

## **Head 277 - Monaragala District Secretariat - 2024**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

Head 277 - The audit of the financial statements of Monaragala District Secretariat for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance for the year then ended and cash flow statement 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 Monaragala was issued to the Accounting Officer on 14 May 2025 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 30 May 2025 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 Monaragala District Secretariat as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation of the financial statements set out in Note 1.

#### **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 Emphasis of matter - Basis of preparation of financial statements**

The attention is drawn to Note 1 to the financial statements, which describes the basis of preparation of the financial statements. The financial statements have been prepared for the use of the Treasury and Parliament of the Monaragala District Secretariat in accordance with Government Financial Regulations 150 and 151 and Public Accounts Guideline No. 6/2024 dated 16 December 2024, as amended on 21 February 2025. Accordingly, these financial statements may not be suitable for other purposes. My report is intended only for the use of the Monaragala District Secretariat, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

#### **1.4 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 Government Financial Regulations 150 and 151 and Public Accounts Guideline No. 6/2024 dated 16 December 2024 as amended on 21 February 2025 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.

#### **1.5 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 Department's 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.

## **1.6 Comments on the Financial Statements**

### **1.6.1 Accounting Deficiencies**

#### **(a) Revenue receipts**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
Although the income of Rs.1,856,750 earned from the disposal of assets should have been shown under cash flows generated from investing activities in the cash flow statement, it was stated as cash flow generated from operating activities.	Accepted. That in the coming years, steps will be taken to present the cash flows generated from investment activities.	When preparing the accounts for the coming year, income from asset disposal should be shown under cash flows generated by investing activities.

#### **(b) Property, Plant and Equipment**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(i) The value of non-financial assets had been understated by that amount due to the fact that 10 tractors and 10 tractor bowsers worth Rs.22,550,000 were not accounted. for	That steps will be taken to include it under non-financial assets in the 2025 accounting year.	A program should be developed and implemented to account for all assets belonging to the District Secretariat.
(ii) The value of a building constructed by the Wellawaya Divisional Secretariat, Rs.1,759,179, was not accounted for as a building under code number 9151, and therefore non-financial assets were understated by that value.	That the existing building has been renovated and steps will be taken to re-evaluate and accounted for that value.	The value of the constructed building should be accounted for under buildings.

(iii)	The value of 13 buildings belonging to the Thanamalwila and Wellawaya Divisional Secretariats had not been assessed and accounted for.	That the requests have been made to the Valuation Department to assess buildings	The value of buildings should be assessed and accounted for when preparing the next year's financial statements.
(iv)	Five buildings worth Rs.5,251,000 belonging to the Madulla Divisional Secretariat, which were assessed in 2013, had fallen into a dilapidate and had been abandoned by the audit date of 17 March 2025. The value of non-financial assets had been overstated by that amount due to that value was not adjusted in the financial statements,.	That the requests have been made to the Valuation Department for re-valuation of buildings.	The value of unused buildings that are in a dilapidated condition should be adjusted in the financial statements.
(v)	The value of non-financial assets was overstated by Rs.7,600,000 due to the accounting of a motor lorry worth Rs.7,200,000 belonging to the National Disaster Management Unit and a water bowser worth Rs.400,000 belonging to the Ududumbara Divisional Secretariat under vehicles.	That the lorry will be removed from the assets in accordance with the instructions of the National Disaster Relief Services Center and the water bowser will be taken over and disposed properly as it is in an unusable condition.	Arrangements should be made to return or take over vehicles belonging to other institutions in a formal manner and adjustments should be made in the financial statements.
(vi)	Although the expenditure of Rs.411,869,721 on the two Divisional Secretariat buildings in Bibila and Thanamalwila, whose construction is not completed, should be accounted for under work in progress - 9160, the value of the buildings had been overstated by that amount due to accounting under 9151 - buildings.	That the work in progress in the construction of new buildings will be accounted for under code 9160 in the future.	The value of unfinished buildings that are not in a usable condition should be accounted for under work in progress when preparing financial statements for future years.
(vii)	According to the expense ledger, the expenditure of Rs.190,478,990 in the year under review relating to the construction of the Bibila and Thanamalwila Divisional Secretariat buildings had been incorrectly accounted for in two places in the Treasury printed SA	It was entered under purchases due to a delay in entering the CIGAS system, to correct it, purchases have been removed and that value has been added to the opening balance.	In the future, steps should be taken to account for the expenses incurred during the year under review in the correct accounts of that year.

82, of which Rs. 36,148,836 was recorded under purchases and the remaining Rs.154,330,154 under adjustments to the opening balance.

**(c) Other Deficiencies**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
Although the Wellawaya Divisional Secretariat had recorded the loss incurred due to the overpayment of Rs.850,000 in compensation to a beneficiary in 2015 in relation to the Uma Oya project in the damage register, it had not been disclosed in the financial statements.	That an investigation will be conducted in this regard and further action will be taken.	Damages and losses should be accurately shown in the financial statements and should be properly handled and recovered.

**2. 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.

**3. Financial Review**

**3.1 Expenses Management**

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a) Rs.76,402,788 remained in respect of 18 expenditure items, from the allocations made to the District Secretariat for the year under review, which ranged from 10 percent to 52 percent as a percentage.	That in the coming years, efforts will be made to prepare budget estimates for only the necessary allocations.	A program should be prepared to address underutilization of allocations and budget estimates should be prepared to minimize the savings of allocations.

(b)	Although a provision of Rs.250,000,000 had been made for the Building and Construction Expenditure Subject 2104 during the year under review, the remaining provision as of 31 December was Rs.59,521,009, which is 24 percent of the net provision. Although these provisions had been allocated for the construction of the Bibila and Thanamalwila Divisional Secretariat buildings, the construction could not be completed during the year under review. It was observed that the allocations had been retained due to not being used to complete building construction work with proper management and efficiency	That the project has been scheduled for 2025 and work will be done to complete this work in 2025.	Formal action should be taken against the officials responsible for not efficiently utilizing the allocated funds for building and construction to complete the construction of buildings.
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### 3.2 Incurring of Liabilities and Commitments

Audit Observation	Comment of the Accounting Officer	Recommendation
Although all commitments approached into in terms of Financial Regulation 94(2) and (3) should be disclosed in the Statement of Liabilities (i) presented for the year under review under Annexure (iv) to the Financial Statements, liabilities of Rs.549,133 belonging to 03 expenditure items that were included in the liabilities register of the Monaragala District Secretariat had not been included in the financial statements.	That the efforts will be made to accurately disclose liabilities in the financial statements in the coming years.	When preparing financial statements, an internal program should be developed and implemented to ensure that all liabilities for the year are disclose in the financial statements.

### 3.3 Utilization of Provisions Provided by Other Ministries and Departments

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) The following matters were observed regarding land acquisition and compensation payments for the Uma Oya Development Project by Wellawaya Divisional Secretariat		
(i) The compensation of Rs.477,309,806 had been paid for 552 plots of land. An additional interest amount of Rs.33,518,353 had to be paid for 243	The compensation process has taken a long time due to various agencies are involved in the land	A formal investigation should be conducted in this regard and if it is due to the inefficiency of

	plots of land due to a 12 year delay in compensation payments for the lands acquired for this project, which was initiated in 2012.	acquisition process. It is hoped that the relevant institutions will be informed in the future compensation payment process and this task will be completed promptly.	the officials, steps should be taken to take formal action against those officials and steps should be taken to efficient the land acquisition process and stop the payment of additional interest.
(ii)	When requesting compensation for 04 plots of land, values had assessed for the freehold rights due to the landowners handover old deeds and land titles. According to the surveyors reports, that the lands were confirmed as government lands, the money received for compensation payments had been retained in the deposit account due to the original compensation amount of Rs.11,710,500 was valued at a lower value to the development value. Compensation payments were further delayed due to the failure of the responsible officials to properly verify ownership of the lands.	Before the compensation was paid, the compensation payment was temporarily suspended due to the fact that the lands were confirmed to be government lands. In order to correct that error, the previous assessment value has been given as a development assessment value. Due to the decrease in the compensation received by landowners, requests have been made to the Ministry of Lands to confirm land ownership, and the assessment amount has been held in a deposit account until those decisions are received.	An expedited process should be used to accurately confirm the ownership of the lands and compensation should be paid to the relevant parties.
(iii)	Rs.1,474,975 had been held in the deposit account since 08 February 2024 due to the failure to remove the house located on a piece of land acquired for the development of the Handapanagala Reservoir.	75% of the assessed amount for demolition of the house has been paid in advance, and since the homeowner is delaying the demolition of this house, the remaining 25% has been held in deposit account. An eviction notice has been served on the homeowner under the Possession Act. Arrangements have been made to take legal action in the future.	Steps should be taken to implement the project using an expedited program and using the compensation money to achieve the desired objectives.

(iv)	Although land acquisition commenced in 2012 and 705 plots of land for which compensation was to be paid were identified, compensation had not been paid for 95 plots of land as of March 21, 2025.	It is expected that the compensation will be paid after the assessment reports and other issues are resolved.	Steps should be taken to promptly pay compensation for plots of land that are subject to compensation after conducting a formal inspection.
(b)	As of 30 September of the year under review, Rs.27,232,480 of 33 Grama Shakthi Societies belonging to 04 Divisional Secretariats remained unused and idle since the year 2018.	Buttala – That the action will be taken to implement the community development needs identified in agreement with the active Grama Shakthi Societies in the year 2025.	Steps should be taken to make inactive societies active or formalize them and credit them to government revenue.
		Madulla - Rs.1,511,077 pertaining to 03 societies that have notified in writing to take over the funds to the government has been forwarded to the Director General of the Prosperity Development Bureau for approval to take over the government. The economic officers in charge of the domains have been asked whether the remaining 04 societies are being actively maintained.	
		Badalkumbura - Microfinance loan programs are being implemented in 03 societies, and necessary work is being done for the remaining 09 societies.	
		Wellawaya - The money collected from one society has been deposited in the District Secretariat's general deposit account, and steps will be taken to promptly	



recover the amount of Rs.3,011,381 that is to be recovered from the remaining two societies.

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| <p>(c) Pensions of Rs.2,642,756, which had been paid in excess to 22 pension beneficiaries in Badalkumbura, Madulla and Buttala Divisional Secretariat Divisions, were due as on 31st December of the year under review.</p>                 | <p>That the overpaid amount is being charged monthly.</p>   | <p>Steps should be taken to conduct a formal investigation relating to the overpayment and recover the overpaid pensions in accordance with the circular.</p>                                  |
| <p>(d) The Badalkumbura Divisional Secretariat had overpaid Rs.198,000 due to a delay of 3 to 16 months in discontinuing benefit payments after the deaths of 05 Aswesuma beneficiaries.</p>   | <p>After October 2024, the divisional officers will properly report information about deceased persons and steps will be taken to prevent such omissions in the future.</p>   | <p>An investigation should be conducted and action should be taken against the officers who did not act properly and the overpaid compensation benefits should be recovered.</p>               |
| <p>(e) Rs.2,422,218 was to be collected from 436 beneficiaries in the Badalkumbura, Madulla and Wellawaya Divisional Secretariat Divisions as of 31 December of the year under review under the Women's Bureau's Revolving Loan Program,</p> | <p>Badalkumbura – That the women's Development Officers are taking necessary steps to recover the money.</p> <p>Madulla - That the loan is being repaid in installments.</p> <p>Wellawaya – That the awareness is being raised to expedite loan payments.</p> | <p>Formal action should be taken against officials who have not taken steps to recover debts in a timely manner, and the recovery of outstanding debt balances should be done efficiently.</p> |

### 3.4 Certification of Accounting Officer

Accounting Officer should certify the following matters in terms of provisions set out in Section 38 of the National Audit Act, No. 19 of 2018. However, it had not been done so.

<b>Audit Observation</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a) The Accounting Officer shall ensure that an effective internal control system is established and maintained for the financial control of the Monaragala District Secretariat and that the effectiveness of the system should be reviewed periodically and necessary changes should be made accordingly to make the system effective, although those reviews should be done in writing and a copy should be submitted to the Auditor General, statements that such reviews were conducted had not been submitted to the audit.	Actions will be taken to submit copies of these reports to the audit in the future.	Action should be taken in accordance with Section 38 of the National Audit Act, No. 19 of 2018.
(b) Although the Accounting Officer was required to ensure that all audit queries were answered within the specified time frames as required by the Auditor General, the audit queries had not been answered as per paragraph 4.6 of the report.	That the actions will be taken to respond promptly to audit inquiries.	Action should be taken in accordance with Section 38 of the National Audit Act, No. 19 of 2018.

### 3.5 Non-compliance with laws, Rules and Regulations

<b>Reference to Laws, Rules and Regulations</b>	<b>Observation Value Rs.</b>	<b>Non-compliance</b>	<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a) Section 6.1 of the Paragraph XIX of the Establishment Code of the Democratic Socialist Republic of Sri Lanka	-	Due to the failure to take over 07 government houses to the District Secretariat, whose contract period had expired by 30 January 2025, eligible applicants on the waiting list from 2021 to 2024 were unable to obtain a government house.	The period of 05 houses has been extended due to service requirements, and the relevant officials have been informed to hand over 02 houses again.	Action should be taken against officials who did not act in accordance with the provisions, and houses whose contract period has expired should be taken over and given to applicants according to the waiting list.

(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i)	Financial Regulation 94(2)	989,327	As of 31 December of the year under review, the allocation balances limit of 04 expenditure items had been exceeded and arrived to the liabilities.	That the actions will be taken to minimize expenses in the future. A program should be developed to ensure that arriving to liabilities within the limits of the allocations allocated in the annual estimate in the future.
(ii)	Financial Regulation 104 (3)	-	Two batteries of two tractors had been missed on 01 September 2023. Although an investigation board had been appointed, the investigation had not been completed by the audit date of 17 March 2025. Furthermore, although an investigation board was appointed on 30 October 2023 regarding a vehicle accident on 23 August 2023, the investigation had not been completed and the report had not been submitted by 30 January 2025.	That steps will be taken to issue reminder letters to the investigation board. The investigation should be completed promptly, reports should be obtained, and future work should be completed.
(iii)	Financial Regulation 104 (4)	-	Investigations had not been completed into 05 vehicle accidents by 30 January 2025 regarding 05 vehicle accidents reported at the District Secretariat from 2016 to 2024, the damage to the Monaragala Divisional	It is expected that a committee will be appointed in the future to obtain reports for 03 vehicles. Reminder letters were sent to request the - do -

			<p>Secretariat office on 17 October 2023 due to a lightning strike and an accident involving a cab belonging to the Wellawaya Divisional Secretariat on 11 November 2020.</p>	<p>immediate submission of reports for 02 vehicles and that the steps will be taken to issue reminder letters to the investigation board.</p>
(iv)	Financial Regulation 128 (1) (e)	-	<p>The goods survey report of the Monaragala Divisional Secretariat for the year 2023 reported that there was a shortage of 28 units belonging to 13 types of goods in the Divisional Secretariat's official residence and 31 units belonging to 02 types of goods in the Divisional Secretariat and no steps had been taken to identify the parties responsible for the loss of goods, recover the value, and take formal action against the parties responsible for the shortage.</p>	<p>A Divisional Secretary has sent only the key to the Divisional Secretariat without formally handing over the official residence and goods. That he has been informed about the shortage of goods but has not responded.</p> <p>The parties responsible for the shortage of goods should be identified in a formal manner and the losses incurred should be recovered.</p>
(c)	1.1 Paragraph of the Land Commissioner General's Circular No. 2020/6 dated 20 May 2020	25,680,769	<p>Although the annual tax amount should be collected on a quarterly basis, the Buttala Divisional Secretariat had not acted on the recommendation regarding 03 long-term tax licenses and tax revenue remained in arrears as of 30 September 2024.</p>	<p>The lessees have requested a grace period from the Commissioner General of Lands to pay the outstanding taxes on two leases. That the requests have been made to write off the outstanding taxes since one of the taxpayers has died.</p> <p>Action should be taken against officials who have not collected outstanding taxes on time, and steps should be taken to promptly recover the revenue due to the government.</p>

### 3.6 Deposit Balances

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) A sum of Rs.200,000 was deposited at the Badalkumbura Divisional Secretariat on 11 December 2020 to acquire a portion of land to the National Water Supply and Drainage Board for the construction of the Alupotha underground water tank of the Badalkumbura Water Supply Project. As of the audit date of 18 December 2024, almost 4 years had passed since the deposit of the amount, but the land transfer process had not been completed.	An amount of Rs.16,200 has been spent as survey fees. An amount of Rs.183,800 has been retained in the general deposit account and that the remaining amount will be referred to the National Water Supply and Drainage Board.	The transfer of the land should be expedited and the deposit should be settled.
(b) Rs.700,000 received for land acquisition for the construction of the Wellawaya 33 Watt High-Speed Electricity Distribution Center proposed under the Electricity Supply Quality Improvement Support Project (SESRIIP – Package 04) had been held in the Wellawaya Divisional Secretariat Deposit Account since 29 August 2019 and the project was delayed due to delays in land acquisition..	While the land acquisition process is underway, that the remaining amount will be forwarded to the Ministry of Lands to be sent to the Electricity Board.	Steps should be taken to implement the project by making the land acquisition process efficient by conducting a formal investigation, identifying the reasons for the delay, and implementing relevant remedies.
(c) The Rs.180,617 given to the Wellawaya Divisional Secretariat by the National Water Supply and Drainage Board on 05 February 2021 for the expenses related to acquiring a piece of land for the construction of a water refinery centre in Kolobore had been held in the deposit account for over 04 years due to non-performance of the relevant work.	A survey fee of Rs.53,808 has been remitted to the Surveyor General for the preparation of the preliminary plan under Section 06 and that the further work on the project is underway.	- Do -

## 4. Operating Review

### 4.1 Delays in Fullfillment of Project

Audit Observation	Comment of the Accounting Officer	Recommendation
Rs.1,300,000 had been paid to a beneficiary in 2021 to purchase land and construct a house under the resettlement of flood, landslide and high risk people of	A letter has been sent to the Attorney General requesting advice on recovering the amount of	If the house is not built or construction work is not carried out after proper follow-up, steps

landslide in the Madulla Divisional Secretariat Division. The beneficiary had not been constructed the house as of the audit date of 08 November 2024. Rs.1,300,000 paid to the beneficiary through legal. should be taken to recover the money paid.

## 4.2 Annual Performance Report

In terms of Sub Section 47(4) of the Public Finance Management Act No. 44 of 2024, the Annual Performance Report should be published on 180 days or earlier after the end of the financial year. In accordance with the paragraph 10.2 of Public Finance Circular No. 2/2020 of 28 August 2020, the Annual Performance Report should have been prepared in accordance with the Format specified in Guideline 14, issued by the Department of Public Finance. As per Section 16(2) of the National Audit Act, No.19 of 2018, Performance Report should have been presented together with the Annual Financial Statements. Accordingly, the following deficiencies were observed in the performance report that should be prepared and submitted in accordance with the provisions of the Act and Circulars.

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although the performance of the Disaster Management Unit was stated as 100 percent under 07 specific indicators, the Puwakpitiya Tank Renovation Project, which had been initiated on 20 May 2024 as a disaster mitigation project, had not been completed by 31 December 2024. According to the progress report in February 2025, the financial progress of the project was 0.25 percent and the physical progress was about 25 percent.	That the relevant units have been informed to prepare indicators based on accurate data when preparing performance indicators in the future.	Action should be taken against officers who entered incorrect information in performance reporting, and steps should be taken to prepare the performance report by entering accurate and truthful information.
(b) The performance level of the 10 specific indicators established to evaluate the development activities of the Vidatha in the annual performance report had been stated as 100 percent. According to the annual progress report of the Vidatha Development Division, the progress in achieving annual targets in the areas of responsibility of entrepreneurship development and technology transfer training programs, implementation of special projects, technical support service programs and providing quality test reports and standard certificates for	The relevant units have been informed to prepare indicators based on accurate data when preparing performance indicators in the future.	- Do -

rural products had been 67%, 43%, 86% and 38% respectively.

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| (c) | Although the performance of the indicator of reducing insecurity under the performance evaluation of disaster relief services in the annual performance report is stated as 100 percent, according to the annual progress reports of the Disaster Relief Services Division, such activities had not been carried out.   | The relevant units have been informed to prepare indicators based on accurate data when preparing performance indicators in the future. | - Do - |
| (d) | Although the performance of the Disaster Relief Services Sector Resettlement Indicator is stated as 100 percent, according to the progress report submitted by that division, physical progress had not been evaluated except for the financial progress in the distribution of the allocations received during the year. It was observed that it is not correct to state that the performance is 100 percent when the construction of houses of two beneficiaries who were provided with provisions for resettlement at the Madulla Divisional Secretariat has not been completed. | The relevant units have been informed to prepare indicators based on accurate data when preparing performance indicators in the future. | - Do - |

### 4.3 Procurements

Audit Observation	Comment of the Recommendation Accounting Officer
(a) The government had been incurred a loss of Rs.36,649,480 from implementing the rice purchasing program in the Monaragala District due to non-compliance with procurement procedures when purchasing rice for low-income families, failure to survey rice market prices at the Divisional Secretariat Division level and take steps to purchase rice, failure to act in a manner that is beneficial to the government in accordance with Financial Regulation 156 (7), failure to take steps to minimize government	The Ministry of Finance, Economic Stabilization and National Policies has determined the guaranteed price for purchasing rice. A formal investigation should be conducted and, if it appears that there has been misuse of funds or corruption, it should be referred to a law enforcement institute.

expenditure as stated in paragraph 3.6 of the Ministry of Finance, Economic Stabilization and National Policies Circular No. DFD/2024-01 dated 04 April 2024 and failure to comply with government rules and regulations in incurring expenses as stated in paragraph 04 of the letters of approval of provisions dated 10 April 2024 and 10 June 2024

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| (b) | <p>The Medagama and Siyambalanduwa Divisional Secretariats had caused a total loss of Rs.957,870 to the government due to the failure to act in a manner that is beneficial to the government in terms of Financial Regulation 156 (7) and the government has decided to purchase white raw rice at a higher price instead of purchasing red raw rice at a lower price in order to minimize government expenditure in accordance with paragraph 3.6 of the Circular No. DFD/2024-01 dated 04 April 2024 of the Ministry of Finance, Economic Stabilization and National Policies.</p> | <p>Since there were not enough rice stocks to provide all the rice needed by low-income families in one variety, it was necessary to provide rice of both varieties and that in the second phase, white rice had to be obtained because suppliers did not have red rice.</p> | <p>- do -</p> |
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#### 4.4 Assets Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) Although 60 brass water taps kept in the stores had been included in the inventory register during the board of survey in the year 2023 of the Monaragala District Secretariat, it was not known who they were obtained from or for what purpose they were purchased and their value had not been identified.	No information was available from the District Secretariat regarding the purchase and it has been kept in stores for a long time. The relevant goods have been included in the stock book as they were referred to the 2023 Board of Survey.	Accurate information regarding the goods in the warehouse should be documented and maintained and formal actions should be taken to ensure that water taps are used for productive purposes.



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| (b) | Although a jeep that had been provided to the Monaragala District Secretariat under the World Food Programme had been accounted for under non-financial assets, it had not been taken over by the District Secretariat. | The necessary steps have been taken to take over the vehicles donated by the World Food Program and MTA 6 and MTA 8 forms have also been submitted. | Steps should be taken to take over the ownership of the assets used by the District Secretariat. |
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#### 4.5 Losses and Damages

	Audit Observation	Comment of the Accounting Officer	Recommendation
(a)	The loss incurred due to the overpayment of Rs.850,000 to a beneficiary in 2015 by the Wellawaya Divisional Secretariat in relation to the Uma Oya project, the loss of Rs.68,008 incurred during the rice distribution program to low-income families by the Sevanagala Divisional Secretariat and the loss of Rs.54,519 incurred due to the burglary of tourist bungalow No.2 Monaragala in the year 2023 had not been disclosed in the financial statements.	<p>Wellawaya - This is an incident that occurred in the year 2015, and that the action will be taken after conducting an investigation into this matter in the future.</p> <p>Sewanagala – That this loss will be included in the preparation of next year's financial statements.</p> <p>Circuit Bungalow - Inquiries will be made from the Ministry of Public Administration, Provincial Councils and Local Government and steps will be taken to include it in the financial statements.</p>	Steps should also be taken to examine whether all losses and damages are not included in the financial statements and to include all losses and damages in the financial statements.
(b)	The loss of Rs.208,524 identified in the initial reports regarding 02 vehicles involved in the accident had not been included in the statement of losses and waivers in the financial statements.	The losses related to these two vehicle accidents were inadvertently omitted from the financial statements for the year 2024 and steps will be taken to include them in the preparation of the financial statements for the coming year.	- do -

#### 4.6 Failure to Respond to Audit Queries

Answers had not been submitted to 03 audit queries issued to the Monaragala District Secretariat as of 23 May 2025.

#### 4.7 Management Inefficiencies

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) It was observed that due to non-collection of assessed rent for government houses according to the assessment report for the period from 2016 to 2018 by the Monaragala District Secretariat, an amount of Rs.291,900 due to 18 officers as of 31 December 2024, was not being collected properly due to the retirement and transfer of the relevant officers.	As of 18 March 2025, that the government has received an amount of Rs.26,663.	Action should be taken against officials who have not acted in a proper manner and collected the correct house rent on time and steps should be taken to promptly collect the outstanding house rent.
(b) The rent amount of Rs.297,143 due for the year 2024 from the women's and men's party houses and 2 Nila Sevana houses belonging to the Monaragala District Secretariat had not been collected from the relevant officers.	That an amount of Rs.141,437 has been collected.	- do -
(c) During the period from 2021 to 2024, 528 cases of property damage, 32 cases of physical injuries and 30 cases of loss of life were reported from wild animals including wild elephants in 11 Divisional Secretariat divisions, for that compensation of Rs.52,619,280 had been paid. It was observed that the amount of property, physical and life damage that occurred at the Wellawaya and Thanamalwila Divisional Secretariat levels has been relatively high and The audit did not observe that the District Secretariat, when preparing plans, coordinated with the relevant institutions to resolve this issue and took effective action promptly.	Eleven meetings have been held on actions that can be taken to prevent forest damage from wild animals and a national policy should be formulated to prevent this situation.	Formal plans should be prepared and implemented to minimize damage caused by wild animals.

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| (d) | The Ministry of Finance, Economic Stabilization and National Policies had been allocated Rs.951,198,069 to be provided to the beneficiaries in 11 Divisional Secretariat Divisions through the Monaragala District Secretariat under the elderly and institutional residential allowances, disability allowance, kidney allowance, aswesuma and centennial allowances. Out of this, Rs.30,727,337 of the allocations had been returned due to the fact that they were obtained without proper study and the appropriate beneficiaries were not selected. | Re-admission of beneficiaries to the waiting list was temporarily suspended in the last quarter of 2024. As a result, these provisions were saved and that the arrangements will be made to make payments to beneficiaries in a systematic and prompt manner in the future. | Steps should be taken to take action against officers who have not utilized the funds for the intended purpose as per the legal provisions and to formulate a program that will utilize the provisions provided with maximum efficiency. |
| (e) | As of the audit date of 30 November 2024, Rs.365,920 in installments and arrears of interest had not been recovered from 04 beneficiaries who were issued land licenses at the middle class purchase price from the year 2019 to the year 2023 by the Wellawaya divisional secretariat.  | That the reminder letters have been sent again to recover outstanding amounts.  | Steps should be taken regarding the officers who have not taken steps to collect installments and interest on time and to promptly recover outstanding installments and interest.  |
| (f) | The Wellawaya Divisional Secretariat had leased a government land on a long-term lease basis for agricultural purposes on 11 October 2019 under license number 4/10/5700 and In this regard, the arrears of tax amounting to Rs.1,960,000 due from the year 2015 to the year 2024 had not been collected by 29 November of the year under review.  | An appeal has been filed stating that the taxpayer is unable to pay the tax due to an accident on 8 October 2020, which has closed the business he was running and has no sources of income.  | - do -   |
| (g) | The value of employee debts due as at 31 December of the year under review was Rs.3,001,480 regarding 18 officers who have died, retired, suspended and left the service and within that loan balance, the value of employee loans that had been outstanding for more than 20 years was Rs.1,413,451.  | That the value of the debt balances due to the government from officers who died, retired, were suspended and left the service as of 31 December 2024 is Rs.3,001,480.  | - do -   |

## 5. Achieving Sustainable Development Goals

<b>Audit Observation</b>		<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a)	Sustainable Development Agenda 2030, during the inspection of the readiness to achieve them, it was observed that the District Secretariat had not paid due attention to the objectives and targets to be achieved during the year 2024 and only 01 sustainable development goal had been identified during the year.	That the sustainable development goals can be applied to the Monaragala district have been identified.	In accordance with the 2030 Agenda of Sustainable Development, annual plans should be prepared to identify goals and achieve them.
(b)	Although the 2024 performance report had been stated that progress towards the goal of ending poverty in all its forms everywhere under the Sustainable Development Goals is 100 percent, it was observed that it is not correct to state the progress in ending poverty as 100 percent, as there are 54,638 beneficiaries in the Monaragala district receiving the aswesuma benefits in the year 2024.	The percentages shown are the goals achieved through the implementation of identified projects, that these calculations will also take into account the economic strength of the beneficiaries in the future.	The actions should be taken to the relevant officers regarding the preparation of reports containing incorrect data, and the performance in achieving the Sustainable Development Goals should be accurately reflected in the future.

## 6. Good Governance

### 6.1 Internal Audit

<b>Audit Observation</b>		<b>Comment of the Accounting Officer</b>	<b>Recommendation</b>
(a)	The Internal Audit Unit consists of a Chief Internal Auditor, 05 Development Officers and 03 Management Services Officers. During the year under review, no internal audit report had been issued for the District Secretariat and only one internal audit report had been issued for the Badalkumbura Divisional Secretariat.	That the national level elections were held in the year 2024, and the staff of the internal audit branch were also called for election duties.	A formal investigation should be conducted into the failure of the Internal Audit Unit to fulfill its expected role, and a formal plan should be developed to restructure the Internal Audit Unit to strengthen internal control systems.

## 7. Human Resource Management

Audit Observation	Comment of the Accounting Officer	Recommendation
(a) According to the staff description, out of the approved number of employees in the Monaragala District Secretariat and 11 Divisional Secretariats, 15 posts in executive grade, 14 posts in tertiary grade, 119 posts in secondary grade and 2 posts in primary grade were still vacant as of 31 December 2024 and there was a surplus of 210 employees in secondary grade.	That the information in this regard will be forwarded to the Ministry of Public Administration annually.	A formal staff review should be conducted and necessary actions should be taken to fill vacant positions and take formal steps regarding surplus positions.
(b) According to Public Administration Circular No. 18/2001 dated 22nd August 2001, every officer who has served in the same post/workplace for a maximum period of 05 years should be granted transfers to allow him to serve in other work places. It was observed that 282 officers employed in the Divisional Secretariats of Madulla, Buttala, Badalkumbura and Wellawaya had been employed at the same workplace for a period of 6 to 31 years as of 08 November 2024.	Internal transfers were implemented in 2025, and actions will be taken to ensure that this process is carried out in a systematic manner annually.	Transfers should be made in a formal manner in accordance with the provisions of the circular.
(c) It was observed that there was a surplus of 181 development officers as the number of development officers in 10 Divisional Secretariats was 633 and the approved number was 452. The salary expenditure incurred for the 633 development officers in the year under review was Rs. 502,527,235, so the salaries paid to the excess development officers had become an unproductive expenditure.	Instructions had been received from the Ministry of Public Administration and Home Affairs to consider the new posts as approved and to attach development officers, and the information of the development officers had been communicated to the Ministry of Public Administration and Home Affairs.	A formal program should be implemented to ensure that effective and efficient services are provided from surplus development officers.