

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the State Ministry of Internal Security, Home Affairs and Disaster Management for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the State Ministry of Internal Security, Home Affairs and Disaster Management was issued to the Accounting Officer on 30 May 2021 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Ministry was issued to the Accounting Officer on 18 August 2021 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the State Ministry of Internal Security, Home Affairs and Disaster Management as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities for the financial statements are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer for the Financial Statements

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

As per Section 16(1) of the National Audit Act, No.19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities to enable the preparation of annual and periodic financial statements.

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the Ministry and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's summary report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate and its materiality depends on the influence on economic decisions taken by users 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:

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit 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.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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1.6 Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

There was no requirement of presentation of financial statements for the previous year because this Ministry is a new Ministry which was commenced in the year 2020.

1.6 Comments on Financial Statements

1.6.1 Property, Plant and Equipment

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) Although according to the accounts of the Ministry, the value of non – financial assets was Rs. 9,127,977,355 according to the Treasury printouts it was Rs. 9,283,024,799. Hence there was a difference of Rs. 155,047,444.	A sum of Rs. 41,582,000 relating to the Internal Affairs Division was not reported in Treasury books as at the due date because of the delay of accounting assets to the previous Ministry. It has been corrected for now and it is informed that the value of non-financial assets of Rs. 182,599,809 was presented correctly in the financial statements.	Actions should be taken to present the accurate value comparing with the Treasury printouts.

- (b) According to the Treasury printouts of the Special Task Force, the value of fixed assets was Rs. 7,387,722,300. However according to the fixed assets register it was Rs. 7,388,679,748. Thus there was a difference of Rs. 975,448 between those values.
- The Special Task Force had informed me that actions will be taken to rectify the said mistake in the year 2021 and I kindly inform that necessary instructions was given in this regard.
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1.6.2 Reconciliation Statement on the Advances to Public Officers Account

Audit Observation	Comments of the Accounting Officer	Recommendation
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A difference of Rs.57,913,974 Rs. 49,481,591 and Rs.8, 432,382 respectively was observed between the balances of advances of Treasury printouts and the books of Home Affairs Division, Disaster Management Division and the Internal Affairs Division under this Ministry.	It is informed that the reason for the difference was addition of Rs. 2,138,453 and deduction of Rs. 10,570,835 made in the preparation of reconciliation statement which was prepared to explain the reasons for the difference between the values of the department books and the Treasury books.	Actions should be taken to present the accurate value comparing the department books with the Treasury printouts.

1.6.3 Imprest Balance

The following deficiencies were revealed in accounting of imprest balances.

Audit Observation	Comments of the Accounting Officer	Recommendation
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Although a sum of Rs. 4,063,721,374 had been shown as the balance of imprest according to the Treasury printouts, the balance of imprest had been shown with different values in the trial balance. Accordingly a credit balance of Rs. 4,048,890,132 as the balance of imprest received from the Treasury and debit balance of Rs. 4,109,685,986 and credit balance of Rs.4,124,427,372 as the imprest account 7002 had been shown in the trial balance.	A sum of Rs. 60,705,997 received from other sources from September to December was included in the imprest of Rs. 4,063,721,374 which was mentioned according to the Treasury printouts.	Balance of imprest should be shown accurately.

1.6.4 Non-maintenance of Registers and Books

The following registers had not been maintained by the State Ministry and some registers had not been maintained properly and up to date.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The loan advance register had not been maintained by the Home Affairs Division, Disaster Management Division, Special Task Force Division, Internal Affairs Division and Internal Security Division.	Instructions were given to all divisions to maintain the loan advance register properly.	Loan advance registers should be maintained properly.
(b) The general deposit register had not been maintained properly by the Special Task Force, Disaster Management Division and Home Affairs Division.	Actions will be taken to maintain the general deposit register properly in the future.	According to the Financial Regulation general deposit register should be maintained up to date.
(c) According to the financial regulations 214, a liability register had not been maintained by the Internal Affairs Division.	According to the financial regulations 214, liabilities should be entered into a liability register as to be checked as possible.	According to the financial regulations 214, a liability register should be maintained.
(d) According to the financial regulations 110, a register for losses and damages should be maintained as per the given format. However the losses and damages register of the Internal Affairs Division had not been maintained up to date.	It was informed that losses and damages register is being maintained and there were no any losses or damages occurred in the year 2020 to be updated.	Losses and damages register should be maintained up to date.

2. Financial Review

2.1 Reporting of expenditure for the year 2020

Audit Observation	Comments of the Accounting Officer	Recommendation
Expenditure incurred under 3 expenditure codes of then 5 Ministries from January 2020 to 31 August , 2020 totaling Rs. 16,303,293, 470 had been taken into accounts as the opening expenses of the State Ministry which had been commenced on 01 September 2020.	Agreed with the observations.	Actions should be taken to show the expenditure relating to the then Ministry under that Ministry.

2.2 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Out of the provision of Rs. 27,646,429,000 made for the Ministry, utilization was Rs. 25,690,484,007 and about 7 per cent of the provision had not been utilized. The total provision of Rs. 12,735,000 allocated for 21 expenditure codes had been saved. Provision had been saved in a range of 20 per cent to 92 per cent of 38 recurrent expenditure codes and 17 per cent to 91 per cent of 30 capital expenditure codes.	The mainly affected reasons are global pandemic situation of COVID 19, change of scope of Ministries, savings of provisions allocated for the Minister, minimizing of maintenance cost due to the warrantee periods of Machinery, Furniture, office equipment, and building.	Actions should be taken to utilize the provision efficiently.

2.3 Commitments and Liabilities

Audit Observation	Comments of the Accounting Officer	Recommendation
----- Total amount of liabilities of Rs. 11,765,889 including Rs. 1,209,280 of Home Affairs division, Rs. 6,626,689 of Special Task Force, Rs. 1,644,575 of Internal Affairs Division and Rs. 2,285,345 of Internal Security Division had not been shown under the commitment and liabilities of the financial statements.	----- It is kindly informed that commitments and liabilities relating to 13 expenditure codes which are not belong to the Head (409) of the Ministry of Home Affairs for the year 2020 amounting to Rs. 1,015,033 were not included in the financial statements relating to the Head 409 as commitments and liabilities. And commitments and liabilities relating to 16 expenditure codes amounting to Rs. 133,310 were made after preparing the financial statements for the year 2020. Hence those commitments and liabilities were not included in the financial statements. Liabilities of Rs. 1,644,575 relating to the internal affairs division were not shown in the financial statements. Further a sum of Rs. 6,626,689 relating to the Special Task Force and Rs. 2,285,345 relating to Internal Security Division were not shown in the financial statements because those values are not identified as liabilities as at the date of which the financial statements were prepared.	----- All the liabilities relating to the year should be presented in the financial statements.

2.4 Reconciliation Statements on Advances to Public Officers Account

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Actions had not been taken to recover loan balances of Rs. 242,700 Rs. 197,400 and Rs. 138,042 from the officers of the Home Affairs Division who transferred diseased and vacated post even up to June 2021.</p>	<p>Due to continuous default, it was informed to Insurance Fund to take necessary actions to settle the loan because the Agrahara Insurance was guaranteed. All the parties were informed to recover the loan balance of the female officer who went abroad without informing to the Ministry to be charged at the time of dealing with the pension.</p>	<p>Actions should be taken to recover the loan balances properly.</p>

2.5 Non – compliance with Laws, Rules and Regulations

Non – compliance with laws, rules and regulations are analyzed below.

Reference to Laws, Rules and Regulations	Non - compliance	Comments of the Accounting Officer	Recommendation
<p>(a) Section 4.2.3 of the Chapter XXIV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka</p>	<p>There were instances where the Declaration of irrevocable promises of conversion of pensions was not obtained when obtaining distress loans.</p>	<p>It was informed that steps are being taken to obtain statements of irrevocable promises from the relevant officials.</p>	<p>When obtaining distress loans, the Declaration of irrevocable promises made for the conversion of pensions should be obtained.</p>

(b)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i)	Financial regulations 104 (3) and 104 (4)	Actions had not been taken to submit primary reports within 07 days of the accident taken place and to recognize the value of the damage.	Not commented	Actions should be taken to recognize the damage submitting reports according to the Financial regulations.
(ii)	Financial Regulations 565(5)	Statements of monthly deposits summery which should be prepared in the General 71 format for each month had not been sent to the Auditor General before the end of the following month.	It is kindly informed that actions were taken as per the guidelines of the Public Finance Circular 02/2020 dated 14 October 2020 issued by the Department of Public Accounts.	Statements of monthly deposits summaries should be submitted to the Auditor General properly.
(iii)	Financial Regulations 571(1) and (2)	Actions had not been taken in connection with general deposits amounting to Rs. 2,561,468 over 2 years and Rs. 830,525 of Disaster Management Division according to the Financial Regulations.	Actions were taken to make payments after getting information about the deposits and confirming the relevant depositors.	Actions should be taken regarding the deposits over 2 years as per the Financial Regulations.
(iv)	Financial Regulations 751 (2)	Electric fans, other electric appliances and water tanks ect. in the buildings of Kabithigollawa camp of the Special Task Force had not been posted to the ledger as per the Financial Regulations 751 (2).	Instructions were given to post the electric fans, other electric appliances and water tanks etc. in the buildings of Kabithigollawa camp of the Special Task Force to the ledger.	Assets should be posted to the ledgers as per the Financial Regulations.

(v)	Financial Regulations 752 (4)	Although there were deficiencies and surpluses in the stock verification for the year 2019 in Trincomallee Camp, actions had not been taken according to the Financial Regulations.	It was failed to update the stock books when issuing live ammunition in the Trincomallee camp of Special Task Force to training officers. Communication equipment of the Kanthale Camp has been brought to another camp for a repair and as a result, there was a deficit.	Actions should be taken as per the Financial Regulations in connection with deficiencies and surpluses.
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3. Operating Review

3.1 Non-achievement of expected benefits

Audit Observation

Although a sum of Rs. 15,352,353 had been incurred for software development and various activities relating to Grama Niladharee training project, necessary actions had not been taken to train Grama Niladharres. As a result, the money spent had been wasted.

Comments of the Accounting Officer

Not commented

Recommendation

Grama Niladharees should be trained as to be obtained advantages from the software development project.

3.2 Non-achievement of expected Output Level

Audit Observation

(a) Although a sum of Rs. 960,315 had been incurred for construction of security centers in the temple for the residents affected by an emergency in the Kurunegala District, the said activity had not been completed.

Comments of the Accounting Officer

Not commented

Recommendation

Construction of security centers should be completed and removing vulnerable families

Although it had been decided by the geological survey report carried out in the month of May 2016 that 19 families near by the Varandana Kanda of Kurunagala district were in a high risk, it was observed that 13 out of those families lived in the said area even up to 18 February 2021. Although there was a land belonged to a beneficiary in where there was not a risky area with a small boutique and instead of granting Rs. 1,200,000 for constructing a house in the said land, a sum of Rs. 1,600,000 had been granted for purchasing a new house.

from high risk areas and granting aids should be done according to the guideline.

(b) Providing benefits to the victims of disasters in Matara district

(i) A sum of Rs. 73,898,280 had been paid to 70 beneficiaries in 6 divisional secretariat divisions to construct houses in lands belonged to them. However, 21 beneficiaries had housed in half-finished houses.

Not commented

Actions should be taken against beneficiaries those who had not completed constructions.

(ii) In 11 divisional secretariat divisions, even though a sum of Rs. 46,604,000 had been given to 49 beneficiaries for construction of houses and a sum of Rs. 2,000,000 had been given to 5 beneficiaries for purchasing of lands; those activities had not been done.

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(iii) A sum of Rs. 1,590,000 had been given to a beneficiary of Kotagala divisional secretariat division for purchasing a house and the house had been purchased. However the beneficiary had not housed in the house which had been purchased and he had housed in the house which had been faced to the disaster.

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Actions should be taken to remove the beneficiaries from vulnerable areas.

(iv)	Although a sum of Rs. 126,678,675 had been granted to 55 beneficiaries in 05 divisional secretariat areas, 41 beneficiaries who had taken benefits of 1 to 4 instalments had not finished work of their houses. The lands of 2 beneficiaries were overgrown.	-do-	Necessary actions should be taken against not completing constructions utilizing benefits.
(v)	National Building Research organization had not given their approval to the plan relating to the house constructed by a beneficiary incurring Rs. 1,200,000.	-do-	Approval of the National Building Research organization should be obtained for the plan of the house.
(vi)	It was observed that constructions of the house had not been done by a beneficiary who had purchased a land and had resided in the area which had been faced to the disaster. Further even though a sum of Rs. 1,900,000 had been paid to 7 beneficiaries, work couldn't be finished due to the delay of paying money.	-do-	Actions should be taken to get constructed houses by beneficiaries and to remove from landslide areas and benefits should be provided without delay.
(c)	Construction project of Monaragala		
(i)	Although a sum of Rs. 123,594 had been paid for the removal of broken stones during the removal of the distressed stone near a monastery in the Siyambalanduwa Divisional Secretariat Division, the aforesaid work had not been completed.	Not commented	Necessary actions should be taken regarding non completion of relevant work.
(ii)	Although the estimate for the improvement of the building of the temple under the project for renovation and development of security center of the Divisional Secretariat Division Buttala was Rs. 969,483 , extra work had been done for Rs. 481,035. Therefore the variance was 49.6 per cent.	-do-	Constructions should be planned according to the estimate.

(iii)	A sum of Rs. 4,605,400 had been incurred for construction of retaining wall behind the labor's houses. However the concrete layer applied on the masonry was washed away and some parts of the retaining wall were damaged and the stones came up.	-do-	Constructions should be done according to a specific standard.
(d)	Providing benefits for the victims of disasters in the Badulla district under the resettlement project.		
(i)	Three cheques amounting to Rs. 599,925 had not been handed over to 3 beneficiaries in the Haputhale Divisional Secretariat Division Badulla District.	Not commented	Benefits should be handed over to the beneficiaries regularly.
(ii)	A sum of Rs. 13,600,000 had been paid for preliminary ground preparation and laying the foundations of 68 houses in the months of February, November and December 2020 in Badulla District. However the foundations of 13 houses had not been done and even though a house should be 650 square feet, payments had been made for 5 houses without having a proper evaluation. A sum of Rs. 9,180,000 had been paid to the contractor as Rs. 180,000 per house for laying foundations of 51 houses. However 30 houses of which the foundations had been laid were 71 square feet less and further 22 houses were less than 26 square feet. Although preliminary ground preparation and Cutting the foundations should be done by the contractor, that work had been done by the beneficiaries.	-do-	Constructions should be done using benefits according to relevant standards and specifications.

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| (iii) | Although a sum of Rs. 9,300,000 had been paid as the second instalment to 31 beneficiaries in Badulla district during the month of December 2020, binding of walls had been commenced and done only in 3 houses even up to 01 April 2021. Accordingly even though 3 months had been lapsed for the payment, the work which should be done by the second instalment had not been done. | -do- | Actions should be taken to carry out the constructions relating to given benefits. |
| (iv) | A sum of Rs. 200,000 had been paid to a beneficiary in the Divisional Secretariat Division Passara as the first instalment for constructing a house in his own land on 16 September 2020. However the foundation had not been laid even up to 22 March 2021. | -do- | Necessary actions should be taken in connection with beneficiaries those who had not carry out constructions using the benefits. |
| (v) | A sum of Rs. 400,000 for purchasing the land and Rs. 200,000 as first instalment for the construction of the house had been paid to a beneficiary in the Divisional Secretariat Division Haliela. However as mentioned in the Implementation Guideline of the Resettlement Project approval had not been obtained from the Provincial Council Haliela for the plan of the house to release the first installment even up to 18 March 2021 the date of audit. | -do- | Actions should be taken to obtain the proper approval according to the Guideline. |
| (vi) | A sum of Rs. 967,828 had been incurred on the concrete relating to renovations of security center of Tamil Vidyalaya Kahagalawatta in Divisional Secretariat Office Haputhale. However there were 26.92 meter cracks at 12 locations in the land plot which had been incurred such money for the concrete. | -do- | Necessary actions should be taken for non-constructing of security centers in accordance with a specific standard. |

(vii)	A sum of Rs. 970,017 had been incurred for renovation of the security center of No.2 Tamil Vidyalaya of Dambethanna, Bandaraeliya. There were 12.20 meter cracks at 05 locations in the land plot which had been concreted and cemented.	-do-	-do-
(e)	Providing benefits under the project for Resettlement of the victims of disasters in Kaluthara district		
(i)	Provisions of Rs. 1,363,413,225 had been made for Divisional Secretaries of Kaluthara District from the year 2017 to 31 December 2020 and a sum of Rs. 929,986,597 had been incurred out of the said provision. Three hundred and fifty five beneficiaries had been identified in 13 Divisional Secretariat Offices and a sum of Rs. 310,466,530 had been granted as Rs. 1,200,000 each for construction of a house. However houses had not been constructed by 13 beneficiaries in 05 Divisional Secretariat Divisions.	Not commented.	Necessary actions should be taken regarding the beneficiaries who had not constructed houses utilizing the benefit given.
(ii)	Although benefits had been paid up to fourth instalment for 25 beneficiaries, work had not been completed in 37 houses.	-do-	It should be examined the technology which is required for construction of houses utilizing the benefits given and necessary actions should be taken.
(iii)	Under the method of delivery of Rs. 400,000 for the land purchased by the beneficiary and Rs. 1,200,000 for construction of a house in that land, 267 beneficiaries had been selected from 13 Divisional Secretariat Offices in Kaluthara District. Accordingly a total of	-do-	-do-

Rs. 350,846,418 had been granted as benefits including Rs. 105,695,000 for purchasing of lands and Rs. 245,151,418 for the construction of houses in those lands up to 31 December 2020. However houses had not been completed by 139 beneficiaries in 08 Divisional Secretariat Offices.

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| (iv) | Although a sum of Rs. 92,097,649 had been paid for 135 beneficiaries in 13 Divisional Secretariat Offices for constructing a house in another secured place owned by them by the beneficiaries whose houses were damaged, houses had not been completed by 72 beneficiaries in 06 Divisional Secretariat Offices
Further a sum of Rs. 179,676,000 had been granted for 122 beneficiaries in 13 Divisional Secretariat Offices for purchasing a land with a house. Nevertheless actions had not been taken by 12 beneficiaries in 2 Divisional Secretariat Offices to purchase a land with a house. | -do- | Necessary actions should be taken regarding non utilization of benefits given. |
| (f) | Benefit of Rs. 36,012 received on behalf of a resident in Purijjala Grama Niladharee Division in the jurisdiction of Divisional Secretariat Matale had not been paid even at the time of audit. It was observed that there were 23 instances of which compensation had not been paid for house damages by Divisional Secretariat Offices Matale, Dambulla, Ukuwela and Naula until the time of audit. Compensation applications had not been submitted according to the Guideline by Divisional Secretariat office Matale relating to 06 instances and Divisional Secretariat office Ukuwela relating to | It is kindly informed that information relating to applications could not be included into the online system due to the errors of computers, inability to repair and weaknesses and technical issues of internet facilities. | Compensations for house damages should be granted without delay and details relating to natural disaster situations should be included into the online system. |

02 instances. According to the Guideline, natural disaster situations of Matale and Ukuwela Divisional Secretariat jurisdictions should be included into the online data base and however actions had not been taken accordingly.

3.3 Other observations

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a) A cheque valued at Rs. 199,975 which should be credited to the Disaster Housing Fund Account of Badulla District had been credited to the beneficiary's personal account. Actions had not been taken to get credited to the Disaster Housing Fund Account or to recover.	Not commented	Cheques relating to benefits should be credited to the account accurately.
(b) Four cheques valued at Rs. 899,900 had been retained by the beneficiaries of Badulla District without being deposited in the Disaster Housing Fund Account and it had been handed over to the Divisional Secretariat Office because the cheques were expired.	-do-	Benefits should be granted to the beneficiaries without delay.
(c) According to the Guideline, even though it had been mentioned that Supervision Sheet given in the format No.3 should be used for releasing the first instalment, a sum of Rs. 9,180,000 had been paid to the contractor for 51 houses in Badulla District without using the said format	-do-	Formats given in the Guideline should be used when instalments are released.

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| (d) | <p>Instances were observed that actions had not been taken in accordance with the Disaster Management Guideline No. 01/2020 when housing aid and compensations are paid for houses damaged due to disasters in Matale district. A total sum of Rs. 198,000 had been paid in 20 instances by the Naula Divisional Secretariat Office with a delay of 14 days to 02 months and 10 days after receiving provisions without taking actions to make advance payments in accordance with the 4 (v) of the Guideline. Provisions had been received to the Ukuwela Divisional Secretariat Office on behalf of a beneficiary belonged to Muwagala Grama Niladharee Division and a beneficiary belonged to Imbulpitiya Division in the jurisdiction of Ukuwela Divisional secretariat. However a payable advance of Rs. 10,000 had not been paid even up to the time of audit.</p> | <p>Agreed with the observations. Information could not be included into the online system due to the errors of computers, inability to repair and weaknesses and technical issues of internet facilities. Relevant officials were informed to carry out relevant activities using the resources available.</p> | <p>Benefits should be granted to beneficiaries without delay.</p> |
| (e) | <p>The District Secretary Matale had entered into two agreements amounting to Rs. 3,094,977 with a private institution for the construction of 03 cultivation wells in the Divisional Secretariat Division, Wilgamuwa. However the approval of the Commissioner General of Agrarian Affairs had not been obtained for the said agreements according to the Section 89 (1) of the Agrarian Development Act No. 46 of 2006. Although a sum of Rs. 90,000 had been paid for digging the well and filling the soil around the wall of the well relating to the</p> | <p>Not commented</p> | <p>Actions should be taken to get proper approval for construction of cultivation wells and to construct wells.</p> |

cultivation well-constructed in the Weheragala grama Niladharee Division, soil had not been filled around the wall of the well.

3.4 Procurement

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>Although the provision made by the Home Affairs Division to the District Secretary Nuwara Eliya for the State Funeral Ceremony was Rs. 06 million, a sum of Rs. 592,305 had been spent exceeding the said provision. However, a proper approval had not been obtained in this regard. A sum of Rs. 333,200 had to be incurred as transport charges for transportation of Sunscreen, loudspeakers and generators from Kelaniya to Norwood area because those stuffs had been supplied from an institute located in Kelaniya area. Further the Procurement Guideline had not been followed for the said procurement.</p>	<p>The relevant Divisions had informed me that according to the information the provision allocated in this regard was Rs. 6 million.</p>	<p>Proper approval should be obtained for expenses.</p>

3.5 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
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<p>(a) Although it had been entered into the losses and damages register that the loss which had been occurred being misplaced the GPS machine of Galle camp of Special Task Force on 03 October 2016 was Rs. 73,672, it had not been shown in the financial statements. Further actions had not been taken to recover the total amount of 02 losses and</p>	<p>The loss occurred being misplaced of GPS machine was not included into the losses and damages register by mistake. However kindly informed that actions were taken to recover the loss from the responsible officer following F.R. 103 (1)</p>	<p>Losses and damages taken place should be recorded and it should be recovered from the responsible parties.</p>

damages of Rs. 4,756,200 which (f)
had been occurred over a period
of 03 years to 04 years in the
Special Task Force.

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| (b) A period from 6 to 35 years had been taken to record 03 losses amounting to Rs. 132,058 of the Special Task Force as losses and damages. | Some losses occurred to the Special Task Force were registered after a long period of time | Losses and damages should be recorded without delay. |
| (c) Although it had been mentioned in the losses and damages register that a jeep belonged to the Special Task Force had met with an accident on 04 November 2020 and the loss occurred from the said accident was Rs. 1,798,583, it had not been shown in the financial statements. | This loss was occurred on 04 November 2020 and preparing of the financial statements for the year 2020 was completed at the time that the loss was estimated after appointing an investigation committee. Therefore the loss occurred from this accident was not included into the said financial statements. | Relevant losses and damages should be shown in the financial statements. |
| (d) The loss occurred to 10 vehicles of the Special task Force due to accidents taken place since the year 2007 to the year 2018 relating to 2 years to 13 years was Rs. 8,108,879 and Actions had not been taken to recover or write off the said losses from the books. | Agreed with the observations. | Actions should be taken regarding the losses without delay. |
| (e) A sum of Rs. 26,277 which should be recovered from the public relation officer of a former Deputy Minister who was responsible for a vehicle accident taken place in the year 2017 in Home Affairs Division had not been recovered even up to 22 April 2021. | Not commented | Necessary actions should be taken to recover the losses. |

4. Good Governance

----- Rendering of Services to the Public -----

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
The amount of funds received from local and foreign donors and the Government of China to the bank account which had been opened for collecting donations in order to provide relief to the people affected by emergencies as at 31 December 2020 was Rs. 294.75 million. However an adequate programme had not been implemented for using this fund for disaster relief service activities.	It is informed that plans were made to construct houses in secure places for families live in landslides and high risk areas using the said fund of Rs. 294.75 million with obtaining the approval of the Cabinet.	Money collected from donors should be utilized as to be fulfilled the objectives.

5. Human Resources Management

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
There were 3108 vacancies in the posts of 5 divisions.	Actions will be taken to recruit the staff for vacancies.	Vacancies should be filled considering the service requirements.