/18 dated 06 May 2009 issued under the Forest Ordinance.		
3	Without being 2021 complied with the conditions of the mining licence issued by the Geological Survey and Mines Bureau, the Hambantota District Secretariat had irregularly issued 27,100 electric detonators since 2011 under explosives permit		Action should be taken in accordance with the conditions specified in the mining licence issued under the Geological Survey and Mines Bureau.	It had not been reported about the action taken.	The recommendations had not been implemented.
4	Out of the loan of Rs.38,000,000 granted to 10 parties under the loan assisting scheme for	2022	Loans should be recovered within the prescribed timeline without delay.	The action had been taken to get legal action against the owners of rice mills having referred to Department of	The loans had not been recovered up to September 2024.

grating loans to the small and medium scale mill owners as per the Cabinet Memorandum No. 19/0549/101/030 dated 11 February 2019 to settle after a grace period of 06 months, a sum of Rs.22,638,517 remained outstanding as at 31 December of the year under review.

Criminal Investigation.

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| 5 | <p>The Construction of new Divisional Secretariat Building at Lunugamwehera, A construction contractor had offered a price of Rs.113,816,772 lower than the engineering estimate for the construction of the building and the Technical Evaluation Committee had rejected the bid on the ground that the company's bid security was not in standard. However, since it is not a sufficient reason to reject a bid in terms of Section 7.8(d) of the Government Procurement Guideline 2006 and although a request</p> | 2023 | <p>In accordance with the Government Procurement Guidelines, action should be taken to ensure that the desired objectives are met through the procurement process and the losses incurred should be recovered from the parties responsible for awarding the contract.</p> | <p>The measures had not been reported.</p> | <p>The loss had not been recovered.</p> |
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may be made to the bidder for clarification on the contents of the bids as per Section 7.9.2(g), without act accordingly, since the bid was rejected and it was offered to the company which the given the price of Rs.127,587,772 that 11.05 per cent higher than the engineering estimate and therefore it was observed that the government has incurred a loss of Rs.13,771,092.

6	When the 2023 Construction of new Divisional Secretariat Building in Angunakolapelessa - Phase II The Cabinet approval had been received to direct transfer under the price of Rs.224,616,800 offered by Central Engineering Services Private company with a price increase of 11.06 percent over the engineering estimate of Rs.202,233,895 to that company. However, although the Contract was	Action should be taken against the parties responsible for the transfer beyond the price increase limit recommended by the Cabinet without obtaining the approval of the Cabinet and the Procurement Committee.	No measures had been reported.	No action had been taken.
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awarded by the District Secretary to Central Engineering Services Pvt. Ltd. for Rs.76,604,246 with a price increase of 30.5 percent against the revised allocation of Rs.58,658,156, the recommendations of the Procurement Committees and the Cabinet had not been obtained.

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| 7 | According to 2023 paragraph 3.4(a) of the Government Procurement Guidelines 2006, although the shopping method can be used to small value, readily available goods, small value commodities for which specifications are standard, the price was called using the shopping method without calling for national competitive bidding in purchasing 118 water pumps worth Rs.5,265,824 by the Tissamaharama Divisional Secretariat and in the purchasing of goods worth Rs.63,787,698 for the Youth Agri- | The most suitable procurement method should be selected as per the instructions of the Government Procurement Guidelines 2006 while purchasing made for projects, and appropriate action should be taken against the officials who violated the guidelines. | It had been made aware to take future action by following the Procurement Guidelines. | The measures had not been taken against the officers who had violated the procurement guidelines having performed a formal inquiry |
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Entrepreneurship
pilot project by
District Secretariat in
the year 2022.

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| 8 | As per Addendum No.35 of the Government Procurement Guidelines dated 25 March 2020, although the authority limits for procurement of goods of the District and Divisional Procurement Committee are Rs.10 million and Rs.01 million respectively, the District Secretariat and the Divisional Secretariats of Lunugamwehera, Katuwana and Beliatta had purchased equipment worth Rs.72,079,992 on 22 occasions. | 2023 | Officers should act in accordance with the provisions of the Government Procurement Guidelines 2006. | The necessary instructions had been given to the subject officers to take action on these authority limits with more consideration by Lunugamvehera Divisional Secretariat. | It had been informed that only Lunugamvehera Divisional Secretariat had provided the necessary instructions to the subject officers and other institutions had not taken action. |
| 9 | A loss of Rs.1,871,829 had been occurred due to the selection of the institution which submitted the minimum third price without act in accordance with the provisions contained under paragraph 7.9.2(k) of the | 2023 | Officers should act in accordance with the provisions of the Government Procurement Guidelines 2006. | No action had been taken. | No action had been taken to recover the loss occurred due to taking action contrary to the procurement guidelines. |

Government Procurement Manual related to the paragraph 7.9.2 of Government Procurement Guidelines 2006 for cleaning Services at Magam Ruhunupura Administrative Complex for the Year 2023/2024 by rejecting the bid of the contractor who submitted the minimum price which was recommended by the Technical Evaluation Committee and the Deputy Labour Commissioner of the Southern Province.

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| 10 | <p>The machine purchased at a cost of Rs.769,000 under the Saubhagya Production Village Programme 2021 by Hambantota Divisional Secretariat for the Keliyapura Clay Based Industrialists' Society had withdrawn from use from July 2023 due to the specifications of the machine did not match the needs of the beneficiaries and repeated defects. As a</p> | 2023 | <p>The intended objectives of the project should be achieved.</p> | <p>Since the period of contract had expired, an estimate for repairs had been submitted by the supplier and the future action will be taken having discussed with the societies which engage in such industry.</p> | <p>The machine is not in operation. The objectives of the project had not been fulfilled.</p> |
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result, it was observed that the objectives of the project had not been met and that the amount of Rs.769,000 incurred for the machine was an idle expenditure.

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| 11 | <p>According to the paragraph 2.3.5 of the Circular No. DFD/2023-I of the Secretary to the Treasury dated 09 February 2023 relating to the government paddy purchasing and disposal of paddy stocks program in the 2022/2023 maha season, the 08 Divisional Secretariats had decided the moisture percentage of all paddy stocks at 22 percent instead of the actual moisture percentage of paddy stocks. Accordingly, as 12.5 percent out of every 100 Kg of wet paddy purchased, 1,292,623 Kg of paddy out of 10,340,983 Kg of paddy had been write off for moisture and the purchase value of the write off paddy</p> | 2023 | <p>Action should be taken in accordance with the circular instructions of the Secretary to the Treasury regarding the purchase of paddy.</p> | <p>No action had been taken.</p> | <p>Up to 30 September 2024, no formal action had been taken in relation to this write-off.</p> |
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was Rs.113,750,824.

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| 12 | Pensions amounting to Rs.3,407,938 out of the total amount of Rs.6,025,880 overpaid by 10 Divisional Secretariats to 29 pensioners were to be recovered by 31 December 2023. | 2023 | Overpayments should be recovered. | It had been informed to recover the over payment of pensions in divisional secretariats. | The overpayments had been recovered from 06 pensioners as at 31.07.2024. An amount of Rs.2,757,730 had to be recovered from remaining 23 pensioners. |
| 13 | Total water charges of Rs.1,905,190 as of 13 June 2023 for the period from 01 to 09 years for the water supplied from the main water supply of the district secretariat for 12 government houses built next to the Hambantota administrative complex had not been collected. | 2023 | Water charges should be charged as prescribed. | It had not been reported. | The water fees had not been charged even up to September 2024. |
| 14 | Although it has been almost 17 years passed from the Hambantota Divisional Secretariat allotted houses to 112 residents and land belonging to the Urban Development Authority to 07 people for the acquisition of land in the Hambantota | 2023 | A claim paper should be granted to the property. | It had not been reported. | Claim Papers had not been provided to the land owners up to September 2024. |

Commercial Zone, formal document had not been provided for claiming the property.

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| 15 | It was observed that the Government has also lost its revenue due to non-distribution of permits prepared for 35 applicants identified from Land Kachcheri in the years 2019, 2020, 2022 and 2023 of Tissamaharama Divisional Secretariat and 08 permits prepared on purchase price to permit holders by the date of 06 November 2023. | 2023 | Action should be taken to issue the permits issued to the respective permit holders. | The action will be taken to make aware the beneficiaries through Grama Niladhari to carry after carrying out relevant action in relation to land licenses and purchase price licenses. | The licenses prepared on purchase price had not been issued. |
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3.9 District Secretariat - Kalutara

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	3,484,342,608	467,133,878	3,017,208,730	Qualified
2022	3,228,190,024	345,324,668	2,882,865,356	Qualified
2023	3,324,642,778	205,871,887	3,118,770,891	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Although it has been reported to the treasury that there are outstanding bills in hand of Rs.4,810,840 to pay the contractor in relation to the tile working in the passage of the district secretariat, it was observed that the tile working was not done till 28 March 2022.	2021	Officials, who have approved, recommended and certified informal transactions should be conducted formal investigations and disciplinary measures should be taken to recover state funds if they have been misappropriated.	It is informed that this item has been included in the bills in hand report due to an omission of busyness of the officers.	The recommendations had not been implemented.
2	While the work on the contract for the preparation of the workstation in the new building of the Madurawala divisional secretariat had not been commenced and the project for the construction of the	2021	Officials, who have approved, recommended and certified informal transactions should be conducted formal investigations and disciplinary measures should be taken to recover	It has been informed that the opening of the new building of the Madurawala divisional secretariat was the activity of given priority. The implementation of the other 2 projects has been reported to	The recommendations had not been implemented.

- car park and the supply and installation of a generator for the motor traffic office had been canceled by the district secretary, it had been reported to the treasury that the outstanding bills in hand amounting to Rs.5,000,000, Rs.4,878,865 and Rs.3,602,880 are available to be paid for those projects.
- 3 Although the district secretariat had conducted an initial investigation on 01 may 2021 after disclosing a pension fraud of Rs.7,022,668 in the Mathugama divisional secretariat, the details of this pension fraud were not disclosed in the financial statements of the year under review. 2021 The internal control should be strengthened and that disciplinary action should be taken in accordance with the provisions of the Establishment Code regarding officials who misused money. It has been reported that the Department of Pensions is carrying out the disclosure of pension fraud in the financial statements. A disciplinary inquiry is being conducted by the Department of Pensions against the relevant officers.
- 4 The following matters related to the contract for the expansion of the second floor of the new building of the Mathugama divisional secretariat were observed. While the overall 2021 That the approval, recommendation and certification of all officers related to payments on documents containing unclear rates and inaccurate information should be approved. It had been reported that considering the future existence of the building, the new construction was started promptly and there was some delay due to shortage of raw materials, price The recommendations had not been implemented.

physical progress of the industry was less than 50 percent on 31 December 2021, vouchers of Rs.6,716,962 were prepared and Rs.2,000,025 were paid to the contractor on 31 December 2021 with indicating that 100 percent of the industry work was completed and another voucher was prepared for the remaining Rs.4,716,937 and it was reported to the treasury as a bill to be paid.

be conducted in accordance with the Establishment Code and disciplinary actions should be taken accordingly and the overpaid amount should be recovered. fluctuations and the construction was successfully completed by 2 June 2022.

- 5 Construction of a new building for the Madurawala Divisional Secretariat - The rest of the industry work was done under a total cost estimate of Rs.53,000,000 and there were no written requests of the relevant Divisional Secretaries and recommendations of the responsible officers for all the abandoned works, changes and additional works. A report of the completion of the 2022
- An independent investigation should be conducted and necessary action taken regarding the performance of this contract.
- items mentioned as "Provisional Sum" in these 54 work subjects and that they are the items to be paid after the measurements are taken after the completion of the work. That the late fee per day should be .05% of the contract value and that the same percentage has been recorded as .025% of the late error. In view of the covid pandemic situation in the country at this time, some
- It had been decided to neglect the other minor inefficiencies subject to obtaining "as build drawings" by conducting an inquiry through the Internal Auditor and the District Engineer. However, many of the audit observations had been accepted in this inquiry though, no action had been taken in that connection.

work related to the completion of the industry, plans provided by the contractor related to the change, plans provided after the completion of the work, a chartered electrical engineer's report related to the electrical equipment, warranty and guarantee certificates and the contractor's warranty certificate were not given to the audit.

Also 54 work subjects were abandoned in relation to the engineering estimate during the construction and the total value of those abandoned works was Rs.5,673,089. Also, the late fee per day that should be charged according to the agreement had been deducted by Rs.7,650 and the late penalty of Rs.3,650,016 had not been charged. Although the procurement committee had extended the time until 31 December 2021, due to the fact that a work plan had

delays were done due to bad weather from the day the tender was open to the day it was given to start.

not been submitted when the time extensions were made and also because the district engineering department had not prepared progress reports regarding the contracts at any time, the said contract period extensions could not be accepted in the audit.

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| 6 | An amount of Rs.1,367,250 had been spent on the incense stick production project which was implemented under the Prosperity Production Village Program of the Agalawatta Divisional secretariat and as the expected progress of the project, the production of incense stick of 8kg medicine by the beneficiary per day had been targeted. Accordingly, although one beneficiary should produce 224,000 incense sticks per month, even the almost a year had passed, anyone had not able to achieve | 2022 | Follow up should be done regarding the failure of project to achieve the desired objective and action should be taken against those responsible. | Steps have been taken to identify new beneficiaries and restart production activities. | Only some of the machines had been handed over to the new beneficiaries as per recommendation of the Divisional Secretariat. |
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the production target according to the progress reports submitted on 30 September 2022. According to the inspection conducted by the audit on 09 February 2023 and progress reports submitted, 16 of the 30 beneficiaries i.e. 53 percent had stopped incense stick production. The related project had failed due to the fact that more than 50 percent of the beneficiaries had stopped production due to difficulty in procuring raw materials, illness, difficulty in finding markets and lack of proper coordination, direction and control and, the progress of the beneficiaries who were currently active had not been at satisfactory level as expected.

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| 7 | Cash benefits of 2022 Rs.6,100,000 had been given to 61 beneficiaries for starting commercial ornamental fish farming projects under the Saubhgya | If the project has not reached the desired objective, follow-up should be done and action should be taken against those responsible. | Instructions were given to complete the work for 09 beneficiaries. Two beneficiaries had not acted according to the estimated plans, and the development | At present , 06 beneficiaries have failed to construct tanks and introduce fish whereas only two beneficiaries have repaid a sum of |
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Production Village Program of Ingiriya Divisional Secretariat and according to the project report, although it was stated that 50 percent of the incentive cash was paid after preparing the land for making fish tanks under the first phase, and the remaining Rs.50,000 cash would be released in placing fish after the tanks were prepared under the second phase, according to the report on physical progress prepared by the Planning Division of the Divisional Secretariat, although 27 beneficiaries had prepared fish tanks, the tanks had not been made to the level that can be place the fish and to start the project and the fish had also not been placed.

However, Rs.1,350,000 had been paid as Rs.50,000 per each beneficiary without meeting the required requirements and Rs.200,000 had been paid as Rs.100,000 per each

officers have been Rs. 115,000. informed regarding this. Actions have been taken to recover funds from one beneficiary.

for 02 beneficiaries without meeting the minimum requirements mentioned in the project. During the sample inspection carried out by the audit in the respective Grama Niladhari domains, all 17 beneficiaries who received full cash benefit had abandoned the fish tank construction at various levels without completing the relevant project and the relevant responsible officers had not focused their attention on this. As a result, the expected results of the project were not achieved and the goals of the project could not be achieved

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| 8 | According to the Paragraph 06 of the Public Administration Circular No. 02/2019 dated 30 May 2019 Due to that the information of the deceased pensioners was not updated on time and the list of pensioners was not updated, there was | 2023 | Should be act as per the circular | Instructions have been given to promptly recover the surcharge amount of deceased pensioners through banks, and officials have been informed to immediately record the relevant claims in the Surcharge Register. | Only a sum of Rs. 95,957 has been recovered thus far, and a sum of Rs. 517,115 remained further receivable. |
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irregularly overpaid on behalf of 18 deceased pensioners on 31 December 2023 in the Divisional Secretariat offices of Matugama, Beruwala, Dodangoda and Bulathsinhala and there was an amount of Rs. 613,072 to be recovered.

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| 9 | Although the District Secretariat has prepared an Action plan for the year under review, that was not included the detailed information that should be included as per Public Finance Circular No. 1/2014 dated 17 February 2014 and No. 02/2020 dated 28 August 2020 and it was not approved by the Chief Accounting Officer as per the circular. | 2023 | Should be act as per circulars. | Noted to inform the relevant officers to prepare and approve the Action plan in detail as per Public Finance Circular No. 01/2014 dated 17 February 2014 and No. 02/2020 dated 28 August 2020. | Action had not been taken as per the recommendations . |
| 10 | A food dehydrator and material pulverizer, which is not submitted the value to the audit and not used from 05 years after received to the Divisional secretariat from the | 2023 | After a proper feasibility study, project proposals that can be implemented practically should be selected and the existing deficiencies should | It has been decided to lease the building and machinery to a suitable selected manufacturer on a rental basis until the deficiencies in the building are resolved, ISO-like | Action has not been taken to achieve the goals. |

National Food Programme 2017 under the value addition project for Gotukola related products at an expenditure of Rs.8,723,174 under the Saubhagya village programme in Milleniya Divisional Secretariat, were also provided. Although obtaining quality certificates for the [products of the project is stated as one of the main objectives of the project, the products could not be presented to the foreign market as the local market due to that the physical requirements to be met had not been fulfilled and the quality certificate could not be obtained. A suitable manufacturing environment was not observed here to obtain those certificates in future. The production of this Gotukola related value added product project had been temporarily stopped now and accordingly, the Gotukola related

be completed and directed towards the desired objectives of the project. quality certifications are reissued to the members of the Saubhagya Society, and production is resumed.

value added product project that had been implemented had not been able to achieve the desired objectives.

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| 11 | <p>Although Bandaragama Divisional Secretariat has provided flower pot molds, roofing sheets and GI pipes worth Rs.6,492,054 to 72 beneficiaries to improve cement related products implemented under Saubhagya production village programme, the equipment worth Rs.1,312,475 which had been given to 14 beneficiaries was still underutilized by the audited date of 19 January 2024 according to the sample audit inspection conducted by the audit about 20 beneficiaries regarding the progress of the Saubhagya production villages programme that had been implemented. There was not regular monitoring of the materials and equipment provided</p> | 2023 | <p>The underutilized equipment should be identified and given to those interested and the responsible persons should be inquired about the underutilization of the equipment and necessary action should be taken.</p> | <p>A formal inspection of the currently distributed goods has been conducted, and written notifications and reminders have been issued to individuals who have sold or pawned the identified goods, instructing them to return the goods..</p> | <p>Legal action is being taken on misplaced items, and those measures had not been completed even by September 2024.</p> |
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for the personal use of the beneficiaries.

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| 12 | Machines and equipments worth Rs.2,762,677 were given to the beneficiaries without formal agreement under the production of organic fertilizers under the Saubhagya production village programme in Bulathsinhala Divisional Secretariat. There was no written evidence that there is a regular monitoring of whether the materials and equipment provided for the personal use of the beneficiaries are used for the relevant production industry and thereby improve the livelihood of the beneficiaries. In cases where high value production equipments are provided for the common use of the society, those equipments should be included in the stock register of the Divisional Secretariat and placed under the care of Saubhagya | 2023 | After a proper feasibility study, project proposals that can be implemented practically should be selected and the existing deficiencies should be completed and directed towards the desired objectives of the project. | The materials and equipment provided for the personal use of beneficiaries have been subjected to supervision by the relevant development officers to ensure they are utilized exclusively for the respective production industry and to assess whether they contribute to improving the beneficiaries' livelihoods. | Only one fertilizer production programme had been implemented even by 30 September 2024. |
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society, but such a system was not followed while providing equipments. During the inspection conducted by the audit regarding the current progress of the compost processing center, it was found that fertilizer production is not done in the organic fertilizer production building and only the manure brought from outside is being used using the machine provided for organic fertilizer, but it was also seen that the machine had not been used for a long time. Out of two cutting machines provided for the production of organic fertilizers, only one machine was found and that machine had not been used for a long time. The societies haven't records of compost production and any organic fertilizer production had not been made after August 2022. Accordingly, the organic fertilizer processing center

built and the provided equipment to the center have been underutilized for more than 01 ½ years.

- 13 Rs.6,016,447 had 2023 After a proper feasibility study, project proposals that can be implemented practically should be selected and the existing deficiencies should be completed and directed towards the desired objectives of the project.
- The crushing of cinnamon was temporarily stopped by the end of August 2023 as the bark of the cinnamon cannot be saved and because the fertilizer of cinnamon is very expensive, some cinnamon farmers have used cinnamon leaves for fertilizer. Therefore, the quantity of leaves received has decreased. It has been advised to obtain the desired quantity of leaves by the time of cutting cinnamon in future and to use an alternative method for the leaves used for fertilizer.
- Although plans had been prepared, a progress had not been indicated as per recommendations.
- Rs.6,016,447 had been spent for the improvement of cinnamon cultivation and by-products under the Saubhagya production village programme of the Madurawala Divisional Secretariat and it was revealed in the on-site inspection conducted by the audit that the cinnamon oil extraction work was started in July 2022 and only experiments were carried out and the responsibility of maintaining the cinnamon oil extraction center was assigned to a private party through an agreement with the Divisional Secretary from the date of 14 December 2022. Only 14.5 bottles of cinnamon oil were produced and only 3.5 bottles could be sold from then till the audited date. According to the

project report, there were up to 05 expected by-products related to cinnamon, but only 02 by-products are being done in small quantities according to the progress report of the respective project, but no one had referred to the other products till the audited date.

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| 14 | According to the information submitted to the audit, it was revealed that the overpaid amount for 35 pensioners in 08 Divisional Secretariat offices of Kalutara District was Rs.4,276,202 due to calculation errors, fraudulent activities or other matters | 2023 | Overpayments should be recovered immediately and disciplinary action should be taken against the responsible officers. | Instructions have been issued to promptly recover overpayments made due to erroneous reasons in accordance with Pension Circular 03/2022. Legal action has been initiated against those who fraudulently received pension payments. Additionally, officials have been directed to implement a comprehensive monitoring process to minimize fraud in the future. | Only a sum of Rs. 1,548,361 has been recovered, and a sum of Rs.2,727,841 remains further recoverable. . |
| 15 | Rs.24,075,000 which had been given to 16 beneficiaries who were sample tested | 2023 | Adequate monitoring and follow-up should be done to ensure | Efforts are underway to confirm that the ownership of the purchased lands and | Measures had not been taken as per recommendations . |

regarding the provisions given to the Divisional Secretariat through the Kalutara District Secretariat by the Ministry of Disaster Management for the construction of permanent houses who were fully damaged by the natural disasters in Kalutara district and identified by the National Building Research Organization as having to be removed due to high risks, the ownership of the land and the houses were not confirmed by the date of audit. Also, Rs.4,600,000 was paid to three beneficiaries of three (03) Divisional Secretariats under this, but action was not taken in this regard even though the land with houses bought by them with government funds were later sold to other parties. The land and houses purchased from Rs.9,500,000 paid to 06 beneficiaries in 03 Divisional Secretariats were not

that the money released to the beneficiaries is used for the purpose. As it is, action should be made to recover the money that has not been used for the relevant work. houses has been transferred to or registered under the names of the respective beneficiaries.

assigned to the name of beneficiaries.

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| 16 | 103 Societies were registered in 09 Divisional secretariats which were sample tested under the Grama Shakthi Janatha programme, which had been implemented at the Divisional Secretariat level in the years 2018 and 2019 under the head of President Office expenditure and as that 80 societies or 78 percent of them were inactive as at 31 December 2023, an amount of Rs.28,323,210 remaining in the bank accounts of those societies remained underutilized. Apart from this, out of the self-employment loans given to the active members of the societies on 05 Divisional Secretariats, Rs. 2,285,874 remained as inactive loans as at 31 December 2023. | 2023 | Action should be taken as per the circular instructions | Until action is taken to cancel the Associations through the Department of Registrar of Companies in terms of the Circular of the Director General of Development Bureau, instructions have been given that Government funds in the custody of non-functional Saubhagya Associations, be given to Associations remaining functional. | Using funds of the Associations, livelihood development programmes are conducted in terms of instructions of the Circular, but releasing funds of the non-functional Associations to the functional Associations, has not been completed. |
| 17 | According to the information submitted to the | 2023 | The usable buildings should be investigated and | Attention has been directed to utilize usable buildings for | Despite being instructed that the said buildings |

audit, 65 existing buildings in 09 Divisional Secretariats of Kalutara District as at 27 February 2024 are being decayed due to not being used for any useful purpose and 26 buildings out of those buildings are owned by the Divisional Secretary, 19 buildings among these buildings are at a level where they can be used for useful purposes after being repaired and modernized. The remaining 39 buildings are owned by other external government institutions and 29 buildings out of that are re-usable after repair or modernization.

taken necessary action.

productive purposes and to renovate and repurpose buildings that can be restored for beneficial activities. Instructions have been issued accordingly. should be used purposefully, they had not been fully utilized.

18 04 Divisional Secretariats that were not done sample audits were assigned 129 plots of land to be handed over to the local authorities and 10 plots of local land to be handed over from the local authorities in relation to 05 Divisional Secretariats.

2023 Land to be acquired and transferred should be done in timely.

Provincial councils have been informed to accurately identify lands that need to be transferred from and to local government institutions and to carry out the transfer and assignment processes accordingly. It was not observed that action had been taken in that connection thus far.

- 19 The Dodangoda 2023 Adequate Although notices The total
Divisional Secretariat monitoring and have been sent to the outstanding
had collect arrears of follow-up should defaulter and the amount including
Rs.1,620,000 and a be done regarding relevant company's fines, was
fine from a private the taxes to be board of directors to Rs.1,782,000.
company that had levied and the pay the outstanding Only instructions
been liquidated for a terms of the taxes, the had been
3.6 hectare land agreement and outstanding tax requested from
leased under a long necessary action amounts have not the Attorney
term lease and should be taken been paid to date. General and the
although a thermal against the officers Commissioner
power plant should who did not do so. General of Lands.
have been
constructed on the
said land within one
year from the
commencement date
of the lease according
to the terms of the
above long term lease
agreement dated 10
November 2006, it
was not act
accordingly, but the
Divisional Secretariat
was not followed up
on it at that time.
Later, private
company, which was
the lessee, had
transferred the land to
another company
without prior
approval of the Land
Commissioner
General, but the
Divisional Secretary
was not aware about
this.
- 20 Although there were 2023 Regularization of Mathugama
6766 plots of land in illegal land should Divisional
the 14 Divisional be done regularly. Secretariat has
lands had been

Secretariats in the beginning of the year under review, 11 Divisional Secretariats conducted 137 land surveys and regularized only 956 plots of unauthorized land in the year under review.

conducted 5 land surveys, Panadura Divisional Secretariat has conducted 1 land survey and Agalawatta Divisional Secretariat has conducted 5 land surveys as at 31 December 2023 and started land regularization activities and will continue to complete them in near future.

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| 21 | <p>Although a cheque worth Rs.1,710,759 was issued to the National Water Supply and Drainage Board on 30 January 2018 to implement a water project in the Beruwala Divisional Secretariat under the decentralized budget programme- special programme of the Rural infrastructure development 2017, the relevant project was not completed until 28 March 2022 for more than 04 years and the amount was kept in the account of the board and then an amount of Rs.223,142 was collected for taxes</p> | 2023 | <p>Reasons should be asked from the responsible officers regarding the non-implementation of the relevant projects and necessary actions should be taken</p> | <p>The amount of Rs.1,487,617 received from the Water Supply Board was only transferred to the government's revenue, after reducing VAT tax funds and other expenses.</p> | <p>Crediting the sum of Rs.1,487,617 to the Government revenue only had been done.</p> |
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and only Rs.1,487,617 was sent back to the Divisional Secretariat as the remaining amount and due to initial planning and monitoring inefficiencies, the amount of Rs.1,710,759, that was given priority for various projects by the government remained idle for almost 05 years due to non-implementation of the relevant projects.

3.10 District Secretariat - Kandy

	Total Assests	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	6,872,610,020	384,460,628	6,488,149,392	Qualified
2022	7,973,258,620	1,052,403,983	6,920,854,637	Qualified
2023	7,293,998,977	205,283,522	7,088,715,455	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	For the purpose of dehydrating and selling vanilla beans under the Vanilla Village Project implemented by the Divisional Secretariat of Ganga Ihala Korale, a vanilla dehydrator machine had been purchased spending Rs.852,200 and a building had been constructed at a cost of Rs.1,144,218 to install the machine. However, the vanilla growers who were inspected in December 2022 had reaped their harvest and sold the raw beans to external traders.	2022	Plans should be implemented to effectively implement the relevant projects	In an unavoidable circumstance like this one, action has been taken to go for alternative options to ensure productive utilization of funds incurred by the Government on the project.	The said machine and the general purpose building had been provided for a private institution at a monthly lease rent of Rs.10,000 as at 30 September 2024.

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| 2 | As per the letter from the Secretary of the Ministry of Public Administration and Home Affairs, bearing No. EST/8/ALLOW/03/121 dated 27 January 2014, although the rural-level development projects were not operational after April 2022, special allowances totaling Rs.2,084,000 had been disbursed to 20 officials at the District Secretariat and 17 Divisional Secretariats during the period from 01 April 2022 to 31 December 2023. | 2023 | Circular instructions should be followed. | Instructions have been given that provisions of Circulars should be followed. | No action has been taken as per Circulars instruction as the recommendation. |
| 3 | During an examination of a sample of 350 files related to land acquisition and transfer from 15 Divisional Secretariats, it was observed that although a time period of 3 to 40 years had passed since the opening of the files, the processes for land acquisition or transfer had not been completed. | 2023 | The issues that have arisen during the process of land transfer and acquisition should be identified and corrective actions taken to resolve them. | Instructions have been given that reasons for delay should be looked into, and the process should be expedited, thus, the progress thereof should be discussed at the meeting of the district audit and management committee. | The recommendation had not been implemented. |

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| 4 | <p>In the Kandy District, 1,845 families had been identified by 20 Divisional Secretariats as living in extremely risk conditions, and it was observed that 1,386 families continued to reside in high-risk areas by 31 December 2023.</p> | 2023 | <p>It is essential to identify the issues that arise during resettlement and take measures to provide solutions to these problems, thereby preventing risks to individuals' lives.</p> | <p>Discussions have been held with the Buildings Research Organization, and instructions have been given that, after conducting survey again, alternative options should be looked into.</p> | <p>The recommendation had not been implemented.</p> |
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3.11 District Secretariat - Kegalle

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	1,594,932,529	327,747,388	1,267,185,141	Qualified
2022	1,701,418,844	246,101,954	1,455,316,890	Qualified
2023	2,105,476,624	129,511,372	1,975,965,252	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Due to court injunction on 31 August 2015, as the issues regarding the ownership of the construction site of the warakapola bus stand and shopping mall construction project which had started in October 2014 at an estimate of Rs.48,942,000 under the provisions of the ministry of Economic Development, the construction work of the project was stopped after the completed work worth Rs.15,189,389.	2021	Projects should be planned as get the benefits from the amount of money spent.	It is intended to execute instructions given by the Attorney General's Department in due course.	The project had not been completed even by September 2024.
2	115 out of the 130 Grama shakti societies that had	2022	Need to be properly planned and utilized	Despite being requested from the Saubhagya	The recommendation had not been

been established in kegalle district under the grama shakthi peoples business introduced in year 2017 to eradicate poverty were inactive as at 31 December 2022. An amount of Rs.57,605,311 in the accounts of the Grama shakthi mother Society and the accounts under the microfinance programme remained idle as at 31 December 2022 without being used for the intended purpose.

Development Bureau, the relevant registration had not been cancelled by Samagam Madura, hence restructuring the Associations can not be done. Several Associations of Grama Shakthi Janatha business is functioning in the district at present. In order to solve this issue existing at national level, a Cabinet Memorandum had been presented by the Saubhagya Development Bureau, thus action is being taken to solve the issue. implemented.

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| 3 | An amount of Rs.150,505,800 had been paid for resettlement of 154 families affected by the landslide risk in kegalle district in year 2016. However, the success of the resettlement project was problematic due to the fact that settling in the same risky house, not completing the house work according to the paid amount, selling | 2022 | A proper study should be done in this regard and appropriate decisions should be taken. | This resettlement project has been suspended, and it is not possible to make payments further. Nevertheless, it is informed that necessary action will be taken after informing the Line Ministry with respect to any unfavorable situation for the safety of the people. | The dues had not been paid even up to 30 September 2024. |
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the purchased land and the completed house, and not starting the work even though the money had been given. Similarly, an amount of Rs.393,161,033 due from the year 2016 to the year 2021 for the resettlement of those families because of these landslides had not been paid until 31 December 2022.

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| 4 | Although more than 05 years had passed since crediting Rs.9,303,465 received by 11 Divisional Secretariats for land acquisition to the deposit account, the acquisitions had not been completed. | 2023 | Land acquisition activities should be completed expeditiously. | Due to reasons such as, cases had been filed at courts and such cases had not been concluded, and vouchers had not been presented, settlement of those deposits had been delayed. Action will be taken for expeditious settlement. | Not settled even up to September 2024. |
| 5 | A sum of Rs.156,315,710 paid by Samurdhi Banks in 04 Divisional Secretariats for miscellaneous purposes on the basis of reimbursement, has not been reimbursed thus far. | 2023 | Reimbursement should be done expeditiously. | The Divineguma Development Department and Samurdhi Authority had been requested, and only a sum of Rs.33,624,628 has been granted. | A sum of Rs.122,691,082 remained to be further reimbursed as at 30 June 2024. |

6	A sum of Rs. 61,029,229 had been spent on the construction of Kegalle City University. However, all construction was subsequently abandoned while still incomplete	2023	Assets should not remain unused.	The University was planned to be established in Kegalle district as a pilot project in accordance with Government policies of the year 2022. However, following a decision taken by the relevant Ministry, the construction had been abandoned halfway.	Constrictions of the building had been abandoned.
7	For the construction of new district secretariat building, a sum of Rs.243,993,402 had been spent from 2011 to 2023. However, the progress of the construction stood at 88 per cent, and the expected target could not be achieved as yet.	2023	Assets should not remain unused.	The State Engineering Corporation has been informed to commence constructions soon after receipt of the revised estimate with recommendations of the consultancy firm. It is scheduled to hand over the building to the District Secretary within this year itself.	The asset had not been made use of even by September 2024.
8	Out of the 130 societies established in the district under the Grama Shakti microfinance loan programme, 119 societies were inactive as of December 2023. It is	2023	Arrangements should be made to activate the inactive societies and the dormant accounts.	The Divisional Secretaries have been informed to make use of funds of the credit programme. The Cabinet Paper on the utilization of funds of the micro	Instructions have been given to the Divisional Secretaries to implement the programmes, but the programmes had not been implemented.

observed that the programme has failed due to the idle balance of Rs.60,004,996 in the microfinance account and in the accounts of all active and inactive societies.

finance credit programme has been drafted by the Saubhagya Development Bureau, and forwarded to the Samagam Medura to raise any objections if any. The programme will become successful in due course through the utilization of those funds remaining dormant in the accounts of non-functional associations.

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| 9 | Although there were 107 Grama Niladharees' Offices on lands owned by the Government within the district, the ownership of those lands had not been taken over. | 2023 | Ownership of the lands should be taken over. | All the Divisional Secretaries have been instructed, and action had been taken in the year 2024 to account for the values of Grama Niladhari offices belonging to the Divisional Secretariats of Kegalle and Deraniyagala. | Although all the Divisional Secretaries had been given instructions, all of the lands had not been taken over. |
| 10 | Since the construction of water project started in Deewela Division of Kegalle during the year 2018 had been abandoned, the water tank constructed at a | 2023 | Assets should not remain unused. | An estimate had been prepared by the Divisional Secretariat, Aranayake including pump houses, three phase electricity and | Not completed even up to September 2024. |

cost of Rs.1,733,622 for the project remained unused.

installation of pumps in view of continuing the project in case of inadequacy of water from Asu Pini Ella project.

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| 11 | For the rental house provided to the Assistant Divisional Secretary of Ruwanwella, a sum of Rs.264,272, or 10 percent of his salary, had not been recovered contrary to Sub-section 5.3.1 of Chapter XIX of the Establishments Code, and it had also not been disclosed in the accounts. | 2023 | Action should be taken in accordance with the Establishments Code | Action shall be taken in due course for the recovery under approval of the Secretary to the Ministry. | The recommendations had not been implemented. |
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3.12 District Secretariat - Kilinochchi

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	1,374,381,444	31,028,210	1,343,353,234	Qualified
2022	1,374,121,186	10,513,831	1,363,607,355	Qualified
2023	1,373,014,684	7,508,012	1,365,506,672	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Contrary to Section 19(2) of Chapter 464 of the Land Development Act, 702 land permits issued during the year 2014 were kept at the Karachi Divisional Secretariat without being handed over to the respective beneficiaries till March 2022.	2021	It should be done according to the Act.	They are informed through the Grama Niladari and the permits are being issued.	Action should be taken to provide 316 licenses to the relevant beneficiaries, and action is being taken to suspend 100 licenses.
2	Buildings and equipment amounting to Rs.13,475,211 provided under the production cooperative project have been idle for more than 03 years.	2021	Assets should not be left unused.	Although it was answered that all the equipment provided are in good use except in one cooperative society, it was confirmed during the physical inspection that all those equipment are unused.	The equipment had not been utilized even up to 30 September 2024.

3	02 Divisional Secretariat bungalows worth Rs.21,552,983 were lying idle for more than a year.	2021	Measures should be taken to ensure that assets are not left idle.	Improvements in 02 bungalows are not possible due to current price hikes. But action will be taken to use immediately.	The relevant two bungalows had not been used even up to 30 September 2024.
4	In the year under review, appropriate action had not been taken in terms of Financial Regulation 103(1) of Financial Regulation of the Democratic Socialist Republic of Sri Lanka regarding the loss of 09 categories of items amounted Rs.0.246 million stolen in a Divisional Secretariat.	2022	Action should be taken in terms of Financial Regulation.	A complaint has been lodged with the police and further action is being taken.	Action had not been taken in terms of the Financial Regulations.
5	According to the Saubagya Production Village Programme, the market complex constructed by the Karachi Divisional Secretariat at a cost of Rs.03 million in the year 2021 had been abandoned since last year without being opened to the public to be used for the relevant purposes.	2022	Expedite action should be taken to open and put to use public once it is constructed and ready for use.	Actions will be taken to operate.	It had not been given for the utilization of the Public.
6	The value of 20lands belonging to the District Secretariat and 04Divisional	2023	Urgent measures should be taken to ensure legal ownership of	That an official committee will be established in relation to the land	Action has not been taken to obtain or take over ownership.

	Secretariats was stated in the financial statement of the year under review as Rs.334,395,000, but there were no legal documents proving the ownership of 13 lands worth Rs.202,870,000.		land.		where the land transfer work has not been completed in the district secretariat and the divisional secretariat, and the accurate information collected will be provided promptly and completed.	
7	In the year under review, 132 land title deeds were kept in the Kandavalai Divisional Secretariat without being given to the people in accordance with the provisions of the relevant Ordinance.	2023	Actions should be taken as per the Act and provide the title deeds to the relevant persons promptly.		Actions are being taken to provide land title deeds to the relevant persons.	The relevant action has not yet been completed.
8	The Karachi Divisional Secretariat had not taken steps to recover the sum of Rs.3,129,750 in annual arrears and penalty charges for the period from 2005 to 2023 for the leased lands.	2023	Actions should be taken as per the circular and collect the arrears of tax.		That the steps have been taken to recover the money.	The arrears amounts had not been recovered.
9	District Secretariat had spent Rs.62.64 million on purchasing machinery, renovating buildings and establishing production centers for jaggery production	2023	A formal program should be prepared and implemented to activate the relevant projects.		The operations were not carried out due to reasons such as insufficient daily receipt of raw materials, high production costs, lack of market	Effective steps had not been taken to implement the relevant projects.

and packaging of thelitta, frog packaging, fruit and vegetable processing, papadum production, coconut oil production and packaging, compost production, drumstick leaf powder production from various ministries and program financial allocation and handed over to 04 Cooperative Societies and 02 Rural Development Societies in the years 2018 and 2019, but they remained unused for more than 05 years.

opportunities, lack of three-phase electricity, and insufficient space in the building where the production process and machinery were installed.

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| 10 | The Pacchilaipalli Divisional Secretariat has identified the people who have no house to live in and it has been observed that in the 55 houses built at a cost of Rs.31,590,000, the people have not lived there for a period of 01 to 04 years and the jungles around those houses have grown idle. | 2023 | After a re-examination directed to take policy decisions, the benefits should be arranged to provide housing to the needy people. | 55houses of the permanent houses provided by the government included those who went for medical treatment, lived alone without a partner, and went abroad for further education. That they will come back and settle down. | Those houses have not yet been utilized. |
| 11 | There was shortfall of 200 books when comparing cash | 2023 | This subject should be reported to the | No authority has been delegated to the District | The recommendations had not been |

<p>receipts printed book balance and physical book balance of Kandavalai Samurdhi Bank. According to paragraph 3.6 of Samurdhi Bank Society Manual 12, although a total of Rs.5,000,000 should have been charged at Rs.25,000 per book in respect of loss of cash receipts from Samurdhi Manager and related parties, but it was not done accordingly.</p>	<p>authorized officer and a formal investigation should be conducted and steps should be taken to deal with the rules and regulations.</p>	<p>Secretariat regarding this matter. That the due to this, it is not appropriate for the district secretary's office to provide an audit answer to this matter.</p>	<p>implemented until 30 September 2024.</p>
<p>12 It was observed that 315 officers were continuously performing their duties in the same workplace without being transferred for more than 05 years in the District Secretariat and 04 Divisional Secretariat without proceeding in accordance with the State Administrative Circular No. 18/2001 dated 22 August 2001.</p>	<p>2023 Action should be taken as per the circular.</p>	<p>That the measures are being taken to transfer considering the service period.</p>	<p>Steps had not been taken to act in accordance with the circular.</p>

3.13 District Secretariat - Kurunagala

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	4,751,615,349	769,850,291	3,981,765,058	Unqualified
2022	4,782,087,167	535,005,154	4,247,082,013	Qualified
2023	4,907,454,850	266,123,702	4,641,331,148	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Although Rs.1,979,418 and Rs.3,959,328 respectively were spent in the year 2020 to complete the remaining works of the Ambanpola Water Project and No.425 Katupota Unit 03 Irrigation Projects implemented by the Ibbagamuwa Divisional Secretariat in the year 2013, due to the facts that the laying of water pipes from the water source to the tank had not been completed, the piping system had not been prepared to carry water from the water tank to the consumers, and electricity had not been obtained, the	2023	Projects should be executed in a manner that effectively achieve the objective and obtain the desired benefits.	That the Department of Community Water Supply is ready to carry out further activities of this project.	The projects are remaining in an unfinished state.

amount spent had become useless due to the non-implementation of the projects.

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| 2 | The construction of affiliated buildings for the post office and co-operative society, to the Monnekulama Seva Piyasa, located in the Kotawehera Divisional Secretariat Division, had been constructed at an estimated cost of Rs.1,000,000. However, after incurring a sum of Rs.970,000, only the concrete structure had been constructed, even after lapsed of about one years. As a result, surrounding area of the building was covered by wild and the wires used for concrete structure was decaying. | 2022 | Construction Projects should be effectively implemented so as to achieve the objectives. | According to the consent Given by the Nikaweratiya Multi-Purpose Cooperative Society at the Rural Committee meeting, necessary action has been taken to complete the integrated construction works. | The construction remains incomplete. |
| 3 | Although the National Water Supply and Drainage Board was paid money in year 2014 for the plumbing extension project from Gonnawa bridge on Wariyapola Kalugamuwa road to Bamunakotuwa | 2023 | The projects should be planned in a systematic manner after thorough study and executed in such a way that the desired benefits can be achieved economically, | The Water Supply Board was informed that a contract was being prepared for the purchase of plumbing to fill the existing deficiencies when continuously ask about the progress.

That the necessary | The project has not been completed. |

<p>junction on the provision of Rs.4,746,457 and the water pipe extension project from Bamunakotta junction to Thimmagama implemented on the allocation of Rs.9,627,428 from the Ministry of Economic Development in the year 2014, the amount of Rs.14,373,885 spent had been idle due to the people could not take water from both these projects for nearly 10 years.</p>	<p>efficiently and effectively.</p>	<p>actions have been taken to obtain permission from the Road Development Authority for the extension of the plumbing from Bamunakotuwa Junction to Thimmagama.</p>
<p>4 A provision of Rs.1,990,000 was allocated for the Vadugedera Water Project in the Vadugedera Grama Niladhari Domain of Kuliypitiya (West) Divisional Secretariat Division under the Palath Neguma Development Programme in the year 2014 and, Rs.381,998 had been paid by the relevant contractor institution to the Co-operative Society for carrying out the construction</p>	<p>2023 The project should be completed as planned and actions should be taken to provide the benefits of the projects to the relevant beneficiaries as beneficial.</p>	<p>An amount of Rs.381,997 for the project which was started in 2014 was continuation for the year 2015 and, the Pradeshiya Sabha has agreed to complete the remaining works of the project with the help of the Pradeshiya Sabha general funds once the development works are recommenced.</p> <p>The recommendations have not been implemented.</p>

work and, an amount of Rs.1,589,208 was further to be paid to the relevant institution. Due to not providing electric connection and water motors even after 08 years of construction work, about 150 families suffering from water scarcity faced severe hardships, and the amount spent on the project was idle.

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| 5 | The protective embankment constructed by repairing the canal on the borders of Thelambugalla School Playground at a cost of Rs.960,874 under the Gama Samamaga Pilisandarak in the Rideegama Divisional Secretariat, 20 Million Programme in year 2022 had been completely washed away and due to this, the money spent had been an idle expenditure. | 2023 | Projects should be completed in such a way that they can achieve the desired benefits. | The School Development Society has been instructed to restore the embankment and the retention money has not yet been paid. | The safety wall has not been rebuilt. |
| 6 | While 4,744 temporary houses, 6,596 encroachments, 3,908 un-electrified | 2022
2023 | Projects should be planned and implemented effectively as a | Construction programme will be implemented to improve the relevant | Although projects have been implemented, a sufficient number |

houses, 17,372
 unsecured wells,
 33,513 semi-
 permanent houses,
 3,818 toilets, 7,654
 houses without
 toilets, 4,505 families
 who did not have a
 residence were
 existed according to
 the resource profile
 of the 30 Divisional
 Secretariats in
 Kurunegala district,
 attention had not
 been given to utilized
 the provision by
 making proposals as
 receive solution to
 these problem in
 implementing
 development projects
 within the district.

solution to the facilities.
 problems in the
 district.

of projects have
 not been
 implemented.

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| 7 | A part of the land, extend of 49.6122 hectares (124.0305 acres) situated at the Kalaoya Island in Track 4 of the Jayanthipura Grama Niladari Division come under the Giribawa Divisional Secretariat Division, had been illegally encroached by 07 individuals and one Monk, Further, the Forest conservation Department had decided to nominate that land as a | 2022 | Actions should be taken against the unauthorized encroachers. | 07 legal cases had been filed against the 07 persons. Until finalize the legal cases, taking of actions thereon had been postponed. | The legal proceedings have not been completed. |
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conserved land and even conducted a survey thereon, no any action had been taken relating to the issue.

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| 8 | <p>The maternity clinic building in the sandagala Grama Niladari Division in the Giribawa Divisional Secretariat had been constructed by the Ministry of Economic Development incurring a sum of Rs.1,150,000 and providing the furniture and equipment too. However, without being utilized the maternity clinic it had been abandoned.</p> | 2022 | <p>Proper action should be taken relating to the assets in idle.</p> | <p>There is another clinic nearby the Sandagala clinic about a distance of 4 km at Solewewa. Hence, the clinic has been used as a weight measuring Centre.</p> | <p>The construction was underutilized.</p> |
| 9 | <p>Even though the Kurunegala urban council had made a request to undertake 26 high valued properties situated in the Kurunegala Divisional Secretariat Division, those properties had not been formally transferred. That request had been made really based on the commercial purposes. Although</p> | 2021
2022 | <p>When transfer the valuable properties belong to the Government, it should be property selected and transferer only the transferable properties to other parties.</p> | <p>Action to be taken transfer only the transferable properties to the Kurunegala Urban Council. On the other hand, the other properties going to be given on long term basis, because there are possibilities to do so.</p> | <p>The recommendations have not been implemented.</p> |

the Government Could have been given those properties on long term lease basis in order to generate income to the Government, attention had not been drawn in that regard.

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| 10 | <p>The Koskelaya land, No 54 of Dikwehera village, plan No.47/19/1 ශ්‍රී.පී.ක 1326 of Walgamapaththuwa Korale, 1201 Wedanda Grama Niladhari Division in the Bamunakotuwa Divisional Secretariat Division, had been leased to a private company by the entrusted person of the land, to construct a communication Tower in the year 2009. However, the Divisional Secretary had not taken action to repossessed the land as per the Land Commissioner General's circular No 2007/3(iii) dated 16 July 2018. As a result, a computed loss of Rs.1,015,000 had been incurred by the Government.</p> | <p>2021
2022</p> | <p>The loss incurred by the Government should be recovered from the respective parties.</p> | <p>Action had been taken to lease the communication Tower constructed land portion to the respective Private Company and to repossess the entire land to the Government.</p> | <p>The recommendations have not been implemented.</p> |
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- 11 A sum of 2021 Action should be In the current The
 Rs.10,574,971 had 2022 taken to control situation, the recommendations
 been incurred to pay the elephant leadership for have not been
 the compensations for conflicts when implementing the implemented
 damages caused, due to complects between development projects are
 to complects between human and elephants, for properties, lives and injuries, during the last 03 years in 03 Divisional secretariat Divisions. However, attention had not been drawn to implement the development projects which are helped to minimize the complects between human and elephants.
- projects.
- projects are entrusted to the political Authorities. As well, a sufficient provision had not been allocated for the projects. As the result, this situation had been created. However, some actions have been taken to control the elephant conflicts.

3.14 District Secretariat – Mathara

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,777,521,508	442,095,110	2,335,426,398	Qualified
2022	3,114,183,397	294,173,158	2,820,010,239	Qualified
2023	3,126,992,902	199,279,597	2,927,713,305	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Regarding the balances related to 290 deposits which exceeded 02 years totaling Rs. 69,576,920, the Financial Regulations 571 had not been followed. Out of which 22 deposits amounting to Rs. 8,110,371 had exceeded 05years.	2021	Should be act in accordance with Financial Regulations.	It was informed that it was not possible to settle these deposits due to insufficient funds, project-related audit queries, non-submission of vouchers due to deficiencies in files.	Out of the deposits, 17 deposit balances amounting to Rs. 3,821,418 are still to be settled.
2	Kottagoda mackerel and dried fish products industry building construction which had been approved Rs. 6,000,000 had been contracted with 2 rural development societies on 16 December 2021 to complete this project under 2 phases. Only	2021	Action should be made to complete these activities promptly and make them usable for the people.	It was informed that due to the lack of construction materials in the market due to the crisis situation in the country, the lack of time and no approval has been received for the year 2022 as an undivided project.	The construction had not been completed even by 30 September 2024.

24 concrete pillars had been erected to the foundation of the building until the audit physical inspection on 23 February 2022 and it was observed that the wires used for the poles were corroded. No agreements had been made to extend the date for the completion of the contract at the time of the audit.

- 3 Although the quarry operated on the government land called Eranavilahena in the domain of Grama Niladhari 368 B Dola Mawatha in Akuressa Divisional Secretariat had been operated for almost three months without any license or permit, the attention of the responsible officials was not drawn.
- 2021 The attention of the responsible officials should be drawn in this regard and the relevant parties should be informed about this and proper measures should be implemented.
- It has been informed that the Bureau of Geological Surveys and Mines and the Central Environmental Authority can take legal action on this matter.
- The responsible institutions have not taken formal action in this regard, and the quarry remains inactive until this moment.

The Geological Survey and Mines Bureau had not obtained the industrial mining license, the environmental protection license from the Central Environment Authority and the

explosives permit issued by the district explosives controller had not been obtained for the granite mining activities by June 2022, which was audited. At the time of the audit, it was observed that granite stone had been excavated at that location and it was observed that there was a stone grinding machine, 02 excavator machines and a compressor machine and the stone mill was also in working condition.

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| 4 | <p>The 03 playgrounds were developed at a total cost of Rs.4,286,251 in Dikwella, Athuraliya and Welipitiya Divisional Secretariats under the rural playground development project implemented by the State Ministry of Rural and School Sports and Infrastructure Promotion and the playgrounds remained idle without being used for the purpose.</p> | 2023 | <p>The objectives of the project should be fulfilled.</p> | <p>It has become a problem to fulfill the objectives of this playground due to lack of drinking water, toilet facilities, place to change clothes and not enough space to play volleyball and cricket.</p> | <p>All the 03 playgrounds are not being used for their intended purposes.</p> |
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- 5 Kumbalgama 2023 The desired The industry has only one Rathumati related objectives should been temporarily beneficiary, out production village be achieved by the stopped due to the of the 19 was established in the project. difficulty in finding beneficiaries, is Weligama Divisional the raw materials engaged in Secretariat area of and the materials pottery in the authority and given to constructed area. although the beneficiaries for the construction of the construction materials worth Rs.1,425,000 had been given to 19 beneficiaries as Rs.75,000 per one beneficiary, the beneficiaries had not used the materials for the intended purpose during the physical inspection.
- 6 The 611 items of 2023 Follow-up should That the follow-up 13 beneficiaries equipment valued at Rs.5,566,376 given to 83 beneficiaries in the Grama Niladhari domains of 03 Divisional Secretariats of Athuraliya, Mulatiyana and Tihagoda for development projects related to batik production, cinnamon baling and reeds, respectively remained idle without being used for the related tasks. Also, chemical dyes worth Rs.524,480 purchased by the Athuraliya Divisional industry.
- Should be encouraged to enter to batik industry.
- That the follow-up will be done to avoid these situations in the future
- 13 beneficiaries are being engaged in batik production.
- Since 18 cinnamon baling machines are not being used, requests have been made to provide them to beneficiaries engaged in that industry in the division.
- The building constructed to carry out reed-related products lacks water supply, electricity and toilets, and

- Secretariat for batik production had expired without being used for production. the purchased equipment is underutilized.
- 7 Land Kachcheri had not been held in 22 Grama Niladhari domains of Pasgoda Divisional Secretariat area of authority in the last 04 years according to the Circular No.2008/04 dated 20 August 2008 of Land Commissioner in order to legalize land and action had not been taken to prepare long-term leases for 10 residents in relation to 1070 perches during the last 03 years. 2023 Action should be taken to charge rent by preparing long-term leases as soon as possible. That the transfers will be made after approval from the relevant institutions. Transfers had not been made until September 2024.
- 8 Although 79 residents of Kirinda Puhulwella, Kamburupitiya, Malimbada Divisional Secretariat Divisions were illegally encroached on government lands, action had not been taken to legalize them in the last 2 years to 16 years. 2023 Approval should be obtained immediately and the vesting should be completed. That the transfer will be done after approval from the Land Commissioner. It had not been formalized until September 2024.
- 9 A closed school in a Grama Niladhari domain belonging to 2023 The relevant building should be used for a suitable Due to the problematic situation in the country, it is It had not been utilized properly up to September

Mullatiyana Divisional Secretariat was renovated and the equipment was purchased at a cost of Rs.6,905,652 to conduct training courses for cinnamon production in that school. As the government runs a cinnamon research institute in a nearby place, this building and equipment were underutilized.

purpose.

not possible to 2024. conduct the training courses as expected due to reasons such as non-availability of provisions and the existence of a training center in Palolpitiya.

- 10 Although a Sewa Piyasa was built incurring Rs.2,903,630 without taking over the land of 8.78 perches in Batuvita I Grama Niladhari Domain of Thihagoda Divisional Secretariat for the infrastructure development under the Saubhagya Production Village Program to the government, the purpose of infrastructure development had not been fulfilled due to land was not taken over to the government.
- 2023 Land acquisition should be expedited.
- That the acquisitions have not been made.
- The recommendation had not been implemented.

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| 11 | Due to Samurdhi Development Officers working in two Grama Niladhari Domains not updating the list of Samurdhiholders, Rs.1,264,610 had been overpaid as Samurdhi subsidy to the monks who did not work in a temple and pirivena from 1995 to 21 March 2016. | 2023 | The overpaid amount should be recovered immediately. | That a preliminary investigation will be conducted and the money will be recovered. | The recommendation had not been implemented. |
| 12 | Although Rs.11,816,497 had been spent for the construction and repair of the official quarter of Welipitiya Divisional Secretary between the year 2007 and the year 2022, the said official quarter remained idle for the last 16 years without any use. | 2023 | Emphasis should be placed on using government funds economically for essential expenses. | That no one has settled in the official quarter. | Anyone had not settled in the official residence until September 2024. |
| 13 | Although a scheduled house belongs to the Dikwella Divisional Secretariat was repaired in the year 2022 at a cost of Rs.722,975 and even though 15 months had passed, the official quarter remained underutilized. Rs.300,000 had been | 2023 | Government money should not be spent on a private rented house when there is a government house reserved for officers. | That no officer willing to live in this official quarter. | Anyone had not settled in the official residence until September 2024. |

paid as official quarter allowance during the above period when the Assistant Divisional Secretary was living in a private house on rental basis.

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| 14 | A land plot of 20 perches in the Welihengoda Kuttiya land belonging to the government in Gathara Grama Niladhari domain of Kamburupitiya Divisional Secretariat Division in the year 2004, and 0.0365 hectares of land plot belonging to the government in Vitiyala East Grama Niladhari domain had been encroached by a telephone company and constructed transmission towers. Action had not been taken regarding the unauthorized construction and rent had not been collected from the concerned relevant until 24 November 2023 which was the date of audit. | 2023 | Immediate action should be taken to collect the arrears rent from the relevant company. | That an inquiry letter was sent to the Land Commissioner General regarding the non-compliance with the Act regarding encroachment and that the telephone company was informed to pay taxes based on the estimate obtained by the committee headed by the Assistant Divisional Secretary. | The relevant company has been informed to pay tax, and tax had not been collected until September 2024. |
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3.15 District Secretariat - Matale

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,794,480,115	139,165,309	2,655,314,806	Qualified
2022	2,789,816,872	87,156,688	2,702,660,184	Qualified
2023	2,922,165,391	71,750,180	2,850,415,211	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	In the acquisition of land for the North-West Canal project, the value of a land plot in the Danduyaya Grama Niladhari Division in Galewela Divisional Secretariat Division, has been initially assessed as paddy land by the Provincial Chief Valuer and a development value of Rs.91,000 was decided as compensation, but Rs.2,905,800 has been paid at last by changing assessment value in several occasions, but basis for the payment couldn't be verified during the Audit.	2021	After formal investigation, if overpayment is made it should be recovered from the responsible party.	Conducting an investigation by the Ministry of Lands.	An investigation report has not been submitted even by 30 September 2024.

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| 2 | Although Rs.5,975,482 had been spent for the construction of 06 building projects and a playground in the Matale Divisional Secretariat from 2012 to the year under review, due to the presence of further works to be completed, the construction projects could not be used. As a result, the amount spent for it had become an idle expenditure. | 2021 | Balance work in the Projects should be completed and utilized | Taking steps to utilize 03 projects. | Two (02) Kovil rehabilitations and a playground remained underutilized even by 30 September 2024. |
| 3 | According to the agreement related to the construction of the two-storied building of Self-Employment Center in Moragolla Grama Niladhari Division of Galewela Divisional Secretariat, the work had to be completed by December 30 of the previous year, but the work has not been completed by November 22 of the year under review. | 2021 | The building should be completed and utilized | A proposal has been made by the Pradeshiya Sabha regarding the construction and maintenance. | It had not been utilized even by 30 September 2024. |
| 4 | Construction materials worth of Rs.1,000,000 had been given to 10 beneficiaries for the | 2021 | The construction should be completed and the desired benefits should be gained | Action is being taken to direct 03 new beneficiaries to organic fertilizer production. | Three (03) producers have ceased production activities by 30 |

- production of organic fertilizers under the project of empowering organic manure producers in Ukuwela Divisional Secretariat in relation to the Saubhagya Production Village Project. But by January 26, 2022, the related constructions had not been completed and the organic fertilizer production had not been started. September 2024.
- 5 Although an expenditure of Rs.2,608,000 had been incurred as at 07 April 2022, due to the existence of further work to be done, the building of Ratthota, Ambagasthenna pepper processing center remained idle. 2022 The construction should be completed and used for the intended purpose. Submitting the estimate of Rs. 3.17 million prepared for the completion of the remaining works for approval. The construction work had not been completed even by 30 September 2024.
- 6 The printing machine of Rs.88,900 had been given to the Miniranketiya Bag and Shoe Manufacturers Society of Laggala Divisional Secretariat on 03 October 2022 and 04 pepper grinding machines and 04 pepper threshers totaled to 2022 Necessary facilities should be provided to be able to use the relevant machines. Providing a training on bag production and on increasing pepper yields in the future. Has not utilized even by 30 September 2024.

Rs.1,100,000 that had been given to the beneficiaries of 02 Grama Niladhari divisions on 03 and 20 October 2022 under the Prosperity Production Village Program, had not been used even by the inspection date of 24 February 2023.

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| 7 | According to the Paragraph 1 of Ministry of Defense Circular No. 2023/04 dated 19 September 2023 Although it had been stated that all firearm licenses in the district should be renewed for the year 2024 before 31 December 2023, 60 individuals in the Divisional Secretariat Divisions of Galewela, Dambulla and AmbangangaKorale had not renewed their firearms licenses even by February 2024. | 2023 | Circular instructions should be followed. | Conducting awareness campaigns for the recipients of the firearms by Grama Niladhari Officers. | Licenses have not been obtained as per the instructions of the circular until 30 September 2024. |
| 8 | Despite the financial fraud of Rs.4,590,500 committed between 2014 and 2016 at the Birindiwela Samurdhi Community-Based | 2023 | Appropriate further actions should be taken by concluding the investigations expeditiously. | The Director General of Samurdhi has been requested to provide information on the current situation of the investigation. | The investigation has not been completed even by 30 September 2024. |

Bank, the investigations had not been completed and no further action had been taken even by 31 December 2023.

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| 9 | Despite a grant of Rs.5,400,000 disbursed during the period 2018-2021 to 6 beneficiaries for the construction of houses to resettle individuals who were affected by disasters in the Rattota Divisional Secretariat Division, no action had been taken to resettle them by completing the constructions, even as of the end of the year under review | 2023 | Actions should be taken to achieve expected progress from the allocated provisions | The installments have not been released until the relevant construction is completed. | The construction had not been completed and the resettlement had not been carried out even by 30 September 2024. |
| 10 | The work for Phase 1 of the fence construction at the Ambulambe Industrial Estate, funded with Rs.15,904,651 from the Industrial Ministry on 27 October 2022, should have been completed by 29 December 2022. However, without the work being completed even by the end of the year under review, the | 2023 | Cost estimates should be prepared after conducting feasibility studies and correctly identifying the needs, and payments should be made under proper supervision for work completed according to the estimated standard within the prescribed | Information has been requested from the Dambulla Divisional Secretary regarding the observations. | Action had not been taken as per the recommendations. |

remaining amount of Rs.6,774,590 had been retained in the General Deposit Account.

Additionally, without constructing 38.6 meters of the fence under Phase II, a sum of Rs.127,380 had been excessively paid. Due to the construction of the fence in two phases without identifying the necessity of the construction project and without preparing a total cost estimate, the Rs.1,700,000 spent for constructing 340 meters of the fence across the inside of the Industrial Estate had become an uneconomic expenditure.

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| 11 | Even without starting the work on 19 subjects of the new building construction project (Section B, Phase 6) at the Ukuwela Divisional Secretariat, and recommending bills as completed 04 unfulfilled subjects, Rs. 1,585,976 had been paid. The performance security | 2023 | Payments should be made under proper supervision for work completed according to the estimated standard within the prescribed timeline. | Appointing a committee and calling for a report as per the decisions of the Audit and Management Committee. | Action had not been taken as per the recommendations. |
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for this project had been expired on 15 January 2024. Although the scheduled completion date was 11 December 2023, work had not been completed even by 5 February 2024, but late fees of Rs.814,165 had not been recovered.

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| 12 | Although Rs.1,504,218 had been paid for 11 subjects of work under the "Completion of Additional Work" Project at the Ukuwela Divisional Secretariat new building, these subjects of work had not been executed. The performance security had been expired on 31 January 2024, and the work, which was due to be completed by 28 December 2023, was still incomplete as of 05 February 2024. Additionally, late fees amounting to Rs.164,717 had not been recovered. | 2023 | Payments should be made under proper supervision for work completed according to the estimated standard within the prescribed timeline. | Appointing a committee and calling for a report as per the decisions of the Audit and Management Committee. | Action had been taken as per the recommendations. |
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| 13 | In the examination of a sample of 11 Samurdhi community based banks in the Matale district, an outstanding loan balance of Rs. 10,274,194 was observed out of the loans totaling Rs. 19,347,350 provided to 176 beneficiaries as at 30 June 2023 and no installments had been recovered from those beneficiaries during a period ranging from 09 to 15 months. | 2023 | Actions should be taken to recover the outstanding loans | Instructing managers to take steps to recover loans. | The balance not recovered from 113 individuals even by 30 September 2024 had been Rs.7,712,192. |
| 14 | In terms of the Circular No. DSD/HO/MF/2020/05 dated 17 May 2020 and No. 2021/02 dated 17 February 2021 of the Director General of Samurdhi, benefits totaling Rs.357,309,399 had been paid to low income families in the year 2020 from the Samurdhi Community Based Bank Fund on the basis of reimbursement from the Department of Samurdhi Development. Nevertheless, these | 2023 | Arrangements should be made to get the money reimbursed as per the circular. | Requests have been made to the Samurdhi Development Department for reimbursement. | Reimbursement had not been made even by 30 September 2024. |

funds had not been reimbursed even by the end of the year under review.

3.16 District Secretariat - Monaragala

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,503,418,783	92,036,934	2,411,381,849	Qualified
2022	2,512,904,502	174,788,696	2,338,115,806	Unqualified
2023	2,533,329,686	99,514,576	2,433,815,110	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	The Department of Wildlife Conservation had allocated a provision of Rs. 36,451,618 on 08 March 2020 for the construction of watch huts related to the maintenance and follow-up process of the electric fence and the project had been divided into 05 packages and agreements worth Rs. 25,009,958 had been reached with two selected contractors under package number 1/2/3 and 5. These constructions had not been completed or project had not been extended even by 22 March 2022.	2021	Estimated works should be completed within the contracted period.	It is informed that all the payments including the retention money of this work have been settled at present and arrangements have been made to credit Rs. 33,572 in the deposit account to the Government Revenue.	The agreement has been cancelled. The cash in hand and performance guarantee amounts relating to the cancelled packages have been sent to the Department of Wildlife Conservation on 13 March 2023, and the project has not been completed.

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| 2 | In accordance with the Environmental Circular No. 01/2020 dated 03 January 2020 Ministry of Environment and Wildlife, a payment of Rs.2,228,190 had been made to 2 enterprises belonging to the Wellawaya and Monaragala Divisional Secretariats without obtaining a valid mining permit for gravel extraction, in contrary to Section 28 of the Mines and Minerals Act No. 33 of 1992, as amended by Act No. 66 of 2009. | 2022 | The relevant revenue should be collected as per the circular. | The observation is accepted. Steps will be taken to credit the lost revenue to the Government Revenue. | Action has not been taken to credit the lost revenue to the Government Revenue. |
| 3 | Although a groundnut processing center has been built for the Weheraya Ranliya Entrepreneurship Development Foundation under the Small holder Agribusiness Participation Program of the Ministry of Mahaweli, Agriculture, Irrigation and Rural Development at a contracted value of Rs.1,925,569, as on | 2022 | The building should be used for its intended purpose | All arrangements have been made to hand over the building to the Ranlia Entrepreneurship Foundation. | The peanut processing centre has not been utilized for its intended purposes. |

15 November 2022, it has not been used to achieve the intended purpose for more than 02 years

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| 4 | <p>The Divisional Secretariat Monaragala had spent Rs.3,776,390 for the Aloe vera cultivation project under the Prosperity Production Village Program implemented in 2021 and 2022. Although Rs.1,697,090 had been spent to purchase aloe vera plants and distribute them to the beneficiaries and, although the harvest time of aloe vera leaf production had arrived, the growers had tended to abandon the crop due to lack of buyers to purchase the leaf produce and poor yield. Also, it was observed during the audit field visit and the reports of development officer that there is a form of destruction of aloe vera leaves due to fungal diseases.</p> | 2022 | <p>Necessary actions should be taken to introduce a market for the sale of aloe leaf products and prevent crop damage</p> | <p>Instruction has been given to carry out the necessary arrangements to bring buyers.</p> | <p>There was no written evidence that any steps were taken to bring in customers.</p> |
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| 5 | Divisional Secretariat Monaragala had spent Rs.2,390,641 for the development of Kolonwinna Rush Industrial Village under the Traditional and Rural Industrial Village Development Integrated Program-2021. Although Rs.853,000 was estimated and, planned for the construction of a sales outlet of rush design of rush industrialists under the project, only the request for surveying the relevant land had been made by the date of the audit i.e. 20 December 2022. | 2022 | The public funds should be used efficiently and effectively to make the people prosperous. | The Department has informed that this request cannot be fulfilled promptly | Suevey has recommendations had not been implemented. |
| 6 | The District Secretariat had spent Rs.3,513,127 to distribute 30,283 bags of food to low-income families in Monaragala district and according to the instructions of the Ministry of Financial, Economic Stabilization and National Policy, the selection of food security minimum low-income family units should be done under 11 criteria. But | 2023 | While selecting the beneficiaries, they must submit evidence to ensure their suitability. | Beneficiaries have been selected according to the relevant criteria. | The accuracy of the criteria used to select beneficiaries was not submitted to audit. |

evidence was not submitted to the audit to confirm the correctness of the determinants used in selecting 30,283 beneficiaries.

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| 7 | Kovul ara Ceramic Village was established in the year 2014 with the aim of uplifting the dying ceramic industry of Sevanagala Divisional Secretariat, and Rs.4,187,281 had been spent on 06 projects in the years 2021 and 2022 under the Rural and Traditional Industrial Villages Integrated Development Program of the National Craft Council, so far as at 31 December of the reviewed year, the desired objectives of the project had not been achieved. | 2023 | Actions should be taken to achieve the objectives of the project. | Future programs have planned to be implemented by contacting an entrepreneur nominated by the Ministry of Industrial Development | The recommendations had not been implemented. |
| 8 | Financial Regulation 571 Rs.49,099,014 deposits that have exceeded 02 years from the date of deposit should be regulated, but the deposits related to the | 2023 | Deposits exceeding 02 years should be identified and regulated. | It has been withheld for various reasons and steps will be taken to resolve it in the future | Action had not been taken to dispose of |

District Secretariat and 07 Divisional Secretariats had not been regulated by 31 December of the year under review.

- 9 In the year 2013, 2023 Rs.850,000 was paid to the beneficiary as land acquisition advance for 03 plots of land that had been acquired under the Umaoya Development Project in Wellawaya Divisional Secretariat until the main assessment was received and on 04 December 2014, the main assessed value of those plots was determined as Rs.1,350,000 and on 09 February 2015, the full assessed value of Rs.1,350,000 had been paid without deducting the advance amount paid in 2013. Accordingly, case M11836 was filed in the Wellawaya District Court on November 19, 2018 to recover the overpaid amount of Rs.850,000, but as of December 31, 2018, 08 years had
- The overpayment should be recovered. Disciplinary action should be taken against the officers responsible for overpayment
- Departmental inquiry is going on and I will submit the final report soon.
- Action has not been taken to recover the money even though 13 years have been passed.

passed, but it was not possible to recover the amount. Accordingly, no actions had been taken to recover the relevant amount from the responsible officers who made the payments.

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| 10 | Rs.116,517,935 due from 30 beneficiaries as long-term tax from 1995 to 2023 related to 05 divisional secretariat divisions of Monaragala district had not been collected by 31 December of the year under review. | 2023 | Arrangements should be made to recover the long-term tax due. | A specific program has been prepared for tax recovery and tax defaulter's tax approval will be canceled and the government will take ownership of the land | Long-term tax amounting to Rs. 98,780,125 have to be recovered by 30 September 2024. |
| 11 | The District Price Determination Committee of the Monaragala District Secretariat had paid Rs.21,960,000 to the suppliers for the end of 2023 as per the agreement without determining the price for the procurement of 2-wheel or 4-wheel vehicles that could be used for the above purpose. According to the prices determined by the Badulla District Secretariat for the end of 2023 in | 2023 | Rs. 758 has been paid for a kilometer driven, and overestimates have been prepared. Estimates should be prepared accurately and appropriate action should be taken regarding overpayments. | The prices determined by the District Pricing Committee cannot be used. | The project had been completed by paying Rs. 758 each per one kilometer driven. |

relation to the vehicles that were in the condition to be used for that purpose, the total amount to be paid, including all fees, for the 28,984 kilometers actually driven for 572 times by the cabs had been Rs.3,970,909.

Accordingly, an overpayment of Rs.17,989,091 had been made by including an unusual rate on a monthly basis and acting uneconomically, without taking steps to pay for the actual number of kilometers used by the vehicles on a monthly basis.

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| 12 | During the examination of 110 selected Samurdhi beneficiaries in 11 Divisional Secretariat Division of Monaragala district, they had been receiving Samurdhi benefits for a period of 08 to 28 years. and at present, even though the beneficiaries are entitled to Aswesuma benefits, the public officers as well as the beneficiary have not | 2023 | Actions should be made to uplift the economy of the beneficiaries without relying on the benefits constantly. | There is no opportunity to uplift the economy based on individual reasons. | It has not been possible to improve the economy of Samurdhi beneficiaries. |
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been able to end their poverty and uplift the economy by 31 December of the year under review.

3.17 District Secretariat – Nuwara Eliya

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,609,232,167	266,382,289	2,342,849,878	Qualified
2022	2,673,297,155	210,511,673	2,462,785,482	Qualified
2023	2,791,108,348	166,331,366	2,624,776,982	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Although constructions of the government houses under phase 1 had been carried out at a cost of Rs. 4,044,166 for district secretariat officers, due to non-completion of the works, they remained unusable and idle even by March 2022. Accordingly, expected objectives of the project could not be achieved.	2021	Constructions should be carried out by allocating the required provisions.	Although estimates were prepared to construct a two-storied building, the amount of provisions given for the year 2021 was Rs.05 million. Therefore, the ground floor was constructed as much as possible to fit that amount. It has been informed that as Rs.05 million has been allocated for the year 2022, estimates have been prepared and allocations have been requested to complete the work on the ground floor and a part of the first floor this year as well.	Construction had not been completed by 30 September 2024.

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| 2 | <p>The progress of the resettlement programme under disaster relief services was stated as 100 per cent. However, although Rs. 126,000,000 had been allocated for the construction of 105 houses for 105 families who have to be resettled due to landslides in Kotmale Divisional Secretariat Division, houses had not been constructed even by 31 December of the year under review.</p> | 2021 | <p>Action should be taken to complete the project and achieve the desired objectives.</p> | <p>Out of 98 houses, works worth 2 lakhs have been done on 40 houses. Construction of estate housing has been started with an agreement with the estate cooperative society. Necessary arrangements have been made to obtain approval from the Ministry in this regard.</p> | <p>The project had not been completed by 30 September 2024.</p> |
| 3 | <p>By the letter of the Director General of the Disaster Management Center No. DMC/Miti/Pro/Nuwara Eliya/2021/01 dated 04 May 2022, action had been taken to suspend the activities of the project aimed at mitigating the risk of rock falling in the village of Gangaragolla, Walapane. Although Rs. 18,912,660 was paid for the aforementioned project as at 31 December 2021, it</p> | 2022 | <p>After obtaining provisions, action should be taken to complete the works under a formal supervision.</p> | <p>A proposal has been made to the Ministry to provide necessary provisions to complete the project.</p> | <p>The project has not been completed until 30 September 2024.</p> |

was not possible to achieve the expected objective and the outcome of the project due to non-completion of it.

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| 4 | <p>After making the decision to evacuate 12 families from Samanalagama in Hatton, which belongs to the Ambagamuwa Divisional Secretariat and was identified as a high-risk landslide zone in 2017, provisions amounting to Rs.6,300,000 were released to construct homes on government land for 6 of the families. However, despite the lapse of 6 years as of 31 December of the year under review, the constructions had been discontinued halfway without completion.</p> | 2023 | <p>Resettlement activities should be finalized by expeditiously completing the relevant project.</p> | <p>In consultation with the families proposed to be evacuated, arrangements are underway for their evacuation from the high-risk location and settlement in the new houses constructed.</p> | <p>settlements have not been made until 30 September 2024.</p> |
| 5 | <p>Even though the Hanguranketha Divisional Secretariat had spent Rs.940,500 on 31 August 2020 to improve the Dodamkumbura</p> | 2023 | <p>Assets should be utilized effectively.</p> | <p>Action will be taken to use the building after the repairs are completed by correcting defects.</p> | <p>It had not been erected for use by 30 September 2024.</p> |

Disaster Operational Centre as a protective centre under the provisions of the Ministry of Disaster Management, the building remained idle and unused as of December 31 of the year under review.

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| 6 | Under the programme to construct a house using the financial assistance given by the government on a land purchased by the beneficiary with an amount of Rs.400,000 provided by the government, the Disaster Relief Service Unit had planned to construct houses for 159 families identified as at-risk in 05 Divisional Secretariat Divisions and resettle them in these houses. However, no arrangements had been made to resettle 115 of these families. Similarly, under the program to construct houses on government-provided land using financial assistance | 2023 | The evacuation of residents from risk areas and their resettlement process should be expedited. | The relevant particulars have been submitted to the Director General of Disaster Management. | Actions had not been taken to carry out the Settlement in safe places until 30 September 2024. |
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from the government, the Disaster Relief Service Unit had planned to evacuate 970 families from their current residences and resettle them in protective locations. However, no action had been taken to resettle 798 of these families in such locations.

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| 7 | Although 4 families evacuated in 2019 due to high landslide risk in the Ambagamuwa Divisional Secretariat Division were provided Rs. 2,700,000 to purchase land and construct houses in the Kalugala Millagahamula area, the construction was still at the initial stage as of 31 December of the year under review, with progress as low as 30 percent. | 2023 | The evacuation of residents from risk areas and their resettlement process should be expedited. | Installments are released according to the progress of the constructions under the supervision of the Technical Officer. | The recommendation had not been implemented as of 30 September 2024. |
| 8 | Although a building and a cold storage facility were constructed at a cost of Rs.6,900,000 in the Hanguranketha | 2023 | Projects should be planned and implemented so as to achieve their objectives. | There was no need for repurchasing seed beans according to the prevailing prices. However, if the | The project is not in an active state. |

Divisional Secretariat Division in 2018 under the Grama Shakthi Peoples Movement, using provisions from the Presidential Secretariat to store seed beans, it remained idle without being used for the intended purpose even by 31 December of the year under review.

price of seed beans becomes unstable in the future, action will be taken to purchase at least 10,000 kg of seed beans on that occasion.

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| 9 | Without properly informing 881 elderly, disabled, and kidney disease allowance applicants on the waiting list of the Thalawakele and Nuwara Eliya Divisional Secretariats to come and receive their allowances, the officers had negligently and carelessly failed to disburse allowances totaling Rs. 8,810,000 to the beneficiaries for the months of July and August 2023. | 2023 | Allowances should be disbursed to the eligible beneficiaries, and after conducting inquiries, necessary actions should be taken against the officers for not paying the relevant allowances. | The shortage of officers has contributed to this situation. | The recommendations had not been implemented as of 30 September 2024. |
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3.18 District Secretariat - Polonnaruwa

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,898,814,757	553,195,622	2,345,619,135	Qualified
2022	2,994,112,902	426,000,766	2,568,112,136	Unqualified
2023	3,068,106,751	330,999,040	2,737,107,711	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Information has been reported that 49 out of 74 Gamidiriya People's companies in 04 Divisional Secretariat areas were inactive and Rs.24,728,866 was uselessly in the bank accounts belonging to those companies.	2022	Actions should be made to maintain the societies at the operational level, and a data system containing the necessary information should be maintained up-to-date.	It has been informed that arrangements are being made to transfer the funds of inactive societies to active societies.	The recommendation was not implemented.
2	According to the Extraordinary Gazette No. 1600/18 dated May 06, 2009 and No. 2216/34 dated February 25, 2021, an amount of Rs. 137.54 million due from the year 2017 to the year 2021 as fees related to mining of mineral on government lands had not been collected from 40	2023	Action must be taken to recover fees.	Accepted	No proper program had been implemented to recover outstanding fees for the period from 2017 to 2021

licensed granite quarries operating in 04 Divisional Secretariat Divisions of the Polonnaruwa District.

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| 3 | <p>According to section 7(1) of the circular No. DFD/Paddy/2021-3 dated 22 July 2021 of the Secretary to the Treasury, rice mill owners had not provided 2.18 million kilos of rice worth Rs.215 million to the government regarding the purchased paddy through the Divisional secretariats of Dimbulagala, Thamankaduwa, Lankapura, Elahera and Hingurakgoda in the program of purchasing paddy from farmers through small and medium scale rice mill owners, and return rice stock to the government implemented by the Polonnaruwa District Secretariat during the Yala season of 2021.</p> | 2023 | Should be act as per the circulars. | Due to the economic problems in the country, rice mill owners said that paddy harvesting cannot be done at the agreed price and action will be taken to recover the arrears from the rice mill owners. | <p>As on 31st August 2024,
The outstanding amount to be recovered is Rs.188.73 million.</p> |
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| 4 | <p>The relevant formats to confirm the receiving of paddy were prepared by the monitoring Development Officers without taking paddy from 294 farmers through 19 small and medium scale rice mill owners in 2021 Yala season and Rs.87.46 million for paddy and Rs.7.68 million for packing bags and drying charges had been paid by 05 Divisional Secretariats.</p> | 2023 | <p>A formal investigation should be conducted and disciplinary actions should be taken.</p> | <p>It is informed that the officers have not committed any fraudulent activities and fraudulent money has not been paid to the farmers and a formal investigation will be conducted and disciplinary actions will be taken in this regard.</p> | <p>The Recommendations not implemented.</p> |
| 5 | <p>Rs.1,030.84 million had been spent until 31 December 2023 for the contract under 02 phases in the construction of the Polonnaruwa District Secretariat. The selection of a supplier for the second phase was done with contrary to the procurement in order to speed up the work of the project, but the expected construction period was delayed by 05 years.</p> | 2023 | <p>The project should be implemented economically, efficiently and effectively to achieve the desired objectives</p> | <p>The procurement of this project has been done by the Ministry of Home Affairs and that phase II has been slow due to the Covid epidemic in the years 2020/2021.</p> | <p>By November 21, 2024, the construction work had not been completed.</p> |

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| 6 | <p>The contract under the Pibidemu Polonnaruwa Rajarata Navodaya Development Programme was awarded to the Central Consultant Bureau of Engineering Works for the construction of an administrative complex building at a contract value of Rs.1,303.86 million on 15 December 2016 and although the project was scheduled to be completed on 15 December 2018, the construction had not been completed and handed over at the end of the year under review.</p> | 2023 | <p>The construction of the building should be completed and use effectively.</p> | <p>Although the project was scheduled to be completed on 15 December 2018, it has been extended to 30 September 2021, but the construction has stopped due to lack of funds.</p> | <p>the At present, five institutions have been established in this building under minimum facilities, but the essential constructions have not been completed.</p> |
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3.19 District Secretariat - Puttalm

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,919,898,037	246,271,475	2,673,626,562	Qualified
2022	2,952,014,921	169,032,596	2,782,982,325	Qualified
2023	3,146,527,012	54,312,676	3,092,214,336	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	The land where the Ashoka Cinema is situated on 02 Rood and 22 perches within the town limitation of Puttalam of Puttalam district was leased to the new lessee for 30 years from the year 2014 and the total amount of Rs.25,000,000 tax due from the year 2011 to 2021 had been cut off.	2023	Actions should be taken to recover the tax revenue due for the lease of government owned land.	That the Land Minister's approval have been received for cut taxes on 18 August 2021 and it was informed by letter No. 4/10/12226 of the Land Commissioner General on 19 August 2021. I am following the instructions of the Commissioner General of Lands regarding the deduction of these taxes.	Actions had not been taken to implement the recommendations.
2	Although the spot price of the Provincial Price Committee, which had been Rs. 3,000 per gravel cube (including loading and royalty) had	2021	Overpayments should be recovered from the responsible officers.	The price committee was convened for the first half of 2021 and the prices were determined. These projects were carried out by local	Actions had not been taken to implement the recommendations.

been used for the development work items of the Divisional Secretariat according to the guidance of the Engineering Department of the District Secretariat, it had been indicated that the spot price including loading of a cube of gravel and royalty had been Rs.2,000 as per the report of the District Price Committee of the District Secretary, Puttalam bearing No. DSP/TFC/CS/01/P.C ./.(1)/2021 dated 01 January 2021. Accordingly, a loss of Rs.2,641,300 had been incurred at the rate of Rs.1,000 per cube in the use of 7482.8 cubic metres of gravel or 2641.3 cubic metres for 89 projects by 13 Divisional Secretariats in the year 2021.

government institutions and since they use the provincial price committee reports, the values of the provincial price committees are lower than the district prices, therefore, the contractors refused to carry out the projects based on the estimates of the Divisional Secretariats, although it was announced but not in writing to use the provincial prices. Accordingly, no overpayment has occurred

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| 3 | Under the Saubhagya Samurdhi Production Village Program – 2021, | 2023 | Actions should be taken in such a way that the objectives of the project are | Due to the bad economic situation in the country, this project is currently inactive and | Actions had not been taken to implement the recommendations. |
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Kandakuliya value added dried Fish production village which had been built at a total cost of Rs.6,837,484 in the years 2021 and 2022 by the Kalpitiya Divisional Secretariat remained idled by 31 December 2023. Also, the 25mm GI pipes used for the mesh fence were not properly painted and the PVC parts used at the points where the pipes were connected had come off, so the pipes were rusted to water seeping into the pipes. Also, the two gate covers costing Rs.50,000 and plumbing equipment costing Rs.113,388 were broken and destroyed, and 1½ inch 25 PVC Gate value worth Rs.29,850 had not been installed.

fulfilled.

discussions have been held with the relevant society. Although the playground was painted and necessary equipment was installed, but the persons who come to the playground, trespassed and vandalized it. Defects are currently fixed. Gateways has been kept under the custody of the Divisional Secretariat.

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| 4 | The payment of the 14 bill of the main building of the district secretariat which was under construction had been deferred, and | 2021, 2022, 2023 | As the payment of the 14 bill was not done according to the terms of the agreement, interest had to be paid, so the | Due to the deficiencies in the construction, the officers at that time refused to pay and acted according to the contract | Actions had not been taken to implement the recommendations. |
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due to having to go to an arbitration process and pay the 14 bill and had to pay Rs.10,349,580 as late interest.

liability should be determined.

agreement. Accordingly, these payments were delayed due to dispute tribunal proceedings, proceeding to arbitration and these payments were made as per the decision of the arbitration. Therefore, this late interest had to be paid as per the agreement.

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| 5 | 01 acres, 02 roods, 14.7 perches of land with 8 quarters with a current assessed value of Rs.255,800,000 belonging to the Puttalam District Secretariat, were taken over to the Puttalam Municipal Council for the construction of the Alpha Mall and its traffic yard by the Puttalam Municipal Council. instead it, 01 acre from the land owned by the Municipal Council near the Puttalam depot yard was given and the agreement was obtained to provide the necessary money | 2021, 2022, 2023 | The land should be acquired without delay and should be done as planned. | A special discussion was held with the relevant parties and decisions have been taken about how to implement on 07th June 2023. The estimates required for the construction of 04 new quarters have been forwarded to the Secretary of Puttalam Municipal Council on 20th September 2023. | Actions had not been taken to implement the recommendations. |
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to the District Secretary to construct 04 quarters equal to the current assessed value of the 08 quarters. But even though 04 out of these 08 quarters which are suitable for people to live in had been demolished before the assessment, the transfer of the land had not been completed by March 2024 and the construction work of the 04 quarters had not been started as decided.

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| 6 | Under the first and second phase of Grama Shakti, 121 of the 166 societies belonging to the 16 Divisional Secretariats belonging to the Puttalam District Secretariat are inactive and the total cash balance of these societies was Rs.102,385,768 in idled as at 31 December 2023. | 2021, 2022, 2023 | Actions should be taken to achieve the desired objectives of the project. | At present, the activities of Grama Shakthi Societies are being conducted under the Saubagya Development Bureau and the funds belonging to the inactive Grama Shakthi Societies are being given to the active societies and are taking necessary steps to strengthen the livelihood development and microfinance loan programs of the people. | All Divisional Secretaries had been only informed to update and submit the quarterly progress of the Grama Shakthi Societies as on 04 October 2024 |
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| 7 | <p>Although information on 22 illegal Prawns farms maintained in Grama Niladhari Divisions of Battuluoya, Sengal Oya and Suruvila in Arachchikattuwa Divisional Secretary's Division and 04 farms that had been currently inactive had been referred to the Department of Wildlife Conservation in 2019 and 2020, action had not been taken to discontinue those illegal Prawns farms even by 14 January 2022, the date of the audit. Furthermore, action had not been taken even to collect a tax from these Prawns farms.</p> | 2021 | Efficient action should be taken. | At present, action is being taken in relation to this. | <p>As per the decision of Cabinet of Ministers bearing 42/2019, although the Department of Wildlife Conservation has been informed to take action, no further action has been taken.</p> |
| 8 | <p>In the period of 2019 – 2021, under the Government Paddy Purchase Programme, in the 2020/21 Maha and 2021 Yala season from the money given to the paddy purchase for 20 paddy mill owners in the Anamaduwa,</p> | 2021, 2022, 2023 | Necessary actions should be taken to recover the money efficiently. | Based on the decision to pay the financial value of the rice to the government, the payment was made in installments, and by 30 April 2024, the necessary steps are being taken to recover the amount due from | <p>Effective actions had not been taken for collection as recommended.</p> |

Nawagaththegama and Karuwalagaswewa divisional secretariats by the Puttalam District Secretariat through the small and medium scale rice mill owners, the responsible officers had not been taken action to recover Rs.111,208,565 for 1,429,338 kg of rice receivable to Lanka Sathosa as at 15 March 2022 by 31 December 2023. Furthermore, it was observed that the government's objective of getting the surplus rice stock of the farmer at a reasonable price and providing rice to the consumers at a reasonable price through Sathosa was not fulfilled.

Rs.106,773,565.39.

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| 9 | Although according to the letter dated 25 February 2021 of the District Director of Agriculture, the Divisional Secretaries were informed to determine the | 2023 | Necessary action should be taken as per the circular. | At the time this paddy purchase program was being implemented, the agricultural research officers had come to a union action. Due to that, although advised to checked the list of | Actions had not been taken to act as per the circular. |
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number of paddy acres cultivated based on the list of fertilizers prepared by the Agrarian Service Committee, regardless of the recommendation of the Agricultural Research and Production

Assistant Officer, the officers of the Nawagaththegama and Anamaduwa Divisional

Secretariats did not fulfill that requirement and prepared documents that they bought 710,000 kg of paddy from 142 people whose names were not mentioned in the fertilizer registers in the 2021 Yala season and Rs.31,240,000 had been paid.

fertilizers and buy paddy, due to the urgent need to implement this program, the then Director of Agriculture obtained a letter from the paddy suppliers stating that he was a farmer and verbally instructed the regional secretaries to purchase paddy and acted accordingly.

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| 10 | According to the written statements given by 11 farmers whose names are mentioned in the farmer register under the 2021 Yala season rice purchase program, no quantity of rice was given to the rice mill owners, | 2023 | As per the circular instructions, the authorities should be conducted proper supervision. | All activities were planned in such a way that no fraud or mistake would occur in the process of purchasing paddy and in order to supervise the activities well, apart from the development | Proper supervision had not been carried out and formal legal action had not been taken. |
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after the amount of Rs.2,420,000 for 55,000 kg of rice was credited to the accounts of the farmers and that amount had been given to the mill owners. And although Rs.3,180,000 was credited to the accounts of the farmers by preparing papers that the total of 70,000 kg was obtained from 5000 kg of paddy from 14 farmers in Nawaghatthegama Division, according to the written statements obtained from the farmers, they had given only 28000 kg of paddy and the difference amount of 42000 kg of paddy amounting to Rs.1,848,000 had been recovered from the farmers by the millers.

officers of the agriculture sector, the economic development officers of the respective area were instructed to remain in the rice mill when buying paddy. They had done the same. 03 forms had been introduced by the District Secretariat to confirm the quantities purchased in the purchase of paddy. Accordingly, duties were assigned to the officers to fill and prepare each form correctly. After verifying the accuracy of the documents received, the Divisional Secretary made the payments. According to that, the preparation of fake licenses may have been done by the relevant parties in alliance, but the concerned farmers have signed and given the relevant forms stating that the relevant amount of paddy has been handed over to the

				mill. Attention has been focused on taking legal action in this regard.	
11	The progress of 46 projects amounting to Rs.69,629,383, planned in the year 2021 in Puttalam and Mundalama Divisional Secretariats had been in the range of 20-25 percent, and they had been stopped midway as there had been no allocations.	2021	The necessary allocations should be obtained and the projects should be implemented as planned.	Agreed.	Actions had not been taken to complete the Projects as planned.
12	Even though Rs.48,638,504 had been spent in the year 2014 to prepare the roof of the pavilion of Joseph Vaz College, Wennappuwa, it was observed that the pavilion had remained as an incomplete project without getting a benefit even by the year 2022.	2021	Necessary action should be taken to use the construction.	The feasibility study related to this project, for which allocation had been made under Line Ministries, should be carried out by the Ministry of Education and the District Secretary of Puttalam had only supervised the construction work in accordance with the estimate obtained.	As the work is not finished, it is not in a usable condition.

3.20 District Seretariat - Rathnapura

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,305,907,126	314,449,608	1,991,457,518	Qualified
2022	2,444,476,229	182,174,408	2,262,301,821	Qualified
2023	12,693,035,425	101,169,419	12,591,866,006	Qualified

	Audit Observation	Year of report	Auditor General's recommendation	Preventive measures taken by the auditee entity	Implementation status of recommendation at the date of report
1	Investigations had not been conducted and recovered about the overpayment of Rs.567,269 regarding the construction of 16 work subjects of Gallinna and Morathota Nila Sewana in relation to Pelmadulla divisional secretariat, which was agreed on 25 October 2017 under the Ministry of Home Affairs on the basis of construction within 68 days at Rs. 2,000,000 each, at the date of audit on 02 February 2022.	2021	Should be act to check and recover overpayments as per Financial Regulations 156(i).	Actions were taken to employ a team of investigating officers to investigate the matter.	No additional payments had been collected after the investigation was completed.
2	A period of 14 months had elapsed as of March 2023	2022	The Financial Regulations should be	Further actions are being taken in this regard.	The Ministry in charge of the subject has

since a damage of Rs. 4,143,204 occurred after a fire broke out in the electric distribution board of the District Secretariat.

Nevertheless, action had not been taken in terms of Financial Regulation 104 to recover the damage and determine the parties responsible.

followed.

appointed an independent investigation committee by letter dated 2024.07.11 and the investigation has not been completed.

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| 3 | <p>Building rents totalling Rs. 2,671,760 collected during 2013-2022 from the cafeteria and welfare shop maintained at a building of the District Secretariat, had been provided for a welfare association. Those lease rents had not been recognized as a Government revenue, and the legal possibility of providing a welfare association with lease rents collected from a Government building, could not be verified. Furthermore, the same contractor has been maintaining the cafeteria since the year 2020 without</p> | 2022 | <p>Government revenue should be recovered without delay.</p> | <p>Steps are being taken to collect the relevant rent and credit it to government revenue from March 2023.</p> | <p>The rent due to be collected from the Canteen and Welfare store between 2013 and 2022 had not been credited to government revenue.</p> |
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following the tender procedure, and he had defaulted on the settlement of water bills valued at Rs. 60,533 relating to the years 2022 and 2023 whilst electricity bills of the welfare shop amounting to Rs.35,459 had not been settled as well.

04	<p>Out of the 38 government houses owned by the District Secretariat, 07 houses were in unused for more than 5 years and the houses were covered with forest and the doors and windows were taken away by thieves. These houses were used for various malpractices, including drugs, and there was a risk of encroachments settling down. There was also a delay in getting government houses for 77 officers on the housing waiting list.</p>	2023	Assets should not be unused.	It has not been possible to repair these quarters as funds have not been received.	No action had been taken to repair 04 houses.
05	<p>The resettlement activities could not be completed due to non-approval of building applications</p>	2023	Necessary approvals should be obtained immediately.	The necessary approval had not been received yet.	The recommendation has not been implemented.

of 22 houses constructed at a cost of Rs.25,850,000 since 2017 by the Kuruwita Provincial Council.

06	Loan arrears less than 9 months and bad debts over 9 months that was given by 36 Samurdhi Banks operating in 13 Divisional Secretariats were amounted to Rs.357,478,987 and Rs.208,148,406 respectively as at 31 December 2023.	2023	Actions should be taken to recover bad debts and matured debts.	Actions are taken to inform and recover through Samurdhi Development Officers. Issuing reminder letters. Referring to mediation boards. Sending summons and referring to court proceedings. Referring letters through the Divisional Secretary.	Actions had not been taken to recover the total outstanding loan amount.
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3.21 District Secretariat - Trincomalee

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	1,673,916,770	113,754,422	1,560,162,348	Qualified
2022	4,034,187,197	46,574,794	3,987,612,403	Qualified
2023	5,621,286,938	31,609,633	5,589,677,305	Qualified

	Audit observations	Year of the Report	Recommendation of the Auditor General	Preventive action taken by the audited institution	Implementation status of the recommendation as at the date of the report
1	In the instance where the allowance of Rs. 5000 is given for the disabled persons in low income families in the Divisional Secretariat Divisions of Seruwawila, and Gomarankadawala, it had been so done when selecting the beneficiaries for the sum amounting to Rs.10.62 million was given to 178 persons on 2124 occasions in the year under review.	2021	Action should be taken as per the provisions in the Circular and the financial regulations.	Selection of beneficiaries should be done based on the recommendations of the Grama Niladhari and Rural committees and provisions in Circulars.	Action had not been taken as per the provisions in the Circulars and the financial regulations.
2	As per paragraph 2.4 of the Finance Ministry letter No MFNPD/07/ 2021 dated 11 January 2021, although the supply and	2021	Circular instructions should be duly followed.	Action has been taken as per the Finance Ministry Circular No MF/NPD/01/2021. Steps would be taken to act as per	Circular instructions had not been duly followed.

distribution of diversified budget funds should be done in a fair manner based on the people living in the Divisional Secretariat division, poverty and the geographical location, a sum of Rs. 40.61 of the amount totaling to Rs. 41.53 million allocated for 11 Divisional Secretariats belonging to the District Secretariat, had been incurred in the year under review in violation of the above provisions.

paragraph 2.4 of the Finance Ministry letter No MFNPD/07/2021 dated 11 January 2021

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| 3 | Amounts totaling to Rs.6,490,269 the value of which is related to 77,146 kilograms of faddy due from 04 owners of rice mills in the Divisional Secretariat Division of Kantale under the expedited faddy purchasing programme for the Maha season 2019/2020 and amounts due from the Lanka Sathosa Limited, had not | 2023 | The relevant money should be recovered as soon as possible and then be credited to the State revenue. | A complaint has been lodged with the Kantale Police Station as a legal step. Since the kantale police have informed that there are no hallmarks of a criminal offence in this issue, further instructions have been sought from the Attorney General. | Recommendations had not been implemented till 30 September 2024. |
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been recovered by
the District
Secretariat even
though 03 years had
elapsed.

3.22 District Secretariat - Vauniya

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	1,705,224,668	53,944,802	1,651,279,866	Unqualified
2022	1,702,852,987	24,143,871	1,678,709,117	Qualified
2023	1,700,012,762	14,426,559	1,685,586,203	Qualified

	Audit observations	Year of the Report	Recommendation of the Auditor General	Preventive action taken by the audited institution	Implementation status of the recommendation as at the date of the report
1	Out of the financial allocation given by the Ministry of Resettlement to Vavunia district for the construction of 456 toilets in the previous year, action had not been taken up to now by the Venkalacheddikulam Divisional Secretariat to construct 10 toilets for which the financial provision totalling Rs.700,000 had been allocated	2022	Appropriate actions should be taken to construct toilet systems expeditiously by obtaining imprests.	Action will be taken to finalize as soon as the funds are received.	The relevant measures have not been completed so far.
2	The entry doors and house doors of 02 government houses belonging to the District Secretariat were broken and stolen, but by the	2023	Actions should be taken as per the Financial Regulations.	That the as soon as get to know about the theft of those houses, complaints were submitted at the Vavuniya police station and the	The relevant measures have not been completed as yet.

	end of the year under review, no action had been taken in accordance with the financial regulations.			district engineer estimated the losses.	
3	Out of 3,541 houses started in 2016 and completed by December 31, 2023 under the rural housing revival program, 64 houses had not been used by the beneficiaries for residence till now.	2023	An urgent program should be implemented to fulfill the objectives of the project.	That the resettlement efforts for unused houses are ongoing.	The relevant measures have not been completed as yet.
4	The Vavuniya Economic Canter, which was constructed at a total cost of Rs.291,639,356 by the District Secretariat as per the 2018 budget proposal had not been opened for public use by the end of the year under review, and the Rs.7,846,555 had been spent for security services, cleaning and water charges from 2018 to 2023.	2023	Steps should be taken to use the asset for the relevant purpose by using a formal program.	That the steps will be taken to use immediately after the approval of the Ministry of Rural Economic Affairs.	The relevant measures have not been completed as yet.
5	The construction of the Parannattakal Preschool building belonging to	2023	Appropriate actions should be taken to implement the	The relevant program contract had been signed at an estimated cost	Objectives of the project had not been achieved.

Vavuniya Divisional Secretariat was awarded a contract to a community-based organization under an estimate of Rs.2 million and a total of Rs.1,551,712 had been spent. Although the construction works were to be completed on December 06, 2019, the construction had not been completed till the end of the year under review.

projects and achieve the objectives of the project by paying attention to the provision and obtaining the imprests money.

of Rs.194,844,840. Even so, that this program could not be completed on the date of signing due to lack of funds in that financial year.

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| 6 | 16 government houses belonging to the District Secretariat and Vengadachettikulam Divisional Secretariat had not been repaired and put to use since last 03 months to more than 06 years. | 2023 | Appropriate action should be taken on unusable assets. | That the according to the request dated 15 April 2024 to be removed the Vengadachettikulam Raja Group (Chamariya) residence as it is in an unusable condition, further action will be taken as per the report of the District Engineer. | The relevant measures have not been completed as yet. |
| 7 | 08 motorcycles belonging to the Vavuniya District Secretariat and a Divisional Secretariat had been parked unprotected for a period of 02 to 07 years without | 2023 | Repairs and maintenance should be carried out regularly and steps should be taken to effectively use the vehicles. | That arrangements have been made to use the repaired and usable motorcycles and dispose of the remaining ones in a circular manner. | Vehicles had not been used till 30 September 2024. |

being repaired and put to use.

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| 8 | In the year under review, 04 Divisional Secretariats of Vavuniya district had provided 525 goats at a cost of Rs.13,285,369 under the project of raising goats. 49 goats given by the Vavuniya South Divisional Secretariat were not insured according to the regulations, and for 44 insured goats that died in 04 Divisional Secretariats, insurance compensation amounting to Rs.2,935 per goat totaling Rs.129,140 had not been given to the beneficiaries. | 2023 | Actions should be taken as per the conditions of the circular, and steps should be taken to provide the insurance money to the beneficiaries from the concerned institution. | Goats were purchased and distributed for the full provision given and the insurance costs were to be borne by the beneficiaries themselves. That the insurance compensation was not given because the relevant veterinarian did not know the information about a goat that died due to illness while insured, and the medical records were not verified. | The relevant measures have not been completed as yet. |
| 9 | In the year under review, the renovation works of the Batik Sales Center belonging to the Divisional Secretariat had not been completed, and an overpayment of Rs.354,184 was observed during the inspection of expenses incurred | 2023 | Appropriate action should be taken to achieve the objectives of the project and overpayments should be recovered. | That the tasks 17 and 18 of the program mentioned by you in Thandikulam Batik Sales Center have been completed and remaining tasks will be completed soon. | The relevant measures had not been completed as yet. |

for that purpose.

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| 10 | The sum of Rs. 278,085 rent due from the people residing in 04 government houses of the District Secretariat was not collected for more than 23 months from one month to the last day of the reviewed year. | 2023 | Appropriate action should be taken to recover the arrears rent. | Several letters and reminders had been sent but dues had not been sent by the concerned departments. | Outstanding rent money had not been recovered. |
| 11 | Actions had not been taken by the Vavuniya Divisional Secretariat to recover the Rs.45,392,000 of tax premiums and penalties payable for 12 years for a land given to the Vavuniya branch of a government bank under long-term taxes for government land. | 2023 | Appropriate action should be taken to recover rent and penalty charges. | Vavuniya Bank of Ceylon assessment reports had been received on 14 October 2020. That the several letters were sent to the bank officers, but the taxes and fines were not paid. | Outstanding rent money had not been recovered. |

3.23 District Secretariat - Jaffna

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	2,455,009,928	127,189,405	2,327,820,523	Qualified
2022	2,638,849,222	80,288,963	2,558,560,259	Qualified
2023	2,775,414,851	50,248,085	2,725,166,766	Qualified

	Audit observations	Year of the Report	Recommendation of the Auditor General	Preventive action taken by the audited institution	Implementation status of the recommendation as at the date of the report
1	Necessary buildings and machinery for the Neervely Ashbanana Chips manufacturing project were established and handed over to the Nirveli Ashbanana Producers and Sales Cooperative Society in June 2020. From that date till now all those assets have been unused and without proper maintenance for a period of 02 years. The relevant cooperative society administration was of the opinion that the production costs were high and the machine was unsuitable for the production needs.	2021	Adequate measures should be taken to ensure that projects are properly planned before execution, technical assessments are carried out to ensure their success and unused assets are utilized in a productive manner.	The District Cooperative Development Assistant Commissioner has informed that the production process will be started using these machines.	The relevant measures had not been taken till 30 September 2024.

However, the amount of Rs.10,325,421 spent on this project was useless due to the lack of proper feasibility study.

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| 2 | <p>The lands on which the buildings constructed by Jaffna and Valikamam South West Divisional Secretariats at a total cost of Rs. 48,299,000 and 12 office buildings for Grama Officer and other officers constructed by 07 Divisional Secretariats under the official Nila Sevana Project in 2018 at a cost of Rs.30,830,235 had not been owned by the District Secretary or the Divisional Secretaries according to paragraph 2.1 of the State Ministry of Home Affairs Circular No. 05/2021 dated March 2021. However, actions had not been taken to acquire or take over these private</p> | 2022 | <p>Actions should be taken to take over the land of these offices.</p> | <p>The relevant activities are being done.</p> | <p>Relevant measures have not been completed yet.</p> |
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lands to the government up to date.

- 3 Out of the housing projects implemented incurring Rs.1 million and 0.6 million in the years 2016 and 2021, with provision of the Ministry of Resettlements, Housing Facilities and Urban Development, although construction works of houses related to 1,458 project recipients of the 1 million project and 234 recipients of the 0.6 million housing project had not been completed as at the end of the year under review, it was observed that all payments totaling Rs. 65,958,938 had been credited to their bank accounts and withheld them through standing orders to the effect that the money cannot be withdrawn.
- 2023 In making payments for construction, financial regulations 137, 138 and 237(b)(1) should be followed and action should be taken against officials who have not acted accordingly.
- Those steps have been taken to fully release payments. The relevant measures have not been completed yet.

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| 4 | The amount received by the District Secretariat to be spent on projects under the allocation of other ministries and departments was kept in the deposit account for a period of 06 years without taking appropriate action regarding Rs.20,996,124. | 2023 | Steps should be taken to refund the deposit money received to cover the expenses to the relevant parties within the specified period. | The sewage recycling project has not been completed. That a committee has been established regarding the payment settlement and action has been taken to settle these very soon. | The relevant measures had not been taken by 30 September 2024. |
| 5 | In terms of Section 9 of Appendix VIII of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, Although it is stated that the number of hours related to the payment of holiday pay should be calculated only on the basis of the time of performing normal duties, it was observed that 73 officers working in the District Secretariat and 13 Divisional Secretariats had reported for duty after normal duty hours, but without paying attention to it, they had been overpaid by a total of Rs.1,763,047. | 2023 | Steps should be taken to recover overpayments. | That it has been decided to take further action as per the instructions of the Ministry. | The relevant measures have not been completed as yet. |

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| 6 | Although the Mattuwil Economic Center had been built by the end of the year 2021 incurring a sum totaling Rs. 196,039,247 given in 2018 and 2020 respectively by two other Ministries, that project had not been implemented even by now. | 2023 | Steps should be taken to utilize that economic center building. | That the steps have been taken to start the operations of the economic center. | Relevant measures have not been completed as yet. |
| 7 | Although it had been planned to complete in the year 2019 the two project of constructing buildings and purchasing equipment for pasteurization milk under the project implemented in 2018 by the District Secretariat incurring a sum of Rs. 56,640,750 out of the financial provision of the Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs, it had not been completed even by the end of the year under review. | 2023 | Appropriate actions should be taken to complete the projects as planned and utilize the assets. | That the project for the construction and completion of those buildings has been sent to the Ministry of Agriculture on 02.07.2024. | Relevant measures have not been completed as yet. |

- 8 Although the 2023 Sewage Recycling project implemented by the District Secretariat in 2018 using the Provision amounting to Rs.75,323,600 allocated from the Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs, was to be completed in the year 2019, it had not been completed even by the end of the year under review although a sum of Rs. 65,955,381 had been incurred for that project.
- A formal program should be prepared and steps should be taken to actively implement the project.
- A committee has been established to settle those payments and steps will be taken to correct them promptly. Furthermore, that the actions are being made to continue the project with the support of the National Water Supply and Drainage Board.
- Relevant measures have not been completed as yet.

3.24 District Secretariat - Mannar

	Total Liabilities	Total Assets	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	905,466,284	183,291,771	722,174,513	Qualified
2022	957,155,766	160,765,533	796,390,233	Qualified
2023	2,186,045,019	268,117,997	1,917,927,022	Qualified

	Audit observations	Year of the Report	Recommendation of the Auditor General	Preventive action taken by the audited institution	Implementation status of the recommendation as at the date of the report
1	In violation of the financial regulation 139, a sum of Rs.3,392,000 had been given to the beneficiaries by the Cashier of the Musali Samurdhi Bank without verifying the identity of the person and presence of them at the counter and it had been proved that this officer had caused a loss due to mishandling of this money. Accordingly, although a sum of Rs.2,650,000 had been recovered out of that amount, the remaining amount of Rs.942,000 had not been recovered even by the end of the year under review.	2023	According to the Financial Regulations, the personal identity of the relevant beneficiaries should be verified and payments should be made, and further steps should be taken to recover the amount due.	That the full explanations regarding certain transactions carried out by Musali Divisional Secretariat Samurdhi Bank will be obtained from the said bank and arranged to be sent promptly.	The remaining amount of Rs.942,000 had not been recovered till this day.

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| 2 | 66 deposits totaling to Rs.4,125,661 received for various purposes, remained from 03 to 40 months under Head 02 of the deposit account, had been retained idle therein. | 2023 | Actions should be taken to utilize it to achieve the relevant objectives. | That the advise has been given to taken appropriate action. | The relevant measures had not been completed as yet. |
| 3 | Although 49 cheques of Manthai-west Divisional Secretariat value of which totaling to Rs. 1,889,938 remained for 07 years in bank reconciliation statement as unidentified payments, no suitable action had been taken thereon. | 2023 | Actions should be taken according to the Financial Regulation 104 – 110. | That the action will be taken according to the decision of the special committee appointed by the Ministry of Home Affairs regarding this fraud. | No suitable measures had been taken even by now. |
| 4 | Although Samurdhi nutritious restaurant and sales center had been established in 2021 and 2022, incurring a sum of Rs.6,321,438 of the financial provision of the Department of Samurdhi Development, it had not achieved the intended benefits due to the construction of this building without preparing a proper feasibility study. | 2023 | In the future, a feasibility study should be carried out when carrying out such constructions, and suitable actions should be taken to efficiently run the Samrudhi Nutritional Bojunhala that has been built so far. | No answers have been given. | The relevant measures had not been completed as yet. |

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| 5 | Of the 360 female goats given from the proposed goats breeding project of 2023 for which a sum of Rs. 9.9 million had been incurred by the Ministry of Agriculture, given to 120 project recipients by 06 May 2024 to enhance the living standards of the people in underdeveloped and rural areas, it was observed at the field inspection that 20 goats had died due to illnesses within 14 days of handing over. However, since goats had not been given in place of the died ones as per the conditions of the Agreement, intended results had not been achieved. | 2023 | According to the terms of the contract, actions should be taken to replace the dead goats with new goats from the supplier. | That the legal action is being taken against the supplier | The relevant measures had not been completed as yet. |
| 6 | Of the amount of loans given to the 622 members who obtained Samurdhi assistance from 09 Samurdhi banks under the Samurdhi Development Department in the Manner district, the outstanding loan balance totaling to Rs.25,160,211 wherein comprised | 2023 | Appropriate steps should be taken to recover the loan monthly as per the agreement. | Beneficiaries are being advised and collections are being made regarding outstanding loans. Further, that the District Secretary has instructed the Divisional Secretaries in the Progress Review Committee to take legal action against | The relevant measures had not been completed as yet.. |

unrecovered loan instalments during a period from 03 to 30 months and no any meaningful and efficient steps had been taken by the Smurdhi Managers or by the District Samurdhi Directors regarding the recovering of those outstanding loans.

the beneficiaries who cannot be charged and the work is in progress.

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| 7 | When inspecting the bank accounts of Samurdhi Banks under Samurdhi Development Department in the Manner district, although the monthly Samurdhi payments for beneficiaries have been continuously deposited, it was observed that 223 beneficiaries had not withdrawn the money totaling to Rs.17,739,811 during a period from 10 to 48 months and utilize for their needs. Accordingly, it was observed that beneficiaries, for whom there is no need of Samurdhi assistance to be given, had been selected. | 2023 | Steps should be taken to select Samurdhi beneficiaries as per the criteria and conduct proper inspection and weed out the unwanted people and give the benefits to the needy people. | At the present time, that these are confirmed and are being worked on to provide them to those who deserve them and to stop them from being given to others. | The relevant measures had not been completed as yet. |
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3.25 District Secretariat - Mullaitivu

	Total Assets	Total Liabilities	Equity	Opinion
	Rs.	Rs.	Rs.	
2021	1,388,321,957	49,733,143	1,338,588,814	Qualified
2022	1,498,400,735	60,945,629	1,437,455,106	Qualified
2023	1,424,902,250	11,618,159	1,413,284,091	Qualified

	Audit observations	Year of the Report	Recommendation of the Auditor General	Preventive action taken by the audited institution	Implementation status of the recommendation as at the date of the report
1	An amount of Rs.2,250,000 provided by Lanka Mineral Sands Limited to the District Secretariat in 2012 for the purpose of purchasing land had remained in a deposit account for over 09 years without being utilized for its intended purpose.	2021	Measures should be taken to use for the relevant objectives.	The land acquisition works had been delayed as the original owners were died.	The evaluation is ongoing, and this amount has been paid to the relevant party.
2	A total of 118 houses, constructed by 04 Divisional Secretariat Offices at a cost of Rs. 183.9 million and handed over to the public, had remained unoccupied by residents for a period ranging from 6 to 10 years.	2022	Actions should be taken to use those houses in a more effective manner.	They have not been able to use these because they have moved to other areas for economic, educational and health reasons.	Houses have been constructed during the resettlement period. However, due to personal reasons, the beneficiaries have settled in various locations.

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| 3 | The secure center constructed in Selvapura in 2014, equipped with 481 items of equipment and facilities at a cost of Rs. 24.19 million funded by the National Child Protection Authority, had remained idle for the past 08 years without delivering the expected benefits for vulnerable and abused children. | 2022 | Actions should be taken to utilize it for the relevant purposes. | Answer had not been provided as applicable to audit observations. | It has not been utilized even until 30 September 2024. |
| 4 | The electricity generator provided to the District Secretariat by the Ministry of Disaster Management had not been used for a period of 6 years. Additionally, a 502KW high-capacity generator, purchased in December 2016 for Rs. 9.8 million to be used only during a power outage at the District Secretariat, became inactive after operating for 385 machine hours. | 2022 | Appropriate steps should be taken to repair and use effectively. | Repairs will be made when provision is made. | They have not been utilized even until 30 September 2024. |
| 5 | 03 bicycles and 02 lorries stored in the warehouse for the World Food | 2022 | Steps should be taken to submit the related documents and | No comments. | The recommendations have not been implemented. |

	Programme in Mulliyawalai on 10 September 2019 were not subjected to physical inspections in the year under.		books for physical inspection.		
6	The land ownership documents, transfer orders, and survey plans, which were presented in the financial statements as belonging to the District Secretariat and 06 Divisional Secretariat Offices, have not been submitted for audit for over 10 years. Furthermore, no effective steps have been taken to obtain these documents, assess their fair value, and present them in the financial statements.	2022	Effective measures should be taken to verify the title deeds and the extent of land and assess its fair value by the government value and show it in the financial statements.	Operations in this regard will be started soon.	The relevant actions have not been finalized to date.
7	The amount of Rs.579,500, which remained unpaid to the beneficiaries out of the funds received from the Department of Samurdhi Development during the COVID-19 pandemic in the 2020/2021 period for special benefits, was retained in the	2023	Steps should be taken to reimburse to the Samurshi Development Department.	That the steps have been taken to reimburse.	The relevant actions have not been completed to date.

Pudukkudiyiruppu
Community Bank
without being fully
refunded to the
department.

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| 8 | Out of the loans provided to 31 beneficiaries by 03 Samurdhi Social Fund Banks from 2014 to 2022, an outstanding balance of Rs. 1,421,364 remained as of the end of the year under review. | 2023 | Appropriate steps should be taken to recover outstanding loan balances. | That the steps will be taken to recover the loan through Samurdhi Development Officers. | The outstanding funds have not been recovered. |
| 9 | As of the end of the review year, no appropriate action had been taken regarding the inactive bank account balances totaling Rs.26,299,722 belonging to 6,172 beneficiaries across 05 types of accounts maintained at the Samadhi Social Fund Banks. | 2023 | Formal steps should be taken to activate bank accounts of Samurdhi beneficiaries. | That the number of such accounts is being reduced. | Appropriate actions have not been taken so far. |
| 10 | As of the end of the year review, a total of Rs.14,259,125, or 69 percent of the advance amounting to Rs.20,729,785, provided by the District Secretariat to two Multipurpose Cooperative | 2023 | Appropriate action should be taken to recover the advance due. | That the balance of Panangamampattu Various Services Co-operative Society is Rs.1,909,125 and the balance of Visuvamadu Various Services Co-operative | The total advance amount of Rs. 14,259,125 has not been settled thus far. |

Societies for the purchase of paddy from farmers in 2015, remained unsettled, without any agreement being made.

Society is Rs.12,350,000 and there is still more to be charged.

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| 11 | <p>The funds amounting to Rs.13,405,280, which were allocated for the housing project proposals provided to 98 beneficiaries in the district by the National Housing Development Authority and the Ministry of Rural Housing, Construction Industries, and Building Materials Industry Development, were not disbursed to the beneficiaries. These funds were retained in the Pudukkudiyiruppu, Oddusuddan, and Udaiyarkattu Samurdhi Bank accounts for a period ranging from 1 to 4 years, without being used for the intended purpose, and remained undisbursed until the end of the year under review.</p> | 2023 | <p>Appropriate steps should be taken to utilize the money in the Samurdhi Bank accounts for the relevant purposes.</p> | <p>That the payments will be made immediately after receiving the approval of the relevant authorities</p> | <p>Relevant actions have not been taken so far.</p> |
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| 12 | <p>During the audit test check of the accounts of 135 beneficiaries related to the Samurdhi Livelihood Assistance in the district, a total of Rs.8,443,715 in assistance funds, ranging from Rs. 32,106 to Rs.175,749 in the accounts of the beneficiaries, was found to have remained idle in the Samurdhi bank accounts without being used for the intended purpose of improving livelihoods.</p> | 2023 | <p>Beneficiaries should be investigated and appropriate action should be taken to ensure that the subsistence payments are utilized for the respective purposes.</p> | <p>That the details of the above beneficiaries have been obtained and the beneficiaries are being identified through the field officers and payments are being made.</p> | <p>The relevant actions have not been concluded as of now.</p> |
| 13 | <p>In 2019, the working committee of the Thunukkai Divisional Secretariat decided on the assessed value for 19 government lands, according to which a total of Rs.3,268,790 in taxes should have been collected. However, these taxes had not been collected for a period ranging from 1 to 5 years. Furthermore, due to the failure to</p> | 2023 | <p>Appropriate measures should be taken to recover the arrears tax.</p> | <p>Some had paid the fees. Also, some have been notified by letters. That regarding the period before the year 2019 is being worked on</p> | <p>Outstanding funds had not been collected.</p> |

demarcate these government lands since the period prior to 2019, tax revenues that should have been collected from various parties utilizing those lands were lost.

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| 14 | The total tax amount of Rs.1,480,000 related to 29 acres of government land provided to a beneficiary on a temporary lease basis in 2014 by the Thunukkai Divisional Secretary had not been collected even by the end of the year under review. | 2023 | Appropriate measures should be taken to recover the arrears tax. | Sent to the Commissioner General of Lands. That the steps will be taken to collect the due income immediately after receiving the instructions. | Outstanding funds had not been collected. |
| 15 | 04 Samurdhi Development Officers who did not report to duty without prior notice, and a staff member who served at the Oddusudan Divisional Secretary's Office, had been paid a total of Rs.712,675 as excess salary for the period they did not report to duty. | 2023 | Appropriate action should be taken to recover back salary and disciplinary action should be taken against the officers. | Steps have been taken to recover the money through the Divisional Secretary. In case of failure, it has been informed that legal action will be taken. | The excess salary paid has not been recovered. |

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| 16 | It was observed that, as of the end of the year under review, a total of Rs.2,788,300 in allowances had not been paid to 154 beneficiaries who were receiving allowances for the disabled, kidney disease, elderly above 70 years, and elderly above 100 years, as provided by the Social Services Branch of the Karaittureipattu Divisional Secretary's Office in 2022 and 2023. | 2023 | Appropriate measures should be taken to pay the allowances due to the beneficiaries within the prescribed periods. | That the money is being taken and allowances are ongoing continuously. | The relevant actions have not been completed thus far. |
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