

**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the Gampaha Municipal Council for the year ended 31 December 2022 comprising the statement of assets and liabilities as at 31 December 2022 and the statement of comprehensive income statement, statement of changes in equity, cash flow statement, significant accounting policies and the summary of other explanatory information 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 the section 219 of the Municipal Council Ordinance (252 Authority) and the provisions of National Audit Act No.19 of 2018. My comments and observations which I consider should be report to Parliament appear in this report.

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 Gampaha Municipal Council as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards for Local Authorities.

**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, under those standards are further described in the Auditor's Responsibility for the Audit of Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards for Local Authorities, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Municipal Council's financial reporting process.

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

**1.4. Audit Scope (Responsibility of the Auditor for the audit of 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 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercised professional judgment and maintain professional scepticism throughout the audit. I also:

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

The scope of the audit also extended to examine as far as possible and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Municipal Council and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Municipal Council has complied with applicable written law, or other general or special directions issued by the governing body of the Municipal Council;
- Whether it has performed according to its powers, functions and duties; and
- Whether the resources of the Municipal Council had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

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

National Audit Act, No.19 of 2018 includes specific provisions for following requirements.

- (a) The financial statements of the Municipal Council presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No.19 of 2018.

- (b) The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1)(d)(iv) of the National Audit Act, No.19 of 2018.

## **1.6 Audit Observations on the Preparation of Financial Statements**

### **1.6.1 Deficiencies in the Preparation of Financial Statements**

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
As per Accounting Policy 3.3 in the Financial Statements, even though, it is indicated that the Revenue should be recognized once they are accrued, when accounting for Stamp Fees Revenue, no specific basis was used.	Billed Revenue of Stamp Fees had been accounted as an amount of Rs.123 Million as Revenue. on the accrual basis.	Revenue relating to the current year, should be accounted on the Accrual Basis.

### **1.6.2 Accounting Deficiencies**

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
(a) Government Grants for non-recurring expenditure had been falsely accounted in the year 2020, as Revenue by Rs.66,965,713 and Rs.6,616,947 had not been accounted in the year 2021. This error had not been corrected even in the accounts for the year under review.	Since a Revenue to the Sabha, accounted as "Revenue". The assets arising from those Grants, had been depreciated.	Capital Grants should be accounted as Revenue, at the relevant depreciation rates from the year following the year in which they are received
(b) Government Grants for non-recurring expenditure in the year under review, had been overstated by Rs.6,443,786.	As per Sri Lanka Public Sector Accounting Standard 9.5 for Local Authorities, Grants received had been accounted as Revenue in the same year.	-do-
(c) The Comprehensive Income for the year under review, had been overstated by Rs.6,443,786.	-do-	-do-
(d) Fixed Deposit Interest Income for the year under review, had been understated by Rs.52,640.	The Observation is correct. Adjustments will be made having the interest rate confirmed by the bank.	Interest Income should be accounted correctly.

### 1.6.3 Unreconciled Control Accounts or Reports

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
(a) There had been a difference of Rs.4,333,755 between Balance Total of 06 Revenue Headings, the Financial Statements and Arrears Revenue Reports.	The Arrears as per Financial Statements is correct and actions are being taken to revise Arrears Revenue Report.	Differences should be identified and corrected
(b) There had been a difference of Rs.6,480,924 between the Balance Total of 07 account headings as per Financial Statements and the Balance Total as per schedules.	The Arrears amount of the Yakkala Sub Office had not been taken in to calculation.	-do-

### 1.6.4 Lack of Written Evidences for Audit

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
Total of 05 Balances amounting to Rs.8,633,172 could not be satisfactorily examined in the Audit, due to non-submission of required information.	Actions will be taken to maintain documents.	Documents should be prepared.

## 1.7 Non-Compliance

### Non-Compliance with Laws, Rules, Regulations and Management Decision

<b>Reference to Laws, Rules Regulations etc.</b>	<b>Non-compliance</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
(a) Section 20 of Rating & Valuation Ordinance No.30 of 1946	Rates for the current year had been charged based on the assessments done in 2005 and 2011 years	Actions will be taken to finish this task by December 2023 and in 2024, new Rates will be applied.	Assessments for ratable properties should be done and Rates should be charges accordingly.
(b) According to Extra Ordinary Gazette No.2155/6 dated 24 December 2019, orders relating to Accounting Activities			

of relevant to financial  
administration of  
Municipal Councils

(i)	08	Financial Statements for the year under review, was submitted 23 days late, on 23 March 2023.	Accepted. Financial Statements will be submitted on the due date in the next year.	Accounts should be submitted on or before the 28 of February.
(ii)	83 II	Advance account had not been maintained for Staff Loans to be received.	An updated Staff Loan Account is available at the Office.	An Advance account should be maintained in terms of Regulations.
(iii)	306	Information relating to the Tax charged on the Land Sale had not been maintained under a Schedule.	A schedule has been prepared so that information can be obtained in the future.	A schedule should be maintained to enable information provision.
(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka				
(i)	396(b)	No action had been taken with regard to 08 nos. Returned Cheques amounting to Rs.356,560, coming from many years.	Actions will be taken to charge remaining money.	Actions should be taken to charge by Cash as per the Financial Regulations.
(ii)	396(d)	No action had been taken for 06 nos. Expired Cheques amounting to Rs.328,793	Forwarded for future actions.	Actions should be taken as per Financial Regulations
(iii)	571(1) and (2)	Deposits exceeding 02 years amounting to Rs.57,798,854, coming from the year 1977, had not been regulated.	Should be held in the Deposits Account for future payments.	Deposits should be regulated as per Financial Regulations.

## 2. Financial Review

### 2.1 Financial Results

According to the Financial Statements presented, excess of revenue over expenditure of the Sabha for the year ended 31 December 2022 amounted to Rs.53,423,602 as compared with the revenue over expenditure amounted to Rs.205,354,800 in the preceding year.

## 2.2 Financial Administration

Audit Observation	Comments of the Sabha	Recommendation
(a) 07 Nos. monthly Fixed Deposits amounting to Rs.67,359,947 had been withdrawn, 08 to 17 days after the maturity and the Interest Income had been lost for that period, even the ordinary Interest had not been received.	Correct. Actions had been taken under Mayor's orders to meet urgent financing needs of the Council.	Fixed Deposits should be withdrawn without losing Interest Income.
(b) Stamp Income amounting to Rs.123,108,175 received in the current year and the preceding year, in relation to the years from 2016 to 2020, had been accounted in the year under review. Though, Budgeted Stamp Income for the year 2023, had been Rs.120,000,000, 98 percent of that, amounting to Rs.117,562,605 had been obtained in cash as Advances and was accounted as Income Received in Advance. This had been as bigger percentage as 249 than the advances taken in the year 2021.	Amount received in addition to the Billed Revenue receivable in the year 2022, had been accounted as Income Received in Advance.	When taking Advances, the impact on the cash flow of the coming year should be considered.

## 2.3 Revenue Administration

### 2.3.1 Estimated Revenue, Billed Revenue, Collected Revenue and Arrears Revenue

As per the information presented by the Municipal Commissioner, particulars relating to the Estimated Revenue, Revenue Billed, Revenue Collected and Arrears of Revenue relevant to the year under review and the preceding year are shown below.

Income Source	2022				2021			
	Estimated Income	Billed Income	Collected Income	Arrears Income as at 31st December	Estimated Income	Billed Income	Collected Income	Arrears Income as at 31st December
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) Rates & Taxes	84,501,500	102,621,334	70,352,564	89,286,429	84,003,000	89,805,713	47,742,228	76,279,551
(ii) Rent	38,670,000	40,507,851	25,684,786	45,108,379	39,100,000	39,699,223	24,289,465	36,499,966
(iii) License Fees	5,800,000	5,365,608	4,974,608	717,427	4,000,000	3,966,099	3,866,099	417,427
(iv) Other Income	367,411,000	464,185,713	463,168,538	84,503,489	499,729,000	390,282,460	217,847,126	88,051,101
	<u>496,382,500</u>	<u>612,680,506</u>	<u>564,180,496</u>	<u>219,615,724</u>	<u>626,832,000</u>	<u>523,753,495</u>	<u>293,744,918</u>	<u>201,248,045</u>

### 2.3.2 Revenue Collection Performance

Observations relating to the Revenue Collection Performance of the Council is stated below.

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
(a) Rates and Taxes		
(i) Since, Rates billed in the year under review had been Rs.74,732,223 and the collected amount was Rs.45,580,286, the uncollected percentage had been 39 percent.	Red Notices had been issued at the end of each Quarter of the year 2022.	Rates should be charged as per the Act.
(ii) Arrears Rates amount as at the beginning date of the year under review, had been Rs.70,222,910 and Since, the collected amount during the year under review was Rs.19,024,468, the uncollected percentage had been 73 percent.	Red Notices had been issued in relation to the list of arrears exceeding Rs,50,000, handed over to Revenue Inspection Officers.	-do-
(b) Entertainment Tax		
Out of Billed Entertainment Tax amounting to Rs.2,466,833, no amount had been collected during the year under review and out of the Arrears Entertainment Tax as at the beginning date of the year amounting to Rs.5,200,451, the collected amount during the year was Rs.27,425.	This arrears is from 05 cinemas. Legal actions have been started for recovering balance money.	Arrears Entertainment Tax should be charged.
(c) License Fees		
The charged amount had been Rs.91,000 from the Arrears Trade License Fees amounted to Rs.417,427 as at the beginning of the year under review	Arrears amounts pertaining to 07 License Holders had been submitted for the approval for writing-off and legal actions have been commenced for the rest of the License Holders.	Arrears License Fees Income should be collected.
(d) Rent		
(i) The uncollected percentage had been 38 percent since the collected amount was Rs.21,056,412 from the billed Trade Stall Rent amounted to Rs.33,730,902 during the year.	Reliefs have been awarded due to people's requests and political interventions. Awareness is being made for collection of arrears. Actions will be taken to seal and	Arrears Trade Stall Rent Income should be collected.

- acquire back, if no responses are received.
- (ii) The uncollected percentage had been 76 percent since the amount of Trade Stall Rent as at opening day of the year under review was Rs.26,028,316 and the collected amount during the year, had been Rs.6,134,214. Reliefs have been awarded due to people's requests and political interventions. Awareness is being made for collection of arrears. Actions will be taken to seal and acquire back, if no responses are received. Arrears Trade Stall Rent Income should be collected.
- (iii) Arrears Trade Stall Rent of Rs.2,311,107 had been outstanding as at 31 August 2022, for 142 Trade Stalls of the demolished Public Market and agreements had been entered in to with 97 trade stall owners out of it for awarding temporary stalls without collecting arrears Trade Stall Rent. Actions will be taken to collect in the future. Arrears Trade Stall Rent should be collected.
- (iv) 30 Nos. Trade Stalls owned by Gampaha Municipal Council, had not been called for tenders and leased even as of the audited date, 16 January 2023. Tenders will be called for in the future, for Trade stalls of which, the issues are resolved. Trade Stalls should be given on rent and rent should be charged.
- (e) Arrears Key Money amounting to Rs.8,138,394 had not been recovered from 05 previous lessees and 04 new lessees of the Yakkala Shopping Complex. And also, a previous lessee who had an outstanding key money amounting to Rs.3,022,141 for 03 Trade Stalls, had been provided with a new Trade Stall considering as a new lessee. Keys have not been handed over yet. Even though, informed in writing to receive keys after settling dues, not paid until now. Trade Stall No. 56 has been given on the decision made by the Council. Arrears Key Money income should be collected.
- (f) Rent from Inns as at the beginning of the year under review, had been Rs.5,954,355 and billed during the year was Rs.1,364,225 and therefore, a total arrears amount of Rs.7,318,580 was outstanding. This has been taken over by the Urban Development Authority and since there is a legal case between the Lessee and the other parties, It was informed that, the payment will be made after the decision is made. Arrears Rent Income from Inns, should be charged.



(g) Lease Rentals

No amount had been recovered from the Lease Rentals amounting to Rs.4,439,346 as at the beginning date of the year under review. Legal Actions have now been taken to recover a sum of Rs.1,576,029 Arrears Lease Rentals should be recovered.

(h) Other Income

The Balance of Arrears Other Income as at the beginning date of the year under review, had been Rs.88,051,101 and recovered during the year had been Rs.4,564,787. Actions will be taken to recover in the size order of the arrears amounts. Arrears Other Income should be charged.

(i) Court Fines and Stamp Fees

Stamp Fees Schedules for years 2020, 2021 and 2022 and Court Fine Schedules for the years 2021, 2022 from the Magistrate Court Gampaha, had not been prepared and recovered. That Stamp Fees and Court Fines can be recovered within 03 years' subject to time bar. Schedules should be prepared and Income relating to the year should be accounted and charged.

### 3. Operational Review

#### 3.1 Discharging the Duties Assigned by the Ordinance

The following are the facts observed regarding the performance of the council's duties of regularizing and controlling the matters of public health, public utility services and public roads and the welfare, convenience and welfare of the people under section 4 of the Municipal Council Ordinance.

#### **Audit Observation**

#### **Comments of the Sabha**

#### **Recommendation**

In the Action Plan that was prepared for the year under review, in line with the Budgetary Document, Allocated amounts, Quarterly Physical and Financial Targets had not been included for all items and Progress has not been prepared as per Action Plan for the year under review.

Actions will be taken to include those information quarterly wise and the Annual Progress as per the Action Plan has now been prepared.

Action Plan should be prepared correctly.

### 3.2 Management Inefficiencies

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
A private Company had paid 1% Land Sales Tax, relating to Gampaha Head Office on the dates 16 March 2018 and 08 July 2015 and relating to Yakkala Sub Office, on the date 19 June 2019, Rs.1,134,100, Rs.1,054,342 and Rs.8,397,175 respectively, to the Municipal Council. In that regard, Deeds of the 10 percent land extent (common land) allotted for sports and recreational activities, had not been produced for the Audit as of 16 June 2023.	Lands more than 01 acre are approved by the Urban Development Authority and expect to obtain information relating to these lands from the Urban Development Authority and to take actions to acquire these lands in the future.	Deeds of the 10 percent lands should be obtained.

### 3.3 Operational Inefficiencies

<b>Audit Observation</b>	<b>Comments of the Council</b>	<b>Recommendation</b>
Fuel Consumption Tests had not been done for 13 vehicles owned by the Council, from the year 1993 to the year 2015 purchased or received to the Audited date 18 January 2023 and all log books had not been properly updated	Activities relating to Fuel Consumption testing for all vehicles and updating of vehicle log books are being implemented.	Fuel Consumption Tests and Vehicle Log Books should be updated

### 3.4 Idling or Under-utilized Property, Plant and Equipment

<b>Audit Observation</b>	<b>Comments of the Sabha</b>	<b>Recommendation</b>
(i) A Quarters had been crumbling due to non-usage and Bio Gas Unit had been idling.	The quarters will be demolished soon after the inventories are disposed. Obtaining of bio-gas was refused and therefore, emitted to air and actions are being taken to issue to the neighboring residents and to the cafeteria in the future.	Assets should be maintained so as to be able to use.
(ii) 03 Tractors, a Trailer, and a Road Compactor had been idling as of 22 January 2022.	Actions are being taken to repair and the Road Compactor will be disposed in the future.	If the Assets cannot be used, they should either be repaired or disposed of.

- (iii) A Tractor and a Trailer which were recommended for sales in the Motor Vehicle & Machinery verification carried out on 31 December 2021, had been deteriorating as of 25 January 2023. Actions are being taken to repair. Actions should be taken as per Verification Report.

### 3.5 Assets Management

Audit Observation	Comments of the Sabha	Recommendation
(a) When assigning assets from the Gampaha Pradeshiya Sabha to the Municipal Council Gampaha by the Gazette dated 28 April 2006, land extents assigned relating to 03 cemeteries and the extents as per Plans had reduced by 239.29 Perches.	Accepted.	The reasons for the difference should be investigated and unauthorized land acquisitions should be removed.
(b) There had been no Title Deeds for 20 Nos. cemeteries amounting to Rs.1,597 Million, owned by the Council and no Title Deeds and Plans for 36 Nos. lands amounting to Rs.3,862 Million, and the boundaries had not been marked for 14 cemeteries.	The surveying of cemeteries are being carried out at the moment.	Title Deeds and Plans should be prepared and the boundaries should be marked.

### 3.6 Procurement Management

Audit Observation	Comments of the Sabha	Recommendation
(a) Procurement Plan for the year 2022, had not been prepared.	A Procurement Plan was prepared for the year 2023 and actions are taken accordingly.	A Procurement Plan should be prepared.
(b) Purchase of Rice amounting to Rs.9,995,000 to be distributed among Low Income Earners.		
(i) A program like this was not included in the Action Plan for the year 2022.	The unfavorable economic condition took place in the country could not be predicted at the time of preparing the Action Plan	Actions should be taken according to the Action Plan and revisions should be made depending on the requirement and be approved.

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|-------|---|---|--|
| (ii)  | Even though, it was passed by the Council, the provision of rice to Low Income Earners between 100 to 300, from each division of the 33 areas, the Low Income Earners had not been selected on a fair basis.                                      | The selection of Low Income Earners had been entrusted to the members, the selection of Low Income Earners had been entrusted to the ministers, verbally, by the Mayor. | Beneficiaries should be selected on a fair basis.                    |
| (iii) | The confidentiality had not been secured of the prices since they were received by the Whatsapp messages, even though they should have been produced by sealed quotations by registered post or by putting in to a tender box.                    | Price had been called for using modern technology (Whatsapp), treating as an urgent matter, on the instructions by the Mayor.   | Sealed Quotations should be obtained.                                |
| (iv)  | Even though, the bidding period should be at least 07 days, under the marker pricing system, Calling for quotations was terminated on the day after calling for bids and only 02 executive officers had signed the procurement decision.          | Due to the urgent need, as per instructions and orders of the Mayor, it was required to act like this.  | Sufficient time should be given for the submission of bids.          |
| (v)   | Even though, it had been informed that, payments will be made after the supply of goods, 50 percent of the contract price amounted to Rs.4,975,000, had been paid as an advance, contrary to the Section 5.4.10(c) of the Procurement Guidelines. | 50 Percent Advance had been paid based on the decision passed by the Council and written instructions of the Mayor.   | Actions should be taken as per Procurement Guidelines.               |
| (vi)  | Though. Rice bags had been supplied in 02 packs, this was not mentioned in the bid documents.   | Instructions were given accept, when this was informed to the mayor and samples were checked by PHI and recommended as suitable.  | Purchases should be done in the way, indicated in the bid documents. |
| (vii) | Rice was superficially nspected, without unloading from 02 containers.  | The Supply Officer and Storekeeper had boarded the vehicles and made an approximate count.  | Should check and confirm whether goods have been received.           |

(c) Purchase of Computers and Computer Accessories amounted Rs.657,200.

- (i) Specifications had not been prepared for the purchase of Computers and Computer Accessories, and even though the bidding period should be at least 07 days, all activities relating to from calling for bids to approving the payment had been done on 03 January 2022. The ordering was directly made by the Mayor. Sufficient time should be given for the submission of bids.
- (ii) There was no evidence of calling for quotations and the 02 out of the 03 entities which had sent quotations, were not registered suppliers. The closing date of bidding, date and time of opening of Bids, had not been mentioned in Bid Documents. Due to the urgency of the matter, prices were called for by shopping. Quotations should be called from registered suppliers and all the information should be included in the bid documents.

(d) Purchase of Computers and Computer Accessories amounted to Rs.1,401,000.

- (i) Even though the bidding period should be at least 07 days, only 04 days had been given the confidentiality of prices had not been secured since, shopping prices, which was not in the Procurement Guidelines, had been called for. Calling for quotations, placing orders having Technical Evaluation Committee reports, had been carried out under the cover approval of the mayor. Sufficient time should be given for the submission of bids.
- (ii) A purchase was made for the second time from the same company from which first purchase was made and Rs.304,800 had been overpaid as a result of heavy price increases within 03 months, due to purchases were not pre-determined and made at once. Computers were required for updating personnel files, and due to the prevailing economic conditions of the country, prices had changed. Should be purchased systematically, according to a plan.

### 3.7 Human Resource Management

Audit Observation	Comments of the Sabha	Recommendations
(a) Even though, the approval should be obtained from the Management Services Department, in terms of the Public Administration Circular No.29/2019 dated 18 September 2019, for the confirmation of appointment of employees recruited on temporary, casual, substitute, contractual or relief basis, 59 confirmed appointments had been given on 19 November 2019 and was sent for approval on 15 February 2021. Approval for 52 work/field/ health laborers had not been granted even as of 10 January 2023.	Sending for approval had been delayed due to country lockdown, limiting of cadre coming for work, closing of offices and employees becoming Covid infected. Though, letters had been sent for the years 2021 2022, approval had not been received.	Letters should be submitted without time delays and approval should be obtained.
(b) 37 out of 97 health laborers in the Health Division of the Municipal Council of Gampaha as at 31 December 2022, who receive permanent salaries, had been deployed in the work not related to Health Division and since, 14 persons had been deployed as health supervisors and acting health supervisors, only 46 laborers with permanent salaries, had been deployed for the provision of daily services of the control are in the extent of 3,750 hectares comprising 33 Grama Niladhari Areas.	Deployed in separate divisions to discharge various duties available in different divisions of the office and due to vacancies existed in the office cadre.	Employees in Health Division should be deployed in the work related to Health Division.
(c) 75 Employees had been recruited on project basis without approval and Rs.14,144,245 in the year 2020, Rs.15,536,821 in the year 2021 and Rs.15,577,694 in the year 2022 had been paid as payments.	Even though, sent to the office of Commissioner of Local Authorities, permission had not been granted due to shortcomings.	Projects and Project Employees should be approved.
(d) Even though, 08 Project workers had been recruited for drain cleaning, none of the drains had been cleaned in terms of Section 100 of the Municipal Council Ordinance and it was observed that, 07 of them were deployed in other work of Health Division and 01 was not present in the Health Division.	Due to the number of employees was not adequate, deployed in the work related to cleaning of drains based on the requirement.	Project Employees who clean drains should be deployed in such work.

- (e) By the end of the year under review, Staff Loan balance included Rs.298,040 of 40 employees who were transferred, retired and interdicted, outstanding for over 10 years and Rs.67,620 of 03 employees outstanding for 03 to 05 years. Letters were sent to all employees who were retired, interdicted Staff Loan balances should be recovered.