

Head 278 – Rathnapura District Secretariat

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Rathnapura 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. This report included with my comments and observations on the financial statements submitted to the District Secretariat on 23 May 2022 in accordance with section 11(1) of the National Audit Act No. 19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was on 20 May 2022 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 Rathnapura 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

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

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for 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

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 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

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 Statement of Financial Position

The following observations are made.

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| ----- | ----- | ----- |
| (a) A closed school building of Rs. 6,150,000, which is not owned and used under head 278 in the financial statements, was accounted as a fixed asset. | I would like to inform that I have noted to look into this and make corrections in future. | Assets should be properly accounted after proper identification. |
| (b) Although the total value of property, plant and equipment (non-financial assets) was Rs. 2,084,793,758 according to the individual financial statements of the district secretariat and 18 divisional secretariats, it was observed a difference of Rs. 34,537,854 due to that value was Rs. 2,119,331,612 according to the financial statements presented by the district secretary. | This has been caused by recording errors on 03 divisional secretariats. | Action should be taken to maintaining proper books and records to enable preparation of annual financial statements and a comparison should be made to ensure correctness. |

1.6.2 Cash flow statement

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|--|--|
| Although the income from sale of non-financial assets in the year under review was Rs. 294,710, only Rs. 98,395 was indicated in the cash flow statement. | It has been informed that the relevant divisional secretaries will be advised in future. | Arrangements should be made to account the correct values. |

2. Financial Review

2.1 Imprest Management

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|--|---|--|
| Although the work on 102 out of 103 projects with a contracted amount of Rs. 149.1 million under 10 programmes has been completed as the requested advances were not received in the year under review, Rs. 104.5 million should have been paid for the said projects at the end of the year under review due to non-availability of imprests. | It has not been possible to pay for these projects due to the lack of sufficient funds. | Imprest management should be done with a close relationship with the treasury. |

2.2 Expenditure Management

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| The total amount of Rs. 3,000,000 provided by the supplementary estimates to buy paddy in the 2020/2021 season was paid to the treasury and only Rs. 27,701,254 which is 50.7 percent of the allocation of Rs. 54,600,000 received under the supplementary estimates for the purchase of green gram beans crop in the intermediate season of 2021 had been utilized. Thus, although the provision was obtained through a supplementary estimate for a special purpose, Rs. 26,898,746 was remained unused for the related work. | This programme was implemented based on the policy decision of the government, although the relevant regional secretaries organized the necessary facilities properly, the farmers did not work to sell the same quantity as notified and due to that, they did not get the opportunity to use the entire allocated amount. | The allocation should be used sparingly to achieve the planned objectives for the year. |

2.3 Utilization of Provisions made available by other Ministries and Departments

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|--|
| Out of the allocation of Rs. 946.9 million given to the 18 divisional secretariats for 80 tasks from 74 other ministries/departments, a provision of Rs. 479.6 million was saved at the end of the year under review. The savings reneged from 5 percent to 100 percent of the total provision. | This was due to that the programmes could not be held as planned due to the prevailing covid epidemic situation, non-availability of funds etc. | Action should be taken to maximize the utilization of allocated provisions for projects. |

2.4 Certification to be done by the Accounting Officer

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|---|
| According to the provisions of section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer and the Accounting Officer shall ensure that an effective internal control system is developed and maintained for the financial control of the district secretariat and that the effectiveness of that system should be reviewed from time to time and accordingly the necessary changes should be made to maintain the system effectively, those reviews should have been done in writing and a copy of it should have been submitted to the Auditor General, but the statement that such a review was done was not submitted to the audit. | An internal control system in place for the financial control of the district secretariat and the current situation is also reviewed in the audit and management committee meetings. Also, a copy of the report will be given to the government audit division. In addition, internal audit advice has been provided from time to time. | Should be followed the provisions of section 38 of the National Audit Act No. 19 of 2018. |

2.5 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of the laws, rules and regulations were observed as follows.

| Reference to the Laws, Rules and Regulations | Non-compliance | Comments of the Accounting Officer | Recommendation |
|---|--|--|---|
| (a) Financial Regulations 571 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka. | Rs. 37,968,871 worth of 123 deposits was not acted as per the financial regulations in relation to the district secretariat and 11 divisional secretariats, which exceeded 02 years. | Arrangements are being made to credit the government revenue. | Should be act in accordance with Financial Regulations 571. |
| (b) Paragraph 05 of Public Administration Circular No. 02/2018 dated 24 January 2018. | According to the circular, 02 divisional secretariats had not prepared a human resource development plan. | I will prepare the human resource development plan as soon as possible as per the circular. | Action should be taken as per paragraph 05 of the circular. |
| (c) Public Finance Circular No. 01/2012 dated 05 January 2012 | | | |
| <ul style="list-style-type: none"> ● Paragraph 3.2 (iv) | 03 projects worth Rs. 1,485,109 related to the Kahawaththa divisional secretariat had been subcontracted against the circular. | It has been informed that subcontracts have not been awarded for any project. | Proceed as per paragraph 3.2 (iv) of the circular. |
| (d) Code of Procurement Guidelines -2006 | | | |
| <ul style="list-style-type: none"> (i) Guideline 2.8.1 (b) | Although the Technical Evaluation Committee should include an officer with knowledge of the subject as per the guidelines, sewing machines and other machines worth Rs. 1,340,300 was not done according to the said arrangements in relation to | I would like to inform that we will contact officials with knowledge in that field for future purchases. | Procurement should be done as per the guidelines. |

the Embilipitiya divisional secretariat office.

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| (ii) Section 3.4 | Although the procurement entity has to select a suitable bidder by calling for quotations, 05 divisional secretariats had paid Rs. 999,133 for the services of 10 vehicles contrary to the said provisions. | It is stated the facts as no institution with high technology in the area, inform the officials to call the quotations as relevant in future and provide services, Divisional Secretary to be able to authorize repairs up to Rs. 25,000 as per F.R. 135 of delegation of powers. | Should be followed the government procurement guidelines. |
| (e) Paragraph 03 of Pension Circular No. 19/2006 dated 15 December 2006. | Even though the Grama Niladhari of the region should immediately inform to the divisional secretariat office with the pension number within 07 days of any pensioner dies in his division, due to failure to do that, the pension amount of Rs. 542,688 paid to 15 deceased pensioners related to 03 divisional secretariats should have been recovered. | Under the current corona epidemic situation, it took some time to report the deaths of pensioners in writing due to overloading of the village officials, if any pensioner dies, the village officials have been informed to inform the pension department within 07 days. | Proceed as per the provisions of the circular. |

2.6 Issuance and Settlement of Advances

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|---|--|
| Action was not taken as per the circulars and the provisions of the Establishment Code regarding Rs. 2,213,837 to be charged from 17 employees who were transferred, retired, left the service and suspended. | I inform you that it will be settled in future. | Debt balances should be recovered as per the provisions of the Establishment Code. |

2.7 Deposit Balances

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| ----- | ----- | ----- |
| The warranty period had been passed from 01 to 35 months for 40,722,851 withholding money obtained from 697 industries in relation to 07 divisional secretariat offices has expired as at 25 February 2022, which was the audited date, but they were retained in the divisional secretariats without being released. | No imprest for the payment. | Arrangements should be made to release the retained money that has passed the warranty period. |

3. Operating Review

3.1 Non- achievement of the desired Output level

The following observations are made.

| Audit Observation | Comments of the Accounting Officer | Recommendation |
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| ----- | ----- | ----- |
| (a) According to the divisional secretariat 02 action plan, the percentage of not reaching the desired targets of 26 activities ranged from 57 percent to 100 percent. | It has been informed that this was caused by the covid epidemic situation. | Plans should be made as goals can be achieved and necessary actions should be taken to achieve those goals. |
| (b) Due to reasons of land auctions were not held in divisional secretariat 02 offices in the issuance of permits/ allowances for government lands as at 31 December 2021 according to Land Commissioner General's circular No. 2008/04 dated 15 June 1995, 05 land kachcheri taken as low range as 01 to 06, the area of land to be regularized by 04 was not identified, and the unauthorized land was not identified by the number of land plots to be regularized in relation to 04, no license has been granted by 02, the process of regularization of unauthorized land in Rathnapura district had taken a slow view. | The target number could not be achieved due to the covid 19 epidemic in the year and it has been informed that attention will be paid to speed up the process of regularization of unauthorized land. | Action should be taken to complete the process of regularization of unauthorized land as soon as possible. |

3.2 Abandonment of Projects without completion

| ----- Audit Observation ----- | ----- Comments of the Accounting Officer ----- | ----- Recommendation ----- |
|---|---|--|
| 31 Projects expected to be completed in Rathnapura district secretariat and 04 divisional secretariats during the year under review with an estimated cost of Rs. 11,221,410 were abandoned without completion. | It has been informed that this has been due to shortage of cement and high price of construction materials in the market, contract societies refused to undertake construction, inadequate provision and even though the basic work of the projects started, contractor did not appear interest in completing the work. | Plans should be formally prepared and completed within the time frame in order to be able to complete the projects within the specified time period. |

3.3 Delays in Project Execution

The following observations are made.

| ----- Audit Observation ----- | ----- Comments of the Accounting Officer ----- | ----- Recommendation ----- |
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| (a) Although the number of families identified to be given alternative land in the district in relation to 16 divisional secretariat divisions in the last 04 years and the reviewed year is 2418, the number of families who were given suitable land was 1362 and the progress was 56 percent. | Non-recommendation of the land selected by the people by L.N.B.R.S, the selected land was sold when the reports were sent, unwillingness to settle on the proposed government land, lack of interest among the people to provide related documents and the existing legal problems etc. caused for this. | The survey reports of the currently acquired lands should be obtained immediately and steps should be taken to provide the lands. |
| (b) The total number of houses damaged by flood and landslides in Rathnapura district in the last 04 years and the year under review was 23,127 and although the total amount of compensation that should have been given was Rs. 1,268,091,549, the amount to be provided further was Rs. 276,965,651 as at 31 December 2021. | This is due to not receiving requested amount from the National insurance Trust fund Board, the provision and funds needed to make the payment have not been received yet, people giving incomplete applications and not forwarding applications. | Plans should be made as respective compensations can be paid promptly. |

3.4 Procurements

The following observations are made.

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|---|--|---|
| (a) Rs. 1,876,515 was paid for 64.09 cubic meters (m ³) of concrete in relation to 04 roads constructed with concrete mixes without following a formal technical method for confirm whether there is a proper compressive strength in relation to 02 projects of 02 divisional secretariats. | It has been informed that no tests have been conducted for 04 roads. | When paying for road construction, it should be verified whether there is a proper compressive strength. |
| (b) Although Rs. 221,093 were paid under special rate schedule/ rate analysis (SSR/Rate Analysis) for 14 work subjects of 12 construction projects related to Kahawaththa divisional secretariat, the engineer or a highly knowledge technical officer of the district secretariat had not inspected and approved whether the construction had been carried out to the required standard. | It has been informed that they agree with the observations and have given instructions to the officers to act as per instructions form now. | Payments should be verified and approved as the construction has been done according to the standard. |
| (c) According to highway schedule (HSR) ST 47 1:2:4 concrete mix shall have a minimum compressive strength of 20N/mm ² and the hammer test was carried out as a method of testing the compressive strength in relation to Elapatha divisional secretariat and the sum of allocation money was Rs. 2,500,000 of 04 roads were identified as failing. A core cutter test was conducted for the failed roads and that test also failed. It was observed the thickness of the research samples was less than the prescribed thickness of 0.15m according to the test due to standard size boxes were not used for measuring the materials, the sand brought to the field was not in the required standard, the development | It has been informed the officers will be given instructions regarding the projects to be carried out in future and the constantly informed about the relevant specifications. | Disciplinary action should be taken against to the respective responsible parties regarding non-monitoring of performance to the required standard. |

officer/ technical officer had not taken steps to record the materials used with their sources regarding these roads. Accordingly, it was observed that no close monitoring has been done on the specifications of the road.

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| <p>(d) Rs. 959,020 was paid on 29 September 2020 to the contractor for the preparation of the site of the Karapincha rubber plant nursery in the Kuruwita divisional secretariat and for the preparation of a building suite for storing glyphosate by removing the trees with an excavator. It was observed during the audit conducted on 29 November 2021 that Rs. 783,408 was overpaid for the 455.47 unused machine meter hours. Also, there was an error in the estimate of this contract under work subject No. 06 and instead of recommending payment by the Assistant Director (Planning) the Payment was recommended by the Administrative Officer. Also, no bill for payment was received from the supplier.</p> | <p>Answers are not acceptable. It was informed that payment should be made after verifying the machine hours actually worked by the machine in the field as per the District Engineer's letters dated 04 July 2019 and 24 February 2020, but it was not done accordingly.</p> | <p>Special attention should be paid to frugality in the performance of government functions. Further, should be act in accordance with Financial Regulations 156(i).</p> |
| <p>(e) Investigations had not been conducted and recovered about the overpayment of Rs. 567,269 regarding the construction of 16 work subjects of Gallinna and Morathota Nila Sewana in relation to Pelmadulla divisional secretariat, which was agreed on 25 October 2017 under the Ministry of Home Affairs on the basis of construction within 68 days at Rs. 2,000,000 each, at the date of audit on 02 February 2022.</p> | <p>A committee has been appointed to conduct investigations in this regard and the recommendations will be implemented immediately after receiving its report.</p> | <p>Should be act to check and recover overpayments as per Financial Regulations 156(i).</p> |
| <p>(f) Under the Door to Door village development programme – 2015, Medabedda seva piyasa office under the Balangoda divisional secretariat should prepare plans/ estimates for the foundation of the building accordingly after due attention/ inspection of the nature of the soil of the constructed land/</p> | <p>A field inspection has been done in this regard and after receiving the inspection report, I will take further action and submit a complete report.</p> | <p>A proper feasibility study should be carried out while carrying out the construction and attention should be paid to Financial Regulations 156(1).</p> |

area. However, due to that the foundation of the building was constructed using only granite and cement without paying due attention to it, the building of Rs. 1,279,531 was recommended to be demolished after 05 years of construction by the National Building Research Organization. Accordingly, the amount spent had been idle expenditure.

- (g) During the field inspection of the road construction project related to Embilipitiya divisional secretariat, 03 road projects developed with asphalt/concrete could have been used with the expenditure of Rs. 4,455,579 in the year 2020, but incidents for re-carpeting the road were observed during the audit.
- These projects, which were developed under the Sapirigamak programme in the year 2020, have been included in the development of the remaining roads in the year 2021 under the carpeting of these roads. I also inform that the approval of the Pradeshiya Sabha committee has been received for that.
- Attention should be paid to the “Guidelines on district coordination committees and regional coordination committee meetings” of the Secretary, Ministry of State Security, Home Affairs and Disaster Management No. 2/2021 dated 12 February 2021.
- (h) The Ministry of Home Affairs and Disaster Management has allocated Rs. 18 million for Kiriella and Eheliyagoda divisional secretariat divisions to construct roads on the land proposed to settle the families affected by the 2017 floods and landslides. In the construction of those roads, guidelines have been given on both the alternative methods of awarding direct contracts to community based organizations under paragraph 3.9.2 of the code of procurement guidelines paragraph 3.9 and selecting a suitable contractor by inviting bids under 3.9.4., but with special attention to 3.9.4 and without paying attention to the advantages that the government can take from competitive procurement, the related work was done by dividing the industry from community based organizations.
- Since these are high risk areas, the necessary infrastructure should be developed to settle the beneficiaries in the village as soon as possible and since other development programmes implemented during the year were done under direct contract awarding and since there were not enough contractors registered in the divisional secretariat, direct contracts were awarded to community based organizations.
- Contracts should be awarded as most advantageous to the government according to guidelines 3.9.2 and 3.9.4 of the procurement guidelines.

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| <p>(i) Although the Morapitiyawaththa bridge over Nedurana Eheliyagoda with an estimated value of Rs. 4,673,034 should be renovated and completed on 31 December 2021, though extensions were given on 02 occasions, physically checked on 01 April 2022 and on the that date also the physical progress was as low as 30 percent. The villagers had to fulfill their needs from the unsafe temporary bridge due to the delay in the construction of the bridge.</p> | <p>The construction of the bridge was delayed due to the problematic situation in providing consultancy services; the instability of the construction site, the inability to procure the raw materials required for the construction from the market and the continuous rain in the area during that time.</p> | <p>Development projects should be done efficiently and effectively.</p> |
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3.5 Assets Management

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|---|---|--|
| <p>122 government buildings that have not been used for a period of 40 years in 15 regional secretariats and 06 government buildings that have not been used for more than a year in the district secretariat were weeded and without being used for any effective purpose.</p> | <p>The relevant institutions have been informed that the buildings are dilapidated and will be reformed and used.</p> | <p>Steps should be taken to properly utilize the relevant property and a formal programme should be implemented regarding the security of the government property.</p> |

3.6 Bail of Government Officials

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|--|---|--|
| <p>29 officers who were required to post bail in the district secretariat and 10 divisional secretariats had not deposited the bail money as per the provision of the Financial Regulations 880 and Circular No. 07/2019 dated 23 March 2019 of the Ministry of Internal and Home Affairs, Provincial Council and Local Government. As per the provisions mentioned in Financial Regulations 881 (ii), that had not taken steps to obtain the surety from his subordinates who were required to give such surety within the prescribed period.</p> | <p>Arrangements are being made to deposit the bail.</p> | <p>Should be bailed as per Financial Regulations 880 and 881 (ii).</p> |

3.7 Uneconomical Transactions

 The following observations are made.

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|--|--|
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| <p>(a) The construction has started under the allocation received from the Ministry of Cultural and Arts to build a cultural center in Eheliyagoda divisional secretariat, but the construction was stopped after only one slab was built. After 08 years, in the year 2021, the allocation of Rs. 26,419,500 received for the completion of the remaining work was returned due to management weaknesses such as lack of proper coordination between the institutions, weak follow-up process and lack of proper supervision. Due to consider the facts such as the construction site costing Rs. 3,535,723 is completely overgrown with weeds and large trees have grown in the construction premises, it was identified in the field audit as a idleness, ineffective and uneconomical transaction. This construction was not completed even though 11 years had passed.</p> | <p>It is stated in the district engineer's report, that the National Building Research Organization dated 11 October 2019 has not provided a condition report regarding the construction of this building to the district engineer from any institution. It has been informed that such a situation would not have arisen if the ministry had obtained a formal estimate and architectural plans for the project and allocated provisions.</p> | <p>Development projects should be carried out effectively with proper coordination and proper supervision.</p> |
| <p>(b) Although the Kuruwita Pradeshiya Sabha had developed the Kosgala volleyball ground and completed it in the year 2021 under the allocation of Rs. 1,500,000 received from the State ministry of rural sports infrastructure promotion, the playground was not in use till 25 February 2022 which was the date of audit.</p> | <p>Kuruwita divisional secretary has informed the Honorable Chairman of Kuruwita Pradeshiya Sabha to correct the deficiencies pointed out and report with relevant photos.</p> | <p>Action should be taken to against the respective responsible parties for non-use and steps should be taken to develop the playground as suitable for the usage.</p> |

3.8 Problematic Audit Paragraphs

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
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| Due to Rs. 6,693,388 had been spent on the construction of 04 cultural centers in the year 2010, that expenditure had become a useless expenditure. Although the previous reports indicated this, the necessary measures were not taken. | The Kahawaththa cultural center is not being used due to the instability of the land and the necessary measures are being taken for the construction of the cultural centers of Opanayake, Weligepola and Kolonna. | The remaining work should be completed promptly and steps should be taken to utilize the respective center. |

3.9 Management Inefficiencies

The following observations are made.

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|--|--|--|
| (a) 22 out of the 51 boats provided as a basic preparation for flood –threatening village service areas in the Kiriella divisional secretariat division were unusable and they had not been repaired or removed. Due to this, there was a situation where the desired results could not be obtained in the emergency disaster. | A letter has been sent to the Ministry of Disaster Management with requesting for provision to carry out the repairs of the bloat locks. | Necessary formal steps should be taken regarding the 22 unusable boats. |
| (b) 45 pieces of government land where the offices of village officers are located in 07 divisional secretariat divisions have not been settled and taken over by the divisional secretary until the audited date of 13 January 2022. | Arrangements are being made to take over regularly in future. | Arrangements should be made to formally take over the ownership of government lands. |

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| <p>(c) A revolving loan programme had been implemented in 06 divisional secretariats with the objective of directing rural women to income generating ways and encouraging women engaged in income generating ways. Although the loan taken under this has to be paid in 10 installments, a total of Rs. 485,590 of the loans obtained by 97 borrowers remained outstanding for a period ranging from 05 months to 141 months.</p> | <p>Action is being taken to recover the loans.</p> | <p>Loan recovery should be done according to the series of instructions for implementing the revolving loan programme and action should be taken against the non-payment.</p> |
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4. Sustainable Development

4.1 Identification of the Sustainable Development Goals

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|--|---|---|
| <p>According to the United Nations “Sustainable Development Agenda 2030”, the district secretariat had not issued any internal circulars and prepared action plans regarding the objectives and goals related to their implementation. It has been pointed out by the audit reports of previous years in this regard, but no formal action has been taken even by the audit date of 25 March 2022.</p> | <p>No advice has been given to us by the ministerial level or the sustainable development council regarding the issuance of internal circulars in this regard. However, the regional secretariats and relevant officials have been informed in this regard.</p> | <p>Sustainable development goals and objectives should be identified and implemented.</p> |

5. Good Governance

5.1 Providing Services to the Public

| Audit Observation ----- | Comments of the Accounting Officer ----- | Recommendation ----- |
|---|---|---|
| <p>The services of the citizen client charter should be updated, followed up and evaluated and improved in accordance with Guideline 1.4 of Public Administration Circular 05/2008 dated 06 February 2008, 03 divisional secretariats were not updated after the year 2014.</p> | <p>I will act to complete these activities as soon as possible.</p> | <p>Should be followed the guideline 1.4 of the Public Administration Circular 05/2008 dated 06 February 2008.</p> |

6. Human Resource Management

There were 172 vacant employees and 117 excess employees as at 31 December 2021 in the Rathnapura district secretariat and 18 divisional secretariats in comparison with the approved number of employees and the actual number of employees and the following observations are made in this regard.

| Audit Observation | Comments of the Accounting Officer | Recommendation |
|---|--|--|
| ----- | ----- | ----- |
| (a) It was observed that the vacancy in 08 Assistant Divisional Secretary posts, 08 Assistant Director planning posts, 19 Technical Officer posts and 85 Grama Niladhari posts may adversely affect the local administration and development activities. Also, there were 117 excess employees and no arrangements were made to recognize the need for service and retain and transfer others on the approval of the Department of Management Services. | Arrangements have been made to carry out duties on a work in acting basis or cover up duty until this vacancy is filled. Information in vacancies and redundancies had been forwarded to the State ministry of Home Affairs and Ministry of Public Services, Provincial Councils and Local Government by updating staff information that recruitment is done by the relevant ministry. | Necessary action should be taken to fill up the vacancies in the posts approved as per the Financial Regulations 71. |