

Western Provincial Council - 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Western Provincial Council for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 23 (1) of the Provincial Council Act, No.42 of 1987 and provisions of the National Audit Act No. 19 of 2018. The summary report in terms of Section 23(2) of the Provincial Council Act and provisions in Sub-section 11 (1) of the National Audit Act No. 19 of 2018 was issued on 14 June 2019 and the Detailed Management Audit Report in terms of Section 11 (2) of the National Audit Act No. 19 of 2018 was issued on 06 August 2019. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution to be read in conjunction with Sub-section 10 (1) of the National Audit Act.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Western Provincial Council as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibility of Management for the Financial Statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and for such internal control as management determine 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 of each institution including the Provincial Treasury are responsible for overseeing the Provincial Council's financial reporting process.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Western Provincial 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.

1.4 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 judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 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 Provincial 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.

I communicate with the management regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.5 Report on Other Legal and Regulatory Requirements

The financial statements presented by the Provincial 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.

1.6 Comments on Financial Statements

1.6.1 Accounting Deficiencies

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
The value of the fixed assets existed as at 31 December 2018 according to the reports of the movement of non-current assets in the Appropriation Accounts (Note (i)) relating to 27 Provincial Ministries and Departments amounted to Rs.8,081,758,372. Nevertheless, the above value had not been disclosed in the statement of financial position and in the notes to the accounts.	Action should be taken for accounting of fixed assets.	Accounting of fixed assets of the Government had not been made so far while it is intended to account the fixed assets purchased during the year in the final accounts of the year 2019.

1.6.2 Unreconciled Control Accounts

The following differences were observed.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) There were differences amounting to Rs.1,849,369,710 between the expenditure incurred for purchases of non-current assets during the year under review according to the Appropriation Account and the expenditure according to the Fund Account.	The expenditure according to the Appropriation Account should be equal to the expenditure according to the Fund Account.	An assets management software will be introduced for this in future.
(b) A difference of Rs.50,955,251 was shown between the Departmental books and the Treasury Printouts relating to the total net revenue collected in the year 2018 for 06 Revenue codes according to the summary of revenue accounts.	The accounts should be reconciled and should be included the correct balance.	The balances of the Treasury printouts are correct. The respective institutions had been informed to rectify the balances in terms of Provincial Financial Rule 307.3.
(c) The balance in the summary report of imprest account in the Appropriation Account (Note (iii))	The accounts should be reconciled and included the correct balance.	The balance entered in to the Fund account was correct.

of Department of Health as per the Treasury books amounted to Rs.1,233,836,341 while the imprest balance receivable in the Fund Account amounted to Rs.1,233,182,956 thus shown a difference of Rs.653,385.

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| (d) | Even though, a nil balance of remittance had been shown under Provincial Treasury books as at the end of the year under review according to the summary report relating to the remittance account in the Appropriation Account (Note iv) of a Ministry and a Department, a balance of Rs.12,254,524 was shown relating to the said institutions according to the Fund account. | The accounts should be reconciled and included the correct balance. | Comments not furnished. |
| (e) | Even though, the opening balances of the remittance accounts should have been settled, an opening balance amounting to Rs.3,907,352 was shown in the summary report of the remittance accounts of the Appropriation Account (Note iv) of the Department of Motor Traffic. | The accounts should be reconciled and included the correct balance. | Comments not furnished. |

1.6.3 Imprests

Audit Observation

According to the Provincial Treasury books the unsettled imprest balances relating to 14 institutions totalled Rs.999,144,684 by the end of the year under review.

Recommendation

All imprest balances should be settled at the end of the year of accounts.

Comments of the Chief Accounting Officer

The balances of 14 offices are being settled.

1.6.4 Remittances

Audit Observation

According to the Provincial Treasury books the unsettled

Recommendation

The remittance balances should be settled.

Comments of the Chief Accounting Officer

The balances of 19 offices are being settled.

remittance balances relating to 19 institutions by the end of the year under review totalled Rs.15,494,887.

1.6.5 Non-compliances

----- Non-compliance with Laws, Rules and Regulations -----

	Reference to Laws, Rules and Regulations	Non-compliance	Recommendation	Comments of the Chief Accounting Officer
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(a)	Paragraph 05 of the Public Administration Circular No.2007/09 dated 11 May 2007.	The cost of living allowance could not be paid twice for the retired officers who were re-employed, as the cost of living allowance had been paid with their pension payments. Nevertheless, a sum of Rs.813,404 had been paid as cost of living allowance for 04 officers of the Provincial Public Service Commission for the period from 01 January 2010 to 31 January 2018.	Should be complied with the provisions of the circulars.	According to the Section 05 of the Public Administration Circular No.2007/09 dated 11 May 2007 the full amount of cost of living allowance was not paid.
(b)	Sections 04(2) and 06 (3) of the Land Development Statute No.04 of 2012.	The procedure to be followed had not been prescribed by rules in providing concurrence of the Provincial Council in respect of a state land used by the Government.	The procedures should be prescribed by Rules.	Comments not furnished.

2. Revenue Administration

2.1 Arrears of Revenue

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) The revenue had been collected under 30 revenue codes relating to the year under review. Out of that a revenue amounting to Rs.2,878,588,181 relating to 15 revenue codes had remained in arrear as at end of the year under review.	Action should be taken to recover arrears of revenue.	Arrears of revenue amounting to Rs.2,598,249,351 relating to 15 revenue codes remained in arrear to be recovered further.
(b) A land in extent of 15 acres 3 roods 38.5 perches belonging to Agalawatta Divisional Secretariat Division had been leased out on 28 February 2003 for a sum of Rs.79,200 per annum. According to the lease agreement the annual increase of lease had been 10 per cent. Nevertheless, action had not been taken to recover that increase of Rs.1,252,035.	Action should be taken to recover annual increase of lease.	Comments not furnished.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial results of the Provincial Fund as at 31 December 2018 had been a deficit of Rs.1,322,890,536 as against the surplus of the preceding year amounting to Rs.401,630,872.

3.2 Financial Control

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
A sum of Rs.2,649,000,000 in the current accounts had been invested in one day call deposit investment but that amount was shown as current account balances without being shown as short term investments.	Should be shown as short term investments in the accounts.	Comments not furnished.

4. Statute Accounts/ Fund Accounts/ Commercial Advance Accounts and Other Advance Accounts

4.1 Statute Accounts

	Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) Waste Management Authority			
	<p>According to the preliminary report submitted by National Building Research Organization on 08 May 2019 in respect of “Karadiyana Waste Yard” started in the year 2010, it was identified the land away from 20 metres to 70 metres from the waste disposing place and in which 19 houses situated as a very risky place and may arise emission of poisonous air.</p> <p>This waste yard had not been managed in accordance with the preliminary objectives of the Waste Management Authority Statute No.1 of 2007 and this had been maintained without obtaining the approval of the Central Environmental Authority in terms of the provisions of the National Environmental Act.</p>	<p>The waste disposal yard should be managed in accordance with the preliminary objectives of the Waste Management Authority Statute No.01 of 2007.</p>	<p>Comments not furnished.</p>
(ii)	<p>The Authority had decided in the year 2006 to terminate the respective contract of implementing a project amounting to Rs.23.5 million under Asian Development Bank grants and the Arbitration Board had decided in the year 2012 to pay a compensation of Rs.90 million and the legal interest of 11.3 per cent. The appeal thereon submitted to the Supreme Court by the Authority had been rejected on 31 August 2018. Accordingly, a sum of Rs.111 million had to be paid to the respective institution.</p>	<p>The respective procedures should be followed and action should be taken to identify the responsible officers.</p>	<p>Comments not furnished.</p>

(iii)	<p>A sum of Rs.3,224 million brought to account as receivables from General Treasury on behalf of execution of projects including carpeting of roads under Ran Aruna I, II, III programmes and constructions of weekly fairs and maternity and children clinic centres under Divineguma Programme through several Ministries including Ministry of Economic Development in the years from 2011 to 2014 had not been received even by May 2019.</p>	The receivable money should be recovered.	Comments not furnished
(b)	<p>Provincial Road Development Authority</p> <p>-----</p> <p>A sum of Rs.33.5 million had to be recoverable as at 31 December 2018 from renting out of machineries and repairs made by the regional Mechanical Engineering Offices of Asgiriya, Moragahahena and Ratmalana of Provincial Road Development Authority and that balance had included the balances remained receivable from the year 1996. The recovery of these balances are in doubtful position due to various matters.</p>	Receivable money should be recovered.	Comments not furnished
(c)	<p>Agri Services Authority</p> <p>-----</p> <p>Out of the money of Rs.7.5 million approved by the Secretary of the Ministry, under Shrama Saviya Programme, the purchases of agriculture equipment which had not included in the budget proposals for the year 2018 had been made deviating the Procurement Procedure and a sum of Rs.7,436,845 had been paid. Thirty five grass cutter machines</p>	The reasons for the deviating from Procurement Procedure and the details of the distribution of grass cutter machines should be furnished.	Comments not furnished

valued at Rs.596,625 had included in that purchase. Similarly, 85 grass cutter machines had been purchased deviating from the procurement procedure again for a sum of Rs.1,705,500 on 11 January 2019 and the Chairman had distributed the 100 grass cutter machines purchased to a group selected under “Sithamu” Project.

4.2 Other Advance Accounts

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) The value of the loan balances recoverable from 48 officers transferred to 8 other Provincial Councils from Gampaha Zonal Education Offices amounted to Rs.3,825,170.	A methodology should be prepared to recover the loan balances when the officers transferred to other Provincial Councils.	Comments not furnished.
(b) The loan balances recoverable from 02 officers interdicted who were employed in the Zonal Education Office, Gampaha amounted to Rs.47,725 as at 31 December 2018 and that balance was older than 04 years.	The loan balances should be recovered.	Comments not furnished.

5. Operating Review

5.1 Management Inefficiencies

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) The Provincial Ayurveda Department had obtained places in 04 Divisions of the Gampaha District for office work of 04 days per month by paying rental of Rs.850,500 and Rs.628,750 at the rate of Rs.55,000 monthly in the year 2018 and 2019 respectively.	Should identify the requirement and action should be taken to incur least cost to obtain maximum benefit.	Comments not furnished.

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| (b) | The provisions of Rs.7,500,000 allocated for a project halfy completed in the Matugama Educational Zone had been utilized for other constructions. | The provisions should be incurred according to the requirements. | Comments not furnished. |
| (c) | Even though, the approval of the Provincial Commissioner of Lands of had been given to provide 10 land plots in 1.5 hectares within the area of Divisional Secretariat, Milleniya on long term lease basis during the period from 2014 to 2017, action had not been taken up to now to lease out those lands, while a land in extent of 01 acre 02 roods under allowance certificates of ES 57 and ES 49 had been possessed unauthorizedly. | Action should be taken for leasing out of lands. | Comments not furnished. |
| (d) | The central air conditioned system of the new building of the District Hospital, Gampaha had been repaired by paying Rs.518,623 in the year 2017 and Rs.1,720,503 up to September of the year 2018. Out of the other 120 air conditioned machines belonging to the hospital, the number of air conditions which were in operating condition had been about 65. Thirty two air condition machines had remained in non-operative condition by September 2018 while it was revealed that further repairing of 23 air condition machines out of that was not effective. | The air conditioned system should be taken in to an operating position. | Comments not furnished. |
| (e) | The office of the Provincial Director of Health Services had supplied 04 Dialysis machines, 01 Ro Plant and 02 Dialysis beds for Dialysis Unit of the District Hospital, Gampaha on 27 June 2017. As the unit had not been established even by 14 September | These equipment should be utilized immediately for the supply of services to the patients. | Comments not furnished. |

2018, the boxes including the above equipment which provided without the request of the hospital had been kept insecurely in the corridor of the 6th floor of the new building. The liability period was elapsed of these equipment of which the packing also not removed without being made for any utilization. Similarly, it was revealed that 3 medical officers, 2 nursing officers and a one person of the junior staff had been trained to carry out the activities of above unit.

5.2 Operating Inefficiencies

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) Eight category of out dated drugs valued at Rs.534,721 had been kept in the stores of the District Hospital, Negombo. Prompt action had not been taken to dispose those drugs.	Prompt action should be taken to dispose the out dated drugs.	Action is being taken to dispose these drugs by a disposal committee in first quarter of 2019.
(b) The value of the stock of drugs disposed due to expiry of drugs and losses caused due to termites and rats of the Wathupitiwala hospital on 20 and 21 July 2018 amounted to Rs.1,260,821.	A procedure should be arranged to provide drugs for the required hospitals before expire the due date of drugs.	Comments not furnished.

5.3 Transactions of Continuous Nature

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) On the approval obtained from the Governor, the official quarters rent at the rate of Rs.30,000 per month had been paid to 11 executive Grade officers and a sum of Rs.5,340,000 had been paid from November 2017 to April 2019. Ten officers out of these officers were resided within the Western	The payments of official quarters rent for the officers resided in the province were irregular.	The Provincial Governor has the authority to approve allowances.

Province and 08 officers of them are the residents of their own permanent residencies.

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| (b) | A sum of Rs.3,255,575 comprising Rs.1,869,759 and Rs.1,433,206 had been earned in the years 2015 and 2016 respectively from the Market Project for the construction of an indoor stadium of the WP/JP/Malabe Sri Rahula Balika Maha Vidyalaya. The above money had been incurred to other activities without being incurred to construct the indoor stadium. But the details relating to the expenditure incurred had not been furnished to audit. | The earned money should be utilized for the expected objectives. | The money had been utilized for other activities due to lack of proper approval. |
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5.4 Under-utilization of Funds

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) The Ministry of Road had maintained an unusual balance of cash ranging from Rs.1 million to Rs.104 million in a current account monthly during the year under review.	The excess money should be returned to the Provincial Treasury.	Comments not furnished.
(b) Even though, the Tender Evaluation Committee of 2017 had proposed to repair the canteen of the hospital, from the money received for maintaining the canteen of the District Hospital Gampaha from the year 2014 to 2017 amounting to Rs.4,754,800 action had not been taken to repair the canteen even by September 2018.	The respective funds should be utilized for an effective purpose.	Comments not furnished.
(c) A sum of Rs.4,100,000 granted by the Director General of Health Services on 31 July 2014 to remove the official quarters of the Regional Director of Health Services, Kaluthara and instead, to construct	The respective money should be utilized for the expected objectives.	Comments not furnished.

a new quarters, had been retained in the deposit account.

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| (d) | A sum of Rs.1,524,871 earned from renting out of the canteen of the Panadura Base Hospital during the period from 2014 to 2017 had been retained in the General Deposit Account. | The respective money should be utilized for effective activities. | Comments not furnished |
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5.5 Uneconomic Transactions

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Chief Accounting Officer -----
Despite, that a post of accountant was not made available in the approved cadre of the Engineering Bureau and the regional offices of the Department of Irrigation, sums of Rs.7,020,000 and Rs.1,462,500 at the rate of Rs.7,500 had been paid for acting in the posts from the year 2013. In this context a sum of Rs.405,000 had been paid to the Accountant of the Department of Irrigation for the acting in the post of Regional Office during the period from 2013 to 2018.	A vacancy should be in the approved post to make an appointment on acting basis.	The service was obtained and paid money due to the heavy work load existed.

5.6 Identified Losses

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Chief Accounting Officer -----
As the action was not taken to recover the losses in the instances of the driver responsible in respect of the 07 vehicle accidents of the office of the District Director of Health Services Gampaha, the losses incurred for the Government amounting to Rs.301,273 from 07 vehicles had to be write off from the books. Further, action had not been taken to recover the losses incurred amounting to Rs.1,514,167	The process relating to the recovery should be carried out immediately.	Comments not furnished.

in respect of 05 motor vehicle accidents either from the insurance cover or from the third party and taking action thereon was delayed and as such the recovery was doubtful due to the time bar.

5.7 Deficiencies in Contract Administration

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>The construction works of the morgue building of the District Hospital, Gampaha had been entrusted to a construction institution by paying an advance amounting to Rs.6,590,273 as 30 per cent of contractual value on 14 June 2017. Even though, nearly a one year had elapsed after the due period. the foundation work only had been done and the construction work had been stopped halfway and the guarantee bond dated 16 December 2016 could not be encashed. As such after deducting the work done value amounting to Rs.2,673,327 the balance money of Rs.3,916,946 could not be recovered.</p>	<p>Action should be taken against the responsible parties.</p>	<p>Comments not furnished.</p>

5.8 Implementation of Projects

5.8.1 Delayed Projects

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>The period of construction of the buildings of 10 schools in Kaluthara Educational Zone agreed to commence in the years 2016, 2017 and to complete before end of the year 2017 had been extended unusually, but the constructions had not been completed.</p>	<p>The progress of the constructions should be identified and completed immediately.</p>	<p>Comments not furnished.</p>

5.8.2 Abandoned Projects

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(a) As preparation of estimates, procurement activities and selection of a contractor had not been carried out properly, the constructions of 3 buildings of St. Mary Maha Vidyalaya and Dharmaraja Junior Vidyalaya amounting to Rs.98.3 million had been abandoned after erecting foundation stones.	The lapses should be rectified and constructions should be completed.	Comments not furnished.
(b) The construction works of the Thiniyawala Clinic building had been commenced by the Provincial Road Development Authority in the year 2016 at an estimated value amounting to Rs.42,800,110. Even though, a sum of Rs.236,871 had been paid to the contractual institution on the work done value amounting to Rs.4,225,167 the works of the project had been stopped halfway.	Progress should be identified and completed immediately.	Comments not furnished.
(c) Under the Provincial Council Provisions, a sum of Rs.1,100,000 had been paid for a twig tea project for strengthening of economy of members of the Grama Sanwardena Society of Palindanuwara. This project had become unsuccessful even at the commencement and the polythene covering nets etc. used for the above project had stored in an insecure manner.	Action should be taken to activate the project.	Comments not furnished.
(d) A public well had been constructed by spending Rs.398,630 in the year 2017 to obtain drinking water for the people of the Maboda Section of Arappalakanda Estate,	The provisions should be obtained and further works should be implemented.	Comments not furnished.

Thebuwana, Dodangoda. But the non-availability of the provisions for other works, the works of the project had been stopped halfway.

5.9 Assets Management

5.9.1 Lands not Vested Properly

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
(a) Out of the hospitals, dispensaries and 200 clinic centres managed under the office of the Director of Health Services Gampaha the land ownership only had been established for the office of the Medical Health Officer of Gampaha, 02 hospitals, 04 Central Dispensaries and 01 Clinic Centre and the course of vesting is being carried out in respect of 04 institutions only. Further, the number of hospitals, dispensaries and clinic centres for which the vesting activities should be carried out, but the surveys for vesting even were not carried out had been about 150.	Prompt action should be taken for vesting activities.	Comments not furnished.
(b) Even though, the Patient Treatment Services had been commenced by the Minuwangoda Base Hospital with a land extent of 1.978 hectares in the year 1954, the formal course of vesting for the land had not been carried out.	Action should be taken to obtain a title deed of vesting.	Comments not furnished.

5.9.2 Idle/ Underutilized Assets

Audit Observation -----	Recommendation -----	Comments of the Chief Accounting Officer -----
(a) The X-Ray machine fixed in the Emergency Treatment Unit of the Gampaha District Hospital in the	Action should be taken to dispose if they could not be utilized.	Comments not furnished.

year 2000 had remained in non-operative position since for about 3 years period. One mobile X-Ray machine out of 2 machines in the Emergency Treatment Unit had remained in non-operative position for a number of years and one x-ray machine out of 2 machines fixed in the Dental unit had remained idle for a period about one year.

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| (b) | <p>Only one ventilator out of 04 ventilators provided for the needs of the Special Baby Care Unit of the Negombo District Hospital was remained in operative condition. Further, 480 face covers received on 20 January 2017, 434 nurses frocks received on 08 March 2017 and 50 head covers and 70 hand towels received prior to the year 2017 had been retained in the stores without being utilized. Further 139 mattresses received as donations in the years 2017 and 2018 had been stored in a sheet store of which the roof was broken.</p> | <p>Action should be taken to dispose the goods which could not be utilized and to take action to utilize other goods.</p> | <p>Comments not furnished.</p> |
| (c) | <p>Due to action was not taken to approve the estimates given by the Road Development Authority for repairing of 04 motor vehicles referred to the Authority, for repairs those vehicles had remained decaying in the vehicle yard of the Road Development Authority for over a long period ranging from 3 years to 8 years.</p> | <p>Action should be taken in respect of the officers responsible in the respective institutions.</p> | <p>Comments not furnished.</p> |
| (d) | <p>One 3 part Haematology, 01 Semi Automated Biochemistry Analyser and 01 1000 VA Isolation Transformer received in the year 2015 to the Laboratory of the Minuwangoda Base Hospital had remained in the packing without being utilized and the guarantee</p> | <p>The respective machineries should be installed and action to be taken to supply services to the patients.</p> | <p>Comments not furnished.</p> |

period of those was over even during packing. Further according to the general stores register, 248 units of 5 categories of goods received during a period between 04 years and 06 years, had been stored and remained idle.

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| (e) | The Exercise ECG machine valued at Rs.3,288,800 received in January 2014 to the Horana Base Hospital had not been utilized up to now. | The ECG Machine should not be kept idle. | Comments not furnished. |
| (f) | Nineteen motor bicycles had been stored without being utilized in the office of the Medical Health Officer, Matugama from June 2016. | Action should be taken either to dispose or to be utilized. | Comments not furnished. |

5.9.3 Motor Vehicle Utilization

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>The engine of the ambulance given to the Base Hospital, Panadura had been repaired by incurring Rs.748,200 in January 2013 and after running of 3,336 kilometres it was removed from running in October 2013.</p>	<p>Action should be taken to investigate the reasons for removing from running without any delay.</p>	<p>Comments not furnished.</p>

5.10 Staff Administration

5.10.1 Provincial Ministries, Departments and Institutions

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>All officers who completed a service period of 05 years in an office are subjected to the station transfers. Nevertheless, 1,357 officers had employed in same place for over a service period of 05 years as at 31 December 2017, but the station transfers had been given only for 302 officers. According to</p>	<p>Provisions of the Circulars should be complied.</p>	<p>It was unable to carry out the transfers for the officers who completed the age of 55 years and the transfers were given for the officers who requested transfers.</p>

the decisions of the Appeal Board the transfers of 125 officers had been cancelled and the transfers of 66 officers had not been carried out.

5.10.2 School Staff

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Chief Accounting Officer -----
(a) Despite, that 214 vacancies in the posts of teachers had existed in the Kaluthara Educational Zone nine teachers had been released for the foreign employment during the period from 2014 to 2018.	Action should be taken to fill vacancies.	Comments not furnished.
(b) A principal and an Instructor of Teachers attached to the Kaluthara Educational Zone had been released to other extraneous posts during the period from 2015 to 2016 and a sum of Rs.1,355,145 had been paid as salaries and wages without obtaining the annual performance reports of them during the period from 2015 to 2018.	The payments should have been made after obtaining the performance reports.	Comments not furnished.
(c) Forty two vacancies in the posts of teachers and 51 vacancies in the posts of principals had remained vacant in the Gampaha Educational Zone as at 31 December 2018.	Action should be taken to fill vacancies.	Comments not furnished.
(d) Seventeen vacancies had remained in 6 approved posts in the Zonal Education Office, Negombo.	Action should be taken to fill vacancies.	Comments not furnished.
(e) Two hundred and fifteen vacancies in the posts of teachers (primary, secondary including Advanced Level) in respect of 24 subjects of Sinhala, Tamil and English medium had remained in Negombo Educational Zone.	Action should be taken to fill vacancies.	Comments not furnished.

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| (f) | There were 264 vacancies in 5 posts and excesses of 07 teachers in 01 post of approved cadre in the schools of the Negombo Educational Zone. | Action should be taken to fill vacancies and for balancing of teachers. | Comments not furnished. |
| (g) | One hundred and fifty five persons had been recruited on permanent basis for 2 posts which had not been included in the approved cadre of the Zonal Education Office, Negombo. | The posts should be regularized. | Comments not furnished. |

5.10.3 Health Staff

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Chief Accounting Officer -----
(a) The vacancies of 37 Public Health Inspectors in 10 Offices of the Medical Officer of Health and the vacancies of 89 Family Health officers in 08 offices of the Medical Officer of Health had existed in Kaluthara District and as such the services could not be provided to the public, satisfactorily.	Action should be taken to fill vacancies.	Comments not furnished.
(b) Even though, the Bio Medical Engineering Unit, Wadduwa had been established with an objective of to carry out repairs, maintenance and without faults of the medical equipment existed in the institutions including base hospitals of the Kaluthara District, the services had to be executed by paying money to the external institutions as 12 vacancies had existed in 07 essential posts including 3 engineering posts of the institution.	Action should be taken to fill vacancies.	Comments not furnished.
(c) Two hundred and fifty eight nursing officers and 132 K.K.S employees had employed in District Hospital, Negombo for a period	Action should be taken in terms of the station transfers circulars.	Comments not furnished.

ranging from 5 years to 30 years. Further, 24 employees out of 35 employees in Attendants Service had employed in this hospital itself for a period ranging from 5 years to 24 years.

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| (d) | Eighteen employees in District Hospital, Gampaha had obtained no-pay leave in the year 2015, 2016 and 2017 and it was up to 149 days maximum for a year. Further 147 minor employees had obtained 4005 days of no-pay leave during a period of 3 years. | Necessary action should be taken in respect of the employees who are obtaining no-pay leave continuously. | Comments not furnished. |
| (e) | The post of Director in the District Hospital, Gampaha had remained vacant for over a period of 5 years while acting Directors for the post had been appointed as temporary basis from time to time. | Action should be taken to fill vacancies. | Comments not furnished. |
| (f) | Fifty eight vacancies in 26 posts had remained vacant in District Hospital, Gampaha by September 2018. | Action should be taken to fill vacancies. | Comments not furnished. |
| (g) | In obtaining no-pay maternity leave by 16 officers employed in District Hospital, Negombo in the year 2017 the contributions to the Widows and Orphans Pension Fund had not been recovered. | Action should be taken according to the legal requirements. | Comments not furnished. |
| (h) | One hundred and seventeen vacancies in 30 categories of posts and 06 excesses in 03 categories of posts had existed in approved cadre in the District Hospital Negombo. | Action should be taken to fill vacancies and regularize the excesses. | Comments not furnished. |
| (i) | Forty two vacancies in 18 categories of posts and 17 excesses in 05 categories of posts had existed in Watupitiwala Hospital. | Action should be taken to fill vacancies and to regularize the excesses. | Comments not furnished. |

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| (j) | Thirty one vacancies in 11 posts and 15 excesses in 6 posts had existed in Base Hospital, Minuwangoda. | Action should be taken to fill vacancies and to regularize the excesses. | Comments not furnished. |
| (k) | Despite, that the motor vehicles required were not provided for the works of eradication of Dengue Mosquitoes 8 drivers had been attached to 07 offices of Medical Health Officers. As these drivers had not been deployed even for any other duty the money paid as salaries and allowances for them in the year 2018 was an expenditure made without obtaining any services. | The drivers should be deployed in the duties due for them. | Comments not furnished. |

5.11 Supervision of Activities of Local Authorities

----- Audit Observation -----	----- Recommendation -----	----- Comments of the Chief Accounting Officer -----
(a) Even though, the supervision of the Local Authorities had been entrusted to the Provincial Council in terms of the provisions of the Section 4.2 of the 9 th Schedule of the Constitution of the Democratic Socialist Republic of Sri Lanka, a formal method had not been implemented for the supervision of the Local Government Institution.	A formal procedure should be prepared for the supervision of the Local Authorities.	Comments not furnished.
(b) According to the information furnished as at 31 December 2018, the arrears of revenue in respect of 49 local authorities amounted to Rs.9,805,922,887.	Action should be taken to recover arrears of revenue.	Comments not furnished.
(c) The value recoverable as at 31 December 2018 in respect of 29 surcharges imposed against the officers and the members of the Colombo Municipal Council amounted to Rs.34,111,061.	The surcharge money should be recovered from the responsible parties.	

6. Accountability and Good Governance

6.1 Execution of the Environmental and Social Responsibilities

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
An amount of money of Rs.1.6 million to 1.8 million per month had been incurred by the General Hospital, Negombo for a private institution for maintaining hospital premises neatly, beautifully and methodically. Nevertheless, disorderliness and untidiness were shown all over the premises of the hospital.	Action should be taken to keep tidy the premises of the hospital.	Comments not furnished.

6.2 Sustainable Development Objectives

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
Even though, the Provincial Council had aware the 2030 Agenda in respect of Sustainable Development Objectives, the long term plans for upgrading the livelihood and the health of the people of the authoritative area of the Provincial Council through new global indicators for that objectives had not been prepared and the responsibilities had not been specifically entrusted as at 31 December 2018.	The plans should be prepared to achieve the Sustainable Development Goals and objectives.	Comments not furnished.