

Central Provincial Council - 2019

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Central 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 Councils Act, No. 42 of 1987 and provisions of the National Audit Act No.19 of 2018. The summary report in terms of section 23(2) of the Provincial Council Act and provisions in Sub-section 11(1) of the National Audit Act No. 19 of 2018 was issued on 31 May 2019 and the Detailed Management Audit Report in terms of Section 11(2) of the National Audit Act was issued on 24 September. This report will be tabled in 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 Paragraph 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the Central Provincial Council as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

I conduct my audit in accordance with Sri Lanka Auditing Standard (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

The Management is responsible for the preparation of financial statements that give a true and fair 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 Number 19 of 2018, the North Central Provincial Council is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My Objective is to obtain, responsible 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. Responsible 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Provincial Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

1.5 Report on Other Legal And Regulatory Requirements

The financial statements presented by the Provincial Council is consistent with the preceding year as per the requirement of section 6 (i) (d) (iii) of the National Audit Act, No.19 of 2018.

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

Audit Observation	Recommendation	Comments by the Chief Accounting Officer
-----	-----	-----
(a) Although it had been stated as the Financial statements have been prepared on a cash basis of accounting, the statement of financial position had been included the Inter-Provincial debt settlement account balance of Rs.11,573,474 as an asset and amount of Rs.598,903,701 as total of payable deposits and other liabilities, various liabilities and inter-provincial loan settlement account.	Accounts should be prepared on the basis of disclosed accounting policies.	I would like to inform as the loan balances which should be received to the Provincial Council and had provided as advances for the officers who transferred to the Institute of Central Government and Local Government Agencies from the Central Provincial Council had been stated under the Current liabilities, and the balances of general deposits of W&OP the Impress balances of Mapanawathura resource center and the advance balances to the Public officers had been identified as liabilities since it could not be obtained the confirmations on transferring to the Provincial Treasury.

- | | | | |
|-----|--|--|----------------------------------|
| (b) | While the total expenditure amount of Rs.1,228,090,608 incurred by 08 institutions during the year under review for the improvement and acquisition of capital assets had not been stated under the non-financial assets on the statement of Financial Position also the reserve fund of non-current assets had been understated by this amount. | Taking actions to Capitalize the capital expenditure and disclose them in financial statements. | I accept the shortcoming |
| (c) | The total general deposit balances of Rs.37,513,684 which remained at the Divisional Secretariat Offices as at the end of the year under review had not been stated under the financial assets in the statement of financial position. | General Deposit Balance Indicated under Financial Assets in the Statement of Financial Position. | The comments had not been given. |

1.6.2 Receivable and payable accounts.

Audit Observation	Recommendation	Comment by the Chief Accounting Officer
-----	-----	-----
(a) Actions had not been taken to settle the loan balance for approved advances amount of Rs.171,994,728 which had stated as at the end of the year under review from several years.	Taking action to settle unresolved debt balances.	I would like to inform that the payments had been made from approved in advance for initiated to achieve is to continue uninterrupted service of Central Provincial Hospitals, and the actions will be taken to settled the balance of payment of Rs.171,988,242 after receiving the money from the line Ministry of Health. The decision had been given in 2001 by the Committee of Public accounts to settled the balance of Rs.6,486 of Co-operative Employees Commission by discussing with the Provincial Treasury.

(b) While it had not been settled for the inter-provincial transfer loan balance of Rs.6,956,869 which stated under the liabilities as at the end of the year under review and the balance of Rs.1,088,623 therein which was mentioned as the inter-provincial contingent account had increased to Rs.2,131,194 as at the end of the year.

Taking action to settle credit balances and identifying and settling suspense account balances.

The Provincial Treasury shows the balance to be paid until the loan balances of the officers who have been transferred to and from the Provincial Departments and Ministries have been transferred and settled and the balance of the loan is shown in the Inter-Provincial Uncertainty Account until the unidentified loan balances are identified and accounted for. I would like to inform you that action will be taken to clear it immediately.

(c) Actions had not been taken to settled the balance of Rs.716,768 of Hatton CEDA advance account which unchanging and coming from several year by under the various liabilities.

Take action to take in to accounts correctly.

Although this account balance applies to the Mapanawathura Resource Center Advance Account it had been mentioned as Hatton CEDA advance account due to a typing error. While the approval had been obtained to close the Mapanawathura Resource center advance account by the Governor accordingly actions are undertaking.

1.6.3 Non-settled Imprest Balance

Audit Observation

While there was a total outstanding imprest balance of RS.37,930,645 relating the year 2003, 2006 and 2019 as at 31 December 31 of the year under review, also this balance had been included with total outstanding imprest amount of Rs.37,713,088 of 17 entities relating the year 2019

Recommendation

Take action to settle the imprest balance that still needs to be settled.

Comment by the Chief Accounting Officer

I would like to inform you that an amount of Rs.14, 150 had been received from the balance of Rs.136, 243 relating the year 2003 and there was a difference between the treasury and the ledger accounts of Rs.81, 314 relating the balance of the year 2006 and actions will be taken to settled them and an imprest amount of Rs.34, 101,770 had been settled from the 14 entities.

1.6.4 Non Compliances.

Non Compliance to the laws, rules, regulations and management decisions.

Audit Observation	Recommendation	Comment by the Chief Accounting Officer
-----	-----	-----
(a) Statutory Orders. -----		
(i) Although it should be obtained the relevant reports by the field officers once within two years to avoiding the government land encroachment as per the order 180 of Government Land of Ordinance, actions had not been taken to obtain the reports from the 20 divisions in the year under review.	Taking actions according to circular instructions.	The relevant officers have been adequately informed by the Administrative Grama Niladhari and I will obtain the two weekly reports in the year 2020 in proper manner.
(ii) Although it had been identified 9071 business entities which could not be registered as per the Business registration act No.06 of 1918 within the central Province, actions had not been taken to registered in terms of the Act.	Taking actions to register the all business entities.	Entrepreneurs are advised to register unregistered businesses.

(iii)	According to the Public Service Provident Fund Act 1942, the employee and employer contribution amount of Rs.1,508,130 which should to be remitted for the allowances of 11 members of the private staff of the Chairman of the Council for the period from October of 2018 to July 2020 had not been remitted to the fund.	Taking actions in accordance with the Ordinance.	I accept the shortcoming.
-------	---	--	---------------------------

(b) Central Province Financial Rule Code (P.F.R) 60

While it had not been stated the 18 damages which had occurred in the year under review and 41 damages which occurred in the year 2018 on the damage record register of the chief Secretary office as per the PFR 60 and claims of Rs.1,252,893 and Rs.5,229,945 had been received for those damaged respectively.	Taking actions in accordance with the relevant rules and regulations.	I accept the shortcoming.
--	---	---------------------------

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Actions had not been taken regarding the deposits worth of Rs.1,477,010 which exceeding 02 years in the Provincial Education Department in accordance with Financial Regulation 571.	Actions should be taken to take over the expired deposit to the government income.	It will be corrected in the future.
--	--	-------------------------------------

(d) Circulars of the Presidential Secretariat

Although it had not provided allocation from the circular no.PS/CSA/11-18 of the Presidential secretary dated on 12 October 2018 on Public spending management A total house rental amount of Rs.420,000 as Rs.40, 000 for each month had been paid to the Chairman of the Central provincial Council.

Actions should be taken in accordance with the circular.

The approval had been given to pay a monthly rent amount of Rs.40,000 to the Chairman by the provincial Cabinet Decision of CPC/CM/CB/2013/35 dated on 27.11.2013, accordingly, the monthly payment of Rs.40,000 had been made for the Chairman.

(e) Other Circulars

Although the allocation had not been provided by the Public Administration circular no. 05/2016 dated on 09 March 2016 a total transport allowance of Rs.2,593,382 as Rs.95,000 for each month had been paid to the Chairman of the Provincial Council for the period from March 2018 to July 2020.

Taking actions in compliance with circulars.

While the person who bearing the post of chairman could not be a public officer according to provision of the E-Code allocation had been provided to use official vehicles and receiving fuel allowances his according to the Circular no. PS/ASA/11-18 dated on 12.10.2018. The financial power of the Provincial Council is primarily vested in the Hon. Governor according to the provisions of the Provincial Councils Act No. 42 of 1987

(2) Revenue Administration

Audit Observation	Recommendation	Comment by the Chief Accounting Officer
(a) The variance between the net estimated revenue and the actual revenue has been increased from 11 percent to 128 percent from Rs.498, 820 to Rs.190,477,192 of 9 revenue codes and the variance between the estimated revenue and the actual revenue has been increased from 10 percent to 93 percent i.e. from Rs.1,662,197 to Rs.508,588,856 of 10 revenue codes in the year under review.	Taking actions to prepare realistic estimates.	Accept the deficiencies
(b) Stamp fees behalf on assigning the properties in the year 2017, 2018 and 2019 which was amounting to Rs.1,318,052, Rs.4,060,100 and Rs.653,150 had been cut off.	Taking action to recover the arrears.	Release of arrears is done in accordance with Sections 79 and 87 of the Monetary Charter No. 17 of 1990.
(c) Outstanding land revenue of 36 Divisional Secretariats in the Central Province as at 31 December 2019 was amounting to Rs.18,231,381	Taking action to recover income.	I would like to inform you that the collection of tax revenue will continue throughout the year.

- | | | | |
|-----|--|--|---|
| (d) | Action had not been taken to collect the rent of Rs.13,200,000 for utilizing the a plot of land belonging to the Kundasale Government Farm of the Department of Agriculture by the State Timber Corporation for 24 years from 1990 to 2014. | Taking actions to recover the arrears rent income. | The divisional secretary of Kundasale had been informed as take the actions to collect the arrears rent income immediately. |
| (e) | while the Malabar house building located in the Anagarika Dharmapala Avenue which had allocated to the chief minister as the dissolution of the council had been handed over to the project of Gramashakthi, although it should be collected the monthly rent amount of Rs.325,000 which had assessed by the government assessor as per the condition of the agreement of hand over the circuit The rental amount of Rs.2,925,000 relating the time period from 15 March 2019 to 22 December 2019 had not been received. | Taking action to recover the rent due. | I would like to inform that action will be taken to recover in the future. |
| (f) | Although the tax period of the land which had leased out to a Young Buddhist Society for long term basis at the area of authority of the Ukuwela | Taking action to re-lease or renew contracts. | While lease had over in the year 2017 and re-leasing is in progress. The tax will be extended after receipt of the assessment report. |

Divisional Secretariat Office had been finished, actions had not been taken to leased out again this property or renew the agreements or taking over the ownership or doing some relevant and appropriate thing.

- (g) While 1,900 square feet of the ground floor of the new building of Central Provincial Co-operative Development Department and the building which exists the Pallekale co-op Mart had been rent out without assessment from the year 2013 to 2020 and 683 square feet had been rent out for 03 entities without an agreement of levying any rental.
- Obtaining an assessment when renting government buildings and charging a rent that is suitable for the present.
- I acknowledge that the agreement has not been renewed. Arrangements have been made to update it and to pay rent for the space given to other institutions.

3. Financial Review

3.1 Financial Results.

According to the financial Statements Presented there was a deficit of Rs.32,476,105,845 in the Provincial Council fund for the year ended 31 December 2019 as compared with the corresponding deficit of Rs.28,974,672,234 in the preceding year.

4. Ordinance Accounts/Funds Accounts/ Commercial Advance Accounts and Other Advance Accounts.

4.1 Ordinance Accounts/ Fund Accounts.

4.1.1 Central Provincial Road Development Authority.

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
(a) An amount of Rs.28,230,259 which had transferred to the general deposit account in the year 2019 from allocation amount of RS.600,000,000 which had received for road maintenance at Central Provincial Road Development Authority in the year under review had been stated as an expenditure on statement of financial performance for the year 2019.	Taking action to use the provisions for the relevant purpose.	The money left over on the VAT Amendment at December 2019.
(b) Although the Chairman and the Board of Directors of the Provincial Road Development Authority are not entitled for receiving the bonus as per the section 8.3.2(b) of the circular No.	Not taking actions beyond circulars.	Approval of Governor had been received.

PED/12 dated on 02 June 2003 of Department of Public Enterprises, an amount of Rs.725,000 had been paid as bonuses to the Chairman and to the members of the director board for the years 2017 and 2018.

- | | | | |
|-----|---|---|--|
| (c) | The late fee which had collected from 56 industries had been less by an amount of Rs.1,797,310 than the what should to be collected as per the terms of the Construction Industry Development Authority (CIDA). | Taking action to recover the late fees correctly. | Due to Saturdays , Sundays and Poya days being holidays of the institute, the delay charges have been calculate by reducing those days |
| (d) | An amount of Rs.50,625,682 had been expended for paying salaries from the amount of Rs.600,000,000 which had allocated for road maintenance in the year 2019 to the Provincial Road Development Authority. | Taking action to use the provisions for the relevant purpose. | This pays had been done for workers hired on a check roll basis for road maintenance |
| (e) | Although the estimated value was amounting to Rs.56,000,000 for the vote of road maintenance machinery rent for the year | Adherence to estimate limits. | This is caused by receiving rent income of 32 million in cash which had to be received in the year 2017. |

2019, The amount which expended over the estimate was amounting to Rs.28,277,163 due to the expended value was amounting to Rs.84,277,163

4.1.2 Central Provincial Regional Economic Development Agency (REDA)

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
(a) Although the Katukithula lounge could not be leased as interim and could not be done structural changes according to the agreement which had reached with the Road Development Authority and the Regional Economic Development Agency, while the Regional Economic Development Agency had been leased out it to a private institution and it had been changed the structure of the institution by expending an amount of 6 million rupees nearly by them. Further, action had not been taken to recover the outstanding tax of	Taking action to recover arrears of rent income.	Comments had not been given.

Rs.2,164,390 due from that institution from February 2013 to December 2019.

- | | | | |
|-----|--|--|------------------------------|
| (b) | The Regional Economic Development Agency had not been prepared the administrative and financial regulations affecting the day-to-day operations according to paragraph 4(9) of the Charter of the Regional Economic Development Agency and functions of the institution and a scheme of recruitment had not been prepared and approved as per paragraph 05 of the Charter. | Taking actions in accordance with the charter. | Comments had not been given. |
| (c) | An amount of Rs.55,000,000 had been invested in fixed deposits as at 31 December 2019 without taking actions relating to the surplus according to the decision of Provincial cabinet as per the section 6.3 of charter of Regional Economic Development Agency. | Taking actions in accordance with the charter. | Comments had not been given. |

(d)	An amount of Rs.1,496,660 had been spent on providing flower pots for urban beautification outside the objective established by the Regional Economic Development Agency.	Working to achieve the objectives what had established by the institution.	Comments had not been given.
-----	---	--	------------------------------

4.2 Commercial Advance Account

4.2.1 The Hatton Resource center

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----

(a)	The deficit amount of Rs.574,833 may be increased up to Rs.2,619,152 if the amount of Rs.2,044,319 which had paid for four officers who serving this institute permanently by receiving salaries and wages amount from Department of Education and those remuneration may be adjusted in account of revenue and expenditures.	Take action to reduce the deficit.	Observation is accepted.
-----	---	------------------------------------	--------------------------

- | | | | |
|-----|---|--|------------------------------|
| (b) | An amount of Rs.1,477,766 incurred on defense service charges and cleanliness service charges could not be covered Out of the total revenue of Rs.1,214,128 for the year under review. | Actions should be taken to record by identifying non-current assets. | Comments had not been given. |
| (c) | Although the company revenue receipts had been declined during the period from 2012 to 2019 by 27 percent to 65 percent when comparing with the year 2012 from time to time within the period from 2012 to 2019 any action had not been taken by the management in this regard. | Taking action to reduce costs and increase revenue. | Comments had not been given. |

4.2.2 The Advance Account of Agricultural Planting Material

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
although the purpose of this advance account which maintained by the Ministry of Provincial Agriculture was to be provided high quality seed and planting material farmers in Central Province by purchasing, seeds and planting material had been provided to	Taking actions in accordance with the purpose of the advance accounting activity.	The maximum financial limit had been decided as Rs.815,000 by a cabinet paper Many years ago. Therefore, although the farmers have been planting material requirement had been arise, actions cannot be taken beyond the.

farmers under 50 percent contribution by expending an amount of Rs.9,710,427 for the same process by the Provincial Department of Agricultural which was under the same ministry. Furniture worth of Rs.1,234,766 inside that had been caught by the termites

4.2.3 The Advance Account of Galpalama Farm

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
(a) Although the use of chemical fertilizers had not used for farm cultivation in the year 2012 since the Department of Agriculture implemented various projects to reduce the use of chemical fertilizers, the purchase of chemical fertilizers had been increased from Rs.61, 750 to Rs.516,965 from the year 2013 to 2019.	Focus on minimizing the use of chemical fertilizers.	Currently it has available harvested hybrid exotic seeds at the market. The nutrient requirement for these is very high.

- | | | | |
|-----|--|--|---|
| (b) | Although the total land area of the farm is 23 acres, the amount of cultivated land which was continuously used for earning income related to advance accounting activities was limited to 14 acres. | Taking action to increase the farm income by utilizing the maximum land area that can be cultivated. | I will take actions to increase the productivity of the land by focus on this regard. |
| (c) | Although the cultivation had been carried out in the District of Nuwaraeliya also within last rest of the year The resource had been idle because of the use of resources only about 50 percent of cultivated crops was possible because only one season per year at the Galpalama farm. | Taking actions for cultivated throughout the year title for the optimum use of land. | I have requested for new workers and accordingly I will take steps to gradually increase the cultivable area in the future. |

4.2.4 Advance Account of Drug Supplying of Department of Provincial livestock Production Health Department

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
(a) Drugs worth Rs.5,277,523 had been purchased during the year under review while the final stock was Rs.4,938,477 at	Purchases must be made on the annual requirements basis.	Since it takes about 2 months at the beginning of the year to purchase the drugs, the veterinary office level maintains a safe stock as the

the end of last year due to improper preparation of drug estimates. Accordingly, at the end of the year under review, stocks worth Rs.3,518,722, which was 34% of the total wholesale cost, remained unutilized.

(b) Although the objective of the advance accounts to meet the need of drugs for the animals brought for treatment to the Peradeniya veterinary hospital, but the utilization of the limits of allocations had been became to a weak level continuously from several years relating this advance due to continuing the veterinary pharmacy by the employee welfare society without the formal legal frame.

Taking actions to utilize the allocations for reach the objective of Advance accounts.

animals have to be treated continuously during that time.

I would like to inform you that notes have been taken to prepare a more transparent and formal plan regarding the use of drugs.

4.3 Other Advance Accounts.

4.3.1 Provincial Public Officers' Advance Account.

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) Actions had not been taken to settled the receivable loan balance of Rs.76,230,006 which had to be received from 2894 officers who transferred from the Department of Education of the Central Province and an amount of Rs.30,889,780 which had to be settled for 1059 officers who came after transferring as per the National Budgetary circular no 118 of director general of National budget dated on 11 October 2004.	Taking actions according to the circulars and taking actions to follow up the instructions of Provincial treasury regarding the old loan balances.	An amount of Rs.4,338,150 of 49 officers who transferred among zones and the checks had been settled as at 30 June 2020.Work is underway to clear the remaining debt balance .
(b) While it was 89 percent out of total loan balance due to the loan balance which could not recovered within the period of 1 to 23 years from the loan balance had to be received at the Department of Education of the Central province was amounting	Actions should be taken to recover by finding the reasons for not to settle from the retirement gratuity.	An amount of Rs.4,338,150 of 49 officers who transferred among zones and the checks had been settled as at 30 June 2020.Work is underway to clear the remaining debt balance .

to Rs.67,740,684, and the value of loan balance which could not be settled from the period of 1 to 23 years was amounting to Rs.26,176,217 from the balance of loan what had to be settled. That was 85 percent out of the total balance of creditors.

(c) While the receivable loan balance relating the 259 officers who had transferred and had died as at the end of the year under review was amounting to Rs.11,173,799 and the value of which over the 05 years and included that balance was amounting to Rs.1,694,649.

Taking actions as per the E-Code to settle and to recover the loan balances.

while the Provisions have been received from the Department of Pensions to settle the debt balances of several officers and the debt balance of one officer has been recovered from the death gratuity. Work is underway to settle the debt balances of other officers.

(d) While the loan balance which had to be received from the 144 employee who had interdicted and quited the service of the Provincial Department of Education was amounting to Rs.5,439,775 and an amount of Rs.3,392,787 which had elapsed 05 years had been included thereof.

Taking proper actions relating the loan balance which could not be recovered.

Comments had not been given.

- (e) The error debit balances which remained zonal offices of Wattagama and Walapane amounting to Rs.5,815,894 and Rs.1,652,050 respectively which had included in the differance amounting to Rs.6,596211 between summery of individual balances and control account of the Department coming from several years, had not been corrected. Also actions had not been taken to correct the over collection of Rs.988,789 of 07 entities and the over payment of Rs.117,055 of 02 zones by the Department of Education.
- Working to correct erroneous debits and credits.
- I will inform you that the false debit will be corrected in the future.

5. Operational Review

5.1 Performance

5.1.1 Government Grants

Source	Approved amount	expended money	Underutilization
	Rs. million	Rs. million	Rs. million
(a) Provincial Specific Development Grants (PSDG)	1,792.51	1,767.39	25.12
(b) Criteria Based Grants (CBG)	164.05	154.62	9.43
(c) Special Sector Development Project Grants (Educational)	110 .00	106.84	3.16
(d) Special Sector Development Project Grants (Health)	81.06	40.57	40.49
the sum of	<u>2,147.62</u>	<u>2,069.42</u>	<u>78.20</u>

5.1.2 Provincial Development Plan

Progress of the new work with the estimated value of 2,147.62 million rupees that had approved under the provincial development plan for the year under review and of the 2504 continuation works are as follows.

Description	Number of new projects	Number of continuation proposals	Total number of projects	Estimated value of total work
				Rs. million
(a) Completely finished	2254	156	2410	1,831.80
(b) Less than 50% completed	32	6	38	301.48
(c) More than 50% completed	38	11	49	287.70
(d) Had not been started	6	1	7	-
	<u>2330</u>	<u>174</u>	<u>2504</u>	<u>2,420.98</u>

Updated organization chart relating the year under review, approved and actual staff, budget priorities, schedule of the implementation to the time frame, expected outputs/ results of the activities and annual imprest needs plan including the schedule to the annual action plan for the each appropriation Heads had not been prepared.

5.2 Management Inefficiencies

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) While it had not been recovered the loan amount of Rs.1,025,000 which had provided from the Co-operative Fund in 08 occasions from the year 1991 to the year 2013 and loans of Rs.2,080,500 granted to two Co-operative Societies had been slow to recover.	Taking actions according to the agreement if the repayment of loans are being neglecting.	There is a problem with debt recovering. Taking action to settle the liquidation of the liquidating societies with liquidity and obtain approval to write off the debts of the last 5 liquidated unions.
(b) Although the Cooperative Commission had regulate regard to the non-implementation of the order was contrary to the Commission on matters such as staff appointments and carry over 60 employees employment positions detention of Cooperative Employees, Commission had not been taken any action regarding non implementation of them.	Taking further action If the orders are not executed.	I would like to inform you that the unions will be made aware again and will act according to the rules.

- | | | |
|--|---|---|
| <p>(c) 08 schools which belong to the Naula Zonal Educational office had been closed due to decreasing of students within the period from the year 2001 to 2018.</p> | <p>Attach the teachers who working the relevant schools to other schools and taking appropriate action regarding the existing assets.</p> | <p>Comments had not been given.</p> |
| <p>(d)</p> | | |
| <p>(i) Rs.2,290,794 had been collected as water tax from 13 small hydro power plants in 05 Divisional Secretariat Divisions in the Kandy District in the year 2019 and the relevant companies had earned an income of Rs.848,269,441 for the 54,782,382 kilowatts of electricity generated during that year. The water tax was amounting to 0.27 percent when comparing with the income which had earned due to not amend laws of the charging the water tax timely.</p> | <p>Taking action to levy tax on the number of units of electricity produced by power plants.</p> | <p>Actions had been taken according to the circular 2010/02 which amended the lease of State Land Ordinance, and the circular CLP/LC/LD/6/AP/1/2/3 and dated 13 January 2020 of the Provincial Land Commissioner.</p> |

- (ii) Although a revenue amount of Rs.118,033,048 had been earned by producing 8,430,32 kilowatts electricity within the period from January to December of the year 2019 by 04 mini hydro power plants which could not registered at the divisional secretariat office, any tax amount had not been received to the Udapalatha Divisional Secretariat office.
- Taking action to recover the tax arrears and it should be registered those power plants in the Divisional Secretariat office.
- One power plant is subject to tax from the Mahaweli Authority, action Being carried out to levying tax for more power station, and one company had continuing one power station of 500 Kw and action will be taken to collect taxes from the other power station after obtaining the observation report.
- (e)
- (i) Although an amount of Rs.2,187,455 had been received for acquisition of land of 04 schools in the divisional secretariat zones of Udapalatha, Panwila and Medadumbara within the period from august 2011 to June 2019, the relevant lands had not been acquired until January of 2020.
- Taking action to transfer the relevant lands.
- Order to acquire lands in 02 Udapalath Schools should be obtained from the Ministry of Lands and Parliamentary Reforms. Relevant lands in Panwila Divisional Secretariat have been identified as lands owned by the Plantation Corporation. The Medadumbara Divisional Secretariat has not submitted the relevant manual proposal to the Ministry of Lands.

- | | | |
|--|--|---|
| (ii) The Central Provincial Land Department had sent Rs.14,616,574 for the acquisition of lands in 17 schools in 12 Divisional Secretariats for a period of 1 to 5 years but those activities had not been completed. | Discuss and devise a way to formalize this process. | Provisions had not been available to present acquisition proposals before depositing the money. |
| (iii) Although it had been estimated the value of land of 37 schools had been estimated to Rs.197,375,000, but the next steps had been taken to acquire due to inadequate funds. | Taking actions to receive the allocations promptly by acknowledging the relevant parties. | Actions had been taken to acquire the allocation and given to priority to acquisition the school lands which could be acquired by paying allocation at the same time. |
| (f) while the illegal use of government lands was allowed due to non-operation of further actions regarding the of the files which had over the tax period due to non-updating the 3,220 of files relating leased out the lands in long term basis at 36 divisional secretariat offices of 03 districts necessary action had not been taken to evict the unauthorized occupants in 81 plots of | Taking actions to update files and recover arrears of taxes and remove unauthorized occupants. | I accept that the work on old long-term tax files has not been updated. |

land belonging to 05
Divisional Secretariats.

- | | | |
|---|--|--|
| <p>(g) It had not been able to assign the 30 units of lands belongs to the divisional secretariat office s and other entities to the government entities what had used them due to impossible to verify the legal ownership of the lands.</p> | <p>Take prompt action by confirming the legal right.</p> | <p>While the data have been collecting as GS levels and delays are arisen during the course of the acquisition of the connecting with the Departments of Assessing and Survey and with the Ministry of land.</p> |
|---|--|--|

5.3 Operational Inefficiencies

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
<p>(a) Although it had been elapsed 14 years nearly after built the first floor of the two-story building of St. Andrew's Girls' College, Nawalapitiya, which was constructed in 2005, the students studying in the building had been faced for an inconveniences due to water leaking into the classrooms during rainy seasons because second floor had not been constructed.</p>	<p>Taking action to complete the construction of two-story buildings in parts without delay.</p>	<p>The Kandy District Engineer has invited bids and informed that steps will be taken to repair the roof.</p>

- (b) The water supply system that had been given to the school by expending 65 lakhs of rupees nearly under the foreign grants had been remained idle within a period of 03 years since Failure to repair the water motor installed in the tube well of Rajathalawa Junior College and could not repair 02 inactive solar cells.
- Taking steps to meet the needs of teachers and students without allowing to idle the expenses incurred.
- Secretary of central Provincial Education and the Deputy Provincial Director of Engineering service (Pago.) had been informed.
- (c) The students of Hanguranketha CC college which had 990 students from grade 1 to grade 5 were studying in the midst of severe inconveniences as 03 Buildings of the College had been roofed by plates, without air windows and were low height as them had used by a tobacco company for drying tobacco.
- Taking actions to Providing even the minimum physical facilities.
- Accepted.
- (d) Although an amount of Rs.11,866,202 had been expended for constructing 03 “Hela Bojunhal” stalls at agri adviser divisions of Mathale, Kimbissa and Nalanda in Matale district under the programme of the local food promotion - 2016 by the Department of
- while it should have legality when supplying state properties to outside parties and taking action to generate an income as making advantage to the government.
- Actions will be taken to contractualisation with the Department and entrepreneurs.

Agriculture, a charge could not be collected since not entering to a formal agreement with selected entrepreneurs for marketing activities from the year 2018.

- (e) Although it had been planned to carried out 63,150 artificial insemination under the allocation of 2.8 Million rupees by the Department of Agriculture as per the action plan for the year 2019, while it had been carried out only 53,128 artificial insemination by expending 2.33 million rupees pregnancy and birth testing had been limited only to 13,000 and 14,345 respectively. Accordingly, progress of follow ups of pregnancy and birth tests from artificial insemination which carried out within the year under review by the artificial insemination officers and Livestock Development Instructors, had been remained at a low level as 24 percent and 27 percent.
- Increasing the performance of it by taking actions to increase the contribution of the Livestock Development Instructors towards artificial insemination, and increasing the follow-up actions and prepare the internal awareness programs for the farmers.
- while it had been carried out artificial insemination within the year 2019 53,128 During the year 2019, 53,128 artificial inseminations were performed and according to the available data in Sri Lanka, the fertility rate is 1/3 and the expected number of pregnant cows is around 17,709. It could be reported 14,435 births that is 81 percent by young cows who had birth for those 17,709 cows. While it had been given annual target of 27,170 for pregnancy test and it had been able to obtained 13,000 that is 48 from it.

- | | | | |
|-----|---|--|--|
| (f) | 03 quality control equipment's worth of Rs.2,702,500 which had purchased in the year 2008 for the quality control laboratory situated in the Department of engineering Service of Central Province, had not been used for any test. | Training of officers and making use of equipment. | These equipment could not be utilized due to non-availability of relevant officers and non-allocation of funds for training of officers. |
| (g) | The performance had been remained at a low level as 31 percent of 44 percent according to the received number request to the section of Architecture of Department Engineering Services of Central Province from 2016 to 2018 and completed number of requests. | Working to improve performance. | The requests had been cancelled of the lack of funds, and request that had received and at the end of the year had been completed in the next year. |
| (h) | Follow-up actions had not been taken regarding unpaid public assistance and medical allowances amounting Rs.733,800 which had returned from post offices to the 03 divisional secretariat offices in Matale district. | Taking action to inquire from post masters and carry out the follow ups. | It could be difficult to confirmed the beneficiaries who had not received the assistance due to delay in the receiving related documents after paying the public and medical assistance. |

- | | | | |
|-----|--|--|--|
| (i) | 781 out of 1,555 registered unions of the Department of Co-operative Development of Central Province had become inactive, and it had been planned for completion of 655 audits by plans in the year under review, the Department had been completed 478 only audits as at the end of the year. | Concern in this regard when the registration of the new unions | Co-operative societies which had started for various programs had been inactive as the program has completed. |
| (j) | although it had been passed the period of 06 to 27 years after cancelling the registration of the Kandy District Office, while the number of societies which had not liquidated was amounting to 36 and although it had passed 03 years after publishing for claim to liquidate, the number of societies which had not appointed liquidators amounting to 47 also, although it had been published by notices as they had cancelled the registration of 96 societies on 09 July 2018 announcement for claiming had not been issued. | Completion of liquidation of societies without delay. | while the vacancies of officers had been caused to delays in the society liquidating and it had been direct for announcement for claiming had been issued on 14.10.2019. |

- | | | | |
|-----|--|---|---|
| (k) | Although the number of disputes which had not completed the arbitrating was amounting to 1,253 13 officers out of 58 officers who qualified for arbitrating had not been directed to the arbitrating examinations. | Complete the arbitrating by making programme as at able to deploy the all officers who had qualified. | Although there are suitable officers, some officers do not engage in arbitrary examinations when they are unable to pass the time |
|-----|--|---|---|

5.4 Transactions of controversial

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) An allocation amount of Rs.3,400,000 had been allocated for the state dance team which was assets of the Central Provincial Cultural Department in the year 2019.although it should be accounted compulsorily the charges which charging when the outsourcing the dancing group, it had been accounted an amount of Rs.326,975 which had received only for 11 occasions out of 35 occasions of renting in the year 2019. for rent in 2019 was only Rs.326,975.	In providing services to external parties, the government should receive revenue and take action to account for all charges.	Action will be taken to be credited a percentage of the amount given in the future to the government revenue spent.
(b) According to the records maintained by the Emergency Care Unit of the Dambulla General Hospital for the year 2019, the hospital treatment and service charges were not charged	Taking actions on the instructions of the Ministry of Health and Indigenous Medicine.	comments had not been given.

for 28 patients out of the 45 foreign patients who were vaccinated against rabies from January 2019 to 12 June 2019.

5.5 Funds of under utilization

Audit Observation

While an amount of Rs.1,857,991,945 had been remained inactive on 08 accounts including main 02 current accounts of the cheif secreatery office and 06 collection current accounts of the provincial Council,and the fixed deposite amount of Rs.2,481,656,658 which had maintained at the 02 state banks as at the end of the year under review had not been utilized towards acheive the goals of the provincial council

Recommendation

Taking action to pay the dues to the local authorities without delay.

Comments by the chief Accounting officer

The fixed deposits had been invested by stamps fees levied on the transfer of property of local government authorities of Central Province. These are received by the Central Provincial Treasury and a portion of that amount is deposited as a fixed deposit as it has to be released to the relevant Local Government Institutions after receiving the reports from the Registrar's Department.

5.6 Identified Losses

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) There were 198 cases of damages worth Rs.19,366,866 to be recovered of the Provincial Department of Education, out of which 56 cases worth Rs.6,822,609 were between 05 and 10 years and 45 cases worth Rs.3,342,620 had been elapsed more than 10 years. Actions had not been taken to recover or cut these losses which remaining within long time as per the provincial financial rules.	Taking action to recover or deduct in accordance with financial regulations and provincial financial rules.	Tests and surcharges have not been completed as per the FR 104(4).
(b) Testing of two vehicles belonging to the Provincial Ministry of Agriculture which were involved in an accident 4 years and 11 years ago had not been completed by the end of the year under review and the necessary action	Take action to complete the investigation without delay and take action according to those reports as per the FR 104.	While the insurances claim had been received regarding one of the damage and testing on damages and loss had not been finished. Therefore, the value which should to be recovered further had been included in the book. The employee has been informed to pay the relevant amount for

had not been taken regarding the damages total amounting of Rs.1,332,725 from of Delpitiya Agriculture Consultancy Office, Bowala Assistant Director of Agriculture and Kundasale Veterinary Office.

the other vehicle. The employee had been appealed against the disciplinary order at the Public Services Commission.

5.7 Deficiencies in Contract Administration

Audit Observation	Recommendation	Comments by the chief Accounting officer
<p>While there were the water leakes and defects in waste pipe system at the new ward complex which had constructed at a cost of 370 million at Theldeniya Base Hospital in the year 2017 and 2018, 02 roofs had been installed by expending an amount of Rs.2,854,274 by Amano plates to prevent the fall down through the concrete floor of rain water at the balconies.</p>	<p>Taking further action after checking by qualified officers and further confirming.</p>	<p>Comments had not been given.</p>

5.8 Implementation of Project

5.8.1 Delay in Implementing the Projects

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) While it had been allocated an amount of Rs.109,334,000 and Rs.50,000,000 in the year 2017 and 2018 respectively for construct the Nuwara-Eliya training center the expenses had been amounted to Rs.600,000 and Rs.206,874 respectively. Due to the project not being completed on time, the opportunity to use the old resort had been lost. While an amount of Rs.118,573 had been expended from allocation amount of Rs.1,000,000 of the year under review also this amount had been became inactive at the moment.	Taking action to acquire lands before starting the project.	The transfer of land had not been taken place here. Proceedings have been suspended due to the delay in handing over the land. The expenses amount had not been inactive as it had used on the essential repairs.
(b) while an amount of Rs.900,000,000 and Rs.65,000,000 had been allocated by the supplementary budget in the year 2017 and 2018 respectively for construct the Gatambe industrial and tourism to build Promotion Center and amount of Rs.208,610 had been expended on 02 occations in the	Taking action to make allocations after preparing a plan from a prior study.	Although it had noticed on the newspaper for select a contractor as per the procurement actions on three times, it could not be selected a contractor.

year 2017 and an amount of Rs.176,194 had been expended in the year 2018 for paper ads. accordingly, it had been expended only for publishing newspaper advertisements within the both years of 2017 and 2018 and the project had not been carried out.

5.8.2 Activities which out of Purpose

Audit Observation	Recommendation	Comments by the chief Accounting officer
<p>(a) although it had been purchased 103 water tanks of 500 liters by expending an amount of Rs.478,900 for providing to the 103 kidney patients in the area of authority of the Wilgamuwa Pradeshiya Sabha by the programme of uplift of specializes economical infrastructure under Provincial Specific Development Grant - 2018, it had been given to the funeral parlors and other persons in the area by the Pradeshiya Sabha members without giving them to the selected beneficiaries.</p>	<p>Benefits must conform to the intended purpose.</p>	<p>Action will be taken to prevent same deficiencies in future.</p>

- | | | |
|--|---|---|
| <p>(b) 10,038,565 fish fingers of total worth of Rs.16,602,950 had been released to the reservoirs amounting 12 to 35 at the Central Province by the Inland Fisheries Division within the years 2015 to 2019. According to the information obtained from the Fisheries Societies, it had been revealed that 35 percent to 50 percent of the fish die due to the fish fingers being transported outside the technology.</p> | <p>Taking action to follow the prescribed techniques in the transportation of fish fingers.</p> | <p>The majority of fisheries societies are not active fisheries societies. Line Ministries also release fish into reservoirs.</p> |
| <p>(c) Although fishing gears worth of Rs.4,306,07 had been provided to the Fisheries Societies During the period from 2015 to 2019 under the inland Fisheries Social Welfare Program, while the it had not been procured and distributed the suitable feshering gears after identifying the requirements the equipment had not been properly documented by those societies.</p> | <p>Identifying the need and providing benefits accordingly and taking action to document the benefits in the relevant institutions.</p> | <p>No requests have been made by the Fisheries Societies for other technical equipment in addition to the benefits provided. The relevant societies had been informed as done the formal documentation.</p> |

5.8.3 Failure to obtain the desired output

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) 84 samples out of 182 of 560 bushel of certified paddy seeds which had collected from registered farms within the time period from 2017 to 2019 in Kandy district had been failed according to the seeds tests reports which had issued by division of seeds researching of the Department of Agriculture relating the programme of paddy seeds which had carried out by the allocation amount of Rs.11,744,000 under Provincial Specific Development Grants within the years from 2015 to 2019. Also it had been failed the test about the standard of the quantity of paddy busal of 2,542 worth of Rs.3.9 million nearly out of 18,364 of paddy seeds which had certified within the year 2017 to 2019 in the Matale district. Accordingly, it had increased the failure rate of the certified paddy seeds which collected from the registered farm during the seed of failure increased, it had not been intervened by the responsible officials in this regard.	Supervision and follow up by the relevant field officers.	Due to the late onset of cultivation due to non-receipt of rains as scheduled, it also receives rain during the harvest season. Due to this, it is not possible to maintain the moisture level below 13 percent. The prevailing weather conditions have affected the quality of the product . Especially due to the moisture in these seeds although the Seed Certification given by the seed research Division of the Department of Agriculture failed to produce quality results but the seeds were sold by the farmers.

- | | | |
|--|---|---|
| <p>(b) While a quantity of 15000-20000 kilograms which was more than 40 percent of national requirement of Big onion seeds production had been done by the framers in Matala district, an amount of Rs.26,475,000 under the allocation for Provincial Specific Development had been expended for big onion seeds production by the Provincial Department of Agriculture. Although the seed production had been fallen down continuously from 17500 to 4407 kilograms. Accordingly, any program had not been implemented by the Department of Agriculture of Central Province in the year 2019 for the production of big onion which had limited production of acute.</p> | <p>Taking actions to get maximum contribution for the national production by focusing on the farmers' problems and areas what should be paid much attention and doing follow-ups.</p> | <p>Due to a problem in selling the seeds produced in 2018, it was difficult for the farmers in 2019 to move towards seed production. Recovery from crop year 2020 to the start of advertising and Extension condition been present already implemented.</p> |
| <p>(c) Although it had been distributed 1708 Overlock, Juki Zigzag and normal sewing machines worth of Rs.45,581,286 to low income women in order to generate self-employment in the years from 2016 to 2019 by the Ministry of Central Provincial Youth Affairs, Women's Affairs, Rural Development, Co-operative Development and the Industry but there were significant instances where the purpose of machine distribution was not achieved.</p> | <p>Expending on the projects what can be achieved the expected outcomes.</p> | <p>The action plan of the Ministry received with the list of beneficiaries along with the implementation of the relevant projects only under the cabinet members' allocation is not included and follow up has been done in the year 2019.</p> |

5.8.4 Commencement of projects on lands not formally acquired

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) The Central Provincial Department of Health Services had not been taken legal action to acquire the land where the doctor's official residence is located in the center of Galewela town, which has been in his possession for a long time.	Taking action to take over the relevant lands legally.	Accepted.
(b) Necessary action had been taken regarding the lands of 61 schools belonging to the Matale Zonal Office and action had not been taken to take over those lands to the Central Provincial Department of Education.	Taking action to take over school lands.	Comments had not been given
(c) Right of 22 land plots which was continuing the office of the Director of Provincial Livestock production and Health, 24 offices of veterinary doctors, 02 offices of deputy Directors, veterinary hospitals in Peradeniya and Nuwara-Eliya and state houses owned to the Department had not been taken over to the Department.	Confirm the safe of assets by taking over all the lands belonging to the Department.	I kindly informed you as the further actions have been taken to transfer the relevant lands. Further, it had been discussed with the Department of Survey at Kandy, Matale and Nuwara-Eliya on this matter.

- | | | | |
|-----|--|--|--|
| (d) | An amount of Rs.1,667,500 and Rs.8,283,119 had been expended in the year 2018 and 2019 respectively for repairs without any formal acquisition of buildings of the Regional Economic Development Agency and Matale Hotel School. | Taking action to take over the relevant building properly. | Comments had not been given. |
| (e) | The Department of Agriculture had not taken formal action to acquire 05 lands including 04 lands with an area of 7.4327 hectares. | Taking action to acquire legally the land which belongs to the Department. | I agree. Initial actions have been taken to acquire this land. |

5.9. Asset Management

5.9.1 Failure to document assets

Audit Observation

While the transportation equipments worth of Rs.74,795,000 and 03 motorcycle worth of Rs.35,000 had not been included on the register of the fixed assets of the provincial department of livestock production and health and actions had not been taken to updated by including the the assessed value and the year which had accounted after assessing the official quarters worth of Rs.11,730,000 and official buildings worth of Rs.325,908,000.

Recommendation

Documenting, updating and maintaining all non-mobile assets belonging to the department

Comments by the chief Accounting officer

The document is being updated as per the prescribed format including the estimated value

5.9.2 Inactive and underutilized assets

Audit Observation	Recommendation	Comments by the chief Accounting officer
(a) 04 vehicles including A motor vehicle worth of Rs.5,000,000 and a jeep which had not mentioned the value belonging to the council Secretariat office and 02 vehicles which had not mentioned the value belonging to the Ministry of Agriculture had been remained idle from the period from 04 months to 04 years.	Taking actions to repairing or disposing in accordance with circulars.	It has also been requested that the vehicle of the Council Secretariat be taken back to the Chief Secretariat. Adequate vehicle availability and economic disadvantage of driving KG - 1322 on difficult roads. The vehicle of 32 - 3910 is an old car and will be used in future after repairing.
(b) A building belonging to the Department of Tourism and Agriculture and 07 Government Houses had been remained idle for a period of 02 to 12 years and the Maternity and Pediatric Clinic Building of the Gonaganthenna Regional Hospital, Hanguranketha, which had commenced construction in 2003 and completed at a cost of Rs.8,916,173 had been remained idle for a period of 15 years.	Taking actions to utilize the idle resources in an effective work.	The expending on renovation will be not effective since the building at the department of the Development had to be removing in the June of 2017.

- | | | |
|--|--|--|
| <p>(c) Two hand tractors, a tractor, a three wheeler and 12 motorcycles belonging to the Department of Agriculture and the Department of Animal Production and Health which had not been used for more than 10 years had not been disposed.</p> | <p>Taking action to dispose of unused assets according to circulars.</p> | <p>The Provincial Director of Agriculture has been informed to auction or remove the vehicles belonging to the Department of Agriculture as they are not in use at present. The auctioning of the motorbikes on the Department of the Livestock Production and Health had been directed to the chief Secretary office use to it have to be done by the Chief secretary office.</p> |
| <p>(d) The computer software which had been made on official use which started in the year 2016 by expending a cost of Rs.460,000 for the Provincial Cultural Department and 55 tabs worth of Rs.1,347,500 which had purchased for utilized the software efficiently had not been used effectively in the expected function.</p> | <p>Taking actions to utilize the idle resources effectively.</p> | <p>This was focused to applying for leaves, obtaining progress reports, request for traveling claims, examine the descriptions of the programmes. I informed that the vouchers presented out of the softwane will not be approved in future.</p> |

5.9.3 Utilization of Vehicle

Audit Observation	Recommendation	Comments by the chief Accounting officer
There was a difference of 3449 liters of fuel used for 11 vehicles belonging to the offices of the Deputy Directors of Agriculture in Kandy and Matale and the value of Rs. 358,698 between the daily running charts and the informations which had submitted to the audit.	Fuel costs should be equal to running daily running charts.	Expenditure on fuel has been missed. No fuel cost has been allocated for the lorry bearing number 42-0634. These changes have been caused by fuel costs from other institutions

5.10 Staff Administration

Approved and actual cadre position of the council as at 31 December 2019 is as follows.

5.10.1 Cadre of the Provincial Council Ministries, Departments, Local Authorities and Institutions by statutes (except for school and health staff)

	Approved Cadre	Actual Cadre	No. of Vacancies	Excess Cadre
Senior Level	1,019	755	292	29
Tertiary Level	483	389	94	1
Secondary Level	7,122	5,349	1,922	160
Primary Level	7,380	5,986	1,357	408
On a contract basis	38	75	-	-
On a casual basis	-	408	-	-
On a substitute basis	-	19	-	-
Others (permanent allowance)	13		12	
Teacher's Assistants	-	1,123	-	1,123
Personal Staff	89	15	74	-

Others (Passenger Transport Authority)	329	263	61	-
Total	<u>16,473</u>	<u>14,382</u>	<u>3,812</u>	<u>1,721</u>

Audit Observation -----	Recommendation -----	Comments by the chief Accounting officer -----
(a) There were 132 vacancies in 6 posts of the total staff of the Department of Co-operative Development. Vacancies and overstaffing in each district office could not be monitored due to non-approval of staff separately for the head office and district offices.	Taking action to identify and fill vacancies properly	Action is being taken to allocate officers at the office level and vacancies have been notified to the Provincial Public Service Commission.
(b) While it had been recruited 44 development officers out of 76 approved posts of the Ministry of Road Development, Transport, Power and Energy, Housing and Construction, 24 officers out of them had been attached to 03 departments under the Ministry and they had paying by the Ministry. due to these attachments there were 18 surpluses in the post of development officers in these 03 departments.	Attachments should not exceed the approved posts.	Although the approved post of development officers amounting to 76 it had been attached only 44 officers only.

- (c) The Provincial Ministry of Health had recruited 07 casual health assistants who had submitted fake certificates and paid Rs.2,457,000 as salaries from January 2017 to June 2019
- Take appropriate action against employees who submit fake educational certificates.
- Comments had not been given.
- (d) As at 31 December 2019, there were 167 vacancies in the Chief Secretariat as 06 senior level posts, 07 tertiary level posts, 133 secondary level posts and 02 primary level posts and there was a surplus of 03 secondary level employees.
- Taking action to fill the essential vacancies.
- Relevant Ministries have been requested to fill the vacancies for the All Island Service and Development Officer. Competitive examinations have been held for the recruitment of Management Service Officers and recruitments will be made after receiving provisions for payment of salaries.

5.10.2 School Staff

Category of Staff	Approved Cadre	Actual Cadre	No. of Vacancies.	No. of Excess
Principals	1,458	990	471	3
Deputy Principals/ Assistar Principals	575	628	95	148
Teachers	27,714	28,350	434	1,070
Minor Staff and Assistant Staff	2,222	1,473	1,070	321
Total	<u>31,969</u>	<u>31,441</u>	<u>2,070</u>	<u>1,541</u>

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
(a) Officials have been assigned to 07 other offices by paying salaries to 04 months to 10 years under the Department. There was a surplus of 07 non-technical service personnel as 09 non-technical service officers and 4 officers belonging to other services were attached to the department from other offices on salary.	Making amendments in staff as the need of the Department.	The needs of department could be full filled without amending the approved staff, attached to another offices on the basic of service requirements and personal reasons and inadequacy of employed had been caused.
(b) It had been appointed the teachers of Sri lankan teachers' service for the vacancies in the principles in the 47 schools in Galewela zone, 15 schools in Naula Zone,36 schools in Matale zone and 26 shcools in the Wilgamuwa zone, without formal procedure.	Develop a suitable methodology for assigning duties.	Comments had not been given.
(c) The school had lost the services of 9 teachers on a full time basis attached to the zonal office for 9 teacher advisor posts in	Making a procedure to fulfill the vacancies of teachers who had attached to posts of teachers advisors.	Comments had not been given.

the Galewela zone and could not fill the vacancies in those schools

- (d) At the end of the year under review, there were 47 vacancies for Sinhala medium teachers and 54 Tamil medium vacancies in schools in the Matale zone. Taking action to fill teacher vacancies Comments had not been given.

5 .10.3 Health staff

Employee type	Approved number	Actual number	Number of vacancies	Excess number
Senior level	1,308	1,000	308	-
Tertiary Level	229	173	56	-
Secondary level	4,234	3,334	914	14
Primary level	3,610	2,408	1,182	-
Casual	-	20	-	-
the sum of	<u>9,381</u>	<u>6,935</u>	<u>2,460</u>	<u>14</u>

6. Accountability and Good Governors

6.1 Tabling of Annual Reports

following is the status of the report of the Auditor General on the financial statements of the Central Provincial Council for the last 05 years as per the provisions of section 23(2) of the Provincial Council Act no 42 of 1987.

<u>year</u>	<u>Date of issue of the report</u>	<u>Date of tabled</u>
2014	2015.10.08	2015.11.03
2015	2016.11.16	2017.07.18
2016	2017.11.27	2018.06.19
2017	2018.10.31	-
2018	2019.05.31	-

6.2 Un-solved audit paragraphs

<u>Audit Observation</u>	<u>Recommendation</u>	<u>Comments by the chief Accounting officer</u>
(a) Actions had not been finished regarding the outstanding loan balances of Rs.54,747,195, Rs.3,389,528 and Rs.3,954,598, which had recommended for deduction as per the FR 54.6, adjustment and removal respectively in the Central Provincial Department of Education.	Implementation of orders of Committee on Accounts.	Work is in progress.
(b) Although it had been elapsed nearly 15 years after pension the store keeper according to the section 2.12 of the code of pensions regarding the shortage of Rs.1,217,482 which had revealed in the year 2001 survey of stores Kandy regional drug warehouse, action had not been taken to recover this shortage with the state charges.	Identify the parties responsible for the shortage of warehouses and take necessary action.	Accepted.

- | | | |
|--|---------------------------------|------------------------------|
| (c) Implementation of orders issued by the Provincial Accounts Committee regarding 105 audit paragraphs of 09 institutions included in the Auditor General's Reports for the years 2007 to 2014 has been slow. | Taking action to execute orders | Comments had not been given. |
|--|---------------------------------|------------------------------|

6.3 Sustainable Developments Goals.

Audit Observation	Recommendation	Comments by the chief Accounting officer
-----	-----	-----
<p>Although the Planning Department had consisted of the Central Provincial Council with a staff of 37 including 09 knowledgeable officers relevant to the field of planning, an agreement of Rs.4,695,000 was entered into with the Regional Economic Development Agency which has nothing any connection in this regard, to prepare a five year plan for sustainable development, and amount of Rs.1,753,861 had been paid for 07 officers who was bond for direct responsible. But the plan had not been carried out in the year 2020 as it was not completed those actions.</p>	<p>Taking action to make maximum use of the resources of the institution.</p>	<p>The plan has been prepared by an outside party at the request of the United Nations Sustainable Development Program, which contributed to the drafting of the plan. Such staff shall have done the only institution that can be made of the Regional Economic Development Institute of the fulfillment of this has been done.</p>