

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the District Secretariat, Jaffna 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 containing my comments and observations on the financial statements of the District Secretariat, Jaffna was issued to the Accounting Officers on 27 May 2019 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was issued to the Accounting Officer on 28 August 2019 in terms of Section 11 (2) of the National Audit Act No. 19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution 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 accompanying financial statements give a true and fair view of the financial position of the District Secretariat, Jaffna 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 the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The 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 management determine 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, Jaffna 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.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the District Secretariat, Jaffna 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 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 District Secretariat's internal control.
- Explanations of internal controls were obtained to design appropriate audit procedures for the circumstances, but has not for the purpose of expressing an opinion on the effectiveness of the District Secretariat'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 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 and Regulatory Requirements

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

- (a) During the year financial statement had been submitted and compared with the previous year's amounts. However, funds for the year preceding the audit have not been properly prepared and submitted for audit. Therefore, the correctness of previous year amounts cannot be ascertained.
- (b) As there was no requirement of preparation of financial statements by the District Secretariat, the preceding year, recommendations on financial statements had not been made.

1.6 Comments on Financial Statements

1.6.1 Accounts Deficiencies

(a) Cash flow statement

The following deficiencies were observed relating to accounting for revenue District Secretariat.

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
In the During the year, District Secretariat's non – current assets sales Rs. 794,096 was show in the operational activities cash flow rather than under the investment activities of the cash flow statement.	As per the General Accepted Accounting Principle, the income of non current assets sales should be show under the proper provision on cash flow statement.	Where appropriate guidance is given to us by the Treasury, we consider our suggestions and we can take better actions in the future.

(b) Recurrent Expenditure

The following observed were made in the recurrent expenses of the financial statement

Audit Observation	Recommendation	Comments of the Accounting Officer
Although the recurring expenditures are two projects, the total cost of the two projects in the fund is not shown in comparison to the Treasury's computerized print.	Since there are two projects, the expenditure should be shown differently from the project wise	We are pleased to inform you that in the future, the Treasury will issue reports on the basis of the model provided that it is required to submit the report on the basis of this project.

(c) Reconciliation statement on Advance to Public Officers Account

The following observations were made.

Audit Observation	Recommendation	Comments of the Accounting Officer
(i) Public Officers' Foreclosure Statement for Review of Submission of Audit. According to the provisions of the Establishment Code, XXIV Section 4, action has not been taken to recover the total amount of Rs 1.87 million paid by the officers who have gone to the departments of service, retired and further ministries, which are due for recovery as at 31 December 2018.	The loan balance of the officers who have been transferred to the District Secretariats shall be settled within 03 months from the date of receipt of the transfer in accordance with the provisions of paragraph 01 of the National Budget Circular No. 118 dated 11th October 2004. Similarly, the balance of the outstanding debts of the Central Officers who have been transferred to the Provincial Councils shall be adjudicated in accordance with Article 3 of the Circular. A series of non-adjudicating	Action will be taken to reimburse the retirement officer's allowances from the pension scheme once they are approved. Requests of the officer's balance of transfers to other departments will be forwarded to the relevant Ministry and action will be taken. Action is being taken in respect of the advance to be obtained from the post of vacated officers. The balances of the officers who have been transferred to the Provincial Council have been adjusted 201250 by the Ministry for the year.

officers shall be referred to in paragraph 8 of the above circular to take disciplinary action in terms of sections 8.1 and 8.2 of the XLVII Chapter of the Establishment code. The provisions of Section 4 of the XXIV Chapter of the Establishment Code on the debt of an officer who is retiring or releasing or remitting death or service to a corporation before the repayment of a loan amount is to be followed.

Due to the lack of financing in the relevant Ministry, we are being paid an equal amount monthly.

- (ii) It was observed that a total of Rs. 894,360 worth of distress loan were issued without proper guarantees. The Guarantees for the loan should be selected according to the Establishment Code. Action have been taken to replace the guarantees.

(d) Property Plant and Equipment

The following deficiencies of property, plant and equipment were observed

Audit Observation	Recommendation	Comments of the Accounting Officer
(i) The land belongs to Valikaman west and Vadamarachchi south west Divisional Secretariat's estimates amount of Rs. 3.5 million and 35 million had not been shown in the financial statement. In this case noncurrent assets value had been reduced amount of Rs. 38.5 Million in the financial statement.	Action should be taken to show the estimated value of lands in the financial statement.	Since the letter of the Valuation Department was received only after the financial year 31-12-2018. land valuation amount could not be included in financial statement during the year 2018.
(ii) The Divisional Secretariat's Karainagar land value Rs. 2 million belongs to private ownership shown as non-current assets in the financial statement. Even though the Karainagar	Action should be taken to change the ownership of Divisional Secretariat, Karainagar.	According to valuation Department Letter No. JN/LE/248 dated 17.07.2012, Land was estimated to be amount of Rs. 2 Million and above amount can utilized the

Divisional Secretariat constructed office building with the value of Rs. 58.144 has not taken any action to Ownership changes of land from private owner until 2019 April 30.

office purpose based on the report, in 2018 Land valuation amount had not been included in the financial statement.

The owner of the land cannot be identified. Accordingly, the letter of request has been sent to the Ministry of Public Administration and Home Affairs for the purpose of taking over the unclaimed land.

(e) Non- maintenance of Books and Registers

 It was observed at the audit test check that the District Secretariat had not maintained the following registers.

	Audit Observation	Recommendation	Comments of the Accounting Officer
	-----	-----	-----
(i)	Inventory of Electrical Fittings The Inventory of Electrical Fittings had not been maintained by the District Secretariat in terms of Financial Regulation 454(2).	Inventory of Electrical Fittings in government building should be maintained in terms of Financial Regulation 452(2).	we are taking action to maintain these updates.
(ii)	Vehicle Listed Register Vehicle listed register had not been maintained in terms of Financial Regulation 1647 (e).	Vehicle listed register should be maintained in terms of Financial Regulation 1647(e).	Steps are being taken to update the register specified by them.

(f) Non- compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions in Laws, Rules and Regulations observed during the course of audit are analyzed and shown below.

Audit Observation			Recommendati on	Comments of the Accounting Officer
Reference to Laws, Rules and Regulations	Value	Non -compliance		
	Rs.			
Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
Financial Regulation 371 (2)	3,670,317	Advance impress has been provided to approved societies prior to the availability of goods services in the District Secretariat, Valikamam North and Vadamarachchi North Divisional Secretariats.	The procurement guide line should be followed	All Divisional Secretaries are advised to follow the procedure of procurement and should take action.
Financial Regulation 571	4,352,478	Action has not been taken related to 04 retention money deposits in over last two years.	Action should be taken in accordance with the Financial Regulation 571	Fine Aluminum PVT Ltd's retention money of Rs. 21,371.00 was adjusted on 11.04.2019. SSR Construction's retention money of Rs. 4,331,107 was deposited in General Deposit Account. Actions has taken re-start the Suspended project.

Financial Regulations 137 and 138	146,861	In 2018, Nos.148 cheques were drawn prior to receiving the goods and that cheque District Secretariat and 15 Divisional Secretariats were kept under security.	Cheque should be drawn after good have been received in accordance with the Financial Regulation 137 and 138.	Steps are being taken to get goods and services quickly.
		These cheque were unrealized cheques, goods has not been received until 31 march 2019.		
Financial Regulation 113	2,403,000	According to the Financial Regulation 113, Sum of Rs 2.403 million losses adjusted for clarifying reason from 17 to 31 years in the account necessary action had not been taken but show in the Financial Statement.	Action should be taken in term with Financial Regulation 113.	losses of Rs. 16,016,958.75 and Rs. 459,850 of Divisional Secretariat has been written off Approval had not been obtained from Ministry

(g) Fraudulent Transactions

It was observed the fraudulent transactions at the audit test check. that details are given below.

	Audit Observation	Recommendation	Comments of the Accounting Officer
(i)	The construction of Manipay Market shopping complex in the Divisional Secretariat division, Valikamam South West Funded by Ministry of Prison Rehabilitation, Rehabilitation, Resettlement and Hindu Affairs, according to the procurement guideline contractor had been accept the discount rate. works Payment was made without deduction of the discount. Therefore, Overpayment was made Rs. 348,998.	Action should be taken to collect the over payment.	Action have been taken to collect overpayments from the executing contractor.
(ii)	Due to the fact that the actual number of beneficiaries of the Island South Divisional Secretariat has increased,	Disciplinary inquiries should be made in this regard	There have been minor changes in member amounts

over Dry Food Package of Rs.66,000 had been provided. and disciplinary action should be taken against the relevant officer in accordance with Chapter XLVIII of the Establishment Code. during the grant of Dry food. However Dry food has been given to the families mentioned.

- (iii) Under Rapid Rural Development Project (Gamperaliya) A sum of Rs. 115,169 more has been paid as the actual supply of raw materials was less than 03 raw materials, as estimated by the Technical Officer for the rehabilitation of the Salambai Viyapara moolai road in the Vadamarachchi North Divisional Secretariat. Inquiries should be made in this regard and action should be taken to collect over payment. Not reply

2 Financial Review

2.1 Impress Management

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
(a) Rs 11.46 million of the recurring expenditure on head 120 had been completed, but during the year impress had not been received from the Treasury, the payments could not be made due to the lack of a reimbursement.	Action should be taken to obtain the impress in a timely manner.	In January 2019, these were fully adjusted.
(b) Under 10 Heads of Expenditure on 12 instances on Capital Expenditure of other Ministries and Departments amount of Rs. 636.80 million of the project was completed, but the payments could not be made due to lack of funds for the reimbursement from the Treasury.	Action should be taken to obtain the impress before making any expenses.	With the Treasury releasing less than our request amount, it was unable to make payments to the supplier and contractor when the goods, services and work were completed by the end of 2018.

2.2 Expenditure Management

The following observations were made regarding the preparation of the annual budget, the financial provision changes, the availability and utilization of the financial provision through the supplementary budget and savings.

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) In the allocation of recurring expenditure 12 items savings in the range of 07 to 54 per cent amounted to a total of Rs. 17.22 million.	Action should be taken to fully utilize the budget.	We will take action to moderate such large scale changes in the future.
(b) In the allocation of recurring expenditures 12 items savings increased in the range of 05 to 2333 per cent amounted to a total of Rs. 17.22 million. This highlights the lack of systematic planning for recurring expenditure.	Action should be taken to fully utilize the budget.	To convert to deficit cost headings on reasonable savings arising on the basis of the budget. Based on the acceptance of the submissions made by the Chief Accounting Officer to the Chief Accounting Officer. Article 66 (1) of the Financial Regulation specifies supplementary action is approved.
(c) In the allocation of recurring expenditures 11 items savings transferred in the range of 07 to 54 per cent, it had not been submitted satisfactory reason to the audit.	The required funds should be supplementary.	We will take action to moderate such large scale changes in the future.

2.3 Utilization of Provision Given by other Ministries and Departments

A sum of Rs. 4,956.54 million had been provided to the District Secretariat by 48 other Ministries and Departments for various purposes and Rs. 4,253.08 million had been spent on that fund. 14 per cent amounting to Rs. 703.46 million remained unused. Following observations are made.

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) According to paragraph 10 of the circular dated 19th October 2018, NDRSC / 2018 / 03III of the Ministry of Irrigation and Water Supply and Drainage, Drought relief has not been granted to the number of members but 1033 beneficiary families will receive a Dry Food Package as per the number of members. Dry Food Package valued of Rs.1000per package as total amount of Rs. 1,033,000. It has been observed that fewer beneficiaries in the Island South, Island North, Valikamam South West and Vadamarachchi North Divisional Secretariat.	The Divisional Secretary should be confirmed the action according to circular.	Failure to make a translation of the circular is less provided. We are pleased to inform you that we will take action in the future to avoid these issues.
(b) Sum of Rs. 4.25 million has been spent to set up a sewing and palm crafts training center at Rural Development Program (NRU) coordinated by Vadamarachchi North Divisional Secretariat. It makes it impossible for the sewing machines to operate at 13A plug point instead of 15 A Plug point for power supply.	Action should be taken to fit 13A plug point according to the estimates.	At present, action are taken to replace them
(c) The plumbing machinery supplied by Ministry of Disaster Management to the Vadamarachchi South West Divisional Secretariat for the supply of drought water has not been used for the last 18 months. (RY-1532) (WPRE -1083)	Action should be taken to use water tankers to provide drinking water to drought affected people	Pradeshiya Sabha mentioned that ownership transferred and handed over to pradeshiya sabha can be utilized.
(d) In 2017, 2018 of the Island South	All evidences should	The audit was unable

Divisional Secretariat Rs. 2,243,800 was spent on two chip plowing machines to catch and transport cattle. Cash payments cannot be verified in the audit as certificates such as cow's name, payment proof, two-wheeler, vehicle registry, unloading date and animal purchase cards are not submitted for audit.

be submitted to audit for related these expenditures.

to be submitted because all the information requested by them was not exquisitely filed by the Agrarian Society.

2.4 Issuance and Settlement of Advance

The following are the audited observations on the Issuance and Settlement of Advance

Audit Observation	Recommendation	Comments of the Accounting Officer
It has been observed that the advances sum of Rs. 149,500 by the District Secretariat on 5 instances during the review period have been settled after delay of 01 month to 04 months.	Action should be taken in term of Financial Regulation 371(2)	All Senior Level officers have been instructed to adjust the received progress within 30 days. However, delays due to matters beyond our control will be implemented in future.

2.5 Deposit Balance

The following observation were made

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) The aggregate of temporary deposits to be refunded to third parties is Rs 1.09 million. Deposits have been deposited for over six months without being given to the relevant persons.	Action should be taken to refunded the temporary deposit to the relevant persons	Action taken to rectify them at present.
(b) Sum of Rs 25.28 million received as refund of expenses has been deposited in the deposit account for over six months.	Action should be taken to use the relevant purpose.	Action taken to rectify them at present.

- | | | | |
|-----|--|--|--|
| (c) | Sum of Rs.2.47 million as at 31 December 2018 belonging to the Northern Provincial Council has been deposited in the Deposit Account without being sent to the respective Ministries or Departments. | Action should be taken to ensure that the income returns to the Northern Province are sent to the relevant departments in a timely manner. | Action taken to rectify them at present. |
|-----|--|--|--|

3 Operating Review

3.1 Planning

In term of state Finance Circular No. 2014/01 dated 17 February 2014, it was observed action plan related planning and others plans. Details are given below.

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
An action plan for 2018 was prepared. Accordingly, out of the 408 projects to be completed by the District Secretariat and 15 Divisional Secretariats, only 404 projects were completed within the financial year. A sum of Rs. 394.82 million was provided to the District Secretariat for these projects, sum of Rs.389.35 million was utilized the provision. There were 5.47 million savings in the financial year.	Action should be taken in terms of State Finance Circular No. 01/2014 dated 17 February 2014.	Due to the lack of adequate time to implement the programs of Procurement, due to the availability of such funds at the end of the year, the allocation of funds was also sent back to the Ministry.

3.2 Non-achievement of expected Outcome

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
(a) Constructed of manipay market shopping complex and toilet were spent sum of Rs 18.763 million in the Divisional Secretariat, Valikamam South West, which was built for the	Action should be taken to lease the market shopping complex to the traders.	The Manipay Pradeshiya Sabha is taken action in the process of renting out the shops and utilizing

purpose of leasing but this building had not been rented for the last 10 months. It was not possible to obtain the expected income of Rs. 500,000.

the building efficiently.

(b) Constructed of vegetable market shopping complex was spent sum of Rs 10 million in the Divisional Secretariat, Valikamam South West, which was built for the purpose of leasing but this building had not been rented for the over one months. It was not possible to obtain the expected income of Rs. 350,000.

Action should be taken to lease the vegetable market shopping complex to the traders.

The Manipay Pradeshiya Sabha is taken action in the process of renting out the shops and utilizing the building efficiently.

(c) Constructed of elevator were fixed Rs.4.56 million in the new administrative building of District Secretariat, a sum of Rs. 207,000 has been spent for the annual maintenance service of the elevator. However, the maintenance service as mentioned in the maintenance service contract is often defective and remains inactive for more than two months. Thus the officers and the public are not able to obtain the expected benefits.

Action should be taken to obtain effective service from the service provider as per the maintenance contract condition.

The company has identified some of the basic factors that are often overlooked and have been provided to us. Considering these factors, it will be implemented in the future.

3.3 Delays in the Implementation of Projects

The following observations were made

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
<p>(a) Project carried out by Valikamam East Divisional Secretariat were delayed. Details are given below</p> <p>(i) Sum of Rs.10,223,189 has been spent on the Construction of Banana Producers' Co-operative Society and the establishment of Banana Planting Center. All works were to be completed on or before 31 December 2018, but they were</p>	<p>Action should be taken to ensure timely completion of work plans.</p>	<p>The plant and machinery for the project have been import and made available from abroad. Once the machine has been stabilized and its</p>

not completed until 31 July 2019.

technical report is available, we will continue the operation.

- (ii) Sum of Rs.14,009,992 has been spent on the Rehabilitation of Kondavil electrical ware house and Purchase of new weaving machines. All works were to be completed on or before 31 December 2018, but they were not completed until 31 July 2019.
- Action should be taken to ensure timely completion of work plans.
- The plant and machinery for the project have been import and made available from abroad. Once the machine has been stabilized and its technical report is available, we will continue the operation.
- (iii) Sum of Rs. 5,521,610 has been spent for the purchase of required five type of equipment for the production of toddy. Equipment's were to be received on or before 31 December 2018, but suppliers were not distributed until 30 June 2019.
- Action should be taken to ensure timely completion of work plans.
- We will take follow action after received the goods required by us.
- (iv) Sum of Rs.10,947,000 has been spent for construction of J/St. Theresa's Girls' College class room building. All works were to be completed on or before 31 December 2018, but they were not completed until 30 June 2019.
- Action should be taken to ensure timely completion of work plans.
- We will take continue action after received the goods required by us.
- (b) Sum of Rs.18.763 million has been spent for construction of Manipay market shopping complex (20 Shops) in the Valikamam Southwest Divisional Secretariat.
- Action should be taken to ensure timely completion of work plans.
- Steps have been taken to collect penalty for delays from the contractor.

This project should be completed on 23 December 2017 but it was completed delay 145 days on 18 may 2018. In this regard, the penalty of Rs. 1.09 million for a delay of 145 days was not collected from the contractor as per clause 6.4 of contract agreement.

- (c) Sum of Rs 16.55 million has been Action should be Steps have been taken

released to the Department of Buildings for the construction of the Administrative Building of the Nallur Divisional Secretariat. Although the project was to be completed by 31 July 2018, only 60% of the work was completed by the contractor until 21 October 2018 and the contract was finalized by the District Secretariat Administration on 21 October 2018. In this regard, the penalty of Rs. 1.65 million for a delay of 3 months was not collected from the contractor as per clause 4.9.1 of contract agreement taken to ensure timely completion of work plans. to collect penalty for delays from the contractor.

3.4 Procurements

The following observations were made

Audit Observation	Recommendation	Comments of the Accounting Officer
-----	-----	-----
<p>(a) Through procurement process during the period of review to the District Secretary's office Rs. 88.5 million has been allocated for the provision of supply and services it was used Rs. 88.5 million.</p> <p>The observations on the procurement plan to be prepared with respect to the allocated funds are shown below.</p> <p>Procurement plans and initial stage</p> <p>The following projects and documents were not prepared at this stage.</p> <p>(i) Main purchase Plan (ii) Purchase packages summary (iii) Initial Purchases Plan (iv) Special approval had been taken related identify purchase. (v) Development of recommendation, planning,</p>	<p>Action should be taken to prepare and attached documents according to the procurement guide line.</p>	<p>Purchase package summary and initial procurement plan will be maintained from 2018 on the basis of their instructions and guidance.</p>

notes and constructions.

- | | | |
|---|--|---|
| <p>(b) Pre-contract phase
Observations on the documents and projects to be prepared under this phase</p> <p>(i) Each Contract Module and Purchase Sub-Schedule (s)</p> <p>(ii) Comprehensive procurement of work, goods and services</p> <p>(iii) Comprehensive Procurement Plan for Lounge Services</p> <p>As mentioned above, the plans were not made</p> | <p>Action should be taken to prepare and attached documents according to the procurement guide line.</p> | <p>The requirements and circumstances for the preparation of certain documents are not made because they do not appear. However, we have taken steps to protect them from 2018</p> |
| <p>(c) The post-contract (contract management) phase includes the documentation and projects to be prepared under this contract.</p> <p>(i) Contract Administration Plan (CP)</p> <p>(ii) Cash flow plan in conjunction with contract administration plan</p> <p>As mentioned above, the plans were not made.</p> | <p>Action should be taken to prepare and attached documents according to the procurement guide line.</p> | <p>All documents related to us are prepared in order to make the payment at a later stage. However, the requirements and circumstances of the preparation of certain documents are not made because of the absence of them. However, we have taken steps to protect them from 2018.</p> |

3.5 Assets Management

The following observations were made

Audit Observation	Recommendation	Comments of the Accounting Officer
<p>Non - current assets were not utilized and underutilized. Details are given below.</p>	<p>Action should be taken to fully utilized.</p>	<p>The ownership of the motor bikes belongs to the Provincial Council. Action have been taken by the District Secretariat to transfer them. No.06 Boat had been handed over to Velanai Pradeshiya Sabha. Nos. 150 Lifesavings robes had been</p>
<p>Types of assets</p> <p>Number of components</p> <p>Value</p> <p>Period Underutilized</p>		

ts ion;

underutilization. At present, had been handed over to Velanai Pradeshiya Sabha.

		Rs. Milli on;	years
Building	02	8.50	2 – 6
Motor Cycle	11	8.69	2 – 8
Boat	06	1.24	2 – 4
Lifesaving robes	150	0.44	2

3.6 Management Weaknesses

The following observations were made

Audit Observation	Recommendation	Comments of the Accounting Officer
(a) Under the Kambareliya Rapid Rural Development Project, the foundation stone for the road reconstruction work is found in the area, but the use of the raw material Aggregate Base Course (ABC) has been used for the 2 road works carried out in the Vadamarachchi North Divisional Secretariat Division. The combined cost for the 2 works was estimated excess Rs 466,000.	Work estimation should be prepared and considered the efficiency.	Explanation will be sought from the project implementer who accomplished the project and action to be taken soon.
(b) Although Rs 1.28 million was spent in 2016 to automate the entrance to the District Secretariat, the door will not be utilized till date.	Approval should be taken by the Department of Management Services	The door is being used by us to a limited extent to control the increased electricity costs.

4 Human Resources Management

The particulars in respect of the Approved Cadre, Actual Cadre, Vacancies and the Excess Cadre as at 31 December 2018 are given below.

Category of Employees	of Approved Cadre	Actual Cadre	Number of Vacancies	of Number Excess	of
-----------------------	-------------------	--------------	---------------------	------------------	----

(i) Senior Level	77	67	10	-
(ii) Tertiary Level	64	22	43	01
(iii) Secondary Level	1721	1644	82	05
(iv) Primary Level	211	175	40	04
Total	2,073	1,808	175	10

	Audit Observation	Recommendation	Comments of the Accounting Officer
(a)	Action had not been taken to fill the vacancies of 175 or appoint approved person by the end of the year.	Action should be taken to fill in the vacancies according to the approved cadre.	We are also expressing our special observations on the vacuum. However, so far action has not been taken by the relevant ministry.
(b)	Action had not been taken to transfer 10 officers' tertiary, primary and second level officers to relevant places where the vacancies was existing in the financial year.	Approval should be obtained from the Department of Management Services.	Jaffna District existed the vacancies but when observed district Secretariat, Divisional Secretariat they were excess employees. The existing vacancies of Assistant Information Technical officer for software development and web designing were filled by the Information Technical Officer. It was refill 03 Management Assistant (Two officer were got transfer after promotion and one officer were deceased) It is inevitable that the 02 number of writers and 04 office staff will continue to serve their retirement period on the basis of "Personal to holder". However, Action will be taken to rectify these matters during the 2020 year transition.