

Head 272 - District Secretariat - Kurunegala

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of Head 272 - District Secretariat – Kurunegala for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No.19 of 2018. The summary report containing my comments and observations on the financial statements of the District Secretariat – Kurunegala was issued to the Accounting Officer on 14 May 2024 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was issued to the Accounting Officer on 13 May 2024 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the District Secretariat – Kurunegala as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

The Accounting Officer are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per Section 16(1) of the National Audit Act No.19 of 2018, the District Secretariat is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1) (c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the District Secretariat and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No.19 of 2018.

- (a) The financial statements are consistent with the preceding year.
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

(a) Property Plant and Equipment

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Although it has been passed more than 16 years to 60 years since the 05 Divisional Secretariats were established namely Kuliapitiya (East), Udubaddawa, Mallawapitiya, Rasnayakapura and Galgamuwa, action had not been taken to take over the land where the offices were located and the value of the land had not been assessed and accounted under Property, Plant and Equipment.	That the activities related to taking over are being carried out.	Actions should be taken to take over the Land, assess the value and accounted.
(ii) The value of Rs. 6,590,261 spent on 16 Sewa Piyasa buildings constructed in respect of 05 Divisional Secretariats under the Gama Samanga Pilisandarak Project in the year 2022 had not been identified and accounted as fixed assets.	That the amount spent will be accounted as fixed assets in the future.	Value of the Building should be accounted as fixed assets.

(b) Non-maintenance of Registers and Books

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) In terms of paragraph 8.1 of the Public Accounts Guideline No.2022/05 dated 13 December 2022, the fixed asset registers of 10 Divisional Secretariats had not been updated by the Fixed Assets Module in the CIGAS programme.	That it will be maintained up to date.	Actions should be taken to update the fixed asset register by the Fixed Assets module.
(ii) The Electrical Equipment Register had not been maintained in 02 Divisional Secretariats as per Financial Regulation 454(2).	Action will be taken to maintain the Electrical Equipment Register as indicated by the audit.	An inventory book on Electrical Accessories and Equipment should be maintained.

- (iii) The Liability Register had not been updated in one Divisional Secretariat as per Finance Regulation 214. That, the action will be taken to maintain a Liability Register properly. The liabilities should be recorded in a Liability Register which can be checked on a daily basis.

2. Financial Review

2.1 Non- compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in laws, rules and regulations observed during the course of audit test checks are analyzed below.

Observation		Comments of the Accounting Officer	Recommendation	
Reference to Laws, Rules and Regulations	Value Rs.	Non- Compliance		
(a) Section 14.11 of Chapter XXIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	13,905,291	Although a statement of irrevocable promissory for conversion of pension in Appendix 23 should be obtained if an officer's service is terminated in order to legally recover the unpaid loan balance from the pension or pension gratuity of that officer, the loan amount had been given without obtaining such a declaration from 85 officers working in 06 Divisional Secretariats.	Appendix 23 has not been obtained due to a mistake and, the statement will be obtained and included in the files after the audit indicates that.	A statement of non-irrevocable promissory should be obtained at the time of grant of loan.
(b) Financial Regulations 571 of the Democratic Socialist Republic of Sri Lanka	38,094,253	The retention contractual money of the District Secretariat and 18 Divisional Secretariats had been kept in the deposit account for more than from 02 years to 05 years.	That, it could not be settled due to deficiencies of projects and non-availability of funds.	Regulations should be followed.

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| (c) | Public Administration Circular No.2/2018 dated 24 January 2018 | According to the circulars, although an officer was required to undergo training opportunity of not less than 12 hours every year, training opportunity had not been provided to 2848 officers in respect of 11 positions in the Kurunegala District Secretariat and 30 Divisional Secretariats during the review year. | Although a training plan was prepared to provide training opportunity of not less than 12 hours in 2023, training opportunities could not be provided as money was not provided from the General Treasury. | Provisions of the Circular should be followed. |
| (d) | Section 3(e) of Public Finance Circular No.05/2019 dated 27 June 2019 | 40,150
The receivable Distress and Property loan balances in respect of two interdicted officers of 02 Divisional Secretariats of Ridigama and Narammala had not been recovered for a period of 05 years to 20 years. | Rs.2,000 has been recovered from the Grama Niladhari of Ridigama in January 2024 and a further amount of Rs.14,150 is to be recovered. That the letters have been sent to the officer of the Naramala Divisional Secretariat to pay the relevant amount. | Actions should be taken to recover the loan balances. |
| (e) | Paragraph 10 of the Circulars of the Secretary to the State Ministry of Internal Security, Home Affairs and Disaster Management No.16/2020 dated 18 September 2020 | Although the Divisional Secretary, Assistant Divisional Secretary and Administrative Grama Niladhari are required to inspect every Grama Niladhari office once in every 04 months, the Grama Niladhari offices in 109 Grama Niladhari domains belonging to 09 Divisional Secretariats in Kurunegala District had not been inspected even once. | That the test had been missed. | Action should be taken in accordance with circulars. |

3. Operational Review
3.1 Non-achievement of expected Outcome

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although Rs.9,016,765 was spent on opening up a factory of making Water Hyacinth (Japan Jambara) related productions and providing equipment including Sewing Machines for 20 beneficiaries of Ahetuwewa Divisional Secretariat under the Saubhagya Production Villages Programme 2021, and, it was observed that the project was not working at the desired level as the monthly income of a beneficiary was around Rs.4,105.	That the actions are being taken to introduce new market opportunities and market strategies and to expand market opportunities through modern advertising methods.	Actions should be taken in such a way that the expected benefits from the project can be achieved.
(b) Although a project to improve the Pottery Industry was implemented in the years 2021 and 2023 at a cost of Rs.4,760,777 for the Valaliya and Kadiharaya domains of the Bamunakotuwa Divisional Secretariat office under the Saubhagya Production Villages Programme, according to the sample inspection, 06 beneficiaries who benefited of Rs.480,000 had not use the pottery hut and equipment provided.	That the relevant equipment will be used.	The equipment of the project should be used properly.
(c) Although the Invasive Plants were removed from 03 tanks of the Nikaweratiya Divisional Secretariat division at a cost of Rs.732,000 in the year 2022 under the Gama Samanga Pilisandararak Programme, the entire water level was again covered with invasive plants within a short period of 1 1/2 years of completion of the project. The amount spent had become useless as the people of the area did not resort to sustainable use and maintenance of resources and, the responsible officials did not act in this regard.	That the farmers' organizations will be informed to take continuous actions to remove invasive plants in the future.	The community should be encouraged to carry out necessary maintenance activities after completion of the project so as to meet the desired objective of the project.

- (d) Although the borders of the Kadiragala Canal in Kedattawa field were preserved at a cost of Rs.261,875 related with the Gama Samanga Pilisandarak 03 million program in Wariyapola Divisional Secretariat Division in 2022, the embankments of the canal were disintegration at several places in the canal and cultivation activities within about 150 acres of paddy fields could not be cultivated properly due to sand retention in the paddy fields during the rainy season and being full of water for many days. The broader were damaged during the transportation of machinery due to lack of road facilities to transport agricultural machinery to the fields. The amount spent without paying attention to this issue while preparing the project proposals had become an idle expenditure.
- There was not enough money to prepare the tractor jumps and the Divisional Officer of Agrarian Development of Aulegama has been informed to carry out the maintenance work of this canal and to carry out the project successfully by taking appropriate action regarding the current situation.
- Projects should be carried out in an effective manner to meet the expected benefits.
- (e) In order to implement a pilot project on promotion and marketing of breadfruit cultivation in 2023 with a provision of Rs.851,250 from the Ministry of Agriculture, 750 breadfruit for 50 beneficiaries as 50 breadfruit per division in 15 selected Divisional Secretariat Divisions of Kurunegala District and other 03 machines including a small scale dehydrator had been provided to one beneficiary of Maspota Divisional Secretariat for dehydrating breadfruit. This project had become an out-of-practical project due to the facts that, lack of attention to the high cost involved in transporting the harvest of 15 Divisional Secretariat divisions to Maspota area or bringing the dehydration machine to those areas, the market price of dehydrated breadfruit related products, the non-preparation of an export system and the number of 750 breadfruit plants provided were the original plants
- According to the instructions given by the Ministry of Agriculture while carrying out this project, divisions were selected in Kurunegala district which are the high-yielding breadfruit and widespread breadfruit cultivation and, although income generation and export were expected through this, the layer plants had been distributed to the farmers according to the criteria as it was difficult to find the transplanted breadfruit plants. These plants are expected to obtain yield within 03 years.
- Actions should be taken in such a way that the expected benefits can be achieved while executing the projects.

(layers) and as it took more than 03 years to harvest a layer plant.

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| (f) An amount of Rs.77,963,280 which is 44 percent of the amount of Rs.178,789,500 allocated for the funds related to the capacity development, revolving credit program for Kurunegala district under the first phase of the Grama Shakti People's Movement implemented by the Presidential Secretariat in 2018/2019 remained unutilized at the end of the year under review. | Since various proposals have been submitted from the societies to spend the relevant money, the relevant proposals will be obtained and actions will be taken to implement those programs in the future. | Grama Shakti People's Movement should be implemented in a way that fulfills its objective effectively. |
| (g) Although an amount of Rs.5,322,414 has been spent for the construction of a minor export crop promotion center in Ranthetikanda domain belonging to the Ridhigama Divisional Secretariat under the 2021 Saubhagya Production Village Program and the Gama Samanga Pilisandarak Program 2022, the project had not been able to achieve the expected benefits due to the minimal utilization of the relevant machinery. | That the machines are expected to be used during harvesting period. | Equipment should be used properly so that projects can be effectively executed in a way that meets the objectives. |
| (h) The 04 Rural Volleyball stadiums built at a total cost of Rs.4,822,027 in the 04 Divisional Secretariat Divisions of Kuliapitiya (East), Weerambagedara, Bamunakotua and Ibbagamuwa under the Rural Playground Development Program of the year 2021 remained unused and without maintenance as of the year under review and, due to the non-completion of the 04 rural volleyball stadiums that were built at a total cost of Rs.5,749,404 for the 04 Divisional Secretariat Divisions of Ibbagamuwa, Ahetuwewa, Narammala and Polpithigama, the expected benefits of the program had not been achieved. | That the action will be taken to maintenance and use of stadiums. | Projects should be implemented effectively to meet the objectives. |

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| (i) | Although Rs.1,256,563 has been spent on the spice-related production program of Idulgodakanda Grama Niladhari domain of Mallawapitiya Divisional Secretariat under the Saubhagya Production Village Program in the year 2021, income generation was at a very low level, and the coir grinding machines provided to the coir brush production project implemented at the cost of Rs.1,631,000 in Katupitiya North domain had been underutilized. | Actions are being taken to identify the vendors with the intervention of Export Development Officers and it is expected to make maximum use of these equipment in the future. | Action should be taken to increase the income level of the beneficiaries as effectively achieve the objective of projects and the equipment provided should be used. |
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3.2 Projects Abandoned without Completing

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) 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 amount spent had become useless due to the non-implementation of the projects.	That the Department of Community Water Supply is ready to carry out further activities of this project.	Projects should be executed in a manner that effectively achieve the objective and obtain the desired benefits.
(b) A provision of Rs.1,990,000 was allocated for the Vadugedera Water Project in the Vadugedera Grama Niladhari Domain of Kuliyapitiya (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	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 project should be completed as planned and actions should be taken to provide the benefits of the projects to the relevant beneficiaries as beneficial.

the construction 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.

the development works are recommenced.

3.3 Delays in the Execution of Projects

Audit Observation

In the year 2000 The 0.8016 hectares of land located in Ihala Walpola village of Madagedara Grama Niladhari domain in Ibbagamuwa Divisional Secretariat had been donated to the Government by donor for distribution among the warriors or their families. It had been given to another party as a productive lease without allotment of this land by conducting Land Kachcheri and the land had not been used for the prescribed purpose even after 23 years of donating the land.

Comments of the Accounting Officer

Letters have been sent to the Provincial Land Commissioner for conducting Land Kachcheri and seeking further instructions.

Recommendation

Action should be taken in a manner that fulfills the purpose of the donor.

3.4 Projects without Progress despite the release of Money

Audit Observation

Although the National Water Supply and Drainage Board was paid money in year 2014 for the plumbing extension project from Bamunakotta junction to Thimmagama on the plumbing extension project from Bamunakotta Junction to Thimmagama on the provision of Rs.4,746,457 and the water pipe extension project from Gonnawa bridge on Wariyapola Kalugamuwa road to Bamunakotuwa juncture

Comments of the Accounting Officer

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 actions have been taken to obtain permission from the Road Development Authority for the extension of the plumbing

Recommendation

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, efficiently and effectively.

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.

from Bamunakotuwa Junction to Thimmagama.

3.5 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although the Annual Performance Report had been prepared in terms of paragraph 102 of the Public Finance Circular No.02/2020 dated 28 August 2020, and although the Performance Index in paragraph 04 of the report is stated under 13 components based on the Action Plan, any provisions had not been made for rural electricity, solar panel/electricity (for housing units) and non-official projects.	That the limited provisions received in the year 2023 was caused for this.	Action should be taken in accordance with the Annual Action Plan.
(b) According to the performance Indexes prepared on the basis of the Action Plan, the actual completion level of the three components of access road construction, sanitation facilities and minor irrigation was less than 49 percent.	This is due to the provisions was not received as planned for many projects in the year 2023.	Action should be taken in accordance with the Annual Action Plan.

3.6 Implementation of Projects under Domestic Financing

Audit Observation	Comments of the Accounting Officer	Recommendation
The Ministry of Industry and Commerce had provided 68 goods units of 08 types of goods such as JUKI Machines, Over log Machines, Motors, Table Electrical irons for the implementation of small scale projects in Polgahawela Division in 2017. During the audit physical verification conducted in the year under review, the JUKI sewing machine and	The underutilized equipment of beneficiaries will be taken over again after discussion with the beneficiaries, and if it will not be received proper answers from the beneficiaries for the misplaced JUKI machines, that the legal action will be taken.	The project should be carried out in such a way that it is possible to achieve the desired benefits.

accessories obtained by 06 beneficiaries remained idle and the JUKI sewing machine and related accessories provided for one beneficiary had not been in the house.

3.7 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The Polgahawela Divisional Secretariat was established in the year about 2010 in an area of about 0.318 hectares of land in Ganegoda South Grama Niladhari Division and action had not been taken to hand over this parcel of land to the Ministry of Home Affairs and given possession to the Divisional Secretary.	That the work related to land acquisition is underway.	Land should be legally taken over.
(b) The Divisional Secretariat of Mallawapitiya is currently operating on 0.2645 hectares of parcel of land where the Mallawapitiya C.W.W. Kannangara College was located and this parcel of land had not been legally taken over to the Divisional Secretariat even at the end of the review year.	A request has been made to the Secretary of the Ministry of Education of the North Western Province to obtain an inspection report in this regard as the land has been maintained as a provincial school.	The lands where the Divisional Secretariats are located should be legally taken over.
(c) About 100 acres of land in the area adjacent to Molagama Lake in 2146 Molagama Village in final village plan of No.109 Pothanegama Grama Niladhari domain of Ahetuwewa Divisional Secretariat Division was encroached and cultivated maize in August 2023 and, although the Senior Superintendent Surveys of Kurunegala surveyed on 22 March 2023 for identify the borders in this area, action had not been taken to obtain trace regarding that.	The encroacher has been informed to leave and although the survey has been carried out, the relevant document has not been received and legal action will be taken after receiving the trace.	Legal action should be taken against encroachments of state-owned lands.

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| (d) | More than 66.9 perches of land with grant papers in the Polpithigama Divisional Secretariat area were given for the construction of 04 communication towers without the approval of the Government and the grant paper owners had earned a lot of income from these towers and, the relevant parcel of land had not been formally taken over and disposed of by the Government. | That the grant papers will be taken over to the Government and tax will be collected from the date of establishment of communication towers. | State-owned parcels of land should be formally taken over and disposed. |
| (e) | About 80 acres of land and 60 buildings therein belonging to 19 Divisional Secretariat Divisions of Kurunegala District were idle and had not been used for useful purpose. | That the various reasons have affected the idle of land and necessary actions will be taken to use it for useful purposes. | Appropriate action should be taken in respect of idle property. |
| (f) | Action had not been taken to hand over the 0.622 hectares of state land located in plot No.355 of additional No.03 in paper No.09 of අ.ඉ.පි.1979 in Daladagama village of No.196 Daladagama Grama Niladhari domain located in Mahawa Divisional Secretariat Division to the Ministry of Home Affairs and taken over the possession to the Divisional Secretary. | It has been informed that the request letter will be sent to the Ministry to take over the land and necessary action will be taken. | State-owned parcels of land should be formally taken over. |
| (g) | The Cab No.25-5707 belonging to the Divisional Secretariat of Udubaddawa faced to an accident on 20 May 2011 and the value of the damage was Rs.114,650 according to the F.R.104 (4) investigation report. The vehicle remained idle after the accident since 2011 due to not taking proper action for the repair of the vehicles and failure to act appropriately. According to the report of the Special Survey Board appointed in the year 2023, it had been mentioned that about Rs.1,500,000 would have to be spent by year of the under review. | It has been informed that further inspection of the repair of the vehicle is expected by a mechanical engineer. | Appropriate action should be taken as soon as possible in respect of idle assets. |

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| (h) | Although it has been stated that the vehicle should be checked the vehicle by serving the fuel system of the vehicle using a new battery after inspected the Cab No.52-6128, which had been out of the service since 27 November 2013 after using by the Giribawa Divisional Secretariat as a group vehicle by the Motor Vehicle Inspector in 2014, it has being parked at the premises of the Divisional Secretariat for 10 years without taking action to repair of dispose. According to the report of the Special Survey Board for identification of vehicles to be disposed appointed by the District Secretariat, the gross estimate for the repair of this vehicle, which could have been repaired at a low value in 2014, was Rs.1,800,000 in the year 2023. | Further inspection of the repair of the vehicle is expected to be carried out by a mechanical engineer. | Appropriate action should be taken as soon as possible in respect of idle assets. |
| (i) | Although it has been almost 10 years since the tractor bowser NWAH-8867 provided by the Department of Social Services to the Divisional Secretariat in Nikaweratiya was became non-functional from 21 August 2014, action had not been taken to dispose or repair. | That, although the Department of Social Services has been asked about the steps to be taken in this regard, appropriate instructions have not been received. | Appropriate action should be taken as soon as possible in respect of idle assets. |

3.8 Uneconomic Transactions

Audit Observation

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 Samanga Pilisandarak 20 Million Programme in year 2022 had been completely washed away and due to this, the money spent had been an idle expenditure.

Comments of the Accounting Officer

The School Development Society has been instructed to restore the embankment and the retention money has not yet been paid.

Recommendation

Projects should be completed in such a way that they can achieve the desired benefits.

3.9 Management Weaknesses

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Although a drinking well was constructed on private land at a cost of Rs.10 million in Madalpola domain of Kuliypitiya (East) Divisional Secretariat Division in 2010, the land was not taken over to the government. Subsequently, as the landowner objected to it, the land was taken over by fiscals on 19 September 2019 and handed over to the Director of the Department of Rural Development. Although the motor room was demolished here, action had not been taken to take actions on that or for the maintenance and recovery of possession by the officers who responsible.	That this project has been implemented by the Ministry of Rural Development of the North Western Province and there is a problematic situation at present.	Construction activities should be carried out by properly acquiring land to the government before implementing the projects using government funds.
(b) An amount of Rs.2,008,998,318 had been paid as compensation for the Deduru Oya South Canal Project related to 05 Divisional Secretariats namely Nikaweratiya, Wariyapola, Ganewatta, Paduwasnuwara (West) and Polpithigama and Rs.46,190,594 had been paid as interest in addition to the compensation amount due to delay in payment.	That the interest has to be paid due to each phase takes a long time according to the Land Acquisition Act.	Compensation for land acquisition should be paid within the stipulated time.
(c) In the year 2023, A compensation of Rs.11,515,317 was to be received from the National Disaster Relief Centre to the affected persons of 30 Divisional Secretariats as compensation for the damage caused by natural disasters.	That it will be sent to the respective Divisional Secretariats after examination of the requests for grants of Rs.3,814,692.	Immediate action should be taken to provide compensation to the affected parties.
(d) Half of the work at Nambilikumbura playground was completed at a cost of Rs.970,000 in 2022 in Ibbagamuwa Divisional Secretariat Division under the Gama Samanga Pilisandaraka Programme and although more than a year after the completion of these works, the building that had been	That the relevant society has been informed by a letter to set up the roof with the funds of the society or otherwise.	Work should be done in such a way that the expected benefits can be achieved while executing the projects.

constructed was at a risk of being destroyed as the roof of the building was not roofed.

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| (e) | A project to raising domestic goats with the objective of improving the livelihood of the low income holders in the area and improving their standard of living in Kurunegala district incurring a cost of Rs.4,987,000 from the provisioned amount of Rs.6,965,000 was implemented in 21 Divisional Secretariat divisions under the Rural Economic Division which executed under the Ministry of Agriculture, this project had not been implemented in 09 Divisional Secretariat Divisions due to lack of goat calves to be purchased on government farms and private suppliers refusing to provide goats on loan basis. | For this project, suppliers for 09 Divisional Secretariat Divisions did not offer to provide goats on credit basis, and therefore purchase from government and private farms was not done in the Divisional Secretariats. | -do- |
| (f) | Although the works to acquisition of land for 45 development projects expected to be implemented in 05 Divisional Secretariats named Kuliypitiya (West), Kobeigane, Pannala, Mallawapitiya and Rideegama in Kurunegala district has been delayed for 02 years to 47 years, the land acquisition work has not been completed. | Although the gazette accepting the enjoyment has been received, the re-survey is underway as the acquired parcel could not be identified. | Action should be taken to legally acquire the land required for carrying out development projects. |
| (g) | While 4,744 temporary houses, 6,596 encroachments, 3,908 un-electrified 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. | Construction programme will be implemented to improve the relevant facilities. | Projects should be planned and implemented effectively as a solution to the problems in the district. |

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| (h) | Rs.157,490,678 of pension overpayment had been made to 747 pensioners of 30 Divisional Secretariats in Kurunegala District as on 31 December 2023 and Rs.97,564,450 was to be recovered from the same amount as on 31 December 2023. | Action will be taken to recover the pension's overpayments which need to be recovered further. | Actions should be taken to recover overpaid amount immediately. |
| (i) | Rs.2,822,906 of over-recovery from pensioners as at 31 December 2023 could be identified and under recovery amount was Rs.3,461,572. | That the recovery will be made as indicated by the audit. | The amount to be recovered from the pensioners should be recovered correctly. |
| (j) | The remaining unrecoverable balance as at 31 December 2023 due to the death of 14 pensioners of 12 Divisional Secretariats before the recovery of their overpaid pensions was Rs.2,251,301. Actions had not yet been taken to recover this overpaid pension from the responsible parties by the end of the year under review. | Action will be taken to recover as per the instructions of the Department of Pensions at the time of commencement of payment of pension and as per the inspection of F.R.107 at the payment of widow's salary. | The amount to be recovered from the deceased pensioners should be recovered at the time of payment of widow's salary. |
| (k) | Rs.1,127,445 of Property, Special, Festival, Bicycle and Distress loans amounts to be recovered from the 09 deceased officers belonging to Kurunegala District Secretariat and 07 Divisional Secretariats were existed as at 31 December 2023 and the non-recovery period of these loan balances ranged from 01 year to 20 years. | Approval has been sought from the Department of Pensions to recover the loan from the pension. | Action should be taken to recover the loan balances to be recovered from the deceased officers. |
| (l) | Although 03 years to 13 years has been passed since the requests to hand over the land and buildings belonging to government institutions located in 08 Grama Niladhari Domains of 03 Divisional Secretariat Divisions of Bamunakotuwa, Mahawa and Mawathagama to those institutions were made, actions to handed over those lands had not been taken. | Relevant documents have been sent to the Provincial Land Commissioner with copies. | Land and buildings related to government institutions should be handed over to those institutions in a systematic manner. |

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| (m) | Rs.676,600 had to be charged from 07 officers on the basis of retirement, death and marching orders at 04 Divisional Secretariats for motorcycles provided under the Budget Proposals 2014/2015. | That the arrears will be recovered in installments. | Action should be taken to recover the amount to be charged from the officers for the motorcycles provided. |
| (n) | Although the Thammita School in the Weerambagedera Divisional Secretariat area of authority, co-operative buildings located in Sandagala South and Ranjanagama is being destroyed due to non-use, action had not been taken in this regard. | As the heirs have presented for the seated land, a case has been filed to take over the land where Thammita school is located and necessary actions are being taken to grant long-term lease to the rest of the land. | Appropriate action should be taken as soon as possible in respect of idle buildings. |
| (o) | The Maradagolla Public Ground in Maradagola Grama Niladhari domain of Naramala Divisional Secretariat Division is consistent of Sewa Piyasa, Day and Night Playground, Community Hall and Disaster Management Hall and it has been encroachment from the front area of this land and, a road facilitate to running vehicles had been constructed by encroachment laying ABC for 300 feet length and 07 feet wide for go to a neighbor's house through this public land of about 02 acres. | The survey request has been forwarded to the Kachcheri Surveyors of the Provincial Land Commissioner's Department to ascertain whether there has been trespassed. That the road has been constructed with ABC due to making potholes due to vehicles which transported building materials for the construction of the Buddha Madura on the land and the repair of the Society Hall. | Legal action should be taken against encroachments on state-owned lands. |
| (p) | The 40x20 feet building located on the state-owned Nugagahamulahena land in Kuliypitiya (East) Divisional Secretariat Division and that land has been enjoyed by encroacher for 29 years and action has not been taken in this regard up to now. | As this land has 1/3 government possession of 33 years, further actions will be taken to land own to the government and use the land effectively in the construction. | Legal action should be taken against encroachments on state-owned lands. |

4. Good Governance

4.1 Audit and Management Committee

Audit Observation	Comments of the Accounting Officer	Recommendation
According to the Circular No.06/2018 dated 07 August 2018 of the Secretary to the Ministry of Home Affairs, Audit and Management Committee Meetings should be held at least once a quarter at the Divisional Secretariat level, only 02 committees were held during the year under review by 03 Divisional Secretariats of Nikaweratiya, Ahatuwewa and Weerambagedera.	Two committees have been held for the year 2023. That other meetings were held on the day scheduled to hold committees in the second quarter.	Audit and Management Committees should be held as per Circulars.

5. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Although 324 Multipurpose Development Assistants who did not have permanent appointments were attached to the Divisional Secretariats of Kurunegala District as at the end of the year under review, they had not employed on a specific duty in an approved positions.	Only the guidelines prepared on the instructions given by the Department of Multipurpose Development Performance Force have been given at the time of their assignment and, the Divisional Secretary has assigned temporary duties to these assistants.	Action should be taken against Multipurpose Development Assistants who have not received permanent appointments.