

2012- Sabaragamuwa Provincial Council

1. Financial Statements

1.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 1.2 of this report, the financial statements give a true and fair view of the financial position of the Sabaragamuwa Provincial Council as at 31 December 2012 and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Comments on Financial Statements

1.2.1 Provincial Fund

Provincial Fund Account for the year under review was presented to audit on 28 March 2013.

1.2.2 Other Accounts

Progress relating to the presentation of other accounts of the Provincial Council for the year under review as at 15 April 2013 is given below.

<u>Type of Accounts</u>	<u>Total number of accounts</u>	<u>Number of accounts presented</u>	<u>Number of accounts not presented</u>
(i) Appropriation Accounts	28	28	-
(ii) Revenue Accounts	01	01	-
(iii) Advances to Provincial Public Officers Accounts	26	25	01
(iv) Commercial Advance Accounts	05	02	03
(v) Fund Accounts	03	02	01
(vi) Statutes Accounts	03	03	-
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	<u>66</u>	<u>61</u>	<u>05</u>

1.2.3 Accounting Deficiencies

	<u>Assets</u>		<u>Liabilities</u>	
	<u>Number of Instanses</u>	<u>Value</u>	<u>Number of Instanses</u>	<u>Value</u>
		<u>Rs.</u>		<u>Rs.</u>
(i) Overstatements in accounts	01	42,946,788	-	-
(ii) Understatements in Accounts	<u>01</u>	<u>4,106,828</u>	<u>01</u>	<u>9,296,426</u>
Total	<u>02</u>	<u>47,053,616</u>	<u>01</u>	<u>9,296,426</u>

Following observation is made.

In terms of Section 02 of the Courts Fines Transfer Statute No. 02 of 1995 of the Sabaragamuwa Provincial Council, fines or penalties recovered should be paid within 02 years from 31 December of the year of recovery to the relevant local authority upon a written request made by the relevant local authority. However, Courts Fines amounting to Rs.78,957,373 (being 16% of the total non-tax income) had been accounted as revenue during the year.

1.2.4 Un-reconciled Control accounts

While the total of 04 items of accounts according to control accounts amounted to Rs.138,872,046, the total of the balances of those accounts according to subsidiary registers/records amounted to Rs.231,828,038. The difference of Rs.92,955,992 had not been reconciled.

1.2.5 Accounts Receivable

Value of Accounts Receivable balances that had exceeded more than 01 year amounted to Rs.2,169,350.

1.2.6 Lack of Evidence for Audit

(a) Audit Queries not Replied

While replies had not been furnished to 22 audit queries as at 31 December 2012, value of transactions that could be determined relating to transactions referred to in those queries amounted to Rs. 60,064,390.

(b) Non-submission of Information to Audit

Transactions totalling to Rs. 4,096,323 relating to 05 institutions could not be satisfactorily vouched due to non-submission of required information to audit.

1.2.7 Non-compliance with Laws, Rules and Regulations

Following non-compliances with laws, rules and regulations were observed in audit.

Reference to Laws, Rules and Regulations

Non-compliance

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|---|---|
| (a) Extra Ordinary Gazette dated 27 June 2011 of the Democratic Socialist Republic of Sri Lanka | Handing over of official vehicles provided with Honorable Minister and Ministry Staff of a Ministry of the Provincial Council had been delayed by 48 days relating to 4 vehicles and 47 days relating to 3 vehicles. Out of those, there had been various damages to 5 vehicles while there had been a shortage in handing over of spare parts of 5 vehicles. |
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- (b) Paragraph 3 and Schedule 111 of Annexure- "A" of Presidential Secretariat Circular No. CSA/1/1/20 dated 10 February 2006
- Although foreign travel of Honorable Provincial Ministers should be approved by Honorable Governors, a Minister had gone abroad to attend the Session of Cuban Friendly Association held from 22 to 25 March 2012 in Cuba without obtaining the approval of the Honorable Governor and a sum of Rs. 228,750 had been spent in this regard.
- (c) Paragraph 02 (iv) of the Public Administration Circular No. 9/2009 dated 16 April 2009
- Payment of overtime amounting to Rs. 162,710 on the basis of the Attendance Register maintained by the Department of Cooperative Development, disregarding the finger printing machine established at the Provincial Council Complex, and Payment of overtime amounting to Rs. 45,018 to 06 officers for the performance of normal duties after normal duty hours had been made. Alterations had been made in 161 instances in the Attendance Register during the year 2012 and therefore It could not be satisfied in audit that the computation of overtime is accurate.
- (d) Paragraph 06 of the Provincial Councils and Local Government Circular No 2001/01 dated 28 March 2001
- Although 06 months had passed after dissolution of the Provincial Council, loan advances aggregating to Rs.1,418,600 relating to 12 members whose membership had lapsed during the year 2012, had not been recovered even as at 31 December 2012. Interest in arrears as at that date amounted to Rs. 29,790.
- (e) Letter No. G0/10/7/A/8 dated 28 July 2008 of the Secretary to the Provincial Governor
- Thirty nine Officers in Provincial and Zonal Education Offices who obtained Participating Allowance aggregating to Rs. 34,350, for Annual Conference - 2012 of the Directors of Education in Sabaragamuwa Province, had obtained an additional sum totalling to Rs.80,987 as Combined Allowance.
- (f) Section 11.1 of the Circular No. 2008/35 dated 15 September 2008 of the Secretary to the Ministry of Education
- Although the incurring expenditure should be done on the basis of decisions taken by the School Development Committee, in making payment for sanitary wages of a College in Balangoda Zone, a sum totalling to Rs. 83,600 had been paid in 25 instances without approval of the School Development Committee. When paying salaries relating to sanitary service and security service, payment had been made to two individuals by one cheque.
- (i) Paragraph (iii) of Circular No. CSA/P1/40 dated 28 February 2007 of the Secretary to the President
- While the Annual Conference of the Sabaragamuwa Provincial Directors during the years 2011 and 2012 had been held in Nuwaraeliya Zonal Education Office, a sum aggregating to Rs.436,500 had been paid as lodging to a private hotel in Nuwaraeliya.

- (j) Government Procurement Guidelines
- (i) Guideline 2.14.1 Six Medical Equipment valued at Rs.22,132,000 had been purchased without approval of the line Ministry and distributed by the Provincial Health Department.
  - (ii) Guideline 5.4.8 When purchasing 20 medical equipment totalling to Rs.3,576,000, supply had been made after the lapse of the validity period of the performance bond. Action had not been taken to extend the time or to recover liquidated damages for that.
- (k) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- (i) F.R. 177 A sum totalling to Rs.917,133 received by 03 Institutions coming under Department of Provincial Animal Products and Animal Health, had been banked after a time delay ranging from 03 to 44 days.
  - (ii) F.R. 571 Action had not been taken in terms of Financial Regulations with regard to Deposits totalling to Rs. 7,954,044 that had exceeded two years in 03 Ministries of the Provincial Council.
  - (iii) F.R. 880 and Government Officers Security Ordinance No.612 Security Deposits as laid down had not been made by 28 officers in 04 Institutions who are required to furnish security.
- (l) Code of Financial Rules of the Sabaragamuwa Provincial Council of the Democratic Socialist Republic of Sri Lanka
- (i) Financial Rule 86.4 and 86.6 Payment totalling to Rs.1,984,540 for 2962 Montessori Chairs and Rs.2,089,740 for 1201 Montessori tables had been made by the Chief Ministry without the inventory certificate issued by the principal.

- (ii) Financial Rules 261.2.2
- Action had not been taken to settle advances totalling to Rs.2,297,000 given in 45 instances from the year 2009 to October 2012, up to 11 February 2013 and advances totalling to Rs.400,000 given in 04 instances during the period from 30 April 2012 to 11 June 2012 up to 14 August 2012. Advances totalling to Rs.4,590,486 had been made in 54 instances before settlement of advances already obtained. It was also observed that advances totalling to Rs.318,400 obtained in 08 instances in the Office of the Deputy Director of Health Services, Kegalle had been settled after a delay of more than 30 days and that advances totalling to Rs.102,070 obtained in 05 instances had been kept in hand for a period of 1 to 8 months without being utilized for the relevant purpose and full amount had been settled thereafter.

- (M) Guidelines Handbook - Purchase and Distribution of Educational Quality Inputs

- (i) Chapter 22

It is required to submit a report to the Zonal Director of Education at the end of every 4 months before 10<sup>th</sup> of the ensuing month, from commencement of each year, indicating the manner in which quality input funds were utilized. However, 150 schools in Kegalle District had not complied with the requirement during the year 2012.

- (N) Clause 1.2 and 1.3 of Chapter xxx of the Establishments Code of the Democratic Socialist Republic of Sri Lanka

When making payments for works relating to provision of toilet facilities of 02 schools falling under 02 Zonal Education Offices, a sum of Rs.1,196,419 had been paid to the Principal while a sum of Rs.57,346 being the retention money had been paid to the Deputy Principal.

## 2. Revenue Management

- (a) Tax Revenue and Non-tax Revenue for the period from the year 2007 to year 2011 was as shown below.

<u>Year</u>	<u>Tax Revenue</u>	<u>Non-tax Revenue</u>
	Rs.	Rs.
2007	880,090,883	255,638,683
2008	1,012,846,946	251,306,994
2009	1,146,644,488	271,623,594
2010	1,382,363,156	321,209,919
2011	1,943,637,444	416,079,145

- (b) It had been failed to recover arrears of taxes totalling to Rs. 5,596,129 relevant to taxes recoverable by various institutions of the Provincial Council even as at end of the year under review. Details are shown below.

<u>Institution</u>	<u>Type of Tax</u>	<u>Arrears of Revenue</u> Rs.
Divisional Secretariat, Yatiyanthota	Annual Tax, Yield Tax and Water tax	5,132,472
Divisional Secretariat, Dehiovita	Annual Tax	68,759
Divisional Secretariat, Deraniyagala	Annual Tax	194,347
Divisional Secretariat, Deraniyagala	Water Tax	<u>200,551</u>
Total		<u>5,596,129</u>

- (c) According to the report relating to arrears of revenue as at 31 December 2012, of the Provincial Department of Revenue, it had been failed to recover arrears of taxes relating to 04 types of taxes totalling to Rs. 34,871,991.

### 03. Financial Review

#### 3.1 Financial Results

According to the Financial Statements presented, there had been a surplus of Rs.578, 643, 467 in the Provincial Fund for the year ended 31 December 2012, while the corresponding surplus for the preceding year amounted to Rs. 1,056,423,606. When compared with the preceding year, a decline of Rs. 477,780,139 was observed in the surplus during the year under review.

#### 3.2 Legal Proceedings against the Provincial Council or Cases Initiated by the Provincial Council

Seventy nine Cases filed against 10 Ministries / Departments and 05 cases initiated by 02 Ministries/Departments were pending as at 31 December 2012.

### 4. Operational Review

#### 4.1 Performance

##### Government Grants

Details relating to the provisions received and expenditure incurred relating to provincial development works are shown below.

<u>Source</u>	<u>Receipts</u> <u>during the</u> <u>year</u>	<u>Transfers</u> <u>from the</u> <u>Provincial</u> <u>Fund</u>	<u>Balances out</u> <u>of amounts</u> <u>received</u> <u>during prior</u> <u>years under</u> <u>Special</u> <u>Projects</u>	<u>Expenditure</u>
	Rs.	Rs.	Rs.	Rs.
(a) Criteria Based Grants	197,391,000	143,650,000	-	350,890,843
(b) Specific Provincial Grants	694,879,000	-	-	683,625,457
(c) World Bank	115,000,000	-	-	Provision had been received in October 2012. Therefore expenditure had not been incurred.
(d) JICA Grants	2,303,000	-	-	2,303,000
(e) Special Projects (Line Ministries)	8,000,000	-	164,755,875	166,265,711

#### 4.2 Management Inefficiencies

- (a) While Equipment, Furniture, Quality Input, Bank Accounts of School Development Societies and Cash in Hand relating to 21 schools closed down in Dehiovita Education Zone, had not been properly taken over by the relevant Zonal Office, action had not been taken to hand over Land and Buildings belong to 10 closed down schools in Mawanella Education Zone to the Divisional Secretary.
- (b) At the discussion held on 17 June 2011 at the District Secretariat, with regard to the roads to be selected for carpeting roads in Kegalle District under the Provincial Roads Carpeting and Incomplete Projects Development Program – 2011, it had been decided that it is appropriate to exclude the sections of road construction works done by the Provincial Council and prepare estimates for the balance sections of the roads selected for carpeting. However, 08 roads maintained out of funds of the Provincial Roads Ministry through Rambukkana Executive Engineer's Office incurring expenditure amounting to Rs.15,244,063 in years 2010 and 2011 had been selected for the carpeting project without excluding such maintained sections.
- (c) During the year 2009, charges had been made for the identical charge against 11 officers including the Chairman of the Pelmadulla Pradeshiya Sabah. Although one officer had been exonerated on 27 February 2013, disciplinary action against other 10 accused individuals had not been finalized even as at date of audit, 23 May 2013.

4.3 Operational Inefficiencies

- (a) Although a publication named as 'Sundara Sabaragamuwa' had been introduced having spent Rs. 670,000 during the year 2011 by the Provincial Roads Ministry, 621 copies out of 1000 copies of that publication had not been distributed even as at 30 May 2013.
- (b) A grant totalling to Rs. 2,950,000 had been made for 295 sports clubs to conduct the 'Bak Maha Ulela April 2012' through provisions of the Ministry of land, Provincial Irrigation, Agriculture, Animal Products and Animal Health, Sports and Youth Affairs. In selecting sports clubs for that, 294 sports clubs in Kegalle District had been selected. While 14 sports clubs provided with grants were not registered, registered numbers of 06 sports clubs were not clear.
- (c) While a sum of Rs. 369,000 had been collected from parents of 125 students admitted to Grade 1 of a college in Balangoda Education Zone in the year 2012 for a Project called Dust Project, as at the date of audit on 15 November 2012, any work of the Project other than incurring an expenditure of Rs. 17,500 had not been fulfilled. The approval of the Zonal Director of Education that should be obtained in terms of the paragraph 10.4 of the Circular No.2008/35 dated 15 September 2008 of the Secretary to Ministry of Education too had not been obtained.
- (d) While four 180 Liter barrels of tar valued at Rs.65,880 received at Embilipitiya Executive Engineer's Office had been kept in the office yard for a period of about one year, in the physical audit examination carried out on 23 January 2013 it was revealed that any step had not been taken to preserve those and tar was leaking from holes of the barrels.
- (e) When taken into consideration the number of books received according to the vouchers of the Governor's Office and issues according to the Issue register, 40816 books valued at Rs.1,800,359 had not been distributed even as at 12 October 2012 among the relevant divisions.
- (f) Three teachers attached to a college in the Ratnapura Education Zone had not reported for work at the stipulated time at least one day out of all the days they attended school in year 2011. They had obtained salaries for unoccupied time by keeping false entries in the attendance register and class record books, causing a loss of first period for 44 to 81 ½ days, and loss of second period for 54 to 92 days out of 191 days of school conducted.
- (g) The sum of Rs. 108,000 receivable as at 07 December 2012 for leasing out the canteen of a Central College in Balangoda Education Zone had not been recovered even up to 13 May 2013.
- (h) It had not been possible to recover or write-off 21 instances of Losses valued at Rs.183,938 of the Kegalle Zonal Education Office due to lapses in maintenance of files.



- (i) Out of Imprest received prior to the year 2012 from Line Ministries for special projects, Imprest amounting to Rs. 7,437,813 had been remitted back to the Provincial Treasury by the recipient Ministries and Departments of the Provincial Council. Due to that, estimated projects had been delayed for more than one year. It was observed in audit that those projects are not timely implemented.

#### 4.4 Transactions of Contentious Nature

Although the Mitsubishi Pajero Jeep belonging to the Ministry of Land, Provincial Irrigation, Agriculture, Animal Products and Animal Health, Sports and Youth Affairs of Sabaragamuwa Provincial Council had been with the Provincial Land Commissioner General up to 23 August 1994, ownership had been with private parties on the above mentioned date and 12 December 2001 according to the Vehicle Registration Book of the Jeep. However, even at present vehicle is being used by said Ministry of Land and Agriculture. Therefore as it is a state vehicle, such transfer work is not practical. It was observed in audit that a certain irregularity had taken place.

#### 4.5 Under utilization of Funds

Quality Input Funds of 122 schools in Ratnapura District totalling to Rs. 22,144,105 had been kept in bank accounts without being used, while a total sum of Rs. 390,800 in two Institutions had been kept idle without being utilized for the relevant purpose.

#### 4.6 Transactions without Proper Authority

While annual licenses had been issued to 63 unauthorized occupants for blocks of land belong to the Railway Department by the Divisional Secretary, Dehiovita, permanent licenses also had been issued to another 73 unauthorized occupants. However, any evidence was not furnished to audit with regard to transfer of ownership to the Divisional Secretary by the Railway Department.

#### 4.7 Idle and Underutilized Assets.

- (a) Audit test checks revealed the idle and underutilized physical assets as analyzed below.

	<u>Nature of Asset</u>	<u>Number of units/Quantity</u>	<u>Value Rs.</u>	<u>Idle Period</u>
(i)	Buildings	18	Could not be calculated	Could not be ascertained
(ii)	Vehicles	2	Could not be calculated	05 months to 10 months
(iii)	Machinery and Equipment	4	40,050	01 year to 22 years
(b)	Following observations are made with regard to assets management.			
(i)	Although the construction works of Ratnapura Public Library Building constructed incurring an expenditure of about Rs. 80 millions had been finalized on 30 March 2010, it had been kept idle up to 20 December 2012 without being used.			

- (ii) Out of pairs of spectacles reserved for distribution at clinics conducted during the years 2009, 2010 and 2011 by the Ministry of Social Welfare, Probation and Childcare, Rural Development and Rural Industries, 582 pairs of spectacles valued at Rs.377,790 had been remained and stocked in the stores. At the stores examination, it was confirmed that those spectacles are out of date and not in usable condition.
- (iii) Forty eight Medical Equipment totalling to 26,264,266 purchased by the office of the Provincial Director of Health Services during the years 2011 and 2012 and 04 medical equipment value of which could not be ascertained had been kept in stores of the office of the Provincial Director of Health Services, hospitals and central dispensaries as at 30 May 2013 without being used.

4.8 Uneconomic Transactions

While 75 steel cabinets had been purchased having spent a sum of Rs. 967,500 and distributed among farmer organizations on the recommendations of the Minister of Agriculture of the Sabaragamuwa Provincial Council, a physical examination carried out with regard to 10 cabinets out of those revealed that 09 cabinets had not been effectively used for the relevant work.

4.9 Identified Losses

A loss amounting to Rs. 216,088 had incurred to the Provincial Council, due to an accident took place on 30 November 2001, while a jeep given to the Ministry of Land, Provincial Irrigation, Agriculture, Animal Production and Animal Health and Fisheries of the Sabaragamuwa Provincial Council was being used for private election campaign. That loss had not been recovered from the relevant party.

4.10 Lack of Physical Assets.

Laboratory and library facilities are not available in a College where classes are conducted from year 1 to year 11 in Balangoda Zone. Roofs of the classes where Grade 10 and Grade 3 classes are conducted had not been repaired. It was observed in audit examination that difficulties are experienced in rainy days in study works due to that.

4.11 Lapses in Contract Administration

(a) Constructions

Following observations are made on audit sample checks carried out relating to construction implemented by various Ministries and institutions of Provincial Council.

	<u>Name of Construction Work</u>	<u>Implementing Institution</u>	<u>Expenditure as at 31.12.2012</u> Rs.	<u>Date of Inspection</u>	<u>Lapses observed</u>
(i)	Construction of access road and retaining wall of Kularatne Children's Home, Ranwala	Ministry of Industries	831,392	22.09.2012	Cracks on surface of the concrete, loose plastering of the retaining wall slanting of the retaining wall.
(ii)	Development of Kohiladeniya – Methikele Road from 0.00 k.m. to 2.35. k.m.	Ministry of Provincial Roads	1,652,075	24.12.2012	Potholes on the surface of the road due to non use of tar to the specified standard, breakages on edges of the road on both sides and decrease in expected general width of 2.35 metres in certain places.
(iii)	Improvements to Banagoda – Kempanawatte Road from 0.00 k.m. to 0.5 k.m. and from 3.00 k.m. to 8.2 k.m.	Executive Engineer's Office, Ratnapura	19,603,535	08.08.2013	Culverts constructed spending Rs.1,049,400 not constructed to the specified standard, cracks and breakages on 07 retaining walls constructed for culverts, slacken plastering, breakages of concrete applied on the road.
(iv)	Reconstruction Project for laying metal and tarring Raththurugala Rathganga Road via Samansirigama	Divisional Secretary, Ratnapura	83,681		Sinking and potholes in many places of the road, appearance of underneath pebbles.
(v)	Improvements to Kahawatta Kattange Road from 2.00 k.m. to 6.27 k.m.	Executive Engineer's Office, Pelmadulla	11,177,683	17.02.2012	Potholes of size 1.5mx1.5m had arisen at the spots of 2.5k.m, 3.5k.m, 5.5k.m of the road.

- (b) A sum of Rs. 499,109 had been spent for the work relating to improvement of selected spots of the road up to Aluthnuwara Temple. It was observed in audit examination carried out on 25 July 2012 that the access road to the temple had been damaged and small potholes had arisen and was in a condition to be repaired. However, it was observed that Instead of developing that road, repairs had been carried out in three spots of some other road and none of those construction works were connected with the access road to the temple and that the road developed by spending Rs.354,590 out of the above sum to apply concrete was an access road to the residence of an individual.
- (c) Action had not been taken to recover liquidated damages totalling to Rs.1,961,630 relating to 02 construction contracts implemented in two schools by the Executive Engineers' Offices of Kalawana and Pelmadulla.

#### 4.12 Delayed Projects

It had not been possible to complete 52 construction works relating to 06 Ministries/Departments due to bad weather, shortage of raw materials an inadequate time limits.

#### 4.13 Completely Abandoned Projects/Schemes

Two construction works implemented by the Roads Ministry had been completely abandoned after spending a sum of Rs. 10,490,967 as at 31 December 2012.

#### 4.14 Staff Administration

##### (a) Excesses and Shortages in the Field of Education

Details relating to excesses and shortages of principals and teachers of the Sabaragamuwa Provincial Council as at 31 December 2012 are shown below.

		<u>Ratnapura</u>		<u>Balangoda</u>		<u>Embilipitiya</u>		<u>Nivithigala</u>		<u>Kegalle</u>		<u>Mawanella</u>		<u>Dehiovita</u>	
		<u>Zone</u>		<u>Zone</u>		<u>Zone</u>		<u>Zone</u>		<u>Zone</u>		<u>Zone</u>		<u>Zone</u>	
		Surpl lus	Short age	Surpl us	Short age	Surpl us	Shorta ge	Sur plus	Short age	Surpl us	Short age	Surp lus	Short age	Surpl us	Short age
Principal		-	75	-	57	-	57	-	85	-	54	-	60	-	80
Teachers	1. Primary	-	99	-	96	-	161	-	84	-	160	-	21	118	-
	2. Secondary	328	-	36	-	-	231	-	65	180	-	201	-	48	-

Following observations are made in this connection.

- (i) Although the approved cadre of teachers in 158 Sinhala medium schools in Dehiovita Education Zone as at 31 December 2012 was 2017, 2454 teachers had been engaged in service. While the overall excess was 437 it was made up with a shortage of 68 teachers in 21 schools and excess of 505 teachers in 118 schools, In audit, it was observed as a result of improper attachment of teachers.
- (ii) According to classification of teachers appointed in Nivithigala Zone, a shortage of 700 teachers and an excess of 501 teachers was observed. Although it was possible to remove the excess and shortage of 244 teachers by balancing the teachers within the zone, such action had not been taken.
- (iii) The number of periods missed relating to major subjects in 08 schools of 03 Zonal Education Offices during the years 2011 and 2012 amounted to 4692 and 2226 respectively. It was observed that it had resulted in the downfall of (G.C.E.) Ordinary Level results of those schools.

(b) Excesses and Shortages in the Field of Health

Excess and Shortage of employees of services in the field of health in various institution levels is shown below.

	<u>Office of the Provincial</u>		<u>Office of the Divisional</u>		<u>Office of the Divisional</u>		<u>Embilipitiya Base</u>	
	<u>Director of Health</u>		<u>Director of Health Services,</u>		<u>Director of Health</u>		<u>Hospital</u>	
	Surplus	Shortage	Surplus	Shortage	Surplus	Shortage	Surplus	Shortage
Medical	-	3	54	66	46	57	-	25
Nursing	-	1	64	79	07	66	-	45
Pharmacist	-	-	04	19	-	10	-	15
Public Health Inspector	-	-	06	08	-	30	-	01
Family Health Employee	-	-	24	98	-	48	-	05
Technical	-	-	06	93	3	9	-	13
Attendant	-	-	23	110	25	31	-	34
Labour	-	02	55	294	111	82	-	34
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Total	=	<u>06</u>	<u>236</u>	<u>767</u>	<u>192</u>	<u>333</u>	=	<u>172</u>

4.15 Expenditure Contrary to the Objectives

- (a) A sum of Rs. 400,000 had been approved by the Secretary to the Ministry of Agriculture for reconstruction of Makura dam with an objective for supplying water to 06 acres of paddy fields and another 08 acres of agricultural land. Contrary to that objective, a retaining wall had been constructed, for the access road to Makura village having spent a sum of Rs.370,272.
- (b) Although the mission of the Ministry of Land, Provincial Irrigation, Agriculture, Animal Production and Animal, Sports and Youth Affairs is to using land at optimum level with an objective of sustainable development and up lifting agricultural effectiveness by providing irrigation facilities for agricultural works, 25 roads had been developed in the Kegalle District, having spent a sum of Rs.3,773,886 during the year 2012. It was observed at audit inspections that most of those roads are not agricultural roads confirming that it was deviation from the basic objective.
- (c) While a provision Rs. 1,000,000 for encouraging novice writers had been approved for the Chief Ministry in the Annual Financial Statement and Estimates of Revenue and Expenditure of Sabaragamuwa Provincial Council for the year 2012, out of that, Tamil medium praise books had been printed for distribution among schools in Sabaragamuwa Province by utilizing provision amounting to Rs. 966,000.

4.16 Overpayments

An overpayment totalling to Rs.70,282 had been made by Rambukkana Executive Engineer's Office for work not fulfilled relating to 02 works.

4.17 Improper Transactions

- (a) Although a sum of Rs. 4,926,750 had been paid on 09 April 2012, by the office of the Provincial Health Services Director, for the purchase of 6 Japanese made UV1240 type Photospectrometer, instead of those Singapore made UV1800 ENG 240Vtype (soft) equipment had been supplied. However, it had been mentioned in the Technical Evaluation Report with regard to the goods received, that those were Japanese made,
- (b) The sum of Rs.108,700 provided under Expenditure Item for Development of Secondary Education in Provincial Council Schools, had been spent on seminars conducted for educating Principals of National Schools.
- (c) Payments totalling to Rs. 103,703 had been made to two institutions for 6 months without a proper agreement for obtaining cleaning service for year 2012 of the New Town Indoor Stadium Ratnapura. Although the decision of the Procurement Committee with regard to security service of Ratnapura New Town Playground and Indoor Stadium for the year 2012 had been given on

04 April 2012, a sum of Rs.116,480 had been paid for the months of January, February and March without approval of the Procurement Committee.

4.18 Inadequate Fulfillment of Objectives

- (a) Although provision amounting to Rs.325,000 had been made for the year 2012, for informal teacher – student educational activities of the Embilipitiya Zonal Education Office, out of that a sum of Rs.238,600 had been utilized for conducting parent awareness seminars while any teacher –student activities had not been carried out.
- (b) Although a sum of Rs.395,000 had been spent by the Embilipitiya Zonal Education Office, under expenditure item, Supply of Primary Services and Teacher – Student Based Activities, out of that a sum of Rs.223,965 had been spent on irrelevant objectives.

05. Accountability and Good Governance

5.1 Corporate Plan

Fourteen Institutions had not prepared the corporate plan relating to the year 2012.

5.2 Action Plan

Six Institutions had not prepared the action plan relating to the year 2012.

5.3 Audit and Management Committee Meetings

During the year 2012, 26 Ministries / Departments had conducted Audit and Management Committee meetings at the rate of one meeting per annum while 02 Ministries had conducted at the rate of 02 meetings per annum .

5.4 Procurement Plan

Twelve Institutions had not prepared the procurement plan relating to the year 2012.

6. Systems and Controls

Lapses observed in audit were brought to the notice of the Heads of Institutions and the Chief Secretary from time to time. Special attention is drawn to the following fields of systems and controls.

- (a) Accounting and Financial Control.
- (b) Assets and Human Resource Control.
- (c) Contract Administration.
- (d) Projects implementation.
- (e) School Management.

