

Head 272- District Secretariat, Kurunegala

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the District Secretariat of Kurunegala for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 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 these financial statements presented to the District Secretariat of Kurunegala was issued on 26 May 2023 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 31 May 2023 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. The report of the Auditor General 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 will be tabled in Parliament in due course.

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 District Secretariat of Kurunegala at 31 December 2022, 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 are further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Financial Statements

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 of Kurunegala 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 of Kurunegala 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 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

I express that the financial statements are consistent with the preceding year in accordance with Section 6 (I) (d) of the National Act No. 19 of 2018.

- (a) The financial Statement are consistent with the preceding year.
- (b) The recommendations made by me on the financial statements of the preceding year had not been implemented relating to following paragraphs.

Reference to the preceding year's para	Recommendation not implemented	Reference to the Para of this report
3.3 (h)	When transferring valuable properties belong to the Government, proper action should be taken to transfer only the transferable properties.	3.6 (h)
3.3(i)	The legal actions should be taken relating to the authorized Government land take holders.	3.6(i)
3.7(d)	The instructions in the Circulars should be followed and the losses to the Government should be recovered.	3.7

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

(a) Property, Plant and Equipment

Following deficiencies were observed relating to the accounting of property, plant and Equipment.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(i). Even though as per the Department books purchase of non-financial assets in the year under review amounted to Rs. 12,626,297, that amount shown in the financial statements as Rs.11,539,037. Thus, a sum of Rs.1,087,260 had been understated.	This difference will be corrected in second quarter of 2023 in the Treasury prints.	After being reconciled the Department books and financial statements, the financial statements should be furnished to audit.
(ii). According to the estimated costs valuation reports of the 34 official residences belong to the District Secretariat amounted to Rs. 97,575,925. However, according to the financial statements that value shown as Rs.81,697,976. Thus, a sum of Rs. 15,877,948 had been understated in the financial statements.	According to the non-current assets report, the accounted value of Rs.81,697,976 was correct.	The correct estimated value of the official residences should be shown in the financial statements.

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| (iii). | According to the financial statements, the carried forward balances as at 31 December 2021 and the brought forward balances as at 01 January 2022 relating to value of non-residential buildings included in the non-financial assets and machinery and equipment had been over and under stated by Rs.3,106,940 and Rs.32,180 respectively. | The differences were created because of the reconciliations made to the opening balances of the Treasury Print outs. | The differences should not be created in the non-financial assets account relating to the opening balances and the balances brought forwarded from the Preceding year. |
| (iv). | Action had not been taken to account the lands located in 06 Divisional Secretariats, Kuliyaipitiya (East), Udubaddawa, Maspotha, Mallawapitiya, Rasnayakapura and Galgamuwa, after being valued them under the property plant and equipment. | Lands acquisition process is continuing. | The lands belong to the Divisional Secretariat offices should be accounted. |
| (v). | Four Lorry Browsers which had been given by the National Disaster Relief Service Centre, come under the State Ministry of Defense and Disaster Management, had not been valued and accounted after being acquired them. | Action will be taken to acquire them and as soon as complete the acquisition process, they will be valued and accounted. | The motor vehicles given to the Divisional Secretariat Offices should be valued and accounted. |
| (vi). | The Tractors and Tractor Browsers given by the National Disaster Relief center to the District Secretaries had been entrusted to District Secretaries. However, 25 Tractors and Tailer Browsers given to 19 Divisional Secretariats and 20 Tractors and Tailor Browsers given by the Ministries of the Disaster Management and the Home Affairs, to 17 Divisional Secretariats had not been acquired and action had been taken to value them and taking into the accounts. | It is planed to value them by appointing a committee and after being valued them immediately accounted. | The motor vehicles given by other Ministries to the Divisional Secretariats should be acquired and accounted after being valued. |
| (vii). | Under the Gamasmaga Pilisandarak Programme conducted by the Divisional Secretatiats, buildings seva piyasa / Nilasevana and other constructions had been conducted under the object code 2509. However, action had not been taken to acquire | Action will be taken to hand over ownership of those construction to the relevant institutions. | The building manage by the Divisional Secretariates should be valued and accounted. |

those buildings and to show them under the non-financial assets.

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| (viii). | The completed official residence belonged to the Narammala Divisional Secretariat had been valued for Rs.6,229,500. However, that value had not been accounted. | The property had been valued for Rs. 6,229,500 and this had been accounted under the buildings. | Even though fully completed official residences had been valued, they should be accounted so as to identify them separately. |
| (ix). | The liability of Rs.22.398,664 for the Gamasamaga Pilisandarak Programme conducted by the Nikaweratiya Divisional Secretariat office under the subject code 272-1-1-0-2509, had been indicated in the Treasury Print outs. However, it had not been disclosed in the financial statements. | The Provisions had been received only for first quarter of the year 2022. As it had been incurred the funds with in the 1 st quarter, further liabilities were not existed. | When shown the liabilities, it should be properly manage with the help of the Treasury. |

(b) Audit Evidence not made available

Audit evidence relating to following transactions was not made available

Audit Observation	Comments of the Accounting Officer	Recommendation
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(i). According to the information given, 07 official residences use by the 06 Divisional Secretaries had been valued for Rs.23,780,480. However, it had not been shown under the non-financial assets in the statement of financial Position. As well, analysis relating to confirm the balances in related assets registers had not been furnished to audit.	The estimated values of the Buildings, had been shown in the financial statements of the accounted offices.	Detailed schedules should be furnished to confirm the estimated value of official residences.
(ii). Seven official residences which are located in the premises of Divisional Secretariat offices have been used by the Divisional Secretaries. However, those official residences had not been valued and shown in the financial statements. As well, an analysis relating to confirm the balances in the detailed schedules had not been furnished.	The official residences located in the premises of Divisional Secretariat offices had already been accounted.	The official residences occupy by the Divisional Secretaries should be valued and the detail schedules should be furnished to confirm the balances.

2. Financial Review

2.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
Due to the preparation of estimates without having proper plans and control, a saving totaling Rs.34,632,783 was shown relating to 02 objects, as per the ACA-2(ii) Format given with the financial statements. Hence, the reasons given for savings could not be accepted in audit.	The over estimates had not been prepared, and the provisions had been transferred to the under estimated objects having the approvals of Secretary to the Ministry following the FR 66 rules.	The estimates should be prepared with proper plans and controls.

2.2 Utilization of Provisions made available by other Ministries and Departments

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) According Paragraph 03 of the Ministry of Finance and Planning Circular No.01/2014 dated 17 February 2014, every Ministry and Department should have prepared an Action Plan and implemented relating to every financial year. However, due to not implementing the functions as per the Action Plan Properly to achieve the expected results, the Provisions made available from 13 Ministries and 14 Departments, the total amount of Rs. 1,239,453 had not been utilized.	The reasons of limit the programme implementations, limiting of travels due to fuel crisis, incurring of less expenditure than the estimates, saving of traveling provisions due to limiting of field works, not conducting of programmes according to the plans etc. had been affected.	Action should be taken to prepare a proper plan to obtain the provisions in timely manner from the other Ministries and Departments and to utilize the received provisions as much as possible.
(b) A total provisions amounting to Rs. 18,940.4 million provided by 05 Ministries for 05 programmes had not been utilized up to end of the year under review. As a result, the objectives had not been achieved according to the Action Plan.	The changes made to the Objects come under the state Ministries and limiting the implementing of programmes etc. had been affected.	Action should be taken to achieve the project objectives using the provisions received from the Ministries.

2.3 Non-compliances with Laws, Rules and Regulations

Instances of non-compliances with provision of laws, rules and regulation observed in audit test check are shown below.

Reference to laws, rules, and regulations	Observation ----- Amount Rs. -----	Non-compliance -----	Comments of the Accounting Officer -----	Recommendation -----
(i) The Establishment Code of Democratic Socialist Republic of Sri Lanka Section 14.11 of Chapter XXIV	10,160,998	An irrecoverable power of attorney, in terms of schedule 23 for convert the pension payments, should be obtain in order to recover the payable salary advances and loans from the pension and retirement gratuity payments of the officer, when terminate the service. The salary loans which had been paid to 51 officers in 70 instances by the District Secretary office and Bingiriya, Pduwasnuwara(East), Galgamuwa, and Maspotha Divisional Secretariat offices, such a statements had not been obtained.	Action has been taken to obtain letter of irrecoverable attorney when paying the salary advances and loans, by the District Secretariat. Instructions have been given to the Divisional Secretariats to obtain such letters.	A letter of irrecoverable attorney should be obtained in order to recover the loans and advances according to the law.
(ii) Public Administrator circulars ----- Circular No.03/2021(1) dated 11 March 2022.	-	The transfers of the public officers should be conducted in terms of Chapter xviii of the procedural Rules of Public Service Commission published in	Even though those officers have been placed in the same Divisional Secretariat Divisions over a 5 years period, the transfers have been	In terms of the Circular instructions, transfers of the Development Officers should be conducted.

the Gazette Extra done among the Ordinary No.1589/30 Regions in the dated 20 February 2009. Divisions. Accordingly, the transfers of the Development Officers attached to the Ministry of Home Affairs, should have been conducted up to 01 July 2022. However, 210 officers in 07 Divisional Secretariat Offices had not been transferred from 06 years to 22 years' period up to 31 December 2022.

(iii) State Finance Circulars

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| <p>i. Circular of the Secretary to the Ministry of Finance No. MF/NPD/01/ 2021 dated 11 January 2021 and the Circular of Secretary to Ministry of Finance No. MF/NDP/01/ 2021(i) dated 10 February 2021.</p> | <p>-</p> | <p>The Provisions had not been allocated for decentralized budgetary programmes conducted in 17 Divisional Secretariats covering 13 fields as mentioned in the circulars.</p> | <p>These project proposals should be furnished by the relevant Member of Parliament and the Divisional Secretariats regions should also be submitted by the Parliament Mmembers.</p> | <p>The provisions should be allocated so as to cover the all fields indicated in the circulars, under the decentralized budget programmes.</p> |
| <p>ii. Paragraph 2.1 of the Circular of Secretary to the Ministry of Finance No. MF/NPD/01/ 2021 dated 11 January 2021.</p> | <p>88,241,505</p> | <p>Even though minimum of 50 per cent from the allocated provisions to a Member of Parliament should be provided to the infrastructure development activities, only 24 per cent or Rs.21,173,295 had been provided to infrastructure development activities out of the total allocated Provisions to 18</p> | <p>The percentages of the allocated Provisions for infrastructure development Projects and for Procurement Projects should be calculated only the based on provisions given to the Member of Parliament.</p> | <p>According to the Finance Ministry circulars, attention should be drown for expected fields.</p> |

Divisional Secretariats Divisions under the decentralized budget programme.

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| <p>iii. Paragraph 2.4 Secretary to the Finance Ministry circular No. MF/NPD/01/2021 dated 11 January 2021</p> | <p>24,764,749</p> | <p>Based on the selection criteria of population, poverty levels and land area of the Divisional Secretariats divisions, the Projects should be selected so as to provide allocated funds. However, various goods had been given in several instances to 229 societies in 18 Divisional Secretariats Divisions and the goods had been given in every year to selected 191 societies from 2018 to 2021 period.</p> | <p>Even though it had been informed that selection of the projects should be done so as to proper distribution of allocations, the related project proposals had been furnished by the Member of Parliaments as per their own selections.</p> | <p>According to the circular instructions, the projects should be selected so as to distribute the decentralized provisions provide to the Member of Parliament.</p> |
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(iv) Other circulars

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| <p>i. The letters furnished by the Secretary to the Ministry of Home Affairs and local Government;</p> <ul style="list-style-type: none"> ➤ The letter address to all District Secretaries dated 13 January 1993. ➤ The letter address to all Divisional Secretaries dated 06 January 2003. ➤ The letter No. HA/DA/12/27 dated 21 March 2006. | <p>Even though all Divisional Secretaries should be resided in their official residences, the fully completed official residences belonged to the Narammala and Wariyapola Divisional Secretaries had not been occupied by the Divisional Secretaries. As a result, those residences have been become to decaying condition.</p> | <p>Even though the roof of the Wariyapola Divisional Secretaries official residence is in the repairing condition, it use to conduct various Programmes , but it is not suitable to reside. The Narammala Divisional Secretary had not resided in the official residence, due to short distance, 7 km from permeant residence to the office, and it was not used.</p> | <p>Suitable action should be taken to occupy in the official residences.</p> |
| <p>ii. In terms of Paragraph 2.2.2 of Section 202 of Chapter xviii, volume I, of the</p> | <p>The Officers those who worked over 5 years of service period in a same office are subjected to transfer. However, action</p> | <p>Due to not available of suitable substitute officers and also, some specially trained officers are</p> | <p>According to the circular instructions, the Officers in the combined</p> |

<p>procedural Rules published in the Gazette Extra Ordinary No.1589/30 dated 20 February 2009, for Transfer officers in the combined service.</p>	<p>had not been taken to transfer 258 officers in 12 Divisional Secretariat Offices those who were for over 06 to 25 years' service period up to 31 December 2022, according to that transfer procedure.</p>	<p>not subjected to transfer. Thus, without being affected to the official duties, the other officers had been transferred.</p>	<p>service should be transferred.</p>
<p>iii. Paragraph 04 of the Samurddhi Development Department Circular No.2021/03 dated 11 February 2021.</p>	<p>When selecting the Samurddhi Beneficiaries, Economic condition of the family, assets, condition of the house should be taken into account. However, when selecting the Beneficiaries by 03 Divisional Secretariats, Beneficiaries had been selected without considering the above criteria.</p>	<p>It had been informed to the rural societies to select the Beneficiaries thoroughly considering the income level of the individuals.</p>	<p>According to the circular instructions of the Department of Samurddhi Development , the Beneficiaries should be selected.</p>

2.4 Transactions in Fraudulent Nature

The particulars of the transactions in fraudulent nature observed during the course of audit are given below.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(i). An additional Payment amounting to Rs.66,146 had been paid to a class – 1 Officer of the SLAS, in order to covering of duties as the Bingiriya Divisional Secretariat Office for the period from 19 March 2019 to 31 December 2020. Even though a sum of Rs.56,706 had been recovered during a 05 months period, the balance amount of Rs.9,440 had not been recovered and any disciplinary action had not been taken in that regard.</p>	<p>The Divisional Secretary had informed that the balance payment will be settled as soon as possible.</p>	<p>Actions should be taken to recover the over payment and to take disciplinary actions in that regard.</p>

- (ii). A total amount of Rs.52,581,622 had been over paid to 259 Pensioners/ Widowers, those who get their pension payments from 17 Divisional Secretariats and a sum of Rs.30,037,359 to be further recovered for the period from May to December 2022.
- Over payment of pensions is recovering monthly and all recoveries to be recovered monthly.
- Action should be taken to recover the over payments to the pensioners immediately and the officers responsible for the over payments should be identified and action should be taken against the responsible Officers.

2.5 Issues and Surrenders of Advances

Audit Observation	Comments of the Accounting Officer	Recommendation
The receivable loan balance amounting to Rs.154,268 from a Driver attached to the Kuliyaipitiya (East) Divisional Secretariat, comprising distress, festival and by cycle loans amounting to Rs.145,568, Rs.7,500 and Rs.1,200 respectively. Without being recovered the loans from the gratuity payments, the full amount of gratuity had been released.	It will be recovered from the death gratuity.	Action should be taken against to the responsible Officers, according to FR 156(1).

2.6 Deposit Balances

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Without being released the contract retention money amounting to Rs.126,265,499 had been deposited under Account No.6000-0-0-16-0-42 relating to the District Secretariat and 23 Divisional Secretariats for a period ranging from 02 to 05 Years.	In order to release the contract retention money, imprests had been requested from the Treasury. However, due to not receiving of imprests it was unable to release the retention money.	In terms of F.R 571, action should be taken relating to the deposits remaining in a considerable long period.
(b) In order to pay the compensation for acquisition of lands for the development programmes of the Government, a total amount of Rs.206,188,466 had been received and out of that amount, a sum of Rs.101,282,480 had been kept in the General deposit account No.6000-0-0-17-0-13 by 16 Divisional Secretariats	The Legal proceeding have been started relating to the land acquisition. Hence, it was unable to make the payments.	Prompt action should be taken to settle the land acquisition compensations.

for over 05 years. As a result, it way delayed to take over the lands ownerships and complete the land acquisition process.

- (c) The General deposit account balances of the Kuliypitiya (west) Divisional Secretariat office amounting to Rs.93,535,533 and Rs.921,070 were remained in the deposit account for over 05 years and 04 years respectively. Those balances were related to the deposits made for the acquisition of lands for the North western University of Sri Lanka and industrial complex of the Board of Investment and said balances had not been released for over several years.
- After being finalized the legal proceedings for unsettled deposits, action will be taken to make the payments requesting imprest from the Treasury.
- The funds received for the payment of compensation for land acquisition should be settled as soon as possible.

03. Operating Review

3.1 Planning

When preparing and implementing of the Annual Action Plan in terms of Paragraph 03 of the Public Finance Circular No. 02/2020 dated 28 August 2020, the following deficiency was observed.

Audit Observation	Comments of the Accounting Officer	Recommendation
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Implementation time period of the activities and expected output/ results had not been shown in the Action Plan. As well, although that plan should be prepared based on the priorities in the annual budgetary estimates as per paragraph 3(b) of the circular, that had not been done so.	The provisions had been given according to the programme conducted by the Ministry and the District Secretariat some same programme also conducted. Hence, the action plan had been prepared accordingly.	The action plan should be prepared according to the state Finance Circular instructions.

3.2 Not accomplishing the expected levels of output

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The equipment valued at Rs.866,759 had been given to the Thithhawella rural industrial society for clay industries in the year 2009 and the construction works incurring a sum of Rs.4,698,456 had also been conducted in the year 2021, under the provisions provided by the State Ministry of Promotion the Cane, Grass, Clay, Furniture Industries. As well, the repairing activities in the Centre had been conducted under the provisions given by the Industrial Development Board incurring a sum of Rs.1,073,552 in the year 2022. However, the ownership of the located land of the Centre had not been confirmed. It was observed that the equipment in the Centre had not been used by the Beneficiaries as a group and production activities and equipment had been handed over to a particular person. Further, the equipment valued at Rs.497,224 had been kept in idle without being used and the processing machines given to the Beneficiaries had not been used due to the defects.	In order to conduct the activities of the rural industrial society of clay industries, necessary instructors had been given.	The fund invested in the project, should be effectively utilized.
(b) Four volleyball codes had been developed in 04 Divisional Secretariats Divisions under the provision given by the state Ministry of Development of Sport Infrastructure, incurring a sum of Rs.6,947,091. However, the volleyball codes were kept in idle due to the lack of maintenance and not use of them.	With the support of the Pradeshiya sabha's, the Codes had been cleared and get them in to usable condition.	The project should be implemented so as to achieve their expected objectives.
(c) The provisions amounting to Rs.940,760 had been provided by the Ministry of Cane, Grass, Clay, Furniture and Rural Industries Development for the cultivation of Jute project and 12,500 Jute plants scheduled to be planted at an estimated cost of Rs.581,250 in the Divisional Secretariat	At the field inspection conducted, that project had been identified as failure project. Since the project was not achieved the expected results. Hence, before make the final	The Project should be implemented with a view to achieve the expected results.

Division of Ehatuwewa. According to the information provided by the Officers of Institute, 20,000 Jute plants were cultivated. However, at the physical inspection conducted, it was revealed that said amount of plants had not been cultivated.

payment, a committee had been appointed and as per their recommendations the payment had been stopped.

3.3 Not achieving of expected outcome

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a). In order to implement the Gramashakthi People's Movement, the Provisions totaling Rs.241,469,500 had been provided by the Presidential Secretariat, so as to implement the 1 st stage in the years 2017, 2018 and 2019 expending Rs.178,789,500 and to implement the second stage expending Rs.62,680,000. The objective of the Programme was to enhance the living condition of the People in the villages through introducing self-community based administration and Product oriented 5,000 Grama Niladhari Divisions. As such, the programme was aimed to double the current income level of the People. Even though 90 Grama Shakthi Movements in 30 Divisional Secretariat Divisions in the 1 st stage and 160 Movements in the 2 nd stage, in 19 Divisional Secretariat Divisions, totaling 250 Movements, had been established by Providing a total sum of Rs. 241,469,500. Out of those provisions, a sum of Rs.109,094,352 had been kept in idle as at 31 December 2022.	The due to the covid pandemic situation, the activities such as conducting of small group activities efficiently, to held meetings and complexities in the conducting of Programmes etc., this programme was unable to conduct successful manner.	The Project should be implemented in order to effectively achieve the objectives of the Grama Shakthi People's movement which was implemented by the Presidential Secretariat.

- (b). In order to develop a production village, producing milk, vegetables and fruits in the Pothana Grama Niladhari Division in the Giribawa Divisional Secretariat Division, a sum of Rs.4,465,465 had been provided to purchase milk Cows, construct cowsheds, water pumping equipment and Fruit plants. However, most of the cowsheds were underutilized, many fruit plant were dried out and remaining plants were not grown up to harvesting level.
- Feeding of Cows at the sheds is in minimum level in that area at night and in the rainy seasons, the Cows are kept in the Cowsheds. Hence, those sheds are utilized. It has been instructed that cultivate new plants instead of dead plants.
- The projects should be implemented effectively in order to achieve the objectives.
- (c). Under the Sawbhagya Production village programme, integrated project for cultivation of big Guava and Passion fruits had been implemented incurring a sum of Rs.4,875,000 in the Madadombe Division of the Galgamuwa Divisional Secretariat Division. However, due to dead the plants, lack of proper training, reducing of harvest, the project was failed. Further, even though a Agro well which had been constructed incurring a sum of Rs.1,000,000 for the use of 30 Beneficiaries, had been used only 3 Beneficiaries.
- Due to the shortage of fuel and fertilizer, it was unable to provide fertilizer and water to those cultivations. As a result, the plants were destroyed. Currently, while maintaining the cultivations, the harvest also gathering.
- The Projects should be implemented effectively in order to achieve the objectives.
- (d). Under the Sawbhagya Production villages project, villages in 03 Grama Niladhari Division in the Paduwasnuwara (East) had been established in order to product cane, Palmyra Leaves and clay base productions incurring a sum of Rs.4,988,176. However, due to various issues, the production activities could not be conducted in optimum levels and the equipment given to the project had been underutilized.
- The necessary instructors have been given to the Development Officer, to get the feedback and to continue the projects minimizing the deficiencies.
- The Projects should be implemented effectively in order to achieve the objectives and action should be taken to use the equipment properly.
- (e). Even though a cluster production villages project for production of garments had been implemented under the Sawbhagya Production
- The Beneficiaries had rejected to take over the machine, informing their inability to give the expected contribution. As a
- When implementing the projects, they should be performed economical, efficient and effective

- Villages concept in the Weerambudeda Divisional Secretariat Division incurring a sum of Rs.3,474,096. The project had been continued as self-employment project deviating from the concept of Production villages. Further, the construction of access roads under infrastructure development programme which had been conducted parallel to this project incurring a sum of Rs.2,929,178 had not been constructed aiming the Beneficiaries.
- result, it was unable to obtain the equipment to all Beneficiaries. manner, so as to achieve the expected benefits.
- (f). Under the Sawbhagya Production Villages programme, two Divisions in the Rideegama Divisional Secretariat Divisions had developed two villages, the coconut coir based production village and the minor export crops production village. However, due to the shortage of required coir the machineries worth of Rs.1,478,519, the brush production machine, the coconut coir roping machine and the string machine had been underutilized. The coconut coir brush production machine had been installed up to new. When implementing the projects, they should be performed economical, efficient and effective manner, so as to achieve the expected benefits.
- (g). Due to not supplying of electricity to the Ranthetikanda minor crops promotion Centre, which had been constructed incurring amounting to Rs.944,297 and travelling difficulties, the crops drying machine, worth of Rs.1,595,000 and seeds separating machine, worth of Rs.175,000 were in idle without being used. As a result of not taking into account this situation before implementing the project, the project had been failed. The seed drying machine had been installed in the building and it will be used for minor crops drying activities. When selecting the projects, they should be selected to gain higher benefits.
- (h). Under the sawbhagya production village Project, a project for production of seed paddy had been introduced in the Maspotha Divisional Secretariat Division. Due to not receiving of sufficient fertilizer stocks, difficulties in obtaining of Pesticides, and increase of seed paddy etc., the standards that The projects should be implemented in order to achieve the expected objectives effectively.

providing various equipment by incurring a sum of Rs.7,813,495. Even though that equipment had been utilized for paddy cultivation, the seed paddy had not been produced.

should be maintained for seed paddy productions, could not be maintained. Hence, the Agriculturalists had not recommended the production of seed paddy in the proposed paddy fields. Thus it had to be cultivated normal paddy in the fields.

- (i). A project for the production of sub-components to the garments had been implemented in the Wanduressa and Welgala Divisions in the wariyapola Divisional Secretariat Division incurring a sum of Rs.3,800,000. However, due to the lack of training and experiences to the Beneficiaries relating to technology, geological factors of the selected region, considerable distances in the locations residences of each Beneficiaries, lack of access roads etc., it had not been produced sufficient production.
- (j). In order to implement a poultry farming project under sawbhagya production village programme in Kekunawela Division of the Udubaddawa Divisional Secretariat Division, one day old chicks had been purchased incurring a sum of Rs.4,831,841. However, the Beneficiaries had failed to provide required chick feeds and medicine due to the heavy cost, and as a result, large amount of chicks had died. Therefore, the project had failed due to not replacing of chick to the farms.
- (k). Under the programme conducted for empowerment 200,000 Samurdhi Families in the year 2021, the goods and equipment valued at Rs.1,611,287 had been provided to 38 families in 07 Divisional
- It was revealed that the Beneficiaries had not been disclosed their actual income, because of their doubt of receiving the Samadhi benefits which they received based on their income levels.
- As per the written request made by the Beneficiaries, one day old chicks had been distributed. Since one day old chicks should be looked after properly the written request had been obtained. As well, it had been instructed to furnish the written requests to the Veterinary Medical Office to find out the reasons for dead the chicks.
- With a view to empower the Beneficiaries, the Beneficiaries in higher income levels had been selected to provide livelihood equipment in the year 2021. Since it was unable to
- The Beneficiaries of the projects should be identified based on a proper procedure.
- The Beneficiaries of the projects should be identified based on a proper procedure.
- Based on a proper procedure, the Beneficiaries should be selected with a view to provide higher benefits.

Secretariat Divisions. As well as, without being evaluated the improvement of livelihoods of the families, the various goods, worth of Rs. 1,119,888 which were required to conduct the projects, had also been provided during the year 2021.

- (1). Under the livelihood improvement project, the equipment valued at Rs.513,765 had been provided to 28 Beneficiaries in 05 Divisional Secretariat Divisions during the years 2015 – 2018. The equipment valued at Rs.1,006,197 had also been provided to the same Beneficiaries in the year 2021 too. Thus, it was revealed that the Beneficiaries were not engaged any livelihood improvement activity for long period of time. As a consequence, the benefits were limited to distribute for other eligible Beneficiaries.
- With a view to empower the Beneficiaries, the Beneficiaries in higher income levels had been selected to provide livelihood equipment. Since it was unable to stop the providing of the grants as per the circular instructions, it was included to the empowerment register.
- Based on a proper procedure, the Beneficiaries should be selected with a view provide higher benefits.

3.4 Abandonment of Projects without being completed

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The construction of affiliated buildings for the post office and co-operative society, to the Monnekulama Seva Piyasa, located in the Kotawehera Divisional Secretariat Division, had been constructed at an estimated cost of Rs.1,000,000. However, after incurring a sum of Rs.970,000, only the concrete structure had been constructed, even after lapsed of about one years. As a result, surrounding area of the building was wilderness and the irons used for concrete structure was decaying.</p>	<p>According to the consent Given by the Nikaweratiya Multi-Purpose Cooperative Society at the Rural Committee meeting, necessary action has been taken to complete the integrated construction works.</p>	<p>Construction Projects should be effectively implemented so as to achieve the objectives.</p>

3.5 The Projects not shown progress though release the funds

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a). Under the school sports Development Programme, the estimated provision amounting to Rs.20,382,595 had been provided by the State Ministry of Youth Affairs and Sport Development in the year 2022 to develop the sports and infrastructure facilities of the Ibbagamuwa central college. ut of that provision, a sum of Rs.19,186,942 had been incurred only for laying the gravel and compact them. As a result, the sport ground had become to unusable condition for the sports. As well, due to not completing the sport development Projects, the sport activities of the college had been paralyzed.	Up to end of the year 2022, the activities of laying gravel and compact the soil had been completed incurring a sum of Rs.19.18 million. In order to complete the remaining works, the provisions amounting to Rs.24.875 million had been approved.	The construction projects should be completed as per the plan.
(b). Under the Rural Schools sports Infrastructure Development Programme, the volley ball ground at the Neeraliyadda in the Rasnayakapura Divisional Secretariat Division had been Developed at an estimated cost of Rs.1,500,000. However, due to the shortage of the provisions, a net had not been installed around the ground. At the audit inspection conducted, it was observed that due to not use of the ground, it had been used to cultivate the Manioc.	Due to the prevailed bad situation in the country, the Manioc cultivation had been conducted based on the food security progamme of the country.	The construction projects should be completed as per the plan.
(c). A programme for cultivation of the Green Gram had been conducted with a view to develop the livelihood of the rural community living in villages. 30 Divisional Secretariats in the Kurunegala District Secretariat under the provisions provided by the State Ministry of Cultivation and	In order to provide the seeds to more Beneficiaries, only 8 kgs of seeds had been given per acre. The expected harvest was decreased due to bad weather conditions. Hence, expected the harvest could not be gathered. However, compared to the	The projects should be implemented so as to enhance the livelihood of the rural community and achieve the expected objectives of the projects.

Promotion of Rural Crops amounting to Rs. 1,939,350. Due to not cultivation and destroying of crops, about 60 acres or 26 per cent, out of 231 acres, only 21,009 Kgs, out of the expected harvest of 82,720 kgs had been gathered. financial value of the harvest no any financial loss was occurred.

3.6 Assets Management

Following observations are made

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a) Even though 07 Divisional Secretariat offices of Udubaddawa, Kuliypitiya (East), Maspotha, Mallawapitiya, Panduwawata (East), Galgamuwa and Rasnayakapura had been established 14 to 59 years ago, actions had not been taken to legally acquire the located lands of the above offices.	The respective Divisional Secretaries had informed that actions have been taken to acquire the lands.	Action should be taken to legally acquire the located lands of the District Secretariat offices.
(b) A part of the land, extend of 49.6122 hectares (124.0305 acres) situated at the Kalaoya Island in Track -4 of the Jayanthipura Grama Niladari Division come under the Giribawa Divisional Secretariat Division, had been illegally encroached by 07 individuals and one Monk, Further, the Forest conservation Department had decided to nominate that land as a conserved land and even conducted a survey thereon, no any action had been taken relating to the issue.	Seven legal cases had been filed against the 07 persons. Until finalize the legal cases, taking of actions thereon had been postponed.	Actions should be taken against the unauthorized encroachers.
(c) Action had not been taken to recover the identified loss of Rs.114,650 from the responsible parties related to motor vehicle, attached to Udubaddawa Divisional Secretariat, bearing number 52-5707, accident happened on 20 May 2011 even after laps of 12 years. As well, action had not been taken to use the motor vehicle after being done the required repairs.	The legal case that had been filed by the kuliypitiya Police Station to recover the loss has not been finalized so far.	Proper action should be taken relating to the motor vehicle had been kept in idle.
(d) The maternity clinic building in the sandagala Grama Niladari Division in the Giribawa Divisional Secretariat had been constructed by the Ministry of Economic Development incurring a sum of Rs.1,150,000 and providing	There is another clinic nearby the Sandagala clinic about a distance of 4 km at Solewewa. Hence, the clinic has been used as a weight	Proper action should be taken relating to the assets in idle.

- the furniture and equipment too. However, without being utilized the maternity clinic it had been abandoned.
- measuring Centre.
- (e) Seventy-one buildings and their located lands belonging to 13 Divisional Secretariat Divisions had been kept in idle without being used them for any fruitful activity. Action has been taken to utilize the idling assets in future. Necessary action should be taken with regard to the assets kept in idle.
- (f) When handing over the inventory items to stores by the retired Divisional Secretary of Mawathagama, had been handed over a broken and unusable tablet computer instead of new tablet computer taken over by him. That was proven as per the technical report. However, action had not taken to repossess it. In order to conduct an investigation action had been taken to appoint an investigation committee. Tablet computer should be repossessed and disciplinary actions should also be taken.
- (g) Sixty-five unauthorized settlers had been resided in the land in water reserve area of the Rajanganaya Tank, in the Kokmaduwa and Orugala Grama Niladhari Divisions in the Giribawa Divisional Secretariats Division. Due to delaying the land survey functions of the said land, it was unable to conduct the repossessing activities of the land according to the relevant Act. In order to conduct an investigation action had been taken to appoint an investigation committee. Action should be taken against the unauthorized settlers
- (h) Even though the Kurunegala urban council had made a request to undertake 26 high valued properties situated in the Kurunegala Divisional Secretariat Division, those properties had not been formally transferred. That request had been made really based on the commercial purposes. Although the Government Could have been given those properties on long term lease basis in order to generate income to the Government, attention had not been drawn in that regard. Action to be taken transfer only the transferable properties to the Kurunegala Urban Council. On the other hand, the other properties going to be given on long term basis, because there are possibilities to do so. When transfer the valuable properties belong to the Government, it should be property selected and transferer only the transferable properties to other parties.
- (i) Seventeen families had unauthorizedly encroached a Government land called Hakuruketiya Katuwawe Waththe situated in the Kurunegala Secretariat Division, extend of 109.77 parches, and unauthorized construction also had been done in the land. However, any action had not been taken in that regard. Legal actions had been taken against the unauthorized settlers. Legal action should be taken with regard to the unauthorized encroachers of the Government land.

3.7 Loss and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>The Koskelaya land, No 54 of Dikwehera village, plan No.47/19/1 මු.පි.ක 1326 of Walgamapaththuwa Korale, 1201 Wedanda Grama Niladhari Division in the Bamunakotuwa Divisional Secretariat Division, had been leased to a private company by the entrusted person of the land, to construct a communication Tower in the year 2009. However, the Divisional Secretary had not taken action to repossessed the land as per the Land Commissioner General's circular No 2007/3(iii) dated 16 July 2018. As a result, a computed loss of Rs.1,015,000 had been incurred by the Government.</p>	<p>Action had been taken to lease the communication Tower constructed land portion to the respective Private Company and to repossess the entire land to the Government.</p>	<p>The loss incurred by the Government should be recovered from the respective parties.</p>

3.8 Uneconomic Transitions

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) The Multipurpose Development Assistants should be placed to relevant places on permanent basis. However, 03 Multipurpose Development Assistants at the Paduwasnuwara (East) Divisional Secretary office, had refused to hand over the duties from their permanent work places, and staying at the Divisional Secretary's office. As a result, the allowances amounting to Rs.810,000 had to be paid for the year under review.</p>	<p>As per the instructions given by the Multipurpose Director of the North western Province, placements had been temporally postponed. Hence until place to another places, they assigned the duties of the Divisional Secretaries Office.</p>	<p>Multipurpose Development Assistants should be placed to suitable work stations to obtain the expected service from them.</p>
<p>(b). According to the Letter No. WDM/SEVI/17/3 dated 21 December 2020, issued by the Kurunegala District Secretary Addressing the Divisional Secretaries, had informed that the Multipurpose Development Assistants expected to be assigned for the duties such as sanitary and security functions.</p>	<p>The Multipurpose Development Assistants had not been permanent in their posts. Therefore, it is difficult to assign those officers to the duties to obtain sanitary and security services in responsible</p>	<p>The Multipurpose Development Assistants should be assigned to the duties in order to obtain expected services from them.</p>

However, a sum of Rs.10,800,000 had been paid to 40 Multipurpose Development Assistants during the year under review those who placed to the Divisional Secretariat offices of Rideegama, Ehetuwewa, Panduwasnuwara (East) and Kotawehera, without being assigned them for the said duties. As a result, a sum of Rs.4,820,993 had to be paid to obtained the said services mentioned in the letter issued by the District Secretary, from the outside firms.

3.9 Management Weaknesses

Following observations are made.

Audit Observation -----	Comments of the Accounting Officer -----	Recommendation -----
(a). In order to implement 1st and 2 nd stages of the Grama Shakthi Movement for capacity building programmes in the Kurunegala Divisional Secretariat Divisions, the provisions amounting to Rs.52,434,455 had been allocated. However, the expended amount for that programme as at end of to the year under review amounted to Rs.15,507,338 . Thus, the provisions amounted to Rs.36,927,117 had been saved. Hence, planning, implementation and management of the programmes were in minimum level.	It had been already informed to all Divisional Secretaries to conduct Training Programme to accelerate the delayed works due to the COVID pandemic situation. Due to incurring of the expenses only as per the needs of the people, the total allocation cannot be expended at once during the programmes conducted period.	The allocated provisions under the Grama Shakthi People's movement, should be provided to the Beneficiaries.
(b). The provisions amounting to Rs.10,429,432 had been allocated to 09 Divisional Secretariats in order to conduct rural development activities for capacity developments. However, only a sum of Rs.792,510 had been incurred for the activities. Thus, a sum of Rs.9,636,922 had been kept in idle without being used for capacity developments programmes in maximum level.	The instructions had been given to reduce the 30 per cent of allocation up to 15 per cent compared to given provisions in the preceding year, to conduct the capacity building programmes for all members in entire organizations to obtain required goods and stationaries and for the Training programmes. The Divisional Secretaries have been conducted the programmes accordingly.	The idle funds should be utilized in maximum level for the capacity building programmes.

- (c). Even though the allocation provided for the Entrepreneurship Development Funds under the Livelihood Development Programme amounted to Rs.14,200,007, only a sum of Rs.3,529,382 had been expended. Thus, a sum of Rs.10,670,625 or 75 per cent was saved, out of the total provisions.
- A letter had been furnished to the Ministry to expend the remaining funds given for the Entrepreneurship Development Fund.
- The provisions provided to the livelihood development programmes, should be utilized in maximum level.
- (d). Even though the provision amounting to Rs.7,405,015 had been allocated for the Entrepreneurship Development programmes to 12 Divisional Secretariat Divisions in Kurunegala District, that provision had not been utilized any purpose.
- A letter had been furnished to the Secretary to the Ministry in order to take further instructions.
- The allocations provided for the Entrepreneurship development programmes should be utilized in maximum level.
- (e). Out of the provisions allocated for the stages I and II of the micro finance credit programme amounting to Rs.115,346,839, the allocations amounting to Rs.68,517,082 had only been incurred for the programmes and the saving amounted to Rs.46,829,757 or 41 per cent. Further, even though a sum of Rs.21,470,579 had been allocated for providing of loans for 74 Grama Niladhari Divisions, the loans programme had not been implemented.
- The evaluations for providing of loans have been conducted to provide the loans in the year 2023 under the Micro-Finance credit programme.
- The loan programme should be implemented properly in order to provide the loans for beneficiaries using the allocation provided for Micro Finance credit programme.
- (f). A loan programme which had been implemented by the Sri Lanka Women's Bureau come under the purview of the Ministry of Women's Affaires and Social Empowerment for the low-income widows and house holders those who willing to go abroad. This programme had not been implemented in 16 Divisional Secretariats Divisions. As well, due to the lack of officers for this field and not implemented the programme, the accounts related to the Divisional Secretariats were categorized as the non-performing accounts. The provisions amounting to Rs.1,452,700 which had been given to 08 Divisional Secretariat Divisions to implement the loan programmes had not been implemented and related accounts also had been categorized as the non-performance accounts.
- The programme had been implemented on the basis of recover the 50 per cent of loans in the 1st stage. Without being recovered that 50 per cent, when it not sufficient to provide the loans from the funds given for provide assistances, instructions had been given to the Divisional Secretariat Divisions to credit the funds to account of the Central Regional Woman's accounts. In order to mitigate the shortages of officers, it has been proposed give acting appointments.
- The loan programme should be properly implemented with a view to enhance the economic condition of the women.

- (g). According to the Circular No. MF/NPD/01/2021 dated 11 January 2021, issued by the Secretary to the Ministry of Finance, the main objective of the decentralized budget programme was to achieve the macro-economic targets through minimizing the rural disparities. However, without being drawn the attention to the sectors indicated in the circular, priority had been given to provide goods and equipment to the community-based organizations registered under 18 Divisional Secretariats. That amount represented 47 per cent of the total allocated decentralized budgetary provisions amounted to Rs.41,091,394, out of total allocation of Rs.88,241,505. Accordingly, a sum of Rs.65,882,099 or 75 per cent had been incurred for providing of goods and equipment to registered community-based organizations, development of Daham schools and Temples, development of preschools and providing of goods to Registered Societies.
- Even though the circular instructions had been given to select and implement the projects so as to allocate the funds among the projects, the projects proposals had been given by the Members of Parliament according to their priorities.
- Action should be taken to give the priorities to the fields indicated in the circular.
- (h). A sum of Rs.10,574,971 had been incurred to pay the compensations for damages caused, due to conflicts between human and elephants, for properties, lives and injuries, during the last three years in 03 Divisional secretariat Divisions. However, attention had not been drawn to implement the development projects which are helped to minimize the conflicts between human and elephants.
- In the current situation, the leadership for implementing the development projects are entrusted to the political Authorities. As well, a sufficient provision had not been allocated for the projects. As the result, this situation had been created. However, some actions have been taken to control the elephant conflicts.
- Action should be taken to control the elephant conflicts when implementing the development projects.
- (i). Four Divisional Secretariats had identified that the livelihood conditions of 54 Samurdhi Beneficiaries were improved as a result of providing the Samurdhi benefits amounting to Rs. 9,267,408 and other donations given for the period from 02 to 25 years. However, action had not been taken to stop the payment of benefits for those Beneficiaries.
- It has been informed to the Rural Societies to draw their further attention to evaluate the income levels of the persons. As a result of prevailed bad economic condition of the country the projects had not been conducted by the Beneficiaries. Hence, payment of benefits had not been stopped. The Beneficiaries will strengthen in this year and after
- After strengthen the income levels of the Beneficiaries, necessary actions will be taken to remove them from the process, after being properly identified them.

that steps will be taken to remove them from process of payment of benefits.

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| <p>(j) Under the livelihood development programme conducted in 03 Divisional Secretariat at Divisions, the equipment valued at Rs.574,935 had been given to 10 Samurdhi Beneficiaries in order to conduct livelihood development activities. However, the Beneficiaries had not engaged in any livelihood development activity. Owing to that, action had not been taken to repossess the given equipment in order to redistribute them to suitable Beneficiaries.</p> | <p>Action already has been taken to redistribute the equipment to the suitable Beneficiaries subject to the approved of the Rural Committee.</p> | <p>Action should be taken to get the maximum benefits from the provided provisions.</p> |
| <p>(k) The field officers should obtain the approval for their forthcoming month's programmes from the Executive Officers, before 25th of the preceding month. As well, the approved for the work done reports should be obtained from the respective executive officer on or before 05th day of the next month. However, as the per the documents maintained for pre-programmes, by 04 Divisional Secretariat offices, 34 officers had not furnished their pre-programmes for 01 to 09 months periods and 101 officers had not furnished their work done reports for 01 to 07 months period. In such a background, payment of travelling claims to those officers was not explained to audit.</p> | <p>Action had been taken to formalize these issues and it had been informed to all field officers to furnish their pre-programmes and work done reports on due dates.</p> | <p>Action should be taken to obtain the pre-programmes and work done reports on due dates.</p> |

3.10 Deviation from the Decision made by the Cabinet of ministers

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>In order to obtain the approval for environment friendly Fertilizer prices for payments, the Minister of Agriculture had furnished a decision of the Cabinet of Ministers, No. OF/79/2022 dated 01 November 2022 to the Minister of Finance. In that connection, the observation furnished to the Cabinet Ministers for the Cabinet Memorandum No. DF/D/CO/2022-19 dated 17 November 2022 forward by the</p>	<p>The letters issued by the Secretary to the Ministry of Agriculture addressing all District Secretaries, it had been informed that to make the payments for the environment friendly fertilizer suppliers.</p>	<p>Action should be taken in terms of the decisions made by the Cabinet of Ministers.</p>

Minister of Finance, Economic Stabilization and National Policies, it had decided to pay for the fertilizer suppliers based on the recommendations of the District Secretaries according to observation No.01. As such, according to the Decision (II) (C) of the Cabinet of Ministers made on Cabinet Memorandum No.22/1745/612/013-1 dated 21 November 2022, it had been stated that a suitable procedure should be introduced to make the payment for fertilizer suppliers, through the Ministry of Agriculture on the recommendations given by the District Secretary / Government Agent. However, a sum of Rs.823,481,050 had been given with the letter No. SMA/ACC/11/Fertilizer dated 10 October 2022 to the District Secretary for the payments. According to the Decision of the Cabinet of Ministers, the payment for fertilizer should be made on recommendation of the District Secretary by the Ministry of Agriculture. However, without compiling with the cabinet Decision, the District Secretary had paid a sum of Rs.205,000,000 to 12 environment friendly fertilizer suppliers. Subsequently, the Agriculture Minister had submitted another cabinet memorandum 29 March 2023, and the approval to make the payments to the District Secretaries had been granted on 26 April 2023. Nevertheless, the approval to pay the above amount had not been granted.

4. Achievement of sustainable Development Goals

Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
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(a). According to the public financing priorities of the government and medium-term macro financing frame, when implementing the government budget utilizing the estimated resources, it had not been taken into account the financing discipline and allocating of funds, according to the requirements. In this background without being implemented	Fourteenth and seventeenth objectives difficult to implement in District levels and it should be taken actions to achieve those objectives in national level. Hence, those objectives had not been included to the Action Plan in order to achieve the sustainable development goals.	According to the action plan, the sustainable development goals should be achieved as much as possible.

performance based budgetary system, only the identified annual targets, had been stated as achievement of the sustainable development goals.

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| <p>(b). Even though the progress of the achievement of the sustainable development goals had been stated, the financial progress compared with the physical progress and the achievements, achievement of sustainable goals could not be evaluated and observed.</p> | <p>The ministries are allocated the provisions to the district levels. Hence, the District Secretariat cannot be allocated the provisions as per the government priority policies of the budget.</p> | <p>The progress of the achievement of sustainable development goals should be included to the Action Plan.</p> |
| <p>(c). Even though it had been planned to conduct 210 activities in order to achieve 17 sustainable Development Goals, as per the action plan, only 163 activities had been conducted during the year under review.</p> | <p>Actions had been taken as much as possible to achieve 17 sustainable development objectives using limited allocations. The maximum contribution had been given to achieve national level objectives.</p> | <p>In order to achieve the sustainable development goals, necessary action should be taken as much as possible.</p> |

5. Good Governance

5.1 Providing of services to general public

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>According to the information provided by 17 Divisional Secretariats, the electricity and sanitary facilities were not available for 2,856 and 4,990 households respectively. The temporary toilets were used by 2,314 households, 2,961 families were resided in temporary houses and homeless families were 2,851. On such a background, in order to provide toilets for sanitary facilities lacking households, to provide electricity connection for permanent houses and to provide drinking water connections, a sum of Rs.88,241,505 had been allocated as per Section 1.13 of the circular No. MF/NDP/01/2021(1) dated 10 February 2021, issued by the Secretary to the Ministry of Finance, to 17 Divisional</p>	<p>Specific percentages that should be allocated for each of the components had not been stated in the circular. Therefore, the proposal furnished based on the decisions made by the political Authorities could not be able to rejected.</p>	<p>Action should be taken to implement the project efficiently using the allocated funds.</p>

Secretariats in the Kurunegala District. However, only a sum of Rs.746,960 or 01 per cent, out of the total allocation had been utilized for the above purposes.

6. Human Resource Management

The Following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
(a). Even though 03, 20 and 20 vacancies in senior, tertiary and preliminary level posts respectively were existed, action had not been taken to fill those vacancies.	In 1 st and 15 th days of every month the data base of the MOHA had been updated and all vacancies had been informed to the Ministry through database. In every conferences of the District Secretaries it had been informed about the vacancies.	Action should be taken to fill the vacancies in the Divisional Secretariat offices.
(b). Excess of 217 Secondary level Development officers' posts were existed.	The approvals for the new posts had not been granted up to 31 December 2022. Hence, excess of 217 Development officers' posts was shown.	Action should be taken relating to the excess officers.
(c). Actions had not been taken to fill the existed 24 vacancies of 02 executive level Director Planning posts, 04 second grade additional Registrar posts, 10 Administration posts, 08 Grama Niladari Administration posts.	All information relating to those vacancies had been informed to the Ministry. The Additional District Registrar posts will be filled by the Department of Registrar General. The Administration officers had not been recruited. The Grama Niladari Administration posts had been informed to the Ministry.	Action should be taken to fill the existing vacancies.