

Head 255 – District Secretariat, Colombo

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the District Secretariat, Colombo 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, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018. The summary report including my comments and observations on the financial statements of the District Secretariat, Colombo was issued to the Accounting Officer on 29 May 2019 in terms of Sub-section 11 (1) of the National Audit Act, No. 19 of 2018 and the Detailed Annual Management Audit Report, relating to the District Secretariat in terms of Section 11 (2) of the National Audit Act was issued to the Accounting Officer on 29 May 2019. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in the Paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the District Secretariat, Colombo as at 31 December 2018, and of its financial performance and 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 opinion.

1.3 Responsibilities of Chief Accounting Officer and Accounting Officer for the Financial Statements

Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the District Secretariat exists

and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

1.4 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 the summary report of the Auditor General 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.
- In order to design audit procedures that are appropriate in the circumstances, an opinion on the effectiveness of the District Secretariat's internal control is not expressed.
- Evaluate the, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a fair and reasonable manner.
- In the overall presentation of financial statements, structure and content of the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer 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 Requirements

I express the following matters in accordance with Section 6 (d) and Section 38 of National Audit Act, No. 19 of 2018.

- (a) Since there was no need for the preparation of financial statements for the preceding year, it could not be stated that the financial statements presented for the year under review were in consistent with the preceding year.
- (b) Since there was no requirement for the District Secretariat to prepare financial statements for the preceding year, recommendations on the financial statements had not been made.

1.6 Comments on financial statements

1.6.1 Accounting Deficiencies

(a) Reconciliation statement of the Advances to Public Officers Account

Audit observation	Recommendation	Comment of the Accounting Officer
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Advance account in the financial statements of the year 2018 (ACA – 5) the balance of the Advances to Public Officers Account as at 31 December 2018, according to the books of the Colombo District Secretariat amounted to Rs.183,617,153 whereas the balance as at 31 December 2018 as per the Treasury books amounted to Rs.184,860,882 and existed a difference of Rs.1,243,729. It was observed that 93 per cent of that difference amounting to Rs.1,150,694 had been the balances brought forward prior to 31 December 2013, as not reconciled.	Action needs to be taken to settle the unreconciled balance relating to the difference between the Treasury books and the Departmental books expeditionary.	Action will be taken to settle it in future by a committee.

(b) Property, Plant and Equipment

Audit observation	Recommendation	Comments of the Accounting Officer
(i) The value of land and buildings and the value of constructions in the Non-current assets mobility report as at 01 January 2018 had been overstated by Rs.55,690,000 and Rs.387,481,570 respectively.	Opening balances of land and buildings and constructions in the financial statements need to be stated correctly.	Even though, the balances in the non-current mobility report as at 31 December 2017 are stated as per Treasury computer printouts, the actual physical balances (purchases made in prior years) are included in the CIGAS programme and as such opening balances were overstated.
(ii) It was observed that the value of opening balance of vehicles and the value of plant and machinery, furniture and office equipment in the non-current assets mobility report of the financial statements had been under posted by Rs.12,604,786 and Rs.111,482,443 respectively.	Opening balances of vehicles, plant and machinery, furniture and office equipment need to be stated correctly in the financial statements.	Values are decreased due to the inclusion of opening balances under CIGAS Programme, classification of assets and the inclusion of real value of assets by transfer orders.

(c) Non-maintenance of books and records

Sample checks observed that the following registers had not been maintained and certain registers had not been properly maintained and updated by the District Secretariat and Divisional Secretariats.

Audit Observation	Recommendation	Comments of the Accounting Officer
(i) Record of liabilities		
A record of liabilities in terms of Financial Regulation 214 had not been maintained.	Liabilities need to be posted to a liability record so that such liabilities could be able to check regularly.	This record is prepared and maintained in future.
(ii) Vehicle Listing Register		
A vehicle listing register	A vehicle listing register	This register is prepared

had not been maintained in terms of F.R.1647 (e)

needs to be maintained.

and maintain in future.

(iii) Inventory of clerical fittings

An inventory of electrical fittings had not been maintained in terms of F.R.454(2)

Inventories of all electrical fittings, apparatus etc. in Government Buildings should be prepared and maintained.

This register is prepared and maintained in due course.

(iv) Personnel Emolument Register

Even though, a personnel Emolument register is maintained in terms of F.R.453, it had not been updated.

A register of personal emoluments needs to be maintained in terms of Form Treasury and Audit.

This register is maintained in an updated manner in future.

(v) Security Register

Even though, a security register, containing the names of all officers required to give security had been maintained in terms of Financial Regulation 891(1) it had not been updated.

An updated security register needs to be maintained in respect of officers require to give security.

This register is maintained in future in an updated manner.

(vi) Register of Audit Queries

Even though, an audit query register is maintained in terms of F.R.452(1), it had not been updated.

Audit query register needs to be maintained in an updated manner.

This register is updated in due course.

(vii) Fuel Register

The fuel register had not been maintained and updated in terms of F.R.1647(d)

Fuel register needs to be maintained and updated.

This register is maintained and updated in due course.

(viii) Fixed Assets Register for computers and computer accessories and software

In terms of Treasury Circular No.IAI/2002/02 of 28 November 2002 a fixed assets register for computers accessories and software had been maintained but it had not been updated.

A fixed assets register for computers, accessories and software needs to be maintained and updated.

This register is maintained and updated in due course.

(ix) Vehicles Log Book

Vehicles log books were not updated in terms of Financial Regulation 1645(a)

Vehicles log book needs to be updated in respect of every vehicle.

These registers will be updated in due course.

(d) Assurance needs to be given by the Accounting Officer

In terms of section 38 of the National Audit Act No.19 of 2018 the Accounting Officer needs to be ensured the following but it had not been so done.

Audit observation

The Accounting Officer needs to ensure that an effective internal control system for the financial control exists in the District Secretariat and carry out periodic reviews to monitor the effectiveness of such system and accordingly make any alterations as required for such systems to be

Recommendation

Action needs to be taken in terms of Section 38 of the National Audit Act No.19 of 2018.

Comment of the Accounting Officer

Action will be taken to make available the report to the Auditor General ensuring that a review in terms of section 38 of the act is carried out in due course.

effectively carried out and the Accounting Officer needs to make available in writing the copy of that review to the Auditor General. However, a report ensuring that such a review has been carried out was not made available to audit.

(e) Non-compliance with Laws, Rules, Regulations and Management Decisions

 Non-compliances with Laws, Rules, Regulations and Management Decision observed in audit are analysed below.

Reference to Laws, Rules, Regulations etc.	Observation		Recommendation	Comments of the Accounting Officer
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	Value	Non-compliance		
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	Rs.			
Section 10 of Chapter viii of the Establishments code of the Democratic Socialist Republic of Sri Lanka.	340,420	Payment of 1/20 th allowance to non-staff grade officers of the Colombo District Secretariat and Divisional Secretariat in the months of November and December 2018.	1/20 th allowance should not be paid to non-staff grade officers.	Payments made in accordance with circular No.HA/F/01/AC/CT S/001 of the Secretary to the Ministry of Home Affairs.
Financial Regulation of the Democratic Socialist Republic of Sri Lanka. (F.R)				
- F.R.565(2)(3)(4)	7,207,674	Deposit accounts not properly maintained.	Deposit accounts need to be properly maintained and updated.	Deposit accounts properly maintained in future.
- F.R.565(5)	-	Monthly Abstract Statement of deposits not sent to the Auditor General before the end of the	Monthly Abstract Statement of deposit needs to be sent to Auditor General.	Action will be taken send these statements to Auditor General in due course.

following month.

- F.R.570(a)	10,098,790	No action has been taken in respect of 21 land deposits lapsed for 10 years in the Divisional Secretariat Thimbrigasyaya.	Action needs to be taken in respect of lapsed deposits in terms of Financial Regulations.	Even though, it was informed that action could not be taken in respect of these land deposits due to law suits, clear details in respect of each deposit relating to the reply was not made available.
- Public Administration Circular No.30/2016 of 09 December 2016.	-	Fuel consumption of 9 vehicles in Colombo District Secretariat, 2 vehicles in Kesbewa Divisional Secretariat, 2 vehicles in Kaduwela Divisional Secretariat, 2 vehicles in Ratmalana Divisional Secretariat had not been tested in the year under review.	Fuel consumption needs to be tested in terms of circular instructions.	Relevant tests will be done in due course as specified.

(f) Transactions of fraudulent nature

Particulars of transactions of fraudulent nature observed in audit test checks are as follows.

Audit observation	Recommendation	Comments of the Accounting Officer
- By using the elders allowance card of a deceased woman on 09 December 2014 within the Divisional Secretariat area of Maharagama, a sum of Rs.77,200 had been fraudulently obtained during 40 months up to May 2018. No any inquiry has been	Action needs to be taken to recover this money after being conducted an inquiry.	Action will be taken to conduct an inquiry and recover the money in due course.

carried out in this regard.

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| - | A sum of Rs.330,200 had been fraudulently obtained the elders allowances of 5 elders after they died in 525 a Grama Niladhari Division of Udahamadulla East within the Maharagama Divisional Secretariat area. No inquiry had been held in this connection. | Action needs to be taken to recover this money after being conducted an inquiry. | Action will be taken to conduct an inquiry and recover the money in due course. |
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2. Financial Review

2.1 Imprest Management

Audit Observation

In the analysis of monthly imprest planning, requests of imprests and imprest received in District Secretariat in the year under review it was observed that the total imprest received during the year had been less than Rs.25 million that of the total imprest requested.

Recommendation

Imprests need to be properly planned and make request accordingly.

Comment of the Accounting Officer

Action will be taken properly in future.

2.2 Expenditure Management

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) In addition to the estimated provisions in the year 2018, additions totalling Rs.210,487,900 to 18 objects and reductions totalling Rs.210,487,900 from 18 objects were made and as such, estimates were not made correctly.	Action needs to be taken to prepare correct estimates as much as possible in terms of Financial Regulation 50.	This positions arise beyond the control of the District Secretariat.
(b) Percentage of additions relating to objects 255-1-1-1002 and 255-1-1-1201 were observed as 103 per cent and 99 per cent and it was observed that there were severe variances between the original estimate and the net provision.	In terms of Financial Regulation 50, estimates need to be prepared as completely and accurately as possible.	Provisions had been transferred based on the engagement of employees under special circumstances, receipt of lesser provisions from the Treasury than the estimated provisions, management of expenditure without obtaining additional provisions etc.
(c) It was observed that the entire estimated provision of object 255-1-1-2401-7 had been transferred to another objects in terms of F.R.66 and 69 and the reduction of provision from the object 255-1-1-1301 was observed as 72 per cent.	In terms of Financial Regulation 50, estimates need to be prepared as accurate as possible.	Transfers had been made as the money received for the construction of Homagama Divisional Secretariat and the vehicle maintenance expenditure was not arisen.
(d) Out of the provision for 7 objects, there were savings of Rs.2,826,882 ranging from 6 to 44 per cent.	In terms of Financial Regulation 50, estimates need to be prepared as completely and accurately as possible.	There was no necessity to incur expenditure.

2.3 Liabilities and commitment of liabilities

Audit Observation	Recommendation	Comment of the Accounting Officer
When comprising the value of liabilities as per the financial statements and as observed in audit, over statement of liabilities amounting to Rs.100,031 relating to 03 objects and understatement of liabilities amounting to Rs.76,790 relating to 03 objects were shown in the financial statements.	Liabilities need to be correctly stated in the financial statements.	It was informed that only liabilities up to 31 January 2019 for the preparation of financial statements had been included. This had arisen due to vouchers relating to liabilities committed and reported subsequently.

2.4 Utilization of provisions given by other Ministries and Departments

Audit observation	Recommendation	Comment of the Accounting Officer
Provisions of Rs.137,205,331 and Rs.15,311,755 given by 13 Ministries and 04 Departments to the District Secretariat respectively had been under-utilized and it represented 6 per cent to 64 per cent.	Provisions given by other Ministries and Departments need to be utilized appropriately.	This arose due to the cancellation of projects on government policies.

2.5 Release of advances and settlements

Audit observation	Recommendation	Comments of the Accounting Officer
(a) In terms of F.R.371(b) 'ad hoc' sub-impressts should be limited to staff officers. Contrary to that provision, the Colombo District Secretariat had issued 'ad hoc' sub-impressts totalling Rs.2,139,830 in 148 occasions to 55 non-staff officers and it represented 73 per cent of the total sub-	Sub-impressts need to be issued only to staff officers.	Action will be taken to issue sub-impressts only to staff officers in future.

imprests issued in the year 2018.

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| (b) | In terms of F.R.371(2)(a) sub-imprest issued should be settled within 10 days immediately after the completion of the purpose for which it is granted. However, the Colombo District Secretariat had issued sub-imprests totalling Rs.2,211,365 in 121 instances and they were settled after delays ranging from 10 days to 212 days. Moreover, out of the total sub-imprest issued in the year 2018 amounting to Rs.2,915,780, about 76 per cent thereof amounting to Rs.2,220,365 had not been settled on due dates. | Sub-imprests need to be settled immediately after the purpose is completed. | Relevant officers were informed that advances should be settled within 14 days. |
| (c) | It was observed that the register of sub-imprests had not been properly maintained by the Colombo District Secretariat. | Register of sub-imprest needs to be maintained properly. | Relevant officers were made aware to prepare the register of sub-imprests properly by indicating required information. |
| (d) | Unrecovered advances given for constructions, special works, refrigerators, fire, BMS by the Colombo District Secretariat as at 31 December 2018 amounted to Rs.23,329,224. Even though, an advance bond had been obtained in granting this advance, its validity period was only one year up to 07 July 2018, action had not been taken to recover the total advance within the validity period of security bond or to get the validity period of security extended. | Advances need to be recovered within the validity period of security or to get the validity period of security extended. | Even though, it was informed that action had been taken to extend the security bond obtained for works, refrigerators, fire, BMS, up to 10.05.2019, a correct certified copy of the relevant advance bond was not made available for audit. |

2.6 Deposit Balances

In accounting of deposit payments and balances relating to financial statements, the following deficiencies were observed.

Audit Observation	Recommendation	Comment of the Accounting Officer
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The value of deposits, except the deposits for the payment of land compensation, lapsed for more than 2 years of the District Secretariat and 3 Divisional Secretariats amounted to Rs.7,207,674 and action had not been taken in that regard in terms of Financial Regulation 571.	Action needs to be taken to settle unsettled deposits in terms of Financial Regulation 571.	Action will be taken to settle them in due course.

2.7 Operating Bank Accounts

Deficiencies observed in test checks carried out in respect of operation of bank accounts are as follows.

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) Action had not been taken to identify and account the unidentified debit balances of Rs.1,392,796 relating to the District Secretariat, Colombo.	Expenditure needs to be identified and brought to accounts under relevant head of expenditure.	Action is being taken to settle them.
(b) Unidentified credits amounting to Rs.78,370 and Rs.6,875 in the Colombo District Secretariat and Kaduwela Divisional Secretariat respectively had been shown as adjustable balances.	Unidentified credits need to be settled.	Will be settled in due course.

2.8 Outstanding Loan balances

Audit Observation

According to the advances to Public Officers Account, out of outstanding loan balances as at 31 December 2018, balances totalling Rs.2,191,029 comprising a sum of Rs.1,853,393 from 12 interdicted officers as at 31 May 2019 and Rs.337,631 from 6 officers, vacated their posts were remained unrecovered. Those outstanding balances had lapsed for over 5 years.

Recommendation

Expedite the recovery of these outstanding loan balances.

Comment of the Accounting Officer

Action is being taken to recover these outstanding loan balances being inquired from the Attorney General.

3. Operating Review

3.1 Planning

An action plan for the year 2018 and had been presented for the Colombo District Secretariat and 13 Divisional Secretariats in terms of Public Finance Circular No.01/2014 of 17 February 2014. The following requirement had not been fulfilled in the Action Plan.

Audit Observation

- (a) The approved cadre updated to the year under review, of the District Secretariat and the particulars of actual cadre at present imprest requirement plan for the annual activities, the annual procurement plan for planned major development programmes and the Internal Audit Plan had not been included in the Action Plan presented by the District Secretariat.

Recommendation

Particulars stated to be included in the action plan in terms of the circular instructions need to be included.

Comments of the Accounting Officer

It was noted that details not included in the action plan will be included.

- (b) Organization structure updated to the year under review, particulars of approved cadre and the existing actual cadre had not been

In terms of circular provisions, particulars stated to be included in the action plan need to be included.

It was noted that all particulars not included in the action plan will be included in the action

included in the action plans presented for 9 Divisional Secretariats and the approved cadre and the existing actual cadre details were not included in the action plans presented for 3 Divisional Secretariat.

plan for the ensuing years.

(c) Number of projects expected to be implemented in the year 2018 had not been included in the annual action plan of the Moratuwa Divisional Secretariat and only the project implementation procedure had been stated.

In terms of circular provisions, particulars stated to be included in the action plan need to be included.

It was noted that all particulars not included in the action plan will be included in the action plan for the ensuing years.

(d) In the time frame included in the action plan of the Homagama, Dehiwala and Kesbewa Divisional Secretariats, how much of the relevant activities would be completed quarterly or monthly had not been clearly stated.

In terms of circular provisions, particulars stated to be included in the action plan need to be included.

It was noted that all particulars not included in the action plan will be included in the action plan for the ensuing years.

3.2 Non-fulfilment of functions

Audit Observation

Recommendation

Comments of the Accounting Officer

(a) Only the preliminary works of 2 projects estimated at Rs.300,000 and Rs.200,000 by the Colombo and Maharagama Divisional Secretariats respectively under the Decentralised Budget Programme (approved estimates/ prepared bids) had been done by 31 December 2018 and the physical progress stood at 0-5 per cent.

Projects, estimated for the year 2018 need to be completed by 31 December 2018 as specified.

No comment on this issue.

(b) The physical progress of 8 projects in Colombo, Padukka, Maharagama and Ratmalana Divisional Secretariats estimated at Rs.1,860,000 ranged from 6 to

Projects, estimated for the year 2018 need to be completed by 31 December 2018 as specified.

No comment on this issue.

25 per cent.

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| (c) | Out of the projects implemented by Homagama, Seethawaka, Maharagama and Kesbewa Divisional Secretariats under the “sukhitha purawara” programme, only the awarding of contract had been done in respect of 16 projects estimated at Rs.7,556,952 as at 31 December 2018 and its progress was between 6 per cent to 25 per cent. | Projects, estimated for the year 2018 need to be completed by 31 December 2018 as specified. | No comment on this issue. |
| (d) | Only getting the estimate approved was done as at 31 December 2018 for a project estimated at Rs.3,840,158 by the Colombo District Secretariat under the Infrastructure Development Programme. | Projects, estimated for the year 2018 need to be completed by 31 December 2018 as specified. | No comment on this issue. |

3.3 Delays in the fulfilment of projects

Audit Observation

Recommendation

Comments of the Accounting Officer

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| (a) | Even though the contract for the construction of a new building for Homagama Divisional Secretariat should have been completed and handed over on 22 December 2017 by the contractor, the physical performance thereof by 12 December 2017 was only 30 per cent. Subsequently, the contractor had abandoned the contract. Even though, a provision of Rs.180 million in the year 2018 and Rs.188 million in the year had been made in the annual estimates for the completion of the balance work of building, action had not been taken to select a contractor by calling for bids even up to 06 June 2019 by the relevant authorities. | Expedite the completion of the project as a provision of Rs.188 million had been made in the annual estimates of 2019. | As this is a procurement, executes under the Ministry Secretary’s authority, having being inquired from the ministry progress will be reported in due course in accordance with the report of the District Engineer. |
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The building plan for the construction of this building had not been approved up to 06 June 2019 by the Homagama Pradeshiya Sabha. It is therefore further observed that the Divisional Secretariat, Homagama may subject to a service charge of Rs.2,983,000 imposed by the Homagama Pradeshiya Sabha due to carry out unauthorized construction work without an approved building plan.

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| (b) | According to the approved building plan for the Maharagama 6 storied new Divisional Secretariat building, the building plan needs to be approved by the Maharagama Urban Council and 4 lifts need to be installed. However, electrical lifts had not been installed in the building even up to 14 February 2019. | Expedite the installation of lifts. | Action will be taken to install lifts having being made necessary provisions. |
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3.4 Public Officers required to give security

Audit Observation	Recommendation	Comments of the Accounting Officer
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(a) There was no evidence to ensure whether security had been kept by 9 officers of the Kebewa, Ratmanala and Padukka Divisional Secretariats in terms of Financial Regulation 880 of the Democratic Socialist Republic of Sri Lanka and the Circular No.AE/K/අඟ/2008 of 30 August 2008 of the District Secretary, Colombo.	Action need to be taken in terms of Financial Regulation 880 and the circular dated 30 August 2008.	Noted that action will be taken in terms of Financial Regulations.
(b) Action had not been taken to return the pass books of 8 and 6 officers of the Maharagama and Kaduwela Divisional Secretariats respectively who are not in the	Action needs to be taken to return the pass books of officers not in service and the relevant statement need to be sent to the Ministry Secretary	Action will be taken accordingly in due course.

service now, even up to 14 May 2019. Even though, a revised statement of officers required to furnish security should be prepared as at the end of every 3rd year and sent to the Secretary to the Ministry concerned and to the Auditor General, action had not been taken accordingly by Kesbewa and Padukka Divisional Secretariats in terms of Financial Regulation 892.

and the Auditor General.

3.5 Losses and Damages

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>(a) According to the statement of losses and omissions as at 31 December 2018, the value of losses and damages less than 5 years and between 5-10 years for which action had not been taken to recover or write off amounted to Rs.93,383,163. Of them, except the loss of Rs.20,000 related to a motor vehicle accident of the District Secretariat action had not been taken to settle other losses and damages even up to 27 May 2019.</p>	<p>Action needs to be taken to settle and write off the losses less than 5 years and 5-10 years from the accounts.</p>	<p>Losses less than 5 years will be settled soon. The loss more than 5 years old had arisen due to inflammation of the Colombo District Secretariat. Even though, it was requested to write off the loss the Director General of State Accounts had informed that it could not be written off.</p>
<p>(b) In the examination of the register of losses and damages in the Divisional Secretariat, Maharagama it was established that the value of damage caused to Maharagama Divisional Secretariat due to fire amounted to Rs.503,593 but it was observed that the value of this loss stated in the register of losses maintained by the District Secretariat stated as Rs.629,492 in pencil.</p>	<p>The correct value of loss needs to be included in the registers and accounts. As this is not a recovery and a write off from books, 25 per cent could not be added.</p>	<p>As 25 per cent is added to the loss in terms of Financial Regulations 105(1)(c) by the Board of Survey, this difference had arisen.</p>
<p>(c) According to the register of losses</p>	<p>Action needs to be taken to</p>	<p>As this matter was not</p>

in the Divisional Secretariat, Maharagama the damage of Rs.47,500 caused to the cab bearing No.WP/PD/2679 due to being collided with a lorry on 30 January 2015 at the Homagama city had been settled but it was not shown in the appropriation account of the year 2018.

include the value of loss in the accounts.

reported to the Accounts Division, it was not included in the financial statements.

3.6 Management Inefficiencies

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) Before a Divisional Secretariat is established, domains and limits come under the jurisdiction of the Divisional Secretariat Division need to be delimited and gazetted in trilingual. However, the gazette notifications in respect of Padukka Divisional Secretariat established on 19 May 1999 and Thimbirigasyaya Divisional Secretariat established on 03 March 1999, being delimited relevant limits had not been published even by 15 May 2019.	Before a Divisional Secretariat is established, domains and limits come under the jurisdiction of that Division need to be published in the gazette in trilingual.	Future action in this regard is in progress.
(b) Action had not been taken to pay compensation for the land belongs to the Sri Lanka Transport Board where Maharagama Divisional Secretariat building is constructed and assessed at Rs.112 million even up to now.	Action need to be taken to pay compensation being made relevant provisions.	Payment of compensation is not completed through the land is formally acquired.
(c) A suitable course of action has not been taken up to now in respect of plots of government land in the murderous reservation belongs to the Waga South and waga East grama niladhari Division within the Jurisdiction of Padukka Divisional Secretariat possessed persons for a long period, having	Action needs to be taken in respect of parties who carry out residential activities being developed the reservation land leased out on yield tax recovery basis.	Future action in this regard is in progress.

being developed. Information in respect of the ownership of plots of land possessed by yield tax lessees of the reservation was not revealed. Accordingly, action had not been taken in considering the parties carry out residential development work in these reservation lands given on the recovery of yield tax basis.

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| (d) | <p>Without being formally acquired by the government, the land belongs to the Sri Lanka Transport Board, 26.5 purchase in extent, the building, located the Divisional Secretariat had been constructed on government cost. As space in this building is insufficient it is stated in the Letter No.RAT/LAN/09/F1/29 dated 17 November 2017 sent to the Secretary to the Ministry of Home Affairs by the Ratmalana Divisional Secretariat that action is taken to obtain a plot of land (50 purchase) from the land located at No.511 on Galle Road, Ratmalana which has been now given to the Janasathusewa Cricket Association on long term lease for the construction of a building. Further action had not been taken in respect of the acquisition of this land even up to 13 February 2019, the date of audit after 17 November 2017.</p> | <p>Expedite the acquisition of the relevant land.</p> | <p>Further action in this regard is in progress.</p> |
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4. Good Governance

4.1 Accomplishment of service to general public

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) Maharagama Divisional Secretariat is operated in the new building since 23 March 2010 and the construction work had been completed up to the 3 rd floor. Even though, 9 years had lapsed after being constructed up to the 3 rd floor, the balance 3 rd floors had not been constructed as per the approved building plan up to 06 February 2019, the date of audit. The auditorium of the Divisional Secretariat is established in the second floor, of the building now and the elders and disabled persons are find it difficult to access into it. Moreover, as there is no electrical lift, the people come to the Divisional Secretariat to get various services face lots of difficulties.	Expedite the construction works of the balance 3 floors of the building and install the lift as per the approved building plan.	Having being made necessary provisions action will be taken to put up lifts.
(b) It appears long queues on peoples day in the Maharagama Divisional Secretariat to obtain the copies of birth, death and marriage certificates. It was observed that as photo copiers are not properly operated, the people come to get a service by paying money are unable to get a quality service.	Necessary facilities need to be provided to the people who get services by paying money.	Even though, the works of the Divisional Secretariat are increasing daily, office equipments are purchased in accordance with the provisions made and it is difficult to provide quality service as a dearth of staff.

5. Human Resources Management

Audit Observation

Recommendation

Comment of the Accounting Officer

	Staff Category	Approved Cadre	Actual Cadre	No.of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	09	06	03
(ii)	Tertiary Level	03	02	01
(iii)	Secondary Level	58	47	11
(iv)	Primary Level	19	15	04
	Total	----- 89 ===	----- 70 ===	----- 19 ===

Need to fill the vacancies.

Even though, it was informed to fill the office vacancies, officers were not sent, resulting the existence of vacancies.

Number of vacancies as compared with the approved cadre represent 21 per cent of which 58 per cent represents secondary level vacancies.