

Report of the Auditor General on Head 273 – District Secretariat, Puttalam – Year 2016

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 273 – District Secretariat, Puttalam for the year ended 2016 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the District Secretary on 10 June 2017. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the Accounts and Reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibilities of the Chief Accounting Officer and the Accounting officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officer are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Account

(a) Total Provision and Expenditure

The net provision made for the District Secretariat amounted to Rs.724.64 million out of which a sum of Rs.709.13 million had been utilized by the end of the year under review. Accordingly, a sum of Rs.15.51 million or 2.14 per cent of the net provision had been saved. Particulars are given below.

Expenditure	As at 31 December 2016			Savings, as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Million	Rs. Million	Rs. Million	
Recurrent	649.64	644.80	4.84	0.75
Capital	75.00	64.33	10.67	14.23
Total	724.64	709.13	15.51	2.14

(b) Utilization of Provision made available by other Ministries and Departments

Provision totalling Rs.3,160.51 million had been made available by 26 Ministries and 18 Departments for various activities. Of this, a sum of Rs.2,364.08 million had been utilized by end of the year under review. Accordingly, Rs.796.43 million or 25.20 per cent of the provision granted had been saved.

2.2 Advance Accounts

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the District Secretariat bearing Item No.27301 and the actual values are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
47.00	46.79	34.00	41.27	170.00	144.03

2.3 General Deposits Accounts

The balances of 07 deposits accounts under the District Secretariat, Puttalam as at 31 December 2016 totalled Rs.306.04 million. Particulars are given below.

Deposit Account Number	Balance as at 31 December 2016
	Rs.Million
6000/0000/00/0001/0070/000	0.76
6000/0000/00/0002/0095/000	1.97
6000/0000/00/0013/0063/000	77.36
6000/0000/00/0016/0046/000	208.58
6000/0000/00/0017/0016/000	8.39
6000/0000/00/0019/0009/000	8.26
6000/0000/00/0020/0003/000	0.72
Total	306.04

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statement for the year ended 31 December 2016 of the District Secretariat, Puttalam had been satisfactorily prepared except for the audit observations referred to in the Management Audit Report mentioned in paragraph 1.1 above. Of the audit observations included in the Management Audit Report, material and significant audit observations appear in Paragraph 3.

3. Material and Significant Audit Observations

3.1 Non-maintenance of Registers and Books

A register of vehicles had not been maintained by the District Secretariat in terms of Financial Regulation 1647(e). It was observed during audit test checks that the District Secretariat and the Divisional Secretariats had not maintained the following registers in the proper and updated manner.

Type of Register	Relevant Regulation
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(i) Register of Fixed Assets	Treasury circular No.842 dated 19 December 1978
(ii) Register of Computer Accessories and software	Treasury circular No.IAI/2002/02 dated 28 November 2002
(iii) Register of Losses	Financial Regulation 110
(iv) Register of Liabilities	Financial Regulation 214
(v) Departmental Appropriation (Votes) Ledger	Financial Regulation 447
(vi) Register of Audit Queries	Financial Regulation 452 (1)
(vii) Register of Electrical Equipment	Financial Regulation 454(2)
(viii) Register of Loans	Financial Regulation 485
(ix) Register of Securities	Financial Regulation 891(1)
(x) Monthly Running Charts and monthly Performance Summaries	Financial Regulation of the Government of Sri Lanka 1646

3.2 Replies to Audit Queries

Replies to 06 audit queries issued in the year under review had not been furnished even by 29 June 2017. The value of quantifiable transactions relating to those audit queries amounted to Rs.91,894,220.

3.3 Appropriation Account

Budgetary Variances

The following observations are made.

- (a) Fifteen per cent of the provision made under Object 1202 should have been compulsorily saved in terms of the Budget Circular No.7/2015 of 29 December 2015. However, the provision saved in Object 273-1-1-1202 and Object 273-1-2-1202 were 13 per cent and 11 per cent respectively.
- (b) Adequate imprest had not been received for utilization from the provision made under Object 2104 of Project 01. As such, a provision of Rs.10,630,535 had been saved by end of the year under review.

3.4 General Deposit Account

The following observations are made with regard to the balances in the General Deposit Accounts of the District Secretariat and the Divisional Secretariats under therein.

- (a) According to the information furnished to audit, a total sum of Rs.33,190,607 had been granted to 08 Divisional Secretariats by Ministries, Departments, District Secretariat, Corporations, Boards and Authorities for fulfilling various activities. This had been retained in the Deposit Accounts as savings either by not fulfilling the activities or as savings after fulfilment of the activities.
- (b) Similarly, a sum of Rs.3,349,583 had been granted to 03 Divisional Secretariats by 05 private institutions and non-governmental organizations for various activities. This had been retained in the Deposit Accounts as savings either by not fulfilling the activities or as savings after fulfilment of activities.
- (c) The unidentified balances of deposits at the Pallama Divisional Secretariat as at 31 December 2016 amounted to Rs.5,837. Action had not been taken to identify and settle this even by end of the year under review.
- (d) The difference between the "Sigas" computer monthly account report and the register of general deposits of the Pallama Divisional Secretariat as at 31 December 2016 amounted to Rs.93,100.
- (e) A half yearly report of the General Deposit Account had not been prepared and furnished for audit in terms of Financial Regulation 571(1).

3.5 Reconciliation Statements relating to the Advances to Public Officers Account

The following deficiencies were observed with regard to audit test checks carried out regarding Reconciliation Statements of Item No.27301 – Advances to Public Officers Account as at 31 December 2016.

- (a) According to the reconciliation statement furnished to audit, the balances of arrears recoverable as at that date aggregated Rs.4,536,663. Those arrears of balances ranged from 03 months to 05 years. However, the follow up action taken with regard to recovery of those loan balances had been at a weak level.
- (b) Distress loans amounting Rs.536,190 had been paid to 02 officers of the Divisional Secretariats Puttalam and Anamaduwa which comes under the District Secretariat without complying with the requirements for payment of distress loans.
- (c) The loan instalment and the interest recovered for the month of October 2016 from a driver of the Divisional Secretariat, Karuwalagaswewa amounting to Rs.6,415 had not been entered in the register of loans. However, the festival advance instalment of Rs.1,250 of the above month due from the Management Assistant had been entered as recovered in the register of loans although it had not been recovered.
- (d) The festival advance balance of Rs.1,250 settled by an officer of the Arachchikattuwa Divisional Secretariat had been entered twice and the loan balance of Rs.85,824 of an officer who had gone on transfer from the Madampe Divisional Secretariat had been entered twice as settled. Similarly, the loan instalment of an employee of the Mundel Divisional Secretariat had been understated by Rs.50.

3.6 Good Governance and Accountability

Internal Audit

The District Secretariat, Puttalam had established an internal audit unit. Adequate internal audit had not been carried out at the District Secretariat during the year under review.

3.7 Assets Management

The following observations are made with regard to the audit test checks carried out regarding assets of the District Secretariat.

(a) Idle and underutilized Assets

It was observed during the course of audit test checks that certain assets of the District Secretariat categorized below had been either idle or underutilized.

Category of Assets -----	Number of Units -----	Idle/underutilized period -----
Land	07	Over 2 years
Buildings	07	-do-
Motor Vehicles	06	-do-

(b) Conduct of Annual Board of Survey

Action on the excesses and shortages pointed out and the other recommendations made in the reports of the Board of Survey for the year 2016 had not been taken in terms of the Financial Regulations.

(c) Assets given to External Parties

Instances of certain assets released irregularly to external parties by the District Secretariat, Puttalam were observed. Details appear below.

Category of Assets -----	Assets given to -----	Value -----	Period -----
		Rs.	
Land	Department of Archeology	Not estimated	Not shown
	Cultural Centre	12,000,000	-do-
	Excise Building	10,000,000	-do-
	Sports Association	Not estimated	-do-
	Rehabilitation Office	4,000,000	-do-
	World Vision Institution	6.450,000	Upto 30.6.2016
Buildings	Department of Archeology	Not estimated	Not shown
	Cultural Centre	2,000,000	-do-
	Excise Building	1,300,000	-do-
	World Vision Institution (Office of the old Divisionl Secretariat, Mundel)	79,000,000	Over 2 years
	Sports Association	Not estimated	-do-
	Rehabilitation Office	1,000,000	-do-
	World Vision Institution	1.550,000	Since 2 years

(d) Use of Assets belonging to other Institutions

A private institution and the Ministry of Disaster Management had given a tractor and a water bowser totally valued at Rs.3,500,000 to the Nawagaththegama Divisional Secretariat. Those assets had not been made use of even by end of the year under review.

(e) Assets not Acquired

An expenditure of Rs.1,173,239 had been incurred on the drinking water project of the Sendiriyamulla Etabagahawaththa Colony of the Dankotuwa Divisional Secretariat area. However, the land where the well had been situated had not been acquired by the Divisional Secretariat.

3.8 Unsettled Liabilities

The following observations are made.

- (a) The unsettled liabilities of the Puttalam District Secretariat existing for less than one year as at 31 December 2016 amounted to Rs.1,717,329.
- (b) The entire provision made for one Object had been utilized. However, liabilities amounting to Rs.22,175 had occurred by end of the year under review in spite of the fact that there was no further provision in the Object.

3.9 Non-compliances

Non-compliance with Laws, Rules, Regulations

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

Reference to Laws, Rules, Regulations

Non-compliance

(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka

- (i) Section 6.1 of Chapter xix

Thirteen officers of the Puttalam District Secretariat were in occupation of the government quarters for over 5 yers. It was observed that 9 other officers had been awaiting occupation of government quarters even by end of 2016, as per waiting list.

(ii) Section 5:2:1 of Chapter xix

The Divisional Secretary of Vanathivilluwa was in occupation of a government quarters. The rent of quarters of Rs.8,115 due from him and the rent of quarters due from the Rural Development Officer, Anamaduwa amounting to Rs.31,622 had not been recovered even by end of the year under review.

(b) **Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

(i) Financial Regulation
128(2)(c)

Annual half yearly arrears of revenue statements had not been prepared and furnished to audit.

(ii) Financial Regulations 389(a),
390(a) and (b)

The Divisional Secretariat, Dankotuwa had not maintained a register for handing over of cheques. Cheques removed from the cheque books should be kept safely till they are handed over to the persons concerned. However, the officers in charge of the subject had not acted accordingly.

(c) **Circular of the Secretary to the Ministry of National Policy Planning and Economic Affairs**

National Letter No.MNPEA 1/2016
of 26 November 2015

It was observed at audit test checks that 21 projects at an estimated value of Rs.2,952,933 had been entrusted to community based organizations for fulfilment of the work, deviating from the procurement procedure stipulated in the letter of the Secretary to the Ministry of National Policy and Economic Affairs as decided by 8 Divisional Secretariats at the Government Agent's conference.

3.10 Implementation of Projects under Domestic Financing

Instances of projects abandoned without commencing, projects abandoned without completion and the projects delays revealed during the course of audit test checks are given below.

(a) Projects abandoned without commencing

According to the information received in audit, the work relating to tarring and developing the 4th bye-road of the Mellawa Millagahawaththa of the Dankotuwa Divisional Secretariat area under the provision made by the Ministry of North Western Development had been handed over to the Wennappuwa Pradeshiya Sabha on 15 December 2016 at an estimated cost of Rs.810,000. However, the project had not been implemented due to inadequacy of time.

(b) Projects abandoned without completion

According to the information received in audit, the construction work of the office building of the Bandarahena Dhammaloka Vidyalaya of the Arachchikattuwa Divisional Secretariat area had been entrusted to the School Development Society at an estimated value of Rs.409,357. The work commenced on 19 October 2016 had been abandoned without completion due to the inability of obtaining raw materials and labour.

(c) Delays in the execution of Projects

According to the information received in audit, it was observed that 2 projects mentioned below implemented by the Divisional Secretariat, Chilaw had not been executed within the time stipulated.

Project	Estimated cost	Date of commencement	Expected date of completion	Reason for the delay
Construction of a roofing shed at the fisheries harbour from Egodawella Chilaw to Kurusapaduwa No.05	Rs. 1,503,810	08.11.2016	08.12.2016	Due to environmental and social conflicts
Construction of a roofing shed at the fisheries harbour from Egodawella Chilaw to Kurusapaduwa No.01	307,976	08.11.2016	08.12.2016	Due to environmental and social conflicts

(d) Projects without progress despite the release of money

According to the information received in audit, a sum of Rs.971,121 had been released to the National Water Supply and Drainage Board to install tube wells around the lake under the Programme named "Village to Village, Door to Door" at the Nainamadama Grama Niladhari Division of the Wennappuwa Divisional Secretariat Area at an estimated value of Rs.980,000. However, this had not been carried out due to protests made by the farmers' association of the area.

(e) Projects executed after Delays

According to the information received in audit, 06 projects of the Puttalam District Secretariat Area referred to below had been executed after delays.

Project	Amount Granted	Expected date of Commencement	Period of delay
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Repair to the culvert close to the Moula Masjith, Third Cross Road	548,565	18.08.2016	32
To grader and fill with pebble stones the 40 acre main road of Manacheriya	97,614	31.10.2016	27
To grader and fill with sotones the Maduragama Renuka Road	83,300	18.08.2016	68
To spread stones on the verandha of the Nil Adiya Masjith Mahajarin Daham Pasal	194,000	31.10.2016	29
Construction of 2 latrines at the P/Anagarika Vidyalaya	148,654	18.08.2016	44

(f) Weaknesses in execution of Contracts

The following weaknesses were observed in 12 projects executed by 08 Divisional Secretariats.

Divisional Secretariat	Project	Estimated expenditure	Expenditure	Weaknesses
-----	-----	-----	-----	-----
		Rs.	Rs.	
Anamaduwa	Construction of a culvert close to Mr.Asanka's residence	-	77,593	The expected objective had not been achieved due to construction of the culvert at a higher elevation of the road.
Puttalam	Completion of the work relating to the farmers' society hall	150,000	150,000	The construction work had been commenced by utilizing the funds of the farmers' society. The work had been done up to the roof level of the farmers' society hall.
Puttalam	Renovation activities of 2 canal ways of the area	1,930,460	1,930,460	The mid portion of the canal ways only had been renovated. However, most of the area consisted of flat land therefore had not been renovated. As such, the downward flow of water has become impossible.
Vanathivilluwa	To lay block stones close to Mr.Jaleel's residence upto the main road	915,965	Payments had not been made upto the time of inspection	<p>(i) Block stones were to be laid on the road for a length of 110 metres and a breadth of 3 metres. However, it was observed at the field inspection that the breadth of the road constructed were 2.98 metres and 2.97 metres at certain places and the kerb constructed on both sides ranged from 4 to 5.5 inches although the breadth required was 6 inches.</p> <p>(ii) Adequate pebble stones had not been used on the surface of both sides of the road. As such, it was observed that the existence of the road had been very much affected.</p> <p>(iii) The uniformity of the surface of the road had been lost as the block stones laid at certain places of the road kerb were</p>

above and below the kerbs.

- (iv) It was observed that a maintenance note book had not been maintained and as such the advice of the technical officer and his supervision had not been mentioned and the supervision was at a weak level.

Vanaththivilluwa	To renovate the road close to Mr. Rajitha Nayani of Karadipooval Multi Farm by stone	985,800	Payments had not been made upto the time of inspection	(i) This road to be completed and handed over by 25 November 2016 had not been completed even on 08 December 2016 and an extension of time had not been granted.
				(ii) The "kerb" to be constructed on either side of the road was required to be constructed 5 inches above and 4 inches below the ground level. However, it had been constructed at a height of 5.5 inches at certain places.
				(iii) Block stones had not been laid from the entrance to end of the road even by 08 December 2016, the date of field inspection.

- (iv) Block stones had not been laid from the entrance to end of the road even by 08 December 2016, the date of field inspection.
- (v) Rubble dust had not been spread and the surface of the road has not been levelled as per estimate even at places where such block stones had been laid.
- (vi) The kerbs of the right side of the road leading to the village had slanted towards the drain where water flows. Meanwhile, a laboratory status inspection report had also been obtained to confirm the suitability of the block stones used.

Mundel

Concreting the road close to the Nallandaluwa Primary Vidyalaya

1,931,459

Payments had not been made upto the time of inspection

- (i) The sand used for the concrete mixture of the road consisted of clay creating small pot holes on the surface of the road.
- (ii) Hinges of required quantity at required distances had not been made use of on the surface of the road.

Nawagaththegama	Maha – andarawewa Drinking Water Project	4,389,804	4,389,804 71,938	The pipeline of this drinking water project had got blocked. As such, a sum of Rs.71,938 had been spent under the 2016 Rural Infrastructure Facility Improvement Project. However, the rest of the construction work had not been completed and therefore, benefits could not be obtained.
Nawagaththegama	Mahameddewa Water Project - Construction of a well	438,592	438,592	Although the well had been constructed, water tank and pipeline had not been constructed. A water motor also had not been supplied and installed.
Madampe	To renovate the road close to Ihalagama Sanasa Bank by laying pre cast block stones	323,735	288,849	(i) Kerbs were required to be constructed on both sides with a breadth of 6 inches and a height of 9 inches (from underground) However, the construction was of a height of 4 inches only. As such, a sum of Rs.20,845 had been overpaid. (ii) As a result of laying “kerbs” as stated above, a sum of Rs.3,754 had been overpaid for the shattering. (iii) Foundation had not been laid for ‘kerbs” and the work had been started from the ground level. As a result, a sum of Rs.1,101 had been overpaid.

(iv) Payments had been made for laying precast block stones for 122 ft. However, the distance covered was 120 ½ ft. As such, a sum of Rs.2,628 had been overpaid.

(v) Adequate pebble stones had not been estimated for the surface of the road on both sides. The stone had been spread without compacting it.

Madampe

Spreading of precast block stones on the road upto the residence of Ms. Ilangamudali

659,247

655,980

(i) Concrete kerbs had been constructed for a height of 4 inches only with 6 inches of breadth and 9 inches of height (with 5 inches from the ground level). As such, a sum of Rs.51,544 had been overpaid.

(ii) As a result of the construction of the above kerbs, a sum of Rs.8,555 had been overpaid for shattering.

(iii) As related in (1) above, a foundation drain had not been made for the kerbs. As a result, a sum of Rs.2,739 had been overpaid.

(iv) Although payments had been made for a linear length of 317 ft with 6.6 inches of breadth as per bill of quantities, the width of the road ranged between 5 ft 10 inches to 6 ½ ft.

				(v)	Adequate pebble stones had not been spread on the surface of both sides of the road by compacting.
Wennappuwa	Construction of a sports pavilion at the Government Vidyalaya, Vaikkal	978,838	973,847	(i)	There were breakages in the brick wall in front of the sports pavilion from top to the foundation level along the concrete lintel.
				(ii)	It was observed that there were leakages at 3 spots in the aluminium gutters fitted under the additional work item No.3.
				(iii)	The concrete “columns” and “beams” constructed were not upto standard and stones had erupted from them.
Wennappuwa	Construction of a community hall close to Gingoya	979,977	783,987	(i)	Tiles at the top of the roof had not been tightened. But, a sum Rs.9,761 had been paid.
				(ii)	Although 02 iron railings should have been used for roofing 02 railings as per estimate, made of wood had been used without approval.

3.11 Transactions of Contentious Nature

The following observations are made.

- (a) A sum of Rs.1,776,351 had been provided by the Pilisaru Project of the Central Environmental Authority in 2016 to the Nawagaththegama Pradeshiya Sabha on a request made by the Divisional Secretary of Nawagaththegama to obtain a land for commencement of a compost production project from the garbage collected within the authoritative area of the Nawagaththegama Pradeshiya Sabha. The provision had been withdrawn as there was delay in obtaining a land. The Pradeshiya Sabha had spent Rs.57,500 for survey of the proposed land.

- (b) The Divisional Secretary, Nawagaththegama had promised in writing that the Nawagaththegama theatre constructed under the 2014 Deyata Kirula would be vested with the Pradeshiya Sabha. Before nationalizing it, arrangements and other activities had been carried out by spending Rs.300,204. Subsequently, the District Secretary had rejected to hand over this to the Pradeshiya Sabha and a request had been made by the Pradeshiya Sabha to reimburse the money with an interest of 25 per cent, that is, a sum of Rs.375,255. However, the Divisional Secretary had not acceded to the request even by end of the year under review.

- (c) While computerizing the data pertaining to the revision of pensions in 2015, the data relating to a principal of a school and a labourer had been wrongly computerized due to the negligence of the officers of the Madampe Divisional Secretariat. As a result, a sum of Rs.114,025 had been paid less to the principal and a sum of Rs.82,856 had been paid more to the labourer during the period August 2015 to March 2017.

3.12 Irregular Transactions

Deviation from Government Procurement Procedure

The following observations are made.

- (a) The Kalpitiya Divisional Secretariat had accepted the tender of a contractor and had awarded 13 contracts for Rs.7,002,289 contravening the provisions in 2:14:1 and 3:4:2 (b) of the Government Procurement Procedure Guidelines.

- (c) Twenty five projects carried out by the Mahakumbukkadawela Divisional Secretariat Division were subjected to audit test checks and it was observed that quotations for 22 projects less than Rs.500,000 and 03 projects less than Rs.1,000,000 had been obtained contravening the provisions in 2:14:1 of the Government Procurement Procedure. However, action had been taken to award the contracts. Meanwhile, 15 contracts had been awarded to one contractor.

- (c) The security bond pertaining to a contract had not been obtained even after a lapse of 03 months of the expected date of completion of work. by the Vanathavilluwa Divisional Secretariat contravening 5:4;8(b) of the Government Procurement Procedure.

- (d) Only one contractor had come forward for 05 projects amounting to Rs.2,865,862 at the Nawagaththegama Divisional Secretariate Area. The contract had been awarded to the contractor concerned contravening 3:4:2 (b) of the Government Procurement Procedure.

3.13 Losses and Damages

The government had acquired the blocks of land No.327 to No.331 belonging to the Survey Plan No. (අ.ග.ප්) 3218 of the Konkadawala village under the Inginitiya Programme during the year 1980. In this connections Rs.725,070 had been received at the office in 2014 for payment of compensation. There had been conflicts regarding the ownership, As such, the amount concerned had been credited in the General Deposit Account in 2014. However, the then officers had not taken action to publish necessary newspaper advertisements to deposit the money in a Court of Law in terms of Sections 10 and 11 of the Land Acquisition Act No. 9 of 1950 and as such it had not been deposited in a Court of Law. Subsequently, this conflict had been solved. Compensation had not been awarded during the specified period in terms of Section 17 of the Land Acquisition Act. As such, apart from paying compensation, interest amounting to Rs.2,554,327 also had to be paid to the owners of land. Accordingly, the additional expenditure caused to the government amounted to Rs.2,554,327.

3.14 Uneconomic Transactions

The particulars of transactions entered into devoid of economy revealed during the course of audit test checks are given below.

- (a) The contract for construction of the Anamaduwa theatre stage 1 upto the roof level had been awarded for Rs.18,149,912. A sum of Rs.22,179,685 had been paid in this connection including extra work performed. Provision had not been obtained to carry out the 2nd stage of the work. As such, the work could not be completed and made use of. As a result of getting exposed to elements for over 02 years, this had reached a stage of crosion. Meanwhile, shrubs had grown all over the land.
- (b) A sum of Rs.1,751,358 had been paid to the National Water Supply and Drainage Board by the Samurdhi Authority and the Ministry of Nation Building to construct a tube well for the drinking water scheme at the Karamba division of the Kalpitiya Divisional Secretariat Area. The water of the well could not be used due to a technical defect. Subsequently, it was proposed to make use of 2 tube wells in a private land. A sum of Rs.536,130 had to be paid to test the water. Accordingly, action had been taken to deduct this from the advance already paid to the Water Resources Board. Although it was requested to refund the balance sum of Rs. 1,215,228, the Water Resources Board had not taken action to settle this even by end of the year under review.

- (c) The Ministry of Resettlement had granted Rs.2,560,000 for the welfare of the internally displaced persons of 48 houses of the “Dutchbay” Grama Niladhari Division of the Kalpitiya Divisional Secretariat Area. However, the land of the authoritative area had been vested with the Tourist Development Authority. Approval had not been obtained from the Authority concerned for construction of houses.

- (d) A well for drinking water had been constructed (in 2014) with the advice of the Water Resources Board at Kokichchankulama of the Mahakubukkadawala Divisional Secretariat Area at an agreed amount of Rs.972,356 by utilizing the Deyata Kirula provision of 2014. The construction was, however, suspended due to lack of adequate water. Although a sum of Rs.382,666 had been spent in this connection, the people of the area could not get the benefit.

- (e) A non-governmental organization had supplied the necessary water tubes and accessories for the Rajavigama Amunawewa Drinking Water Project during the year 2013. However, the District Secretariat had also purchased and supplied water tubes and accessories valued at Rs.311,186. Subsequently, after revelation of the information, water tubes and accessories valued at Rs.247,678 had been returned to the Nawagaththegama Divisional Secretariat. However, the District Secretary had failed to furnish information regarding the remaining water tubes and accessories valued at Rs.63,508.

- (f) Provision had not been made during the year 2016 to complete the remaining work of the water project of the Mahagama North and Thambagalla Water Project commenced in 2014 by spending Rs.3,176,844 at the Madampe Divisional Secretariat Area and the Kongasyaya Water Project commenced in 2015 by spending Rs.504,661. As such, the people of the area could not derive the benefits.

- (g) Provision had not been made during the year 2016 to complete the remaining work of 2 water projects of Hewana Pangoda Thisera Village commenced during 2014 and 2015 by spending Rs.3,385,692 and as such the people of the area could not derive the benefits.

3.15 Management Weaknesses

The following weaknesses were observed during the course of audit test checks.

- (a) Goods totally valued at Rs.714,016 had been purchased for distribution among 3 Divisional Secretariats. Those goods had been kept at the Divisional Secretariats without being distributed among beneficiaries even by end of the year under review.
- (b) The Puttalam District Secretariat had issued licence to conduct a pawning centre without obtaining a police report. Meanwhile, the validity period of licences issued to 04 pawning centres had expired and the insurance coverage had also been not obtained.
- (c) The Mahakumbukkadawala Divisional Secretariat had prepared the estimates of the 2016 Rural Infrastructure Facilities Project in which the security and performance bond also had been included. While making the payments, the money for these securities had also been included in the payments. In addition, securities and security deposits had been obtained and kept in the General Deposit Account.
- (d) The Chilaw Divisional Secretariat had prepared the report for payments relating to the project for renovating the road close to Malwaththa Service Station by laying block stones without making adjustments for the value added tax for payments made to a similar private institution. A sum of Rs.7,005 had been overpaid as a result of computing the said tax for the entire project.
- (e) According to the computer printouts of the finger print machine for the month of October 2016 relating to the arrivals and departures of officers of the Mahawewa Divisional Secretariat, it was observed that 06 officers had not marked their departures on 12 days. Payment for overtime worked had also been made based on the time marked in the register of signatures.
- (f) The computer printouts of finger print machine relating to the arrivals and departures of officers of the Nattandiya Divisional Secretariat could not be obtained.
- (g) The pensionary benefits of a government servant who dies while in service could be granted to his minor children by depositing it in bank accounts and could be paid to them on completion of their 18 years of age. But, the Wennappuwa Divisional Secretariat had not taken action even by October 2016 to release 07 pass books to those who had completed the age concerned even after 15 to 20 years. Meanwhile, there were 06 fixed

deposit certificates aggregating Rs.200,640 in the iron safe, the details of which had not been furnished.

3.16 Human Resources Management

----- Approved cadre and Actual cadre -----

The position on the cadre as at 31 December 2016 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i)	Senior Level	56	17	39
(ii)	Tertiary Level	36	24	12
(iii)	Secondary Level	1,017	744	273
(iv)	Primary Level	176	175	01
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	Total	1,285	960	325
		=====	====	====

The following observations are made in this connection.

- (a) The posts of Additional District Secretary (Land), as per approved cadre, remained vacant for many years.
- (b) The posts of Divisional Secretary, Administrative Officer and the Accountant of the Kalpitiya Divisional Secretariat were vacant. Meanwhile, vacancies existed for the posts of Puttalam Divisional Secretary and the Administrative Grama Niladhari of the Dankotuwa Divisional Secretariat. It had been failed to employ full time officers even by end of the year under review.
- (c) According to the Pensions Circular No. 3/2011 of 24 March 2011, a separate division should function for pensions at the Divisonal Secretariat with necessary facilities, adequate staff under the direct supervision of an executive officer etc., However, a Lady Development Officer had been appointed to maintain about 1,400 pension files at the Madampe Divisional Secretariat.