

## Sabaragamuwa Provincial Council – 2019

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### 1 Financial Statements

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#### 1.1 Qualified Opinion

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The audit of the financial statements of the Sabaragamuwa Provincial Council for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 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 Summery Report in terms of the 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 30 November 2020 and the Detailed Management Audit Report in terms of Section 11(2) of the National Audit Act was issued on 30 November 2020. This report is present to parliament in pursuance of provisions in Article 154(6) of the Constitution and Sub Section 10(1) of the National Audit Act.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of this report, the accompanying financial statements give a true and fair view of the financial position of the Sabaragamuwa Provincial Council as at 31 December 2019, and of its financial performance for the year then ended in accordance with Generally Accepted Accounting principles.

#### 1.2 Basis for Qualified Opinion

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##### 1.2.1 Accounting Deficiencies

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Audit Observation	Recommendation	Comments of the chief Accounting officer
(a) The value of 49 motor vehicles amounting to Rs. 150,990,000 purchased by the provincial council under finance leasing method in the year 2015 had not been shown under non-current assets in the statement of financial position.	All fixed assets should be accounted.	Leased vehicles are to be accounted in future year.

- (b) A sum of Rs. 4,376,709,786 had been shown as fixed assets and work in progress under non-current assets in the statement of financial position whereas it was Rs. 4,571,189,384 as per provincial treasury print outs and as such, a net difference of Rs. 194,479,598 was observed. Furthermore, the accounting of fixed assets which existed as at 01 January 2018 had not been completed by 15 Ministries/ Departments of the Provincial Council, while it was not disclosed in the financial statements.
- Differences between financial statements and treasury print outs should be compared and the process of accounting all fixed assets should be completed.
- The differences are to be rectified in future year.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in 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**

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The management is responsible for the preparation of financial statements 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 Sabaragamuwa 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**

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My objective is to obtain, reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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. Misstatement 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 judgement 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to 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**

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Special provisions were included relating to the following requirements in the National Audit Act No. 19 of 2018.

- (a) The financial statements presented by the provincial council is consistent with the preceding year as per the requirement of Section 6(1) (d) (iii).
- (b) The recommendations made by me on the financial statements of the preceding year have been implemental as per the requirement of Section 6 (i) (d) (iv).

## 1.6 Non-compliance

### Non-compliance with Laws, Rules, Regulations and Management Decisions.

Reference to Laws, Rules and Regulations.	Non- compliance	Recommendation	Comments of the Chief Accounting Officer
(a) Section 172 (8) and (9) of the Pradeshiya Sabha Act No. 15 of 1987	A sum of Rs. 733,830 relating to 02 surcharge certificates issued by me on 11 August 2006 and 12 April 2019 had not been recovered.	Action should be taken as per the provisions of the Pradeshiya Sabha Act.	Action had been taken to recover as instalments and to file the cases.
(b) Section 07 of the Charter relating to Establishment of the Housing Development Fund of the Sabaragamuwa Province No. 05 of 1993	The regulations in respect of the methods of deploying funds in order to accomplish the objectives of the fund had not been prepared.	Action should be taken in terms of the charter.	The Regulations will be prepared and the approval of the Provincial Council will be obtained in future.
(c) Establishments Code of the Democratic Socialist Republic of Sri Lanka chapter XV of volume I Sections 4.2, 4.4 and 5.2	A bond had not been signed in approving the full paid foreign study leave of an officer employed in a post of Assistant Director of agriculture. Further in calculating the paid study leave period, the compulsory service period had been identified as less than 04 years and 05 months and contracted. Without completion of the	Even though the security bond had not been signed as the salaries had been paid for the period Spent abroad action should be taken in terms of establishment code to consider as having taken paid leave.	The fact that this officer had not signed a bond confirms that she had obtained unpaid overseas leave. The agreement was entered in to with the Secretary to the Ministry in terms of Appendix 10 of the Establishment Code in obtaining overseas leave and the relevant activities are being carrying out by the Legal Division of the Provincial Council.

compulsory service period the above officer had gone abroad again on unpaid overseas leave and had not reported for duty.

Accordingly, a sum of Rs. 14,407,844 recoverable in terms of paragraph (b) of chapter (13) of the agreement and the penalty amount of Rs. 117,133 had not been recovered similarly a sum of Rs. 1,238,600 recoverable as well due to non-return after the unpaid overseas leave in terms of Section 02 (iv) of the agreement entered into when approving of unpaid overseas leave had not been recovered.

(d) Financial Rules of the Sabaragamuwa Provincial Council

(i)	Financial Rule 54.1.6	Action had not been taken in respect of losses totalling Rs. 34,323,927 relating to 43 motor vehicle accidents caused during the period from the year 2000 to 2018 in 02 Ministries and 04 institutions of the Provincial Council.	Action should be taken in terms of Financial Rules.	Actions will be taken to conduct investigations and to recover and to write-off accordingly.
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(ii) Financial Rule 259.2	The unsettled imprest balance relating to 03 Ministries/ Departments as at 31 July 2020 amounted to Rs 120,782,887.	Action should be taken in terms of financial Rules.	The imprest could not be settled due to unsettled advances of Chief Ministry. Action is being taken by the Ministry of Roads as per the instructions of the Department of Attorney General. The Department of Health has submitted bills to the Chief Ministry and Line Ministry to reimburse.	
(e) Circular No 26/2018 of the Secretary of the Ministry of Education dated 22 June 2018.	Paragraph 14.1.8 and 14.1.11	The R/Embilipitiya Maha vidyalaya had made payments totalling Rs. 1,752,019 by 105 payment vouchers in the year 2018 and payments totalling Rs. 467,994 by 25 vouchers from January to 26 June 2019 from the School Development Society Account without being recommended, approved and certified the vouchers.	Action should be taken in terms of the provisions of Circulars.	Action was taken to rectify the deficiencies in the vouchers after pointed Out by audit. The principal was informed to take the responsibility not to arise such type of lapses in future.

## 2. Revenue Management

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) Even though, the arrears of revenue relating to the Department of Provincial Revenue and Department of Provincial Land Commissioner as at December 2018 amounted to Rs. 61,478,981, a sum of Rs. 4,034,560 only had been recovered during the year under review.	The recovery of arrears of revenue should be carried out according to a proper methodology.	Continuous action is being taken to recover taxes in arrears while cases are filed.
(b) The water tax amounting to Rs. 2,336,675 to be levied up to the year 2020 had not been recovered for the part of 2.350 hectares of land called Watawala Mukalana in the Digana Grama Niladhari Division of the Elapatha Divisional Secretariat Division, given to a private company to construct a small hydro power station in the year 1999 for a period of 21 years on long term lease basis.	Action should be taken in terms of the provisions of circulars.	The respective company was informed to pay the areas Amount. and the Divisional secretary was informed that the payment will be paid before November 2020.

## 3. Financial Review

### Financial Results

According to the financial statements presented, there was a surplus of Rs. 550,406,792 in the Provisional Council Fund for the year ended 31 December 2019 as compared with the corresponding surplus of Rs. 1,575,207,635 in the preceding year.

#### 4. Charter Accounts, Funds and Commercial Advance Accounts

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##### 4.1 Charter Accounts/ Fund Accounts

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##### (a) Road Passenger Transport Authority

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Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(i) The lands in extent of 4.094 acres existing in 07 divisional secretariat Divisions in the Kegalle District and the buildings constructed on it occupied by the authority had not been acquired, from the relevant parties, and had not been assessed and accounted for.	The lands and buildings should be acquired and accounted for.	Even though the approval of the cabinet of ministers had been granted for vesting of the ownership the vesting activities were delayed.
(ii) Even though the Authority has leased 05 trade stall's at the Kegalle bus stand since 01 November 2017, the tax amounting to Rs. 650,000 had not been levied, even by 28 February 2020. Nevertheless the lease agreement had not been canceled in terms of Section 29 of the lease agreement.	Action should be taken to recover the revenue without delay and if not, action should be taken in accordance with the agreement.	Agreed with the observations.
(iii) The security camera system purchased by incurring Rs. 3,441,110 in December 2015 by the Authority had been inactive during the year 2017 and had not been repaired even by February 2020.	Action should be taken to make use after relevant repairs.	Due to non-availability of an Officer with technical knowledge, this has occurred and instructions have been given for the repairs.

**(b) Development Construction and Machinery Authority**

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>A debtor balance amounting Rs. 911,842 had been written off by the Authority as bad debts on the approval of the board of Directors as the debtors had refused the payments due to lack of requisitions of debtors for performing the relevant services.</p>	<p>Action should be taken to check the documents in the possession of the Authority to prove that the relevant services have been rendered and to recover the debtor balances.</p>	<p>The comments had not been furnished.</p>

**(c) Early Childhood Education Development Authority**

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>Even though the main function of the Authority is to register all the Early Childhood Development Centres established and maintained in the Sabaragamuwa Province, There were 275 pre-schools which have not been registered even by the year 2019. Further, the number of pre-schools which have not updated their annual registration for the year 2019 amounted to 824 while. It was 67 per cent of the total registered number of 1238.</p>	<p>Action should be taken to register all pre-schools.</p>	<p>Ten pre-schools have been closed down out of 1269 of all the pre-schools registered in the Sabaragamuwa Province at Present. Out of 824 pre-schools whose annual registration has not been updated, 571 pre-schools had updated their annual registration. One hundred pre-schools that have applied for registration have also been identified.</p>

**(d) Pinnawala Ancient Village Theme Park**

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
When an officer appointed to act or cover duties in another post in addition to the permanent post of the officer, in terms of paragraph 03 (vii) of Public Finance Circular No. 03/2014 dated 30 December 2014, the telephone allowances entitled under the 2(iii)(b) of the Circular can be paid only under the maximum monthly combined expenditure limit applicable to one post. Contrary to that, the telephone allowances of Rs. 87,500 and Rs. 100,000 had been over paid from the year 2017 up to June 2019 to the chairman and the chief executive officer respectively.	The payments should be made in accordance with the circular and action should be taken to recover the overpayments.	The Comments had not been furnished.

**(e) Housing Development Fund**

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
The objectives of the Housing Development Fund could not be accomplished due to not crediting the money to the Fund from the year 2017 in terms of the Section 03 of the Charter of the Establishment of Housing Development fund in the Sabaragamuwa Province No. 05 of 1993.	Action should be taken in terms of the Charter.	The provincial council grants were not received from the year 2017. A methodology will be made to obtain money to the fund in future.

**(f) Social Services Fund**

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Audit Observation

Recommendation

Comments of the Chief  
Accounting Officer

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In terms of Regulation 24 on fund raising, to the fund, utilising of fund and administration of the fund of the Charter of the Establishment of Social Services Fund No 04 of 1994, it was stated that relief could be provided to persons from extremely poor families who have not received assistance or relief under any other assistance scheme. Nevertheless, due to inadequate surveys of such families and failure to identify them and provide assistance, the expenditure incurred in the year 2018 for material and cash aid amounting to Rs. 18,669,207 had declined up to Rs. 9,801,742 in the year 2019. However a balance of Rs. 79,133,415 had remained in the fund as at the end of the year under review.

Action should be taken to utilize the fund optimally.

The aid had been provided to the families identified by the Social Services Officers and the Development Officers attached to the Divisional Secretariats.

## 4.2 Commercial Advance Accounts

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### (a) Undugoda - Animal Husbandry Development and Training Centre

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Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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Even though the Kegalle District has a climate that allows for year - round cultivation and animal husbandry, the farm has utilized only 50 per cent of the land area of about 100 acres belonging to the farm. Accordingly, the machinery and equipment of the farm had not been utilized for production activities at maximum capacity.	The land area of the farm and the physical resources should be utilized optimally.	Action will be taken to expand the existing market for farm produce by obtaining the necessary provisions and expanding the farm.

### b) Meneripitiya – Atulugama Education Development Centre Advance Account

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Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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In accepting of cash amounting to Rs. 3,266,764 from 31 receipts during the period of from May to October 2019 in the Meneripitiya Education Development Centre, the originals of the receipts were retained in the institution without being issued to the payer Contrary to the provisions of the Provincial Financial Rules 113.3.1 of the Sabaragamuwa Province.	Receipts should be issued at the time of receipt of income.	Receipts for revenue received have been issued on time and sending to the relevant institutions were delayed. The officer in charge of the relevant centres has been instructed not to make such shortcomings in the future.

## 5. Operating Review

### 5.1 Performance

#### 5.1.1 Government Grants

The details of the provisions received for the Provincial Council Development proposals and the utilization are given below.

Source	Amount Received for the Provincial Council	Amount Spent	Under utilization
	Rs. Million	Rs. Million	Rs. Million
(a) Provincial Specific Development Grants (PSDG)	1,293	1,404	} 11
(b) Provincial Development Grants (PDG)	276	*	
(c) Criteria Based Grants (CBG)	240	394	
(d) Special Sector Development Project Grant (Health)	<u>185</u>	<u>169</u>	
	<u>1,994</u>	<u>1,967</u>	<u>27</u>

- Expenditure on Provincial Development grants (PDG) includes in the expenditure of the (PSDG) and (CBG)

#### 5.1.2 Provincial Development Plan

##### Audit Observation

Even though a total of Rs. 6,255,510 has been approved for 8 programs included in the Development Plan of the Department of Ayurveda in the year under review, a sum of

##### Recommendation

Steps should be taken to maximize the implementation of planned programs.

##### Comments of the Chief Accounting Officer

This situation has arisen since the Development Plan for the year under review was approved in June 2019.

Rs.3,040,889 out of that had been saved as per the progress report as at 31 December 2019 and that has ranged from 19 per cent to 100 per cent out of the money allocated to those programs. Furthermore, it was observed, the fact that the programs were approved very close to the end of the year was the reason for this situation.

## 5.2 Management Inefficiencies

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(a) Eleven land blocks with an extent of 0.6867 hectares, out of 1.9263 hectares where the Executive Engineer's office Rambukkana is located had been acquired by the unauthorized Occupants. This land which was in the possession of the public works Department was handed over to the Road Development Authority in the year 1987 and thereafter to the Deputy Chief Secretary (Engineering Services) office irregularly and the acquisition has not taken place yet.	Necessary action should be taken to vesting the lands maintained by the institutions under the office of the Deputy Chief Secretary (Engineering Services) to the Provincial Council.	Maximum action has been taken regarding this land at Present.
(b) Even though it has been decided during the year 2015 to revise the business name registration fees in the Province with a view to identifying new revenue methods in the province and improving revenue methods, the nearly 30 years old tariff system had been implemented.	Fees should be revised from time to time to give maximum benefit to the Government.	As the term of office of the Sabaragamuwa Provincial Council has come to an end and as the charters cannot be amended there will be no opportunity to amend the tariffs until a new Provincial Council is elected.

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| <p>(c) The Commissioner General of Land and the Minister had approved in the years 2011 and 2016 respectively to grant 9.9123 hectares of government lands which are being occupied unauthorisedly from the year 1995 in the Embilipitiya Divisional Secretariat Division on long term lease basis. Action had not been taken to recover the arrears of taxes amounting to Rs.10,451,432 recoverable from 04 persons who occupied the respective lands and to issue a long term lease even by 13 January 2020.</p> | <p>Prompt action should be taken for issuance of leases and to recover arrears of taxes.</p>                  | <p>The approval was received for the requests of the occupants in respect of taxes and future action will be taken accordingly.</p>      |
| <p>(d) Even though it was revealed by Department of Provincial Internal Audit that the allowances of Rs.409,000 had been falsely obtained from a society by indicating that the officers of the Department of Co-operative Development had participated in the election activities of the relevant Society, action had not been taken in this regard by the Department of Co-operative Development.</p>  | <p>All officers who obtained false payments should be identified and the relevant charges should be made.</p> | <p>The Assistant Commissioner has been informed to recover from the officers mentioned in the report relating to the false payments.</p> |

### 5.3 Operating Inefficiencies

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Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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<p>(a) The functions of the Department of co-operative Development have been identified as the development of co-operative societies, the management of co-operative societies and the provision of advisory service to societies, but according to the last financial statements submitted by 687 co-operative societies in the Sabaragamuwa Province, the total</p>	<p>Supervision of the financial control of the Societies should be streamlined.</p>	<p>Circulars are issued regarding the administration and financial functions of the societies from time to time, and action will be taken to provide relevant advices in future as well.</p>

financial loss of 156 societies amounted to Rs. 91,591,250.

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| (b) | Out of the loans granted by Co-operative Development fund to 07 Cooperative Societies during the period from the year 1997 up to the year 2009, the balances of loan receivable and the interest as at 31 December 2019 amounted to Rs. 4,456,444 and Rs. 6,536,961 respectively while proper action had not been taken to recover those loan balances. | Proper action should be taken to recover outstanding loans and interest. | Steps have been taken to liquidate the Co-operative Societies, agree to collect instalments etc. Existing of inactive Societies and the inability to find information are reasons for this situation. |
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#### 5.4 Transactions of Contentious Nature

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Audit Observation	Recommendation	Comments of the Chief Accounting Officer
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(a) The payment of a monthly fuel allowance to the Mayors and the Chairmen of the Local Government Institutions subject to a limit of Rs. 5,000 had been approved by the Circular of the Commissioner of Local Government No 03/2012 (1) dated 28 November 2014. Despite that each Council has been giving an approved number of litres of fuel per month to the Heads of Local Government Institutions, it is a matter as contentious nature that a monthly fuel allowance had been approved.	Since the amount of fuel approved by the Council is provided monthly for the Mayors and the Chairmen of the Local Government Institutions, the payment as a fuel allowance in addition to that is irregular.	The Minister in charge of the subject is authorized in respect of the allowances to be paid to the Chairmen and the members of a Pradeshiya Sabha under 184(f) of the Pradeshiya Sabha Act No 15 of 1987 and the Minister had approved the payment of relevant fuel allowance in terms of above authority.
(b) On the provisions of the Ministry of Education, for implementing the Nearest School Best School Project in the Sabaragamuwa Province and in paying allowances to the officers employed thereon, a special allowance was added to the basic salary of the executive officers and 1/3 of it was paid as an allowance in terms of the letter No 7/3/9/11 of	In paying allowances the payments should be made based on the basic salary.	Payments had been made with the approval of the Governor.

the Governor of the Sabaragamuwa Province dated 07 September 2016. As such, a sum of Rs. 336,666 had been overpaid during the period from the year 2016 to 2018 for the officers of the Provincial Department of Education and Zonal Education officers of the Province.

**5.5 Failure to perform the Functions**

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Audit Observation

Recommendation

Comments of the Chief Accounting Officer

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In terms of section 5.5 of the chapter 3 of the manual for public Health Inspectors, it was stated that, it should be inspected the food consuming institutions classified as C and D for once a month, institutions classified as B for every two months and institutions classified as ‘A’ for every 3 months. Nevertheless, during the test check carried out on 374 food consuming institutions in 03 public Health Inspectors Divisions in the office of Medical Health officer Pelmadulla, all of the institutions had not been inspected as such in the years 2017, 2018 and 2019.

Programms should be designed in such a way that all institutions are subject to check and proper supervision should be conducted thereon.

This is due to the transfer at officers, giving priority to the dengue epidemic and the failure to update information on closed institutions. Steps have been taken to resolve these problematic conditions and streamline future investigations.

## 5.6 Deficiencies in Contract Administration

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### Audit Observation

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In terms of Guideline 5.4.8 (a) of the Government Procurement Guidelines-2006, a performance security of Rs. 6,035,509 had not been obtained relating to the construction work of new five storied hostel building in the Pussalla Training Centre which work value amounting to Rs. 120,710,188. Thirty five per cent of the contracted value amounting to Rs. 42,248,566 had been paid as advances Contrary to the Guideline 5.4.4 (i) and as such, a sum of Rs. 18,106,528 had been overpaid. From the interim bills paid up to 19 October 2020, a sum of Rs. 17,546,238 had been recovered as advance and Rs. 24,702,328 is to be recovered. Furthermore, the constructions had not been completed even by 24 June 2020, while the contractor had stopped the construction works halfway.

### Recommendation

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The Contracts should be carried out in terms of Government Procurement Guidelines.

### Comments of the Chief Accounting Officer

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As the Authority is an institution belongs to the Sabaragamuwa Provincial Council the performance guarantees had not been obtained from the beginning in awarding contracts related to the construction industry to this institution. Action was taken to grant an advance of Rs. 42,248,566 subject to the approval of the then Chief Secretary. The Authority had been informed in several instances for the payment of advance recoverable and action is being taken to recover these advances from other works bills and retention money which payable to that Institution.

An estimate has been called from the Deputy Chief Secretary (Engineering Services) for the remaining work on this building. Currently the awarding contracts related to the construction industry to the Development Construction and Machinery Authority has been Suspended.

## 5.7 Implementation of Projects

### Not achieving the Expected Benefits

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
Even though, providing equipment and construction of buildings for the tourist houses in the Seelogama Tourist village had been made by the Provincial Ministry of Roads with an objective to promote tourism in the Sabaragamuwa Province by incurring Rs. 2,030,475 during the period from the year 2014 to 2018, those equipment/ buildings had not been utilized for the related objective.	Proper monitoring should be done to ensure that the intended objectives are executed.	Relevant Institutions have given their consent to use the equipment provided for the intended objectives.

## 5.8 Staff Administration

### 5.8.1 Staff shortages in other Institutions of the Provincial Council except in the field of Education and Health

The following matters were observed.

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
(a) The post of Assistant Secretary (Examinations) of the Provincial Public Service Commission had remained vacant since the inception of the Commission and the post of Assistant Secretary (Administration) had remained vacant from the year 2001, while 02 posts out of 03 approved posts in the senior level had remained vacant for over a long period.	Required immediate Vacancies should be filled.	The vacancies in the posts of Assistant Secretary are in the Sri Lanka Administrative Service.

- (b) The post of Provincial Director of Sports in the Department of sports development had been vacant since 2012 and the post of Assistant Director (Technical) has been vacant since 2016. Recruitments should be done for vacant posts. Steps will be taken to fill the relevant vacancy as soon as possible.
- (c) One post out of 02 posts of Assistant Secretary of the Ministry of Lands had remained vacant from the inception of the Ministry while 07 vacancies including above post as well had remained vacant even by end of the year under review. Required immediate Vacancies should be filled. Even though it is required to make requirements, the vacancies could not be filled due to lack of space in the Ministry.
- (d) Fifty seven vacancies in the Secondary Level including 12 posts of Technical Officer special Grade, 15 vacancies of 03 posts of Draughtsman – Special Grade. 29 Technical Officers (I/II/III), 16 Development Officers, 02 posts of Management Assistant, 09 posts of Technical Assistant and one post of Draughtsman (I/II/III) and 12 vacancies in primary Level had remained vacant in the office of the Deputy Chief Secretary (Engineering Services) even by the end of the year under review. Required immediate Vacancies should be filled. Actions are being taken for recruitments by the Provincial Public service Commission.
- (e) The post of Secretary in 13 Local Government Institutions had remained vacant since the period from the year 2002 to 2016, while the post of secretary of 02 Pradeshiya Sabhas had remained vacant. Required immediate Vacancies should be filled. Provincial Public Service Commission has been informed to fill vacancies.

from the year 2018. Even though the officers were being attached to the relevant posts on an acting basis, action had not been taken to appoint permanent officers for that posts even by the end of the year under review.

### 5.8.2 Staff shortages and Redundancies in the field of Education

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>There were 167, 62, 08 and 28 teacher excesses in 44 schools in Kegalle, Galigamuwa, Dedigama and Warakapola Educational Divisions respectively and there were 40 teacher vacancies in 11 schools. In terms of paragraph 8.2 of the Circular No ED/03/38/03/13 of the Secretary of the Ministry of Education dated 07 January 2016, the teacher shortages and redundancies had not been calculated and had not been balanced the teachers in the zone by taking into account the teachers transfer policy as well.</p>	<p>The teacher transfer policy should be executed in terms of the provisions of Circular.</p>	<p>In practically there is no surplus of teachers and steps have been taken to transfer the surplus teachers to schools where there is a shortage during the annual transfers. Letters have been sent to obtain information on excess teachers after being pointed out by the audit query.</p>

### 5.8.3 Staff Redundancies and shortages in the field of Health

Audit Observation	Recommendation	Comments of the Chief Accounting Officer
<p>(a) At the end of the year under review, there were vacancies such as 230 Medical Officers, 334 Nursing Officers, 29 Nursing Sisters, 251 Public Health Midwives, 165 Attendants and it</p>	<p>Action should be taken to make recruitments for the vacancies.</p>	<p>Recruitments for the posts of the Department of Health will be done by the Line Ministry.</p>

could be adversely affected for the performance of the Provincial Health Service.

- (b) There were 190 vacancies of officers in the Provincial Department of Ayurveda and a Deputy Provincial Commissioner of Ayurveda, 11 Specialists, 01 Ayurveda Medical Superintendent and 01 Ayurveda Medical Officer (officer in charge), a Supervisory Medical Officers of Community Medicine, 07 Nursing Officers, 02 Medical Laboratory Technicians, 34 Massage Therapists, 10 Pharmacists, 14 Dispensers and 41 Attendants had included in that vacant posts.
- Action should be taken to make recruitments for the vacancies.
- Respective Divisions have been informed to fill the vacancies and the Department of Management Services has been informed to revise the approved staff.

There was also a surplus of 12 Ayurveda Medical Officers and 85 normal and sanitary labourers.