

## **Head – 271 Trincomalee District Secretariats**

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### **1. Financial Statements**

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#### **1.1 Qualified Opinion**

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The audit of the financial statements of the Trincomalee District Secretariat for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 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 Trincomalee District Secretariat was issued to the Accounting Officer on 27 June 2022 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 19 July 2022 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report is presented to Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka 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 Trincomalee District Secretariat as at 31 December 2021, 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**

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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 responsibility for the financial statements is 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 and the Accounting Officer for the Financial Statements**

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The Accounting Officer are 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 District Secretariat 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 District Secretariat 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**

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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 judgment and maintain professional skepticism 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 District Secretariat'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 Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### **1.5. Report on Other Legal Requirements**

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

- (a) The financial statements are consistent with the preceding year
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

## 1.6 Comments on Financial Statements

### 1.6.1 Accounting Deficiencies

#### (a) Non-revenue Receipts

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
According to the Trial Balance (SA-21) of the District Secretariat, the imprest received from other sources was Rs.581.65 million, but it was shown as Rs.632.26 million in the Statement of Imprest Accounts (ACA-3). Accordingly, there was a difference of Rs.50.61 million.	The provision received from the General Treasury was Rs.632,264,288 as per SA-70 and it was stated under ACA-03 in final account for the year 2021.	The correct accounting information should be recorded when preparing the financial statements.

#### (b) Recurrent Expenditure

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
The amount of Rs.4.95 million paid by District Secretariat for Civil Defense Service was not accounted under Other Services (Regional) but was accounted under Other Services (District Secretariat). Due to this, the other service expenses of the District Secretariat had been overstated by that value.	The allocations have been transferred as the divisional secretariats did not have sufficient allocations to bear the relevant expenses.	Expenditure object should be accurately identified and accounted.

#### (c) Capital Expenditure

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
According to the financial statements, the vehicle maintenance expenses for the year under review had been overstated due to the fact that the	The repair expenses have been incurred as per the instructions of the Secretary, Ministry of State for Home Affairs.	The expenditure object should be correctly identified and accounted.

repair cost related to a vehicle not belonging to the District Secretariat was accounted under the vehicle rehabilitation and improvement expense object of Rs.2.05 million.

**(d) Certification of Accounting Officer**

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system for the financial control exists in the District Secretariat, and carry out periodic reviews to monitor the effectiveness of such systems, and accordingly make any alterations as required for such systems to be effectively carried out. Such reviews should be carried out in writing, and a copy thereof should be presented to the Auditor General, but no statements had been furnished to the Audit that the reviews had been carried out.</p>	<p>Action will be taken promptly.</p>	<p>The provisions of Section 38 of the National Audit Act No. 19 of 2018 should be followed.</p>

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

Cases of non-compliance with the provisions of laws, rules and regulations observed during the course of audit test are analyzed below.

Observations				
Reference to Laws, Rules and Regulations	Value	Non-compliance	Comments of the Accounting Officer	Recommendation
	Rs. Mn			
(i) Financial Regulations of the Democratic Socialist	12.50	According to the financial statement of the district secretariat for the year under review, Rs.587.01 million had	No answers provided.	Actions should be taken to comply with Financial Regulations.

Republic of Sri Lanka

Financial Regulations  
208 (2) (a)

been given for the housing project implemented by the State Ministry of Rural Housing and Construction and Building Materials Industries Promotion. Out of this, Rs.574 million are deducted as expenses related to the above program implemented in 2019 and 2020, the net provision is Rs.574.51 million. Also, Rs.12.49 million had been given for the construction of houses under Kantale and Seruwila Divisional Secretariats in excess of the amount of allocations released contrary to this section.

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|-------|---|---|--|---|--|
| (ii)  | Public Administration Circular No. 09/2009 Paragraph 2 (iv)   | Rs.627,775 for Holiday pay and Rs.574,343 for overtime pay. | The Kinniya and Tambalagamuwa Divisional Secretariats had been paid holiday pay and overtime pay without verifying the arrival and departure through the fingerprint machine.  | The relevant payments have been made by confirming in the arrival/departure register. | Actions should be taken to comply with the circular. |
| (iii) | Ministry of Women and Child Affairs Circular No. 6/2016 Paragraph 8.3   |   | Although it should be submitted a report by following up about the registered trading centers to buy goods for pregnant mothers but actions had not been taken by the Thambalagamuwa Divisional Secretariat.                   | The relevant officials have been instructed to constantly monitor this.               | - Do -   |
| (iv)  | Ministry of Social Services, Welfare and Livestock Development Circular No. MSS/ADM/10/2/10 Paragraph 2.5 and 2.6 |   | The canceled certificates had not been taken into custody by the Divisional Secretary from 25 persons who died in the year under review from the elderly allowance beneficiaries of the Thambalagamuwa Divisional Secretariat. | The Grama Niladari has been informed about this.                                      | - Do -   |

(v)	<p>Pension Department Circular No. 01/2018 dated 20 July 2018 Paragraph 5 (iii) and 6 (b).</p>	<p>Rs.1.14 million Rs. 112,850</p>	<p>The Mutur Divisional Secretariat had been paid living expenses allowance of Rs.3,525 per month for 74 months to a person who had gone abroad for more than two years and two pensioners.</p>	<p>Actions have been taken as per the instructions received from the Pension Department. Actions have been taken to recover overpaid pension benefits.</p>	<p>- Do -</p>
(vi)	<p>Criteria for Selection of Beneficiaries in Circular No. SMRHC/RD/04/01 dated 17 May 2021 of the State Ministry of Rural Housing and Construction and Building Materials Industry Promotion – 2021 Paragraph 6 of the Scoring Scheme</p>		<p>Although, disabled persons those disabled due to war or related reasons should be selected as housing beneficiaries in the resettlement program, but those disabled due to various natural causes, other accidents and diseases had been selected as the beneficiary families by the Divisional Secretariats in Kinniya, Kuchchaveli, Gomarankadawala, Seruvila, Kantale and Morawewa. Accordingly, a sum of Rs.14.40 million of housing donations had been given to 11 beneficiaries</p>	<p>The letter from the Ministry did not make any special guidance about the selection of disabled persons as housing beneficiaries in the resettlement program and the</p>	<p>Actions should be taken in accordance with the paragraph 6 of the Scoring Scheme.</p>

selected in the housing programs of Rs.600,000 and 16 beneficiaries selected in the housing program of Rs.1 million. appropriate beneficiary families were selected by the relevant criteria and village committee guidelines.

Paragraph 03 of Basic Qualifications

Although permanent houses should be given to families who were living in houses that were completely damaged during the troubled period, the formal documents proving that the houses were completely damaged due to conflicts or that there were permanent houses during the war could not be identified in the files of the beneficiaries selected in the Divisional Secretariats in Kinnia, Kuchchaveli, Gomarankadawala, Seruvila, Kantale and Morawewa. And contrary to the criteria mentioned above, a sum of Rs. 252.6 million for a total of 313 houses had been given to 62 beneficiaries under the housing program of Rs.1 million and 151 beneficiaries under the housing program of Rs.600,000.

The beneficiaries have been selected by conducting a field inspection by the Divisional Secretary after nomination of suitable beneficiary families by village committee guidelines and relevant basic criteria about beneficiaries. Actions should be taken in accordance with the Paragraph 03 of Basic Qualifications in the Circular for Selection of Beneficiaries.

(vii) Non-compliance with management and internal directives of the institution

The letter from Trincomalee District Secretary no. GAT/EST/RE Rs.56.40 million

Although only families who were married before resettlement should be selected for the resettlement program, the Divisional Secretariats in The benefits have been given to the most deserving ones

Actions should be taken in accordance with the letter from District Secretary.

SET/HOU/VO  
LII/2016 dated  
September  
2016 regarding  
selection of  
sub-families as  
housing  
beneficiaries  
under  
resettlement  
program.

Kinniya, Gomarankadawala, based on the  
Seruwila, Kantale and points  
Morawewa had been selected highlighted in  
people who married in the years the discussion  
after resettlement were also held at the  
considered as beneficiary district  
families and payments had been secretariat  
made to 66 beneficiaries as 42 with the  
beneficiaries under the housing district  
project of Rs.1 million and 24 secretaries on  
beneficiaries under the under the selection  
housing project of Rs.600,000. of  
beneficiaries.

**(f) Irregular Transactions**

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**Unapproved Transactions**  
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The following transactions had been entered into without approval.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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(i) A sum of Rs.10.62 million had been paid to 178 persons at the 2124 instances during the year under review, in violation of the provisions of the circular for the selection of the relevant beneficiaries while providing the Rs.5,000 allowance to the low-income disabled persons in the Divisional Secretariat Offices of Seruwila and Gomarankadala.	The selection of beneficiaries has been done on the basis of circular provisions, village committees and recommendations of Grama Niladhari.	Actions should be taken in accordance with circular provisions and financial regulations.
(ii) Twenty-one additional houses under the housing program of Rs.600,000 for Kantale and Seruwila Divisional Secretariats had been provided by the letter from Additional District Secretary No.GAT/EST/RESET/SMHC/HP/02/20 21 dated 30 December 2021 and a sum of Rs.3.15 million had been paid as the first installment of Rs.150,000 for 21 houses when the absence of imprest provisions.	Fifteen additional houses have been provided under the Rs.600,000 housing program for Kantale Divisional Secretariat and the first installment has been paid for those 15 houses.	Expenditure should be incurred by considering the approved provisions.



## 2. Financial Review

### 2.1 Management of Imprests

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
Although an imprest amount of Rs.3,959.84 million was requested for the year under review, due to receiving only an imprest amount of Rs.3,171.64 million, the difference between the amount requested and the amount received was Rs.788.20 million. As a result, Rs.88.49 million was stated as bills due at the end of the year under review.	As the imprest amount requested is not received, entered as bills due.	Actions should be taken to identify monthly expenditure needs properly and planned and applied accordingly.

### 2.2 Management of Expenditure

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) Out of Rs.41.72 million allocated for 6 recurrent expenditure objects and one capital expenditure object, Rs.14.29 million had been spent and Rs.27.44 million was remained. Allocation savings ranged from 10 percent to 100 percent, and the reasons for the savings had not been disclosed. As a result, the objectives expected to be achieved in 6 recurrent expenditure objects and staff training expenditure object had not been fulfilled in the reviewed year.	The allocation was remained since the program was not implemented due to the COVID 19 pandemic.	Provisions should be properly planned.
(b) A sum of Rs.21.25 million had been allocated to the district secretariat under 14 expenditure objects by other ministries and departments, but Rs.23.05 million had been spent and Rs.1.80 million had exceeded the approved allocation and it was revealed as an unauthorized excess.	It included salaries and allowances of newly recruited officers and certain expenses of other ministries and departments.	Expenditure should be managed as not to exceed the approved provision.

- (c) Out of the net allocation of Rs.587.01 million had been released for the Trincomalee district for the housing project implemented by the State Ministry of Rural Housing and Construction and Building Materials Industries Promotion for the year under review, the net expenditure incurred at the end of the year under review was Rs.495.22 million, while remaining Rs.91.79 million out of that, the total undisclosed value for the housing programs implemented under 11 Divisional Secretariats was Rs.94.29 million as at 31 December 2021. The remaining provision should be equal to the undisclosed value but the undisclosed value was Rs2.5 million more than the remaining provision.
- The construction work could not be completed as planned due to non-availability of imprest and price fluctuations.
- Government allocations should be properly managed.

### 2.3 Utilization of Provisions made available by other Ministries and Departments

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Out of total provisions of Rs.1,045.75 million received from 15 other ministries and department to the District Secretariat, Rs.615.42 million had been spent and Rs.430.34 million was remained. As a result, the objectives expected to be achieved from the projects expected to be implemented under these ministries and departments had not been achieved in the reviewed year.	The provision has remained due to activities that had to be abandoned due to the Covid-19 pandemic.	Actions should be taken in accordance with the Financial Regulation no 208.
(b) The supplementary provision of Rs.25 million which had been given for other logistical expenses, was completely remained as unspent. As a result, the purchase activities expected to be completed in the year under review from the supplementary provisions had not been achieved.	The provision has remained as unspent due to high open market rice prices, lack of storage and drying facilities for farmers, and non-availability of eligible paddy millers to join the program.	Actions should be made to gain maximum benefit from the provisions received.

### .3 **Operating Review**

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#### 3.1 **Planning**

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
<p>A provision of Rs.41.53 million had been allocated for 14 sectors under the Decentralized Capital Budget Program-2021 and a total of 28.39 million rupees had been given as Rs.13.07 million for 240 projects implemented for providing goods to registered pre-schools, Sunday schools, cultural centers and Rs.15.32 million for 103 projects implemented for providing goods to improve the quality of life of youth and women, without allocating the provision on the basis of priority to all sectors. Only Rs.13.14 million had been given for 138 projects implemented for the other 12 sectors. But according to paragraph 2.4 of the letter from the Ministry of Finance No. MFNPD/07/2021 dated 11 January 2021, Supply and distribution of diversified budgeted imprest should be done in a reasonable manner based on the number of people living in the divisional secretariat, poverty and land size, but the district secretariat had not been done.</p>	<p>The project proposals referred by the parliament members have been implemented after receiving the approval and provision from the ministry with feasibility study.</p>	<p>Actions should be taken in accordance with paragraph 2.4 of the letter from the Ministry of Finance No. MFNPD/07/2021 dated 11 January 2021.</p>

### 3.2 Non- performance of Functions

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The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
----- Although, 33 Grama Shakti Janata Samiti in the Divisional Secretariats of Trincomalee district had been given Rs.52.19 million as at 31 December 2021 under the "Grama Shakti Janata Movement" for the upliftment of the rural economy, government funds had not been utilized to achieve the desired objectives due to non-implementation of this program.	----- The money has been remained since any awareness about the community development activities to be completed in the future has not received.	----- Actions should be made to gain maximum benefit from the provisions received.

### 3.3 Activities contrary to Key Functions

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
----- Although 29 Grama Nildhari domains were identified for the resettlement as per Section 2.3 of the Resettlement Plan from the 5 Divisional Secretariat Divisions of Kuchchaveli, Kinniya, Morawewa, Kantale, Gomarankadawala and Seruvila in relation to the "2021 Housing Project" of the State Ministry of Rural Housing and Construction and Building Materials Industries Promotion, a sum of Rs.227.20 million for 142 houses of Rs.600,000 and 142 houses of Rs.1 million had been given to 97 Grama Nildhari domains, which were not included in the "Resettlement Plan in Trincomalee District" under the housing project in the Northern and Eastern Province for the year 2021.	----- According to section 2.3 of the resettlement plan of the Eastern Provincial Chief Secretary and Trincomalee District Secretary, 29 Grama Nildhari domains have been identified for the resettlement, but as per the instructions of the Ministry Secretary, construction has been carried out by including 97 Grama Nildhari domains which destroyed by the war, in addition to the said plan.	----- Actions should be taken in accordance with Section 2.3 in "Resettlement Plan in Trincomalee District"

### 3.4 Non-achievement of expected Output Level

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
----- Although, the "Prosperity Production Villages Project" operated under the Seruwila Divisional Secretariat had arranged for the distribution of chicks, the objectives of the project had not been achieved since 2625 chicks with a total value of Rs.2.25 million had not distributed and the related check had retained as at 31 December 2021.	----- It has become difficult to supply on time due to the fact that the concerned supplier acts as a supplier to many government agencies.	----- Projects should be properly planned and executed.

### 3.5 Non-achievement of expected Outcome

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<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
----- According to the sample audit conducted under 4 Divisional Secretariat Offices under the "Prosperity Production Villages - 2021" project of the State Ministry of Samurdhi, Household Economy, Micro Finance, Self Employment Business Development, in the year under review, although 13714 livestock worth Rs.16.34 million had given to 242 beneficiaries, the intended purpose of this project had not been optimally fulfilled due to the fact that 3299 livestock worth Rs.2.84 million given to 164 beneficiaries had been lost.	----- These animals have been transported from outside the Trincomalee district and due to the transportation and distribution during the rainy season of the year 2021, many animals have contracted infectious diseases and died.	----- Project allocations should be utilized optimally.

### 3.6 Projects abandoned without completing

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The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
----- (a) Although, "Playground Development Program - 2021" under the State Ministry of Rural and School Sports Infrastructure Promotion had been allocated Rs.9.83 million for 3 national	----- The project was abandoned since lockdown the country due to Covid-19 pandemic situation, increase the raw material prices and the	----- Projects should be properly planned and executed efficiently within a time frame.

schools in Kantale, Town & Gravets and Kinnia Divisional Secretariat, the work had not been completed by the end of the year under review. Also, the project for the construction of the playground, which cost of Rs.2.46 million in the Kinnia Divisional Secretariat, had been abandoned unfinished. This situation was caused by the inefficiency of the contract administration activities of the District Secretariat.

contractors disagree to payment system.

- (b) Under the Rural Road Development Program - 2021, 222 projects to be completed by the Divisional Secretariats had been abandoned unfinished and only Rs.18.26 million had been spent out of the annual allocation of Rs.338.9 million at the end of the year under review.
- It was not possible to carry out the activities as per the plan due to price fluctuation and delay in receiving imprest.
- Do -

### 3.7 Procurements

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to 4.1 and 4.4 of the Government Procurement Guidelines Code, same type of procurement should be done without dividing. Also, although, the procurement process can be divided and carried out separately only when justification can be made, quotations had been quoted on batch orders basis when calling for prices to purchase goats worth Rs.13.72 million in Trincomalee, Town &amp; Gravets, Gomarankadawala and Seruvila Divisional Secretariats. As a result of this, procurements for Rs.3.72 million were made exceeding the maximum limit of Rs.1 million of the district procurement committee. Therefore, it was not possible to gain competitive procurement advantages.</p>	<p>Separate procurement has been done at the divisional level since very limited presence of suppliers, limited capacity of existing suppliers and limited capacity to supply only one area.</p>	<p>Actions should be taken in accordance with Government procurement guidelines.</p>

### 3.8 Management Weaknesses

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The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
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(a) The Morawewa Divisional Secretariat had implemented the sanitation project under the State Ministry of Rural Housing Construction and Building Materials Promotion for 52 beneficiaries at a cost of Rs.3.64 million. 25 beneficiaries from non-resettlement villages had been selected and paid a cost of Rs.1.75 million without making selections based on the Ministry's criterion of selecting beneficiaries for this project only from resettlement villages.	This benefit has been given to the said group of people as the majority of the people have left the villages and come back in small groups from time to time in the 10 Grama Niladhari domains of the Morawewa Divisional Secretariat.	Actions should be taken in accordance with the circular.
(b) According to paragraph 2.4 of the letter of the Ministry of Finance No. MFNPD/07/2021 dated 11 January 2021, although the provision and distribution of diversified budget imprest should be done in a fair manner based on poverty and geographical location to the people living in the Divisional Secretariat, Rs.40.61 million had been spent by 11 divisional secretariats belonging to the district secretariat against the above provisions out of the allocated sum of Rs.41.53 million in the year under review.	Proceeded as per Finance Ministry Circular MF/NPD/01/2021. Actions will be taken as per paragraph 2.4 of the Ministry of Finance letter No. MFNPD/07/2021 dated 11 January 2021 as indicated by the audit.	Circular instructions should be duly followed.
(c) Although the population in poverty in the arear of the Divisional Secretariat under the District Secretariat in relation to the year under review was 31,698, according to the Samurdhi subsidy report, the number of Samurdhi beneficiaries who received Samurdhi was 60,402 and it was questionable during the audit. As a result, Rs.958.4 million had been paid	Although the District Samurdhi Office intervenes in the selection of the beneficiaries of the Prosperity Production Village Project, the selection of Samurdhi subsidy beneficiaries is done by the Divisional Secretariat and its relevant officials.	Payments should be made only on the basis of correct reports and information when making expenses.

for 28,704 persons who were not entitled to Samurdhi benefits in the year under review.

**.4 Achievement of Sustainable Development Goals**  
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Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
Officials had not been sufficiently aware of the Sustainable Development Goals and it was not possible to evaluate the achievement of the goals in the year under review as the Sustainable Development Goals had not been identified.	It has been advised to identify and work on sustainable development priorities in the district.	Action should be taken to identify and implement the sustainable development goals.

**5. Human Resource Management**  
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The following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) The total number of vacancies was 257, including 16 vacancies for senior level, 26 vacancies for tertiary level, 173 vacancies for secondary level and 42 vacancies for primary level as at the end of the year under review. Accordingly, the problems had been arisen in directing other employees of the organization to the "vision and mission" of the organization, due to the existence of 16 senior level vacancies in the Divisional Secretariats and District Secretariats and the high number of employee vacancies at the decision-making level had been adversely affected the performance of the organizations. There were 241 tertiary, secondary and primary employee vacancies, and the presence of such vacancies had been adversely affected the efficiency and effectiveness of the organization's activities since these employees are the active employees of an organization.	Notifications have been continuously issued to the Ministry of Home Affairs for filling up the vacancies as per approved staff.	Immediate attention should be given to fill up the vacancies of essential posts.



- (b) An injustice had been done to the officers who have been waiting for transfer for a long time in the divisional secretariats far away from the city due to the fact that the transfer policy had not been implemented for officers whose service period exceeds 05 years in the district secretariat and divisional secretariats.
- The management committee is currently preparing a plan for the training needs and transfers to all officers.
- Actions should be taken in accordance with Public Administration Circular No. 18/2001 dated 22 August 2001.