

## **Head - 270 District Secretariat, Ampara**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

The audit of the financial statements of the Head-270, District Secretariat, Ampara 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 of the District Secretariat, Ampara in terms of Section 11(1) of the National Audit Act, No.19 of 2018 was issued to the Chief Accounting Officer/ Accounting Officer on 26 May 2023. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 23 May 2023 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the District Secretariat, Kandy as 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 is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the District Secretariat

and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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

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

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Secretariat's internal control.
  - Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Evaluate the overall presentation, structure and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

<b>Reference to the Paragraph in the Report of the Preceding year</b>	<b>Recommendation not Implemented</b>	<b>Reference to the Paragraph in this Report</b>
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1.6.1 (c)	Recommendation given for recovery of the sum of Rs. 1,546,553 remained due over a period from 03 months to 03 years from 08 officers in accordance with the reconciliation statement of the Advances to Public Officers Account.	2.5 (a) (ii)
1.6.1 (f)	Recommendation given to recover the outstanding lease rents of Rs. 355,782 from the occupants of 16 Government quarters pertaining to the District Secretariat.	2.5 (a) (i)
3.2 (a)	Recommendation given to either repair or retrieve the vehicle of the District Secretariat that had been handed over to a garage 21 years ago.	3.5 (a)
3.2 (c)	Recommendation given to take suitable measures or make use of the 43 motorcycles parked at the stores complex since 2019 by the District Secretariat and the Divisional Secretariat.	3.5 (b)
3.2 (d)	Recommendation given to assess the value of lands where the Divisional Secretariats of Dehiattakandiya, Padiyatalawa, Mahaoya, Damana, Addalachchena, and Thirukkivilhad been established and show in the financial statements by the end of the year under review.	1.6.1 (a) (v)
3.3	Recommendation that the assessed loss of Rs. 850,738 occurred due to theft on the Saddhathissapura stores of the District Secretariat, Ampara on 21 September 2015 be recovered from the parties responsible.	3.6
4	Recommendation given to transfer the officers with a service period of 05 years at the same station in terms of Public Administration Circular, No. 18/2001 dated 22 August 2001	5 (c)

## 1.6 Comments on Financial Statements

### 1.6.1 Accounting Deficiencies

#### a) Property, Plant and Equipment

The following deficiencies were observed in accounting for the Property, Plant and Equipment.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer/ Accounting Officer</b>	<b>Recommendation</b>
<p>(i.) A sum of Rs. 3,423,420,683 had been shown as the balance of non-financial assets in the report of accumulated non-financial assets (SA82) by the end of the preceding year, but the balance at the beginning of the year under review had been show as Rs. 3,418,509,244. As such, there existed a difference of Rs. 4,911,439 between the closing balance of the preceding year and opening balance of the year under review.</p>	<p>Reasons for the differences pointed out have been identified, and it is informed that such a difference had been caused due to Treasury inputting data into the web interface system.</p>	<p>Differences should be identified and corrective measures should be taken prior to preparing the financial statements.</p>
<p>(ii.) The balance relating to 02 items of assets amounted to Rs. 1,884,053,167 in the summary report of the non-financial assets (SA80) as at the beginning of the year under review, but the balance of those 02 items amounted to Rs. 1,879,141,727 in the report of accumulated non-financial assets (SA82), thus disclosing 02 different values in two reports relating to the value of non-financial assets.</p>	<p>Reasons for the differences pointed out have been identified, and it is informed that such a difference had been caused due to Treasury inputting data into the web interface system.</p>	<p>Differences should be identified and corrective measures should be taken prior to preparing the financial statements.</p>

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| (iii.) | According to the statement of financial performance, the value of acquisition of capital assets during the year under review was Rs. 27,942,223, but the same amounted to Rs. 26,208,493 as per Notes of the Treasury (report of accumulated non-financial assets (SA82), thus observing a difference of Rs. 1,733,730. | Reasons for the differences pointed out have been identified, and it is informed that such a difference had been caused due to Treasury inputting data into the web interface system.                                       | Differences should be identified and corrective measures should be taken prior to preparing the financial statements.                        |
| (iv.)  | Lands, buildings, and inventoried items pertaining to the women's development center and management training center of the District Secretariat, had not been shown in the financial statements after being assessed.   | It is informed that action will be taken to show the values in financial statements after being assessed.   | Assets of the District Secretariat should be identified and assessed correctly, thus taking action to show them in the financial statements. |
| (v.)   | Lands pertaining to the Divisional Secretariats of Damana, Addalachchena, and Thirukkovil, and official quarters and Government houses owned by the Divisional Secretariats of Padiyatalawa and Damana had not been assessed and shown in the financial statements.   | The relevant Divisional Secretaries and the Accounts have been informed to assess them and show in the financial statements. It is informed that such values will be shown in the financial statements of the ensuing year. | Assets of the District Secretariat should be identified and assessed correctly, thus taking action to show them in the financial statements. |
| (vi.)  | Action had not been taken to show the sum of Rs. 46,422,256, being the value of "Nila Sevana" buildings constructed in the years 2017 and 2018 in 15 divisions of Divisional Secretariats, in the financial statements.   | The relevant Divisional Secretaries and Accountants have been informed, and it is informed that the value will be shown in the financial statements of the ensuing year.  | Assets of the District Secretariat should be identified and assessed correctly, thus taking action to show them in the financial statements. |

## 2. Financial Review

### 2.1 Imprest Management

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer / Accounting Officer</b>	<b>Recommendation</b>
As imprests had not been issued by the Treasury for 658 of the projects scheduled to be implemented during the year in 12 Divisional Secretariats under the “Gama Samaga Pilisandara” project, the provision of Rs. 112,295,000 made by Parliament could not be utilized.	It is informed that provision could not be utilized as projects had not been implemented due to non-receipt of imprests. Had the imprests been received properly, the provision would have been utilized in full.	Proper management of imprests should be ensured, and action should be taken to obtain imprests within the required time.

### 2.2 Management of Expenditure

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer / Accounting Officer</b>	<b>Recommendation</b>
Ten to 35 per cent of the provision made under 05 items of recurrent expenses had been saved without being used for the intended purpose, thus observing that the budget had not been prepared by accurately forecasting the expenses. Furthermore, provision over 30 per cent had been saved under the Object No. 270-1-0-2401 during the 04 preceding years, and it was observed that the said saving had not been taken into consideration when preparing estimates for the year under review.	It is informed that the said matter would be taken into consideration when preparing budget for the ensuing year.	As for the preparation of budget, expenses should be forecasted accurately by considering the preceding years as well.

## 2.3 Utilization of Provision Granted by Other Departments and Ministries

Audit Observation	Comment of the Chief Accounting Officer / Accounting Officer	Recommendation
a) Ministry of Agriculture		
<p>Provision amounting to Rs. 1,485,711,118 had been allocated for distributing organic fertilizer among farmers in Ampara district for Maha Season 2022/23 under the environmentally-friendly policy on fertilizer implemented by the Ministry of Agriculture. As per the decision of the fertilizer sub-committee chaired by the District Secretary, Ampara, the District Secretariat, Ampara had incurred an expenditure of Rs. 893,415,900 as at 31 December 2022 to purchase organic fertilizer for distributing among farmers pertaining to 29 Agrarian Service Centers in coordination with National Fertilizer Secretariat, Ampara and the District Office of Agrarian Services. The following matters were observed in the audit test check.</p>	<p>(i), (ii) As the project to provide environmentally-friendly organic fertilizer had directly been implemented by the Department of Agrarian Development, my explanation on your observations had been requested from the Assistant Commissioner of Agrarian Development through the Letter, No. FIN/CONT/AU.QUR/FC01/01 dated 2023.05.23. You will be informed as soon as such information is received.</p>	<p>Action should be taken to utilize the resources in relation to the public expenditure incurred, and the Guideline in that connection should be followed.</p>
<p>(i.) Stocks of organic fertilizer worth Rs. 8,577,405 had been kept at the stores of 03 Agrarian Services Centers and stores of farmers' associations pertaining to 03 Agrarian Services Centers without being distributed to the farmers. According to</p>		

statements given by the farmers during interviews conducted with them, the reasons such as, lack of interest of the farmers to use organic fertilizer, non-receipt of fertilizer within the required period, and lack of standard of fertilizer, had attributed to the said saving.

- (ii.) According to Section 3.8 in the Guidelines for distributing environmentally-friendly fertilizer during Maha Season 2022/23 issued by the Ministry of Agriculture, the stock of organic fertilizer saved in the Yala Season of 2022 would be distributed to the farmers for Maha Season 2022/23 under special approval of the Ministry of Agriculture . Nevertheless, the stock of organic fertilizer worth Rs. 68,686,000 saved during Yala Season 2022 under 02 Agrarian Services Centers had not been so distributed during Maha Season 2022/23. Hence, the possibility of saving Rs. 68,686,000 out of the Government expenditure incurred for purchasing organic fertilizer during Maha Season 2022/23, had been lost.

(b) Ministry of Women, Child Affairs and Social Empowerment

A sum of Rs. 1,208,212 should have been collected in relation to 05 loan projects implemented in the period of 2010 to 2022 in 06 Divisional Secretary's Divisions under the Ampara District Secretariat to uplift the economic status of low-income widows and women, who are heads of household, by the Sri Lanka Women's Bureau under the Ministry of Women, Children Affairs and Social Empowerment.

I would like to report that when inquiring from the relevant regional secretariats in this regard, I was informed that the collection of these loans were delayed due to various matters and the relevant officials have already been informed and action is being taken to recover the loan balances.

Action should be taken to recover arrears loan balances.

(c) Receipts of the State Ministry of Rural Economic Crops Cultivation and Promotion

(i) Under the State Ministry of Rural Economic Crop Cultivation and Promotion, Ampara District Secretariat had implemented the goat rearing project under two phases for the beneficiaries selected for the Divisional Secretariats at a cost of Rs.6,197,323. According to the audit test checks carried out, goats valued at Rs.409,115 comprised of 09 goats worth Rs.194,000 under the first phase and 09 goats worth Rs.215,115 under the second phase had died. It was observed that the reasons for this were the dead goats were not of proper weight, the beneficiaries were not given training for rearing goats

According to the decision of the technical evaluation committee and the procurement committee, the animals should be insured by the beneficiaries. The Animal Production and Health Department was entrusted with the selection of the beneficiaries for the project and the post-supervision work and the said Department has been informed to get the insurance done by the beneficiaries. Moreover, I report that a committee consisting of veterinarians had checked the health condition of the animals before buying the animals, and goats and cows have died in the Eastern

A follow-up should be done in connection with the completed projects to ensure that all relevant beneficiaries get the desired benefits in the implementation of the projects.

according to the relevant Circular, and the supervision of this project at the level of the Divisional Secretariats and related institutions was weak. It was observed that the objectives of the project have not been fulfilled as the relevant beneficiaries have not received any other alternative benefit for the dead goats as the beneficiaries had not obtained insurance cover provided to beneficiaries for the goats.

- (ii) 5926.5 kg of Mung bean seeds worth Rs. 6,195,575 had been distributed to 1073 beneficiaries in 14 Divisional Secretary's divisions under Ampara District Secretariat in relation to the Undu / Mung bean Crop Project (BG - Black Gram / GG - Green Gram - 2022) of the Rural Economic Crops Programme implemented by the Ampara District Secretariat under the provision of the State Ministry of Rural Economic Crops and Promotion. Although these mung seeds were expected to be cultivated for the third quarter starting from July and August of 2022 according to the audit test check carried out, the relevant seeds were given to the farmers in December 2022, and as a result, it was observed that benefits had not been provided to farmers within the expected period.

Province due to the weather conditions prevailed in November and December last year.

I would like to report that the benefits had not been received within the expected period due to cultivation for the Yala season of 2022 had been done in Ampara district when the District Director of Agriculture was informed of the implementation of this programme, there had been rain during the period of September and December and it had been difficult to connect officials to the programme and it is further informed that relevant seeds have been released to the beneficiaries.

Projects should be implemented within the expected time frame.

(d) Department of Samurdhi Development

A sum of Rs.1,840,680 had been spent for the project of providing chicks to the Samurdhi beneficiaries for the year 2021 under the programme of developing a complete household residential economy by centering two hundred thousand (200,000) Samurdhi families implemented by the Samurdhi Development Department. Accordingly, the Eastern Provincial Animal Production and Health Department had given the chicks to the Divisional Secretariat on 16 November 2022 and 31 January 2023. However, 942 chicks with a value of Rs. 822,420 had died within a period of 03 months after the chicks were given. It was observed that the benefits of nearly Rs.822,420 spent on the project had not been received by the relevant Samurdhi beneficiaries as other chicks had not been provided for those dead chicks even by the date of audit.

510 chicks had died from the chicks obtained in the first round on 16/11/2022. That has been informed in writing to the Provincial Director of the Department of Animal Production and Health of the Eastern Province. However, I would like to inform you that action will be taken in the future as a positive response had not been received even by the date of the audit.

A follow-up should be done in connection with the completed projects to ensure that all relevant beneficiaries get the desired benefits in the implementation of the projects.

## 2.4 Certifications to be made by the Chief Accounting Officer/ Accounting Office

According to the provisions of Section 38 of the National Audit Act No. 19 of 2018, the Chief Accounting Officer/ Accounting Officer should have made assurances regarding the following matters, action had not been taken accordingly.

Audit observation	Comment of the Chief Accounting officer / Accounting officer	Recommendation
The Chief Accounting Officer and the Accounting Officer should ensure that an effective internal control system has been developed and maintained for the financial control of the District Secretariat and the effectiveness of the system should be reviewed from time to time and necessary changes should be made accordingly to make the system effective and that those reviews should have been done in writing and a copy of the same should have been submitted to the Auditor General, statements that such reviews had been made were not submitted to audit.	As part of the internal control, an internal audit unit is functioning in our office. I report that an annual audit plan has been prepared at the unit and operations are carried out according to the audit programmes prepared accordingly and copies of the same will be sent to the Auditor General.	Action should be taken according to the provisions of Section 38 of the National Audit Act No. 19 of 2018.

## 2.5 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations observed during the audit test checks are analysed below.

Reference to Laws, Rules and Regulations	Audit observation		Comment of the Chief Accounting officer / Accounting officer	Recommendation
	Value Rs.	Non-compliance		
<b>(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka</b>				
(i) Sections 5 and 5:1 of Chapter XIX	437,475	Steps had not been taken to recover rent arrears from the occupants of 06 government houses belonging to the District Secretariat.	The rent of 2 houses is being paid and action is being taken to recover the arrears of rent of 4 houses.	Action should be taken to recover arrears of rent as per the Establishments Code.
(ii) Section 4 of Chapter XXIV	1,687,862	According to the Reconciliation statement of the advances to public officers' account, action had not been taken to recover the arrears loans from 14 officers, who had been interdicted, had vacated post, deceased and retired officers for a period from 03 months to 03 years.	An amount of Rs.351,270 has already been settled in relation to 5 of the officers and action is being taken to recover an amount of Rs.1,687,862 in relation to 9 of the officers.	Action should be taken to recover arrears of rent as per the Establishments Code.

(b) Public Administration Circulars

Section 2.iv of the Circular No. 2009/09 dated 16 April 2009 of the Ministry of Public Administration and Home Affairs

5,191,174

If the allowances, such as overtime and holiday pay are paid after regular working hours based on time, then the time must be confirmed by fingerprint machine. However, the Mahaoya, Ampara and Pottuvil Divisional Secretariats had paid overtime and holiday allowances to 141 officers without using fingerprint machine in that way for the year 2022.

Currently, the relevant payments are being made using the fingerprint machine.

Action should be taken as per the provisions of the Circular.

**2.6 Deposit balances**

	Audit observation	Comment of the Chief Accounting officer / Accounting officer	Recommendation
3 . O p e r a	Action had not been taken as per the Financial Regulations in relation to 02 types of deposits worth Rs. 11,944,076, which had exceeded 02 years after they had been deposited.	It is informed that action will be taken in accordance with the Financial Regulations within this year in relation to these deposits, which have exceeded two years.	Action should be taken in terms of FR 571(2).

### 3. Operational review

#### 3.1 Planning

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
According to the provisions mentioned in paragraph 03 of the Public Finance Circular No. 02/2020 dated 28 August 2020, an action plan should be prepared and the District Secretariat had not functioned accordingly.	I report that arrangements are being made to prepare an action plan in the future according to the Public Finance Circular No. 02/2020 dated 28 August 2020.	Action should be taken in accordance with the Public Finance Circulars.

#### 3.2 Not Achieving the Expected Level of Output

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer	Recommendation
The Padiyathalawa Divisional Secretariat had incurred a total cost of Rs.1,747,571 for concreting 3 roads namely Helakomana Koramadayalanda Road, Sumanasara Viduhal Road and Palathuruwella Kapudeniya Road under the Discussion with the Village programme - 2022. Although bitumen should be applied on the surface of the road according to item number 07 of the estimates in relation to concreting those 3 roads, the community boards that had obtained the contract had not performed the relevant work. As a result, the amount of Rs. 65,520, allocated for that purpose had been kept in the deposit account. Nevertheless, the relevant work had not been completed even by 31 March 2023.	The relevant contractor has been verbally informed and the contractor has informed that he will complete the work immediately before receiving retained amount. Accordingly, I would like to inform you that the necessary action is being carried out to complete those parts of work.	Action should be taken to achieve the desired level of output under the provision allocated for the project.

### 3.3 Abandonment of Projects Without Completion

The following observations are made.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer/Accounting Officer</b>	<b>Recommendation</b>
<p>(a) Under the Rural Infrastructure Development Project (RIDP) 2016, the Divisional Secretariat, Padiyathalawa had allocated provisions of Rs. 1,000,000 to construct a tube well for the water project of the Moradeniya Grama Niladharee's Division. Accordingly, a payment of Rs. 944,233 was made to the National Water Supply and Drainage Board to carry out this project. However, due to the failure of this project, the National Water Supply and Drainage Board had repaid Rs. 510,250 to the Divisional Secretariat on 31 October 2021 after deducting the expenditure incurred by them for the project from the amount they charged, and the Divisional Secretariat had retained that money in the deposit account. Accordingly, it was observed that 07 years had elapsed from the receipt of provisions and the project was abandoned, resulting in the fruitless expenditure of Rs. 433,983 incurred on the project.</p>	<p>After returning this amount, the National Water Supply and Drainage Board informed us that the activity was delayed due to a malfunction in one of their machines, and the work would be completed immediately after the machine was repaired.</p>	<p>Action should be taken to complete projects within the prescribed timeline.</p>
<p>(b) Under the Traditional Carbonic Development Programme implemented by the Eastern Provincial Ministry of Agriculture, Irrigation, Animal Products and Fisheries, Cooperative Development, and Food Supply and Distribution, provisions of Rs. 1,500,000 were released to two beneficiaries in the year 2021 to carry out large-scale carbonic fertilizer</p>	<p>Due to not receiving the approval to the request made to the District Secretariat to select another beneficiary in place of the relevant beneficiary in the Damana division, a sum of Rs. 500,000 has been retained in the deposit account, while Rs. 1,000,000 has been</p>	<p>Projects should be properly planned and implemented within the prescribed timeline so as to entirely utilize the provisions made to the project.</p>

production in the Divisional Secretariat divisions of Damana and Uhana. However, the project was not implemented even by 31 March 2023 and the provision was entered into the deposit account.

retained in the same account due to disagreement of the selected beneficiaries of the Uhana Divisional Secretariat to completed the project. It has been informed that the relevant funds remained unspent. It is informed that arrangements have been made to refer that money to the Eastern Provincial Ministry of Agriculture in the future.

### 3.4 Delays in the Execution of Projects

**The following observations are made.**

#### **Audit Observation**

According to Section 3.3 of the Circular No. MF/NPD 02/2021, Gamasamaga Pilisandarak, dated 15 December 2021 issued by the Ministry of Finance, all project proposals should be implemented and completed within a period of one year. Nevertheless, the goods valued at Rs. 6,558,253 to be distributed among 190 beneficiaries related to 42 projects implemented under the Divisional Secretariat, Padiyathalawa were stored in the Divisional Secretariat even by 04 April 2023 without being so distributed and two projects worth Rs. 270,000 implemented by the Divisional Secretariat, Damana were not completed.

#### **Comment of the Chief Accounting Officer/Accounting Officer**

The relevant Divisional Secretary has reported that, arrangements were made to distribute these goods and it had to be halted due to the declaration of the Local Government Election. Although the election was postponed, the distribution of these goods could not proceed due to the election not being cancelled. It is informed that the Assistant Commissioner of Elections has been consulted to obtain approval and guidance for distributing these goods, and once the reply is received, action will be taken accordingly.

#### **Recommendation**

Projects should be implemented and completed within the prescribed timeline.

### 3.5 Assets Management

The following observations are made

Audit Observation	Comment of the Chief Accounting Officer/Accounting Officer	Recommendation
(a) Although a vehicle belonging to the District Secretariat had been handed over to a garage for a period of over of 21 years, no action was taken to repair it or retrieve it even by the end of the year under review.	The lorry belonging to this office has been parked in the garage over a period of 21 years. Since the ownership of the vehicle lies with the Department of Rehabilitation, necessary documents have been handed over to the Comptroller General to transferring the vehicle to the District Secretary. Due to the extensive decay of the vehicle, towing it is difficult, and a substantial expenditure would be required to transport the vehicle by a carriage. Therefore, it is kindly inform that arrangement will be made to auction the lorry at the same location where it has been parked.	The vehicles that remain unusable should be disposed of immediately.
(b) Since 28 motorcycles were not used for riding by the District Secretariat and the Divisional Secretariat from the year 2019 to 2023, they were parked in the warehouse complex for more than a period of 03 years.	Ten vehicles in usable condition have been provided to the officers in the year 2022 at their requests and 05 unroadworthy motorcycles have been provided for educational purposes (Automobile Course) of the Hardy Technical Institute. Furthermore, action will be taken to provide the motorcycles in suitable conditions to be used for the benefit of the offices, if any request is received to that effect from any public institute or an officers.	Necessary action should be taken immediately to repair and use these motorcycles or to take other appropriate measures.

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| <p>(c) The water bowser, which was provided to the Mahaoya Divisional Secretariat by the Social Services Department, had been parked in the premises of the Divisional Secretariat without being used approximately for 10 years from 2013 and no action was taken to repair and use that vehicle, and otherwise, to dispose of or make some other arrangements even by 17 February 2023.</p>   | <p>Requests have been made several years ago to repair this bowser. However, since the funds were not received, and a significant expenditure would be required for the repair activities, the repair was not carried out. The District Secretariat currently is making arrangements for the disposal of the vehicle.</p> | <p>Expeditious measures should be taken to dispose of this vehicle or to make some other arrangements.</p>         |
| <p>(d) Two combine harvesters, a tractor and a tailor provided by a non-governmental organization in the Mahaoya Divisional Secretariat division to a voluntary organization were handed over to the Mahaoya Divisional Secretariat in the year 2012 due to a dispute involving the said voluntary organization. However, no action whatsoever was taken in this connection even by 17 February 2023. It was observed that the relevant vehicles were unusable.</p> | <p>The two combine harvesters, a tractor and a tailor provided by a non-governmental organization in this division to a voluntary organization have been handed over to this office. Further action regarding those machines will be taken in accordance with the decisions of the Audit and Management Committee.</p>    | <p>Necessary action should be taken for the disposal in consultation with the relevant voluntary organization.</p> |

### 3.6 Losses and Damages

#### **Audit Observation**

Although the loss suffered by the Saddathissapura warehouse belonging to the Ampara District Secretariat due to the burglary that occurred on 21 September 2015 was estimated as Rs. 850,738, no further action was taken even by 09 May 2023.

#### **Comment of the Chief Accounting Officer/Accounting Officer**

A committee headed by the Additional District Secretary has been appointed in this connection and the investigations are currently in progress. Action will be taken in accordance with the committee reports immediately after the receipt of the said report.

Action should be taken to recover the incurred loss from the relevant parties or to initiate relevant measures immediately.

### 3.7 Management Weaknesses

The following observations are made.

Audit Observation	Comment of the Chief Accounting Officer/Accounting Officer	Recommendation
<p>The cab provided to the Divisional Secretariat, Mahaoya was involved in an accident on 14 August 2020. The cost incurred for the repair due to the accident was Rs. 1,286,062 and the amount paid by the insurance company was Rs. 552,543. Although recommendations were made to recover the amount not covered by the insurance company from the driver of the vehicle as required by F.R.104 (4) of the Financial Regulations, the District Secretariat, Ampara had paid an amount of Rs.773,517 which was not covered by the insurance company, and retrieved the vehicle from the garage on 25 March 2023. However, no action was taken even by 01 May 2023 to recover the loss from the driver that had been incurred from the public funds.</p>	<p>The insurance premiums for the cab have now been provided to the District Secretariat and action has been taken to release the cab by paying the uncovered amount of the insurance by the District Secretariat, and that amount is to be recovered from the driver. The driver had made a request to settle the uncovered amount of the insurance at Rs.5000 per month and a letter has been sent to the Secretary to the Ministry of Public Administration, Home Affairs, Provincial Council and Local Government seeking advice regarding this matter. However, no reply has been received thus far.</p>	<p>Immediate steps should be taken to recover the loss suffered by the Government from the officers responsible for the incident.</p>

#### 4. Good Governance

##### 4.1 Rendering Services to the Public

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer/Accounting Officer</b>	<b>Recommendation</b>
Although the Citizen/ Client Charter should be formulated and implemented as introduced by the Circular No. 05/2008 dated 06 February 2008 as amended by the Circular No. 05/2018(1) dated 24 January 2018 of the Ministry of Public Administration and Management, the District Secretariat, Ampara had not followed that requirement.	It is informed that the Citizen/ Client Charter introduced by the Circular No. 05 /2008 dated 06 February 2008 is being formulated at present and arrangements have been made to successfully implement the same in the future.	Citizen/ Client Charter introduced by the Circular should be formulated and implemented.

#### 5. Human Resource Management

The following observations are made.

<b>Audit Observation</b>	<b>Comment of the Chief Accounting Officer/Accounting Officer</b>	<b>Recommendation</b>
<b>Approved cadre and Actual Cadre</b>		
(a) The approved cadre and the actual cadre as at 31 December 2022 were 2363 and 2721 respectively and no action had been taken to fill 116 vacancies and to properly approve 474 excess cadre of the Board.	Since the officers recruited at ministerial level have been attached to this district, the highlighted excess of the limit is reported and action will be taken to obtain relevant approval in the future.	Action should be taken to fill the existing vacancies and properly approve the excess cadre.

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| <p>(b) A human resource plan had not been prepared as required by Circular No.02/2018 dated 24 January 2018 of the Secretary to the Ministry of Public Administration. Further, the entire staff had not signed performance agreements as per the aforementioned circular.</p>   | <p>It is informed that the preparation of human resource plan is in progress at present.</p>  | <p>Action should be taken to prepare human resource plan and to have the annual performance agreements signed by all the staff in accordance with the circular.</p> |
| <p>(c) According to the Public Administration Circular No.18/2001 dated 22 August 2001, every officer who has completed a maximum service period 05 years in a particular station should be transferred to enable the officer to serve in other stations. However, 27 officers of the District Secretariat had been employed in a same station for a period from 06 years to 12 years, but no action had been taken to transfer them to other stations even by the end of the year under review.</p> | <p>Priority was given for the officers who had exceeded the 05 years' service period in implementing transfer scheme in the year 2022. It is also informed that action will be taken to transfer the officers who have completed the highest service period in the future, and gradually transfer the officers completing the 05 years period in a manner that does not give rise to administrative issues.</p> | <p>Action should be taken to transfer the employees within the prescribed period as per the circular.</p>   |