

1. Financial Statements

1.1 Adverse Opinion

The audit of the financial statements of the Kaduwela Municipal Council for the year ended 31 December 2024 comprising the Statement for assets and liabilities as at 31 December 2024, Statement of Comprehensive Income, Statement of Changes in Net Assets/ Equity, Cash Flow Statement for the year then ended and notes to the financial statements including material accounting policy information 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 Section 219 of Municipal Councils Ordinance (Chapter 252) and Sub-section 10(1) of the National Audit Act No.19 of 2018. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, owing to the importance of the matters described in paragraph 1.6 of this report, the financial statements do not give a true and fair view of the financial position of the Kaduwela Municipal Council as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities.

1.2 Basis for qualified Opinion

My opinion is adverse regarding the financial statements based on matters described in paragraph 1.6 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of my report. I believe that audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Sri Lanka Public Sector Accounting Standards for Local Authorities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Those charged with governance are responsible for overseeing the Municipal Council's financial reporting process.

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

1.4 Scope of Audit (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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Appropriate audit procedure were designed and performed identify and assess the risks 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
- Obtain an understanding of internal control relevant to the audit was obtained in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Council's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation to enable a continuous evaluation of the activities of the municipal council, and whether such systems, procedures, books, records, and other documents are in effective operation.
- Whether the municipal council has complied with applicable written law, or other general or special discussions issued by the municipal council.

- Whether the municipal council has performed according to its powers, functions and duties and
- Whether the resources of the municipal council had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Report on the other legal requirements

The special provisions had been inserted in the National Audit Act No.19 of 2018 in relation to the under-mentioned requirements.

- The financial statements of the Municipal Council is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act No. 19 of 2018 .
- The financial statements presented includes all the recommendations made by me in the preceding year as per the requirement of section 6(1)(d)(iv) of the National Audit Act No. 19 of 2018 had been included in forwarded.

1.6 Audit Observations in relation to the preparation of the Financial Statements

1.6.1 Non-compliance with Sri Lanka Public Sector Accounting Standards for Local Authorities.

Non-compliance with the relevant standard	Comments of the council	Recommendation
(a) Although an entity is required to prepare its financial statements using the accrual basis of accounting in accordance with paragraph 2.5 of Chapter 2 of the Standard, only cash receipts of Rs. 10,160,169 was recognised as income from advertisement boards in the year under review.	Only income received in cash was identified and accounted.	The income for the year must be accurately identified and accounted.
(b) Budgeted information was not disclosed in the set of financial statements for the year under review in accordance with paragraph 3.7 of Chapter 3 of the Standard.	That the final account will be presented with that information in the future.	Budgeted information should be disclosed in accordance with the Standard.
(c) The net cash flow from investing activities was overstated by Rs. 1,290,103,152 due to the non-inclusion of Rs. 1,290,000,000 invested in fixed deposits in the year under review as cash flow under investing activities in the statement of cash flows and the	The final account will be presented with that information in the future.	Financial statements should be prepared in accordance with the Public Sector Accounting Standards for Local Government Institutions.

overstatement of Rs. 103,152 of cash received from the sale of assets in cash flow under investing activities as per paragraph 3.29 of Chapter 3 of the Standard,

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| <p>(d) In preparing the cash flow statement for the year under review, in accordance with paragraph 3.32 of Chapter 3 of the Standard, the capital expenditure allowances identified in the surplus or deficit in determining the net cash flow from operating activities should be adjusted to the surplus by Rs. 12,567,698, however, due to the adjustment of Rs. 62,222,716 as capital expenditure allowances without any accounting basis, the net cash flow from operating activities was overstated by Rs. 49,655,018.</p> | <p>Action will be taken to correct this.</p> | <p>The financial statements should be prepared in accordance with the Public Sector Accounting Standard for Local Authorities.</p> |
| <p>(e) In accordance with paragraph 4.11 of Chapter 4 of the Standard, the amount of Rs. 42,449,171, which was adjusted to the Fund as the effect of corrections of errors relating to prior periods, was not recognized in the statement of changes in assets and was adjusted to the grant account identified in the surplus or deficit.</p> | <p>That the relevant error was corrected.</p> | <p>do</p> |
| <p>(f) In accordance with paragraph 5.14 (c) and (d) of Chapter 5 of the Standard, the value of inventories recognized as an expense during the period under review and the value of inventories recognized as write-offs or losses had not been disclosed in the financial statements of the year under review.</p> | <p>That there is no identifiable risk in the future relating to the reporting period of fixed and current assets.</p> | <p>The financial statements should be prepared in accordance with the Public Sector Accounting Standard for Local Authorities.</p> |
| <p>(g) Although, as per paragraph 6.13 of Chapter 6 of the Standard, depreciation of an asset should commence from the time it is available for use, contrary to this, under paragraph 3.5 of the Accounting Policies of the Council, it was stated that the assets shall be depreciated for the entire year in the year of disposal, irrespective of the date of</p> | <p>That the council will commence depreciation of property, plant and equipment purchased from the year 2025 in the same year in which they are acquired.</p> | <p>Financial statements should be prepared in accordance with the Public Sector Accounting Standards for Local Authorities.</p> |

purchase. Accordingly, the property, plant and equipment purchased in the year 2024 amounting to Rs. 261,538,264 had not been depreciated in the year under review as per the Standard, and out of this, the annual depreciation relating to the property, plant and equipment amounting to Rs. 4,716,889 was Rs. 214,859. The remaining Rs. 256,821,475 were not submitted for audit as to which asset items were valued.

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| <p>(h) In accordance with paragraphs 11.10 and 11.11 of Chapter 11 of the Standard, 67 cases involving a total of Rs. 18,100,000 filed by external parties against the Municipal Council and 45 cases involving a total of Rs. 4,993,450 filed by the Municipal Council against external parties had not been disclosed under the accounting policies and notes to the financial statements.</p> | <p>Action is being taken to disclose.</p> | <p>Should be disclosed in accordance with the Standard.</p> |
| <p>(i) As per paragraph 15.3 of Chapter 15 of the Standard, as at 31 December in the year under review, receivables from exchange and non-exchange transactions amounted to Rs. 270,918,952, but since no provision was made for impairment losses, the assets in the statement of assets and liabilities were overstated and the surplus in the statement of comprehensive income was overstated.</p> | <p>That adjustments will be made in the future.</p> | <p>Should be accounted for in accordance with the Standard.</p> |

1.6.2 Accounting Deficiencies

Audit Observation	Comments of the council	Recommendation
(a) Though the stamp duty revenue receivable as at 01 January 2024 was Rs. 652,848,723, due to the estimated stamp duty revenue being less than the stamp duty revenue that could have been collected in each year for several years, the stamp duty revenue received in cash in the previous year for the previous year	That corrections will be made through journal entries.	Stamp duty income should be correctly accounted.

was Rs. 1,338,583,539. The difference was Rs. 685,734,816 and the billed revenue in the previous year was Rs. 671,000,000. The remaining value after adjusting the stamp duty revenue received in cash in the year was considered as stamp duty revenue received earlier and shown as a credit balance in current assets, resulting in an understatement of current assets by Rs. 14,734,816.

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| (b) | According to the schedule sent to the Provincial Revenue Department regarding stamp duty receivables, the stamp duty income receivable for the years 2022 and 2023 was Rs. 392,020,279 and the stamp duty income receivable for the year 2024 was Rs. 671,000,000, which was billed and receivable, was not accounted for as at 31 December 2024, resulting in an understatement of current assets by Rs.1,063,020,279. | Action will be taken to correct this through journal entries. | Stamp duty income should be identified and accounted for correctly. |
| (c) | Although the capital expenditure grant receipts for the year under review were Rs. 130,135,081, the financial statements showed it as Rs. 120,800,407, which resulted in the understatement of net assets in the statement of other comprehensive income and changes in equity by Rs. 9,334,674. | do | Capital grants should be correctly accounted. |
| (d) | Although the value of fixed deposits confirmed by the bank as at 31 December of the year under review was Rs. 1,842,659,919, the current assets were understated by Rs. 97,108,471 due to the financial statements showing Rs. 1,745,551,448. | Action will be taken to correct this in the future. | The value of fixed deposits should be correctly accounted. |
| (e) | According to the Fixed Deposit Interest Receivable Account, the Fixed Deposit Interest Income Receivable as at 31 December 2024 was Rs. 134,519,604, but the Fixed Deposit Interest Income | That only the interest amount related to the year will be accounted for in the future. | The interest income related to the year should be correctly identified and accounted. |

Receivable on that date was Rs. 16,025,933, which resulted in an increase in current assets by Rs. 118,493,671.

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| (f) | As per paragraph 3.7 of the accounting policies applicable to the financial statements of the Municipal Council, the recognition of income should be on an accrual basis. Accordingly, although the fixed deposit interest income for the year under review was Rs. 145,699,277, the financial statements stated it as Rs. 166,958,094, hence the income from exchange transactions was overstated by Rs. 21,258,817. | Action will be taken to correct this in the year 2025. | do |
| (g) | In the areas of Athurugiriya, Kaduwela and Battaramulla, the value of property, plant and equipment was understated by Rs. 26,065,672 in respect of the unfinished works as at 31 December 2024 due to non-accounting of work in progress in the financial statements. | Action will be taken to correct this through journal entries. | The value of work in progress should be accurately identified and accounted. |
| (h) | Although the stock of medicines in the independent Ayurvedic dispensaries maintained by the council as on 31 December 2024 was stated as Rs. 10,423,459 in the financial statements, the physical balance according to the schedules received from the dispensaries was Rs. 6,052,915, thus the current assets were overstated by Rs. 4,370,544. | That steps will be taken to correct it through journal entries. | The stock balance should be accounted for correctly at the end of the year. |
| (i) | As per the inventory summary schedules, the physical inventory as at 31 December 2024, which was Rs. 44,054,848, was stated as Rs. 157,879,708 in the financial statements, resulting in an overstatement of current assets by Rs. 113,824,860. | do | do |

1.6.3 Unreconciled Control Accounts or Records

Audit Observation	Comments of the council	Recommendation
(a) As per the financial statements as on 31 December in the year under review, the balance of the library book purchase account of the Municipal Council was Rs. 2,173,533 and as per the schedule the balance was Rs. 2,526,678, a difference of Rs. 353,145.	As per the stock records on hand the balance was Rs. 2,357,526.	Steps should be taken to identify and correct the discrepancies.
(b) As per the financial statements as at 31 December in the year under review, the values of rates and taxes and rent revenue billings of the Municipal Council were Rs.253,835,066 and Rs. 22,228,593 respectively and as per the schedule the values were Rs.233,673,881 and Rs.22,041,876 respectively, resulting in a difference of Rs. 20,161,185 and Rs. 186,717.	No response given	Steps should be taken to identify and correct the discrepancies.

1.7 Non-Compliance

1.7.1 Non-compliance with laws, rules, regulations and management decisions

Reference to laws, rules and regulations	Non-compliance	Comments of the council	Recommendation
(a) Municipal Council Ordinance			
(i) Section 38	The council had not taken steps to maintain the walkway constructed at the Yakala Diyakadiththa junction and the walkway constructed around the community hall of the Athurugiriya Stellimage Estate housing complex in an up-to-date manner so that it could be used by the public.	That the council employees have been deployed and have now been cleaned.	The walkways belonging to the council should be maintained and updated by the council.

(ii) Sections 40 and (iii)	(i) Out of 405 electricity complaints received by the Kaduwela District Office up to 03 September 2024, 244 complaints had not been resolved by that date. Among the unresolved complaints were complaints that had exceeded 09 months.	That it was not possible to resolve electricity complaints quickly.	Action should be taken in accordance with the Municipal Council Ordinance.
(b) Financial Regulations of Democratic Socialist Republic of Sri Lanka			
(i) F.R.102, F.R. 103 (1) and 104	(i) The missing stump of the teak tree, measuring between 9 and 9 ½ feet in circumference, located in the Talahena cemetery, had not been reported to the authorities and the police. No action had been taken to investigate the matter and determine those responsible.	No response given	Actions should be taken in accordance with the financial regulations.
(ii) F.R.395 (c)	(ii) Although every department having a bank account is required to prepare a bank reconciliation statement regarding the transaction status at the end of each month before the 15 of the following month, the Council had spent more than 02 months in preparing the bank reconciliation for the month under consideration.	The deficiencies in the software are currently being addressed and arrangements are being made to obtain another software system.	Bank reconciliations should be prepared every month before the 15 of the following month.
(iii) F.R. 396 (d)	(iii) The Council had not taken action as per F.R.396 in respect of 90 cheques	That action has not been taken in accordance with the	Action should be taken in accordance

	worth Rs. 5,808,099 issued by it from 01 October 2022 to 28 June 2024 but not presented to the bank. Also, 42 cheques worth Rs. 2,476,473 which were not realised from 12 February 2020 to 30 November 2024 and unidentified receipts of Rs. 3,363,926 and unidentified payments of Rs. 12,400 in previous years had not been settled.	F.R.396, 44 cheques which were not presented for payment have been settled and that preliminary steps are being taken to include the remaining cheques in the Council's income.	with the Financial Regulations.
(c) Paragraph 9.1 (b) of Public Finance Circular No.01/2020 dated 28 August 2020	(i) The Sub-Imprest of Rs. 2,845,572 had been paid on 09 occasions, exceeding the limit.	That these advance funds have been given after obtaining the decisions of the Administrative Committee according to the service requirement of the Council.	The Sub-Imprests should be given as per the circular.
	(ii) There was a delay of 14 to 263 days in settling the sub-Imprests of Rs. 7,022,838, which had been given in 59 occasions.	That steps were taken to provide instructions regarding the notification to settle the advance to the Municipal Accountant.	The sub-Imprests should be settled immediately after the work is completed.
	(iii) An advance of Rs. 160,000, which was given on 25 November 2024, was held in the custody of the officer for 20 days without fulfilling the relevant duties.	That steps will be taken to provide the advance to the relevant officers when it is received in the future.	The granting and settlement of advances should be formalized.
(d) National Budget Circular No. 01/2024 issued by the Ministry of Finance, Economic	The Municipal Council had spent an expenditure of Rs. 536,250 on 21 December 2024 for a	That the expenditure incurred on the Christmas festival has increased substantially	Action should be taken in accordance with the National Budget Circular.

Stabilization and Christmas festival, which this year due to the National Policies on was not specifically prevailing economic situation in the 10 January 2024 mentioned in the annual estimates as a national country. festival and for which no provisions were allocated.

2. Financial Review

2.1 Financial Results

In accordance with the financial statements submitted, the income exceeding the expenditure of the council was Rs. 73,602,936 for the year ended 31 December 2024 and correspondingly, the income exceeding the expenditure was Rs. 62,486,268 in the preceding year.

2.2 Financial Control

Audit Observation	Comments of the Council	Recommendation
The council has a current account with a balance of Rs. 600,328 that has been inactive since 2011.	That the necessary steps are being taken to transfer the funds in the account to the council's current account.	The inactive bank account should be closed and the balance transferred to the council's current account.

2.3 Income administration

2.3.1 Estimated Income, Billed Income, Collected Income and Outstanding Income

As per the information submitted by the Municipal Commissioner, the information on estimated income, billed income, collected income and outstanding income is as follows.

		2024				2023			
	Income source	Estimated income	Billed Income	Collected Income	Outstanding as at 31 December	Estimated Income	Billed Income	Collected Income	Outstanding as at 31 December
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(i)	Rates and Taxes	206,647	215,641	141,562	74,079	189,810	210,079	172,380	37,700
(ii)	Rents	11,694	13,431	12,513	918	9,924	9,557	11,098	0
(iii)	Licenses Fees	10,135	10,463	12,728	(2,265)	10,335	10,335	11,504	0
(iv)	Other Income	40,689	40,689	36,846	3,842	14,843	14,843	14,604	239
		269,165	280,224	203,649	76,574	224,912	244,814	209,586	37,939

2.3.2 Income Collection Performance

	Audit Observation	Comments of the council	Recommendation
(a)	Rates		
	The arrears of revenue of Rates for more than 03 years as at 31 December 2024 were Rs. 42,498,260.	Note No. 06 shows the annual billings and collected revenue under Assessment and Tax.	Steps should be taken to recover the arrears of revenue of Rates.
(b)	Recreation Tax		
	The outstanding recreation tax revenue for more than 03 years as at 31 December 2024 was Rs. 5,388,708.	Action will be taken to file a case again after receiving the information and a case has been filed in the Kaduwela District Court for the arrears of revenue to be collected from a cinema hall.	Action should be taken to recover the arrears of entertainment tax revenue.
(c)	Court Fines and Stamp Duty		
	The court fines due from the Chief Secretary of the Provincial Council and other authorities as at 31 December 2024 amounted to Rs. 33,215,478.	The necessary documents are currently being prepared to collect the court fines for the year.	Action should be taken to recover the arrears.

3. Operating Review

3.1 Management Inefficiencies

	Audit Observation	Comments of the council	Recommendation
(a)	Although an agreement was entered on 21 February 2023 to provide the electricity generated by the biogas generation project, which was initiated by the United Nations Development Programme and the Council at a cost of Rs. 4.4 million, to the Electricity Board through the Net Metering system, electricity could be supplied to the national electricity grid for only 07 months. The biogas unit had been operating at maximum capacity for only 02 months, but it had not been able to achieve the desired objectives due to its inactivity for 10 months.	Information has not been received about projects that provide electricity to the national electricity grid through biogas.	Maximum efficiency should be worked on to achieve the objectives of the project.

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| <p>(b) The walkway that was constructed around the community hall near the Sadasiripura housing complex in Stellimage Estate, Athurugiriya, using council funds, was renovated with concrete paving in August and September 2018 by inchring Rs.781,722. However, it was observed during the physical inspection that the walkway had to be repaired at a huge cost due to the lack of proper maintenance.</p> | <p>The walkway has now been cleaned by the council's employees.</p> | <p>The assets owned by the council should be maintained up to date.</p> |
| <p>(c) As at 31 December, the time analysis for the balance of project creditors of Rs. 285,111,688 and the balance of project debtors of Rs. 83,178,515 had not been submitted and the schedules relating to the work in progress of Rs. 161,870,387 had not been submitted for audit.</p> | <p>The time analysis has been prepared and the report is submitted herewith.</p> | <p>The time analysis should be properly prepared and submitted with the schedules.</p> |
| <p>(d) According to the financial statements, the balance of project debtors as at 31 December 2024 was Rs. 83,175,515. According to the project debtor schedules, although the project debtors incurred in the year 2024 were Rs. 46,009,993, the above balances could not be compared as the debtor schedules relating to previous years were not submitted for audit.</p> | <p>No answers were given.</p> | <p>Schedules should be properly prepared and submitted for audit.</p> |
| <p>(e) Although the closing balance of stores creditors in the financial statements was stated as Rs. 190,181,813, the schedules as the stores creditors balance as at 31 December 2024, which was Rs. 23,741,657, only stores creditors arising during the year were stated, and since stores creditors arising in previous years were not included, it was not possible to compare them during the audit.</p> | <p>No answers were given.</p> | <p>Schedules should be properly prepared and submitted for audit.</p> |

3.2. Operating Inefficiencies

Audit Observation	Comments of the council	Recommendation
The Jayawadanagama Geeganga function hall belonging to the Municipal Council had entered into a 5-year lease agreement with the lessee on 07 November 2018 on the condition that the monthly rent would be Rs. 70,000 and would increase by 10 percent annually. Although an amount of Rs. 2,894,772 was to be received from the lessee as accumulated arrears of rent and surcharges for a period of 33 months from September 2020 to May 2023, the arrears had not been collected as per the agreement. In the years 2023 and 2024, the renovation work of the function hall was carried out in two phases by two community boards and Rs. 3,000,000 and Rs. 4,000,000 respectively were paid from the council fund, but those works had not been supervised. Also, although the Council was required to carry out maintenance and repairs to the external structures and public areas of the function hall from time to time in accordance with condition number 7 (1) of the said agreement, formal supervision had not been carried out regarding this even though the lessee had informed on 05 December 2022 that Rs. 9 million had been spent on renovation works of the function hall at his personal expense.	Jayawadanagama Geeganga function hall has been renovated and is currently being handed over to a person under contract to collect Rs. 100,000 per month.	Steps should be taken to recover the arrears of rent as per the agreement and the renovation work should be supervised by the council.

3.3 Procurement Management

Audit Observation	Comments of the council	Recommendation
Despite the administration's decision to purchase a chair from the institution that purchased the chairs on 25 July 2024 for Rs. 1900, the relevant subject officer, contrary to guideline 3.6.1 of the Procurement Guidelines, purchased 70 chairs worth Rs. 200,000 on 30 July 2024, at the lowest price of Rs. 2,850 each, before the expiry of one month resulting in a loss of Rs. 66,500 to the council which was due to the negligence of the relevant subject officer and the technical evaluation committee.	According to Administrative Committee Decision No. 156 dated 24 April 2024, the prices had to be called again because the previously purchased quantity was 100 chairs and it was intended to purchase more than 50 per cent of that quantity.	Action should be taken to recover the loss from the officer in charge.

3.4 Human Resources Management

	Audit Observation	Comments of the council	Recommendation
(a)	Contrary to Section 13.3 of Chapter II of the Establishments Code an acting appointment had been made from the date of the vacancy, without making a regular appointment, for the position of Municipal Secretary, a key position in the institution, which had been vacant for 7 years.	It has been continuously pointed out to the Department of Local Government that this position is vacant and that steps will be taken to cancel this appointment as soon as the Public Service Commission appoints a permanent officer.	A permanent appointment should be made for the position of Municipal Secretary.
(b)	Out of the 07 approved posts in the Tertiary Service Category, 03 posts remained vacant as on 31 December 2024 and one Administrative Officer post had become vacant due to one of the 04 officers in service acting as Municipal Secretary.	These appointments have been made in accordance with the powers of the Council vested in the Municipal Commissioner.	Action should be taken to fill the vacancies.
(c)	The post of Revenue Inspector (Special) had been vacant for 8 years and the post of Language Translator for 12 years. The fact that the key revenue-related position had been vacant since the day it was approved had adversely affected the identification of new revenue sources, revenue collection and the collection of outstanding revenue.	The position remains vacant as recruitment has been banned until the case is concluded.	Steps should be taken to fill the vacancies.
(d)	The responsibility of collecting revenue had been assigned to field workers and health workers due to that 9 out of the 12 approved revenue inspector posts were vacant.	Since recruitment has been suspended due to the lawsuit, employees in other positions have been given those responsibilities.	The vacancies should be filled as soon as the legal proceedings are concluded.
(e)	Contrary to pares 06 and 203 of paragraph 195 of Chapter XVIII of the Public Service Commission Procedural Rules, 59 out of 133 senior, tertiary and secondary level officers had been continuously employed by the Commission for a long period of time ranging from 04 to 29 years.	Officers who have completed 05 years of service can apply for transfers when the next annual transfers are implemented.	Steps should be taken to implement the annual transfers.

4. Accountability and Good Governance

4.1 Annual Action Plan

Audit Observation	Comments of the council	Recommendation
Action Plan		
The control report submitted to the audit, instead of the progress of the action plan for the year 2024, did not contain sufficient information to measure the progress of the year in financial terms. Due to the lack of details regarding the value of the allocations allocated to each program and the utilization of the allocations, financial performance could not be calculated.	The report containing the progress of the programs that can be measured in financial terms of the action plan is hereby submitted.	The progress of the action plan should be presented in a way that allows financial performance to be calculated.