

Head 261 – District Secretariat of Galle - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 261 - The audit of the financial statements of the District Secretariat of Galle for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 of Galle was issued to the Accounting Officer on 29 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 28 May 2025 in terms of Section 11(2) of the National 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 of the District Secretariat of Galle for the year ended 31 December 2024 give a true and fair view of the financial position, financial performance and cash flows, all materialities consistent with the basis for preparing financial statements mentioned in note 1 related to the financial statements.

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

Attention is drawn to Note 1 to the Financial Statements, which describes the basis of preparation of these financial statements. The financial statements have been prepared for the needs of the District Secretariat of Galle, General Treasury and Parliament in accordance with Financial Regulations 150, 151 and the State Accounts Guideline No.06/2024 dated 16 December 2024 as amended on 21 February 2025. Therefore, these financial statements may not be suitable for other purposes. My report is intended solely for the use of the District Secretariat of Galle, General Treasury and 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 is responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Regulations 150 and 151 and, Public Accounts Guideline No.06/2024 dated 16 December 2024 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 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 District Secretariat'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 informed the Accounting Officer on the significant audit findings, main deficiencies in internal control and other matters that I identified during my audit.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Action had not been taken to account a total of Rs. 5.12 million relating to 25 fixed deposits maintained in state banks under the name of the District Secretariat of Galle.	Information relating to the fixed deposits maintained by the District Secretariat had been submitted to the audit through my letter No. DSG/FIN/16/01-1 dated 30 April 2025.	When preparing the financial statements in accordance with Treasury instructions, fixed deposits should be accounted for under financial assets.
(b)	A total of 166 land and building units belonging to the District Secretariat had not been valued and brought to account under assets in the financial statements.	The preliminary activities relating to the valuation of the lands and buildings that are yet to be valued and accounted for are currently in progress, and the relevant assets will be brought to account upon receipt of the valuation reports.	When preparing the financial statements, the valuation of lands and buildings should be obtained and disclosed under non-financial assets in the financial statements.
(c)	In accordance with asset management circular No. 01/2017 of Ministry of Finance and Mass Media, the classification of assets had not been carried out properly in the divisional secretariat offices of Niyagama, Gonapeenuwala, and Hikkaduwa.	Action will be taken to correct the Gonapeenuwala and Niyagama Divisional Secretariats in the future.	When preparing the financial statements, assets should be classified under the correct codes as specified in the Circular.
(d)	Although the periods ranging from 12 to 24 years had passed that 15 schools located within the 03 divisional secretariat areas of Kadawathsathara, Akmeemana, and Elpitiya in the Galle district had been closed, and action had not been taken to	The lands have been put to productive use, and action is being taken to formally vest the assets.	The asset valuation process should be completed promptly, and the values should be recorded. Further, necessary

surveyed, acquired and accounted for values of these lands.

action should be taken to utilize for productive economic activities.

(e) As at 31 December of the year under review, the value of Property, Plant, and Equipment had been stated as Rs.4,677.57 million in the Statement of Financial Position of the District Secretariat, and according to the Treasury SA-90 table, the value amounted to Rs. 4,687.08 million, resulting in a discrepancy of Rs. 9.51 million observed.

The Treasury printouts for the year 2024 are being updated in accordance with the current year, and the discrepancy has occurred due to an error on the part of the Treasury. The Director General of the Treasury has been informed of this in a letter.

The relevant corrections should be made by the Treasury prior to the preparation of the financial statements, and in future, timely comparisons should be made and corrections should be made.

(f) Lack of Audit Evidence

According to the information received from the Department of Motor Traffic, the District Secretariat had failed to submit details relating to 42 motor bicycles and 5 other vehicles registered under the name of the District Secretary.

Identify the people who are currently using those motorcycles and further actions planned to be taken.

Information regarding the relevant vehicles should be promptly obtained and verified, and the details requested for audit purposes should be furnished without delay.

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 Utilization of Provisions made available by other Ministries and Departments

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	<p>Out of the allocation of Rs.4,510.84 million received from 38 heads for the purpose of incurring expenses on behalf of other ministries and departments, allocations of Rs.391.39 million had not been utilized as at 31 December 2024. Similarly, the non-utilization of allocations received under 16 other heads had ranged from 10 percent to 62 percent.</p>	<p>The estimated allocations sent to the district secretariat are distributed to the divisional secretariats under the relevant expenditure heads and the unused allocations are returned to the line ministries and departments under the relevant expenditure heads.</p>	<p>A formal program should be established and implemented to ensure that the funds are utilized to the maximum extent possible to achieve the desired objectives.</p>
(b)	<p>Under the decade of hills 2024–2033 tenfold Integrated rural development programme, a sum of Rs. 377.30 million had been spent for 569 projects implemented in 04 divisional secretariat offices in the Galle District, namely Neluwa, Niyagama, Thawalama, and Nagoda. 80 percent of the number of these projects and 78 percent of the cost had been spent on access roads. There were a total of 10 poverty indicators in the project, and only Rs.83.02 million had spent on the remaining 09 indicators.</p>	<p>There is a high level of demand for road development Within this region. Proposals have been identified to implement in the following years under each sector according to priority.</p>	<p>A formal investigation should be conducted and action should be taken against the parties who identified projects without giving fair weight to all of the ten multidimensional poverty indicators introduced by the circular, and action should be taken to strengthen the supervision of project identification in a formal manner in the future.</p>
(c)	<p>Under the project for distribute air rifles to farmers' organizations to prevent damage from wild animals for food security, 160 air rifles had been distributed among 151 farmers' organizations at a total cost of Rs.7.19 million, covering the grama seva divisions of the 04 divisional secretariats</p>	<p>This project was a proposal submitted through the regional agriculture committees, and air rifles have been provided to active farmer's organizations according to the needs of the beneficiaries, and constantly</p>	<p>A procedure should be introduced to implement this project, with close supervision under a formal program and introducing method</p>

of Neluwa, Thawalama, Nagoda and Niyagama in the Galle District. During the implementation of the project, attention had not been paid to how the provision of these air rifles would meet the needs of all 10,340 members of the farmers' organizations, and the procedure for how members would receive, operate and return the air rifles.

(d) With the objective of increasing productivity on home gardens of low-income and Samurdhi beneficiaries, a total of Rs.21.02 million had been spent to provide 883,200 cinnamon plants 200 plants per beneficiary, among beneficiaries in the divisional secretariat areas of Neluwa, Thawalama, Niyagama, and Nagoda. During the physical sample audit, it was observed that the plants had not achieved successful growth.

follow-up activities are being carried out to implement the project in the maximum effective manner. of timely follow-up.

It has been stated that since this project is being implemented with community participation, the government has only provided plants and has taken action to provide regular advice to the beneficiaries.

A program for close supervision and follow-up should be implemented to achieve the project's objectives and action should be taken to reach the desired goals

3.2 Non-compliance with Laws, Rules and Regulations

Reference to Laws, Rules and Regulations	Value Rs.	Observation	Comments of the Accounting Officer	Recommendation
		Non-compliance		
(a) Establishment Code of the Democratic Socialist Republic of Sri Lanka				
(i) Section 4 & 6 of Chapter XXIV of part 01	216,961	The loan balance outstanding for more than one year recoverable from a retired officer had not been recovered.	Since letters had been received referring to both sections 2.12 and 2.17 in relation to the payment of pension, instruction has been sought from the Ministry of Public Administration.	The relevant issues should be promptly resolved, and the loan balance should be promptly recovered from the relevant responsible parties.

			However, the relevant instructions have not yet been received.
(ii)	Section 4 of 108,248 Chapter XXIV of part 01	The loan balance outstanding for more than 05 years from an officer who had been interdicted had not been recovered.	The officer has been interdicted on allegations of bribery and corruption, and although the Secretary to the Ministry of Public Administration has granted approval to recover the loan in 12 installments, the relevant information has been reported to the Attorney General since payments have been defaulted.
(iii)	Chapter XLVIII of part 02	- The Commissioner General of Examinations had informed the District Director of Divinaguma that the G.C.E. (Ordinary Level) examination certificates of 13 Samurdhi Development Officers could not be verified, and action had not been taken in accordance with the provisions of the establishment code regarding those officers.	Further action regarding the 13 officers will be taken based on the decision of the relevant committee.
(b)	F.R 756 (6) of Financial Regulations of the Democratic Socialist Republic of Sri Lanka	- Action had not been taken in accordance with F.R. provisions regarding the shortages of 09 items identified as per board	This equipment were used in the Minister's office, and although it was stated that they would be temporarily taken to a private

		<p>of survey reports of office for official duties and subsequently returned to the office, no action has been taken to return the equipment to date.</p>	<p>promptly addressed in accordance with the Financial Regulations.</p>
(c)	Public Administration Circular No. 14/2019 dated 31 May 2019	<p>- 63 pension files in the divisional secretariat Offices of Bentota, Akmeemana, and Welivitiya Divithura had not been amended in accordance with the Circular as at 31 December 2024.</p>	<p>It has been informed that the action will be taken to promptly prepare after obtaining the required information is obtained from the relevant institutions. Action should be taken against the officers who failed to update the files in a timely manner, and the relevant pension files should be updated within a specified timeframe.</p>

3.3 Deposits

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	<p>As at the end of the year under review, the total balance of 04 general deposit accounts was at Rs.343.69 million, in this balance, Rs.2.85 million related to 02 land deposits exceeding 10 years, and Rs.19.17 million pertained to other deposits exceeding 2 years. In this regard, No action had been taken to either release the deposit balances to the relevant parties or transfer them to government revenue rectifying the deficiencies and errors in accordance with Financial Regulation 571(3).</p>	<p>There were 02 land deposits exceeding 10 years in value of Rs.2.85 million. Furthermore, deposits amounting to Rs.19.17 million, exceed 02 years, relate to the construction of the Nugaduwa auditorium. It is informed that the release of the retained amount for this project, which has been temporarily suspended by the decision of the Cabinet, or the transfer of such funds to government revenue, can only be carried out after receiving the recommendation of the Project Advisor.</p>	<p>The existing deficiencies and errors should be rectified, and action should be taken to either release the deposit funds to the relevant parties or transfer them to government revenue.</p>

4. Operating Review

4.1 Non- performances of Functions

Audit Observation	Comments of the Accounting Officer	Recommendation
Although an agreement had been entered into with a rural development society of 219 D Aluthwatta grama seva division on 24 July 2024 to develop the Panigalayaya road in the Nagoda divisional secretariat under the 2024 rural roads program, the work on this project had not commenced until 09 December 2024, and therefore the allocation of Rs.1.45 million received for the relevant activities had been reassigned.	The Secretary to the Ministry of Transport, Highways, Ports and Civil Aviation, letter No. MOH/RRD/PL/01/GEN/2024 and dated 27 September 2024, has informed that the projects for which work has not commenced by that date should be stopped with immediate effect. Accordingly, the allocations have been reassigned.	Action should be taken against the officers who failed to implement the project, and a proper program should be established to ensure that from the future allocations that delivers the maximum service to the public.

4.2 Non-achievement of expected Output Level

Audit Observation	Comments of the Accounting Officer	Recommendation
For the water supply project from Kanneliya canal of the Thawalama Divisional Secretariat to Mahabodhiwatte and to Hiniduma Mallika Vidyalaya and surrounding areas, plumbing fittings worth Rs. 802,650, purchased using a provision of Rs. 1 million received from the Ministry of Justice, Human Rights and Law Reforms were handed over to the Thawalama pradeshiya sabha in 2020. However, as at 30 January 2025, it was observed that the Hiniduma Mallika Vidyalaya had not yet received water through this project, and a continuous water supply had not been provided to the surrounding areas.	The field inspection revealed that the plumbing had been laid only from the Kanneliya Bathkanawala water source up to the residence of Mr. H. L. Dhanushka, located in the Hiniduma South grama niladhari division. It has been informed that approximately 150 beneficiaries are currently receiving benefits from this project, and that the project activities will be completed and progress reported by 31 May 2025.	A formal investigation should be conducted regarding the failure to implement the project as planned and action should be taken, and a proper mechanism should be established to ensure its completion in accordance with the proposed plan.

4.3 Non-achievement of expected Outcome

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>It was observed that 05 beneficiaries who had been provided Rs.4.75 million under the project to resettle the displaced due to natural disasters that occurred in the Baddegama Divisional Secretariat area in the years 2017, 2018, 2019 and 2021 had been removed from the project as they had stalled in the process of constructing houses. It was also observed that 04 beneficiaries who had received benefits of Rs. 6.14 million had not settled in the relevant houses. Although instructions had been given to recover the sum of Rs.3.15 million from two beneficiaries who had disposed of the houses constructed under the project, no recovery had been made as at 30 September 2024.</p>	<p>Although informed on several occasions to select alternative locations, no alternatives have been provided up to now. Accordingly, the information submitted to the Additional Secretary of the Disaster Management Division through the District Secretary, and as per the instructions received, they have been removed from the project, and the beneficiaries have been informed that the government would not be responsible for any loss of life or property caused by future natural disasters, and that they must personally bear the losses incurred. The above issues have arisen because the circular, guidelines issued by the National Disaster Relief Services Centre do not provide a mechanism for recovering funds already disbursed to beneficiaries.</p>	<p>A formal investigation should be conducted, action should be taken against beneficiaries who acted contrary to the regulations, and a systematic supervisory mechanism should be established to ensure the successful implementation of the resettlement project.</p>

4.4 Projects abandoned without completing

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Although the construction of an auditorium with a seating capacity of 2000 for the Galle District Secretariat, which was commenced in the year 2019 with an estimated cost of Rs. 3,154.88 million, had a total bill value of Rs. 966.72 million recommended by the project consultant as at 16 March 2023, the physical progress of which was as low level as 15 percent as of the last day of the year under review, payments of Rs. 195.14</p>	<p>The recovery of advances is made as per the recommendations of the project consultant, and accordingly the advances recommended by the consultant are settled, and accordingly the advance recommended by the consultant has been recovered</p>	<p>Advance paid should be recovered, and a formal investigation of the completed construction work should be conducted by a qualified party and determine the payment.</p>

million had been made for completed works as at that date. Action had not been taken to recover the advance payment of Rs. 335.09 million that had been given to the contractor. Although a Cabinet decision has been taken to temporarily suspend this project, further a provision of Rs. 500 million had been allocated during the year under review.

from the settled bills. Since construction of the project has been terminated, the project consultant has been asked to submit the final bill, but it has not been submitted to date.

Accordingly, stating that this advance payment will be recoverable after the final response, including the project consultant's observations, is submitted regarding the termination of the project. I would like to kindly mention that these provisions have been allocated during the year under review to settle the above-mentioned bills.

4.5 Assets Management

Audit Observation

The gymnasium located in the Halle D Galle Hall belonging to the District Secretariat has gymnasium equipment worth Rs.7.1 million, and it was observed that the equipment was not used full-time during a period of 06 months in the year 2024, which indicates that the relevant equipment is underutilized.

Comments of the Accounting Officer

It has been informed that action will be taken to prepare a formal program regarding the proper use of gymnasium equipment in the future.

Recommendation

A proper program should be implemented to productive use of the equipment, and in future, attention should be paid to its sustainability when initiating such projects.

4.6 Losses and Damage

Audit Observation

The Pinnaduwa hela bojun hala development project was awarded to the Atthiligoda North rural development society for a sum of Rs.3.6 million, although the scheduled to commence by 18 March 2024 and be completed by 18 June 2024, but the project period had been extended to 19 July 2024. Furthermore, when entered into the new contract agreement on 19 June 2024, the

Comments of the Accounting Officer

The retention amount for the project has not yet been released, and it has been informed that the excess payment will be adjusted and recovered from the retention amount, as indicated by the audit officers.

Recommendation

Action should be taken to conduct a formal investigation regarding the extension of the contract period and revision of the contract value, and to streamline contract supervision, and to deduct the

contract had been awarded at Rs. 3.8 million values had been increased by Rs. 199,568. However, the work was completed on 15 July 2024, and a total of Rs. 126,064 was overpaid in the final bill for 03 subjects.

overpaid amount from the retention.

4.7 Uneconomic Transactions

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Although 228 societies were established in the 22 Divisional Secretariats of the Galle district under the Grama Shakthi Program implemented in 2018 and 2019, 216 of these societies remained inactive as at 31 December 2024. A total of Rs. 110.77 million remained idle in the parent society accounts and the microfinance account as at 31 December 2024 due to no activities being carried out.	Recommendations have been received from 19 Divisional Secretariats for the deposit of government funds held by Gramashakthi Societies in the District Secretary's general deposit account, and those documents have been forwarded to the Rural Development Bureau for the necessary approval.	A formal investigation should be conducted and activate the societies and action should be taken to either fulfill the objectives or take over the funds in a formal manner.
(b)	Under the Revolving Loan Program introduced by the Sri Lanka Children and Women's Bureau in 2005 and implemented through the Divisional Secretariats, a cash balance of Rs. 3.52 million remained idle in 15 bank accounts of 15 Divisional Secretariats in the Galle District as at 31 December 2024, without being used for providing loans.	The revolving loan program has currently been implemented again in the relevant offices.	Necessary action should be taken urgently to provide income generation training and re-implement the revolving credit program.

4.8 Management Weaknesses

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	Although a period of 25-29 years had passed from the date of first appointment of 08 Samurdhi Development Officers to the year under review, the examination results of those officers had not been confirmed.	Relevant action has been taken in accordance with the letter dated 2022/09/21 and the committee decision dated 2022/03/03 regarding 8 officers with problematic results.	The verification of examination results should be expedited. Necessary action should be taken against the officials who delayed this task.

(b) Although Rs. 4.24 million had been paid as at 30 September 2024 under the resettlement project for 04 beneficiaries who were completely affected by the flood disaster that occurred in the year 2017 in the Welivitiya Divithura Divisional Secretariat area, the expected benefits had not been realized due to the expenditure incurred due to various reasons.

(c) Although according to the provisions of Parliament Act No. 01 of 2013 and Cabinet Decision No. 14/0430/51/006 dated April 02, 2014, the officers who were serving in the then Samurdhi Authority and were subsequently absorbed into the Department of Divineguma Development as permanent pensionable officers with effect from the date of their initial appointment and they were required to contribute to the Widows'/Widowers' and Orphans' Pension Scheme from their original appointment date and obtain membership in the fund, action had not been taken to the required contribution amounting to Rs. 5.6 million from 54 officers attached to the Samurdhi Director's Office, Galle District, had not yet been recovered.

(d) A total sum of Rs.433.57 million granted to 25,566 borrowers through 69 Samurdhi community based banks belonging to the 22 divisional secretariat divisions in the Galle district had remained as overdue loans, and loans amounting to Rs.341.32 million granted to further 4,979 borrowers had been identified as bad debts. Adequate legal action had not been taken to recover these overdue loans and bad debts.

(e) For the purpose of distributing 10 kilograms of Nadu rice per month for a period of two months to low-income families, targeting 149871 beneficiaries in 22 divisional secretariat divisions within the Galle district,

Stated that, blacklisting, requesting advice from the Director of Disaster Relief Services on the next action to be taken, and taking the necessary future action.

Since further action in this regard will be carried out by the Department of Samurdhi Development, I suggest that it is appropriate to refer this audit query to that department.

As at 31 March 2025, the overdue loan balance of the 69 Samurdhi community based banks in the district had decreased by Rs.37.58 million, while the bad debt balance had increased by Rs.35.10 million. It is kindly informed that action has now been taken to recover the overdue and bad loans of the Samurdhi community based banks.

As stated in Section 2.3.2 of the aforementioned circular, the purchase of rice had been carried out under the guaranteed price scheme,

The resettlement of the beneficiaries should be expedited after taking advice from the relevant officials.

The relevant contributions should be recovered promptly by joining with the Department of Samurdhi Development.

A formal investigation should be carried out regarding the failure to recover loans in a timely manner, and adequate legal and strategic measures should be taken to recover the overdue loans and bad debts.

A formal investigation should be carried out to determine the loss incurred by the Government due to the

a total of 1,498,710 kilograms of rice was purchased in April 2024 under the first phase of the program. Although the aforementioned circular had specified the maximum price of a kilogram of rice as Rs. 186, according to the consumer goods price reports during that period, the market price of Nadu Kekulu rice per kilogram ranged between Rs.158 and Rs.175. As a result, a sum of approximately Rs.12.80 million had been additionally paid by the government in purchasing the rice.

(f) A sum of Rs. 6.74 million had been spent to provide 270 goats to 90 beneficiaries under the 22 Divisional Secretariats, out of which 44 goats had died. The mortality rate of animals in several Divisional Secretariat offices ranged between 33 percent and 58 percent. Although the objectives of the project were to generate income through animal breeding and the sale of goats and goat milk through the provision of Jamunapari hybrid goats under this project, the program was not able to achieve its desired objectives due to the low birth rate, the mortality of the calves, and the insufficient milk income as expected.

(g) The balance to be recovered as at 31 December 2024 from overpaid pensions due to calculation errors, fraudulent activities or other factors in 08 Divisional Secretariats were Rs.8.87 million.

ensuring that the rice met the required quality standards. failure to maintain proper financial discipline in transactions, and necessary action should be taken to recover the said loss from the responsible parties.

The follow-up activities related to this project, which is implemented at the Divisional Secretariat level, and the necessary guidance to the beneficiaries are constantly carried out at the Divisional Secretariat and Divisional Veterinary Office levels, while the necessary instructions are provided by the District Secretariat and the District Office of the Department of Animal Production and Health, and beyond that, in coordination continuously with the Livestock Division of the Ministry of Agriculture. All relevant institutions should be coordinated and a methodology should be developed and implemented to make the project a success using an expedited program.

The recovery of the overpaid pensions is still ongoing. Action should be taken to promptly recover overpaid pensions, and legal action should be taken for any fraudulent activities that can be identified.

5. Good Governance

5.1 Rendering of Services to the Public

Audit Observation	Comments of the Accounting Officer	Recommendation
From 3 January 2024 to 11 December 2024, approximately 140 public complaints were received by the Galle District Secretariat, and by the end of the year under review, a final conclusion had not been reached regarding 44 of these complaints, which was 31 percent of the total number of complaints received.	Complaints received from the public will be promptly forwarded to the relevant divisions for take a solution.	Action should be taken against officials who have not dealt with public complaints in a timely manner, and effective solutions should be provided promptly for complaints received.

6. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) By the end of the year under review, there were 266 vacancies in the staff of the District Secretariat and divisional offices.	Since the District Secretary does not have the authority to formally fill the vacancies, reports regarding the completion of these vacancies have been forwarded to the relevant authorities.	A carder review should be conducted and actions should be taken to fill only the essential vacancies.
(b) Although it is stated in terms of Public Administration Circular No. 18/2001 and dated 22 August 2001 that every officer who has served in the same position/same workplace for a maximum period of 05 years should be immediately transferred to allow him to serve in other positions/workplaces, such action had not been taken in respect of 78 officers serving in the District Secretariat.	Four Assistant Director (Planning - Supra) officers have become vacant due to absorption into another service, promotion, retirement or resignation or any other reason and the position has been abolished, and 5 officers have been transferred under the 2025 Annual Transfer Orders.	Transfers should be implemented in accordance with the circular provisions and transfer policy.

(c) Although according to the provisions of the recruitment procedure approved by the Public Service Commission on 07 December 2015 for Samurdhi Development Officers of the Department of Samurdhi Development, an officer recruited to Grade III should have passed the 1st Efficiency Bar Examination before the expiry of 03 years from the date of appointment, 04 officers had not passed the Efficiency Bar Examination even though a period of between 25 and 29 years had passed since their initial appointments as at the date of the audit.

It has been reported that the efficiency bar examination has now been successfully completed.

In this regard, action should be taken in accordance with the Establishments Code and the Procedural Rule of the Public Service Commission.