

# **Auditor General's Triennial Report**

**2021-2023**

**Local Authorities**

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## **1. Executive Summary**

There are 341 local authorities implemented in Sri Lanka and it consists with 28 Municipal Councils implemented under Municipal Councils Ordinance (Chapter 252) and 37 urban councils implemented under Urban Councils Ordinance (Chapter 255) and 276 pradeshiya sabhas implemented under Pradeshiya Sabha Act No.15 of 1987.

The primary functions of the local authorities are regulation control and administration of all matters relating to the public health, public utility services and generally protection and promotion of comfort, convenience welfare of the people and the amenities of the municipality.

In terms of the section 14 of National Audit Act No.19 of 2018, the Auditor General shall table in parliament the Status Report of every auditee entity, within nine months after the end of each period of three financial years. The report shall include major deficiencies identified, recommendations made by him and preventive measures taken by the auditee entity and the position thereon as at the submission of the report to the parliament. In terms of aforesaid Act in relation to 2021, 2022 and 2023 tabled to the parliament the audit observations not resolved so far are indicated as follows.

## **2. Opinion of the Auditor General on the Financial Statements**

Local Authorities prepare annual financial statements comprising the statement of financial position as at the end of the year and income statement, a cash flow statement, statement of changes in equity and a summary of significant accounting policies and other explanatory information for the year then ended. The Auditor General provides independent assurance that the financial statements give a true and fair view of the operations of the entities. This assurance is provided by expressing an opinion on the financial statements. The conclusion of the Auditor General as to whether the statement of financial position and the statement of financial performance of the Local Authorities present a true and fair view and as to whether those financial statements comply with Sri Lanka Accounting Standards or Sri Lanka Public Sector Accounting Standards, which are currently compliant with International Public Sector Accounting Standards, and Financial Reporting Standards is expressed by the audit opinion.

Four types of opinions are expressed after considering material misstatements or discrepancies according to the financial statements, and limitations of scope and disagreements between management and the auditor. They are:

### **Unqualified Opinion**

This opinion is expressed when material misstatements or non-compliances are not reported in the financial statements.

### **Qualified Opinion**

This opinion is expressed when material / misstatements or inconsistencies have been reported in the financial statements, but, they have not been extended to the financial statements of entity.

### **Adverse Opinion**

Adverse audit opinion is expressed when material / misstatements, reported in the financial statements have been extended to the financial statements.

### **Disclaimer of Opinion**

This opinion is expressed when the auditor is unable to obtain sufficient and appropriate audit evidence for audit opinion owing to the limitation in the scope and when the auditor decides that there may be undisclosed misstatements in the financial statements.

**Details of the opinion of Local Authorities.**

Information on the audit opinions issued in relation to the financial statements submitted in relation to 281 Local Authorities for the years 2021, 2022 and 2023 is mentioned in the following table.

	2021	2022	2023
<b>Unqualifid</b>	03	01	09
<b>Qualified</b>	268	262	253
<b>Adverse</b>	07	10	07
<b>Disclaimer</b>	03	08	09
<b>Opinion has not decided yet</b>	-	-	-
<b>Financial Statements not received</b>	-	-	03

	Name	2021	2022	2023
1.	Colombo Municipal Council	Qualified	Disclaimer	Disclaimer
2.	Sri Jayawardenapura Kotte Municipal Council	Qualified	Qualified	Qualified
3.	Dehiwela Mount Lavinia Municipal Council	Qualified	Qualified	Qualified
4.	Moratuwa Municipal Council	Qualified	Qualified	Qualified
5.	Kaduwela Municipal Council	Qualified	Qualified	Qualified
6.	Gampaha Municipal Council	Qualified	Qualified	Qualified
7.	Negombo Municipal Council	Qualified	Adverse	Adverse
8.	Nuwaraeliya Municipal Council	Qualified	Qualified	Qualified
9.	Kandy Municipal Council	Qualified	Qualified	Disclaimer
10.	Dambulla Municipal Council	Adverse	Qualified	Qualified
11.	Matale Municipal Council	Adverse	Qualified	Qualified

12.	Galle Municipal Council	Adverse	Adverse	Qualified
13.	Matara Municipal Council	Adverse	Adverse	Qualified
14.	Hambanthota Municipal Council	Qualified	Qualified	Qualified
15.	Akkarapattu Municipal Council	Qualified	Qualified	Qualified
16.	Kalmunai Municipal Council	Qualified	Disclaimer	Qualified
17.	Batticaloa Municipal Council	Qualified	Qualified	Qualified
18.	Anuradhapura Municipal Council	Qualified	Qualified	Qualified
19.	Pollannaruwa Municipal Council	Qualified	Qualified	Qualified
20.	Badualla Municipal Council	Qualified	Qualified	Qualified
21.	Bandarawela Municipal Council	Disclaimer	Disclaimer	Qualified
22.	Rathnapura Municipal Council	Qualified	Qualified	Qualified
23.	Kurunegala Municipal Council	Disclaimer	Disclaimer	Disclaimer
24.	Jaffna Municipal Council	Qualified	Qualified	Qualified
25.	Urban Council, Maharagama	Qualified	Qualified	Qualified
26.	Urban Council, Boraesgamuwa	Qualified	Qualified	Qualified
27.	Urban Council, Kesbewa	Qualified	Qualified	Qualified
28.	Urban Council, Kolonnawa	Qualified	Qualified	Qualified
29.	Urban Council, Seethawakapura	Qualified	Qualified	Qualified
30.	Urban Council, Kalutara	Qualified	Qualified	-
31.	Urban Council, Panadura	Qualified	Qualified	Qualified
32.	Urban Council, Horana	Qualified	Qualified	Qualified
33.	Urban Council, Beruwala	Qualified	Qualified	Qualified

34.	Urban Council, Ja-Ela	Qualified	Adverse	Disclaimer
35.	Urban Council, Wattala-Mabola	Qualified	Qualified	Adverse
36.	Urban Council, Minuwangoda	Qualified	Qualified	Adverse
37.	Urban Council, Katunayake	Qualified	Qualified	Qualified
38.	Urban Council, Peliyagoda	Qualified	Adverse	Qualified
39.	Urban Council, Gampola	Qualified	Qualified	Qualified
40.	Urban Council, Waththegama	Qualified	Qualified	Qualified
41.	Urban Council, Nawalapitiya	Qualified	Qualified	Qualified
42.	Urban Council, Kadugannawa	Qualified	Qualified	Qualified
43.	Urban Council, Thalawakele-Lidula	Qualified	Qualified	Qualified
44.	Urban Council-Hatton –Dikoya	Qualified	Qualified	Qualified
45.	Urban Council, Ambalangoda	Qualified	Qualified	Qualified
46.	Urban Council-Hikkaduwa	Qualified	Qualified	Qualified
47.	Urban Council-Weligama	Qualified	Qualified	Qualified
48.	Urban Council-Tangalle	Qualified	Qualified	Qualified
49.	Urban Council-Kuliyapitiya	Disclaimer	Disclaimer	Disclaimer
50.	Urban Council-Chilaw	Qualified	Qualified	Qualified
51.	Urban Council-Embilipitiya	Qualified	Qualified	Qualified
52.	Urban Council-Balangoda	Qualified	Qualified	Qualified
53.	Urban Council-Kegalle	Qualified	Qualified	-
54.	Urban Council-Haputale	Qualified	Qualified	Qualified
55.	Urban Council-Ampara	Qualified	Qualified	Qualified



56.	Urban Council- Chavakachcheri	Qualified	Qualified	Qualified
57.	Urban Council-Point Pedro	Qualified	Qualified	Qualified
58.	Urban Council-Weliwettithurei	Qualified	Qualified	Qualified
59.	Urban Council-Trincomalee	Qualified	Qualified	Qualified
60.	Urban Council- Kattankudy	Qualified	Qualified	Qualified
61.	Urban Council-Eravur	Qualified	Qualified	Qualified
62.	Urban Council-Kinniya	Qualified	Qualified	Qualified
63.	Urban Council-Manner	Qualified	Qualified	Qualified
64.	Urban Council-Vavuniya	Qualified	Qualified	-
65.	Seethawaka Pradeshiya Sabha	Qualified	Qualified	Qualified
66.	Kottikawatta Mulleriyawa Pradeshiya Sabha	Qualified	Qualified	Qualified
67.	Homagama Pradeshiya Sabha	Qualified	Adverse	Qualified
68.	Ja-ela Pradeshiya Sabha	Qualified	Disclaimer	Qualified
69.	Biyagama Pradeshiya Sabha	Qualified	Qualified	Qualified
70.	Attanagalle Pradeshiya Sabha	Qualified	Qualified	Qualified
71.	Divulapitiya Pradeshiya Sabha	Qualified	Adverse	Qualified
72.	Gampaha Pradeshiya Sabha	Qualified	Qualified	Qualified
73.	Dompe Pradeshiya Sabha	Qualified	Qualified	Qualified
74.	Minuwangoda Pradeshiya Sabha	Qualified	Disclaimer	Adverse
75.	Mahara Pradeshiya Sabha	Qualified	Adverse	Qualified
76.	Mirigama Pradeshiya Sabha	Qualified	Qualified	Qualified
77.	Kelaniya Pradeshiya Sabawa	Qualified	Qualified	Qualified

78.	Wattala Pradeshiya sabha	Qualified	Qualified	Qualified
79.	Panadura Pradeshiya Sabha	Qualified	Qualified	Qualified
80.	Bandaragama Pradeshiya Sabha	Qualified	Qualified	Qualified
81.	Beruwela Pradeshiya Sabha	Qualified	Qualified	Qualified
82.	Bulathsinhala Pradeshiya Sabha	Qualified	Qualified	Unqualified
83.	Dodangoda Pradeshiya Sabha	Qualified	True and fair view	Qualified
84.	Kaluthara Pradeshiya Sabha	Qualified	Qualified	Disclaimer
85.	Madurawela Pradeshiya Sabha	Qualified	Qualified	True and fair view
86.	Mathugama Pradeshiya Sabha	Qualified	Qualified	Qualified
87.	Paindanuwara Pradeshiya Sabha	Qualified	Qualified	True and fair view
88.	Walalavita Pradeshiya Sabha	Qualified	Qualified	Qualified
89.	Ella Pradeshiya Sabha	Qualified	Qualified	Qualified
90.	Uvaparanagama Pradeshiya Sabha	Qualified	Qualified	Qualified
91.	Kandaketiya Pradeshiya Sbha	Qualified	Qualified	Qualified
92.	Passara Pradeshiya Sabha	Unqualified	Qualified	Qualified
93.	Bandarawela pradeshiya Sabha	Qualified	Qualified	Qualified
94.	Mahiyangana Pradeshiya sabha	Qualified	Qualified	Qualified
95.	Meegahakiula Pradeshiya Sabha	Unqualified	Qualified	Qualified
96.	Rideemaliyadda Pradeshiya Sabha	Qualified	Qualified	Qualified
97.	Welimada Pradeshiya Sabha	Qualified	Qualified	Qualified
98.	Soranathota Pradeshiya Sabha	Unqualified	Qualified	Unqualified
99.	Haldummulla Pradeshiya Sabha	Qualified	Qualified	Qualified

100.	Haliella Pradeshiya Sabha	Qualified	Qualified	Qualified
101.	Kataragama Predeshiya Sabha	Qualified	Qualified	Disclaimer
102.	Thanamalwila Pradeshiya Sabha	Qualified	Qualified	Disclaimer
103.	Badakumbura Pradeshiya Sabha	Qualified	Qualified	Qualified
104.	Bibila Pradeshiya Sabha	Qualified	Qualified	Qualified
105.	Buttala Pardeshiya Sabha	Qualified	Qualified	Qualified
106.	Madulla Pradeshiya Sabha	Qualified	Qualified	Qualified
107.	Medagama Pradeshiya Sabha	Qualified	Qualified	Qualified
108.	Moneragala Pradeshiya Sabha	Qualified	Qualified	Qualified
109.	Wallavaya Pradeshiya Sabha	Qualified	Qualified	Qualified
110.	Siyabalanduwa Pradeshiya Sabha	Qualified	Qualified	Qualified
111.	Elpitiya Pradeshiya Sabha	Qualified	Qualified	Qualified
112.	Imadoowa Pradeshiya Sabha	Qualified	Qualified	Qualified
113.	Karandeniya Pradeshiya Sabha	Qualified	Qualified	Qualified
114.	Thawalama Pradeshiya Sabha	Qualified	Qualified	Qualified
115.	Nagoda Pradeshiya Sabha	Qualified	Qualified	Qualified
116.	Niyagama Pradeshiya Sabha	Qualified	Qualified	Qualified
117.	Neluwa Pradeshiya Sabha	Qualified	Qualified	Qualified
118.	Baddegama pradeshiya sabha	Qualified	Qualified	Qualified
119.	Balapitiya Pradeshiya Sabha	Qualified	Qualified	Qualified
120.	Benthota Pradeshiya Sabha	Qualified	Qualified	Qualified
121.	Rajgama Pradeshiya Sabha	Qualified	Qualified	Qualified

122.	Habaraduwa Pradeshiya Sabha	Qualified	Qualified	Qualified
123.	Akuressa Pradeshiya Sabha	Qualified	Qualified	Qualified
124.	Athuraliya Pradeshiya Sabha	Qualified	Qualified	Qualified
125.	Devinuwara Pradeshiya Sabha	Qualified	Qualified	Qualified
126.	Dickwella Pradeshiya Sabha	Qualified	Qualified	Qualified
127.	Kamburupiya Pradeshiya Sabha	Qualified	Qualified	Qualified
128.	Kirinda Puhulwella Preadeshiya Sabha	Qualified	Qualified	Qualified
129.	Kotapola Pradeshiya Sabha	Qualified	Qualified	Qualified
130.	Malimbada Pradeshiya Sabha	Qualified	Qualified	Qualified
131.	Matara Pradeshiya Sabha	Qualified	Qualified	Qualified
132.	Mulatiyana Pradeshiya Sabha	Qualified	Qualified	Qualified
133.	Pasgoda Pradeshiya Sabha	Qualified	Qualified	Qualified
134.	Pitabeddara Pradeshiya Sabha	Qualified	Qualified	Qualified
135.	Thihagoda Pradeshiya Sabha	Qualified	Qualified	Qualified
136.	Weligama Pradeshiya Sabha	Qualified	Adverse	Qualified
137.	Agunakolepallessa Pradeshiya Sabha	Qualified	Qualified	Qualified
138.	Beliatta Pradeshiya Sabha	Qualified	Qualified	Qualified
139.	Hambanthota Pradeshiya Sabha	Qualified	Qualified	Qualified
140.	Katuwana Pradeshiya Sabha	Qualified	Qualified	Qualified
141.	Tissamaharama Pradeshiya Sabha	Qualified	Qualified	Adverse
142.	Tangalle Pradeshiya Sabha	Qualified	Qualified	Adverse

143.	Weeraketiya Pradeshia Sabha	Qualified	Qualified	Adverse
144.	Abagamuwa Pradeshia Sabha	Qualified	Qualified	Qualified
145.	Agarapathana Pradeshia Sabha	Qualified	Qualified	Qualified
146.	Kotagala Pradeshia Sabha	Qualified	Qualified	Qualified
147.	Kothmale Paredeshiya Sabha	Qualified	Qualified	Qualified
148.	Nuwaraeliya Pradeshia Sabha	Qualified	Qualified	Qualified
149.	Norwood Pradeshia Sabha	Qualified	Qualified	Qualified
150.	Maskeliya Pradeshia Sabha	Qualified	Qualified	Qualified
151.	Walapane Paredeshiya Sabha	Qualified	Qualified	Qualified
152.	Abangagakorale Pardeshiy sabha	Qualified	Qualified	Qualified
153.	Ukuwela Pradeshia Sabha	Qualified	Qualified	Qualified
154.	Naula Pradeshia Sabha	Qualified	Qualified	Qualified
155.	Matale Pradeshia Sabha	Qualified	Qualified	Qualified
156.	Yatawatta Pradeshia sabha	Qualified	Qualified	Unqualified
157.	Raththota Pradeshia Sabha	Qualified	Qualified	Qualified
158.	Dambulla Pradeshia Sabha	Qualified	Qualified	Qualified
159.	Laggala Pradeshia Sabha	Qualified	Qualified	Qualified
160.	Ududumbara Pradeshia Sabha	Qualified	Qualified	Qualified
161.	Kandy Kadawathsathara and Gangawata Korale Pradeshia Sabha	Qualified	Qualified	Qualified
162.	Minipe Pradeshia Sabha	Qualified	Qualified	Qualified
163.	Udunuwara Pradeshia Sabha	Adverse	Adverse	Qualified

164.	Yatinuwara Pradeshiya Sabha	Qualified	Qualified	Qualified
165.	Panwila pradeshiay sabha	Qualified	Qualified	Qualified
166.	Harispaththuwa Pradeshiya Sabha	Qualified	Qualified	Qualified
167.	Kundesala Pradeshiya Sabha	Qualified	Qualified	Qualified
168.	Medadumbara Pradeshiya sabha	Qualified	Qualified	Qualified
169.	Pathadumbara Pradeshiya Sabha	Qualified	Qualified	Qualified
170.	Ganga Ihala Korale Pradeshiya Sabha	Qualified	Qualified	Qualified
171.	Thumpane Pradeshiya Sabha	Qualified	Qualified	Qualified
172.	Pathahewaheta Pradeshiya Sabha	Qualified	Qualified	Qualified
173.	Udapalatha pradeshiya sabha	Qualified	Qualified	Qualified
174.	Pujapitiya Pradeshiya Sabha	Qualified	Qualified	Qualified
175.	Pasbage Korale Pradeshiya Sabha	Qualified	Qualified	Qualified
176.	Ayagama Pradeshiya Sabha	Qualified	Qualified	Qualified
177.	Eheliyagoda Pradeshiya Sabha	Qualified	Qualified	Qualified
178.	Ambilipitiya Pradeshiya Sabha	Qualified	Qualified	Qualified
179.	Imbulpe Pradeshiya Sabha	Qualified	Qualified	Qualified
180.	Kalawana Pradeshiya Sabha	Adverse	Qualified	Qualified
181.	Kuruwita Pradeshiya Sabha	Adverse	Disclaimer	Qualified
182.	Kollenna Pradeshiya Sabha	Qualified	Qualified	Qualified
183.	Godakawela Pradeshiya Sabha	Qualified	Qualified	Qualified
184.	Nivithigala Pradeshiya Sabha	Qualified	Qualified	Qualified
185.	Palmadualla Pradeshiya Sabha	Qualified	Qualified	Qualified

186.	Balangoda Pradeshiya Sabha	Qualified	Qualified	Qualified
187.	Rathnapura Pradeshiya Sabha	Qualified	Qualified	Qualified
188.	Weligepola Pradeshiya Sabha	Qualified	Qualified	Qualified
189.	Rabukkana Pradeshiya Sabha	Qualified	Qualified	Qualified
190.	Ruwanwella Pradeshiya Sabha	Qualified	Qualified	Qualified
191.	Kahatagadigiliya pradeshiya Sabha	Qualified	Qualified	Qualified
192.	Kebethithigollewa Pradeshiya Sabha	Qualified	Qualified	Qualified
193.	Thalawa Pradeshiya Sabha	Qualified	Qualified	Qualified
194.	Thirappane Pradeshiya Sabha	Qualified	Qualified	Qualified
195.	Nochchiyagama Pradeshiya Sabha	Qualified	Qualified	Disclaimer
196.	Padaviya Pradeshiya Sabha	Qualified	Qualified	Qualified
197.	Medawachchiya Pradeshiya Sabha	Qualified	Qualified	Qualified
198.	Mihintale Pradeshiya Sabha	Qualified	Adverse	Qualified
199.	Rabewa Pradeshiya Sabha	Qualified	Qualified	Qualified
200.	Rajangana Pradeshiya Sabha	Qualified	Qualified	Qualified
201.	Horowpathana Pradeshiya Sabha	Qualified	Disclaimer	Adverse
202.	Palagala Pradeshiya Sabha	Qualified	Qualified	Qualified
203.	Lankapura Pradeshiya Sabha	Qualified	Qualified	Qualified
204.	Elahara Pradeshiya Sabha	Qualified	Qualified	Qualified
205.	Medirigiriya Pradeshiya Sabha	Qualified	Qualified	Qualified
206.	Dimbulagala Pradeshiya Sabha	Qualified	Qualified	Qualified

207.	Higurakgoda Pradeshiya Sabha	Qualified	Qualified	Qualified
208.	Ibbagamuwa Pradeshiya Sabha	Qualified	Qualified	Qualified
209.	Udubaddawa Pradeshiya Sabha	Qualified	Qualified	Qualified
210.	Kurunegala Pradeshiya Sabha	Qualified	Qualified	Qualified
211.	Kuliyapitiya Pradeshiya Sabha	Qualified	Qualified	Qualified
212.	Kobeigane Pradeshiya Sabha	Qualified	Qualified	Qualified
213.	Galgamuwa Pradeshiya Sabha	Qualified	Qualified	Qualified
214.	Giribawa Pradeshiya Sabha	Qualified	Qualified	Qualified
215.	Narammala Pradeshiya Sabha	Qualified	Qualified	Qualified
216.	Nikaweratiya Pradeshiya sabha	Qualified	Qualified	Qualified
217.	Paduwasnuwara Pradeshiya Sabha	Qualified	Qualified	Qualified
218.	Pannala pradeshiya Sabha	Qualified	Qualified	Qualified
219.	Polpithigama Pradeshiya Sabha	Qualified	Qualified	Qualified
220.	Bingiriya Pradeshiya Sabha	Qualified	Qualified	Qualified
221.	Mahawa pradeshiya Sabha	Qualified	Qualified	Qualified
222.	Mawathagama Pradeshiya Sabha	Qualified	Qualified	Qualified
223.	Ridigama pradeshiya Sabha	Qualified	Qualified	Qualified
224.	Wariyapola Pradeshiya Sabha	Qualified	Qualified	Qualified
225.	Nawagaththegama Pradeshiya Sabha	Qualified	Qualified	Qualified
226.	Naththandiya Pradeshiya Sabha	Qualified	Qualified	Qualified
227.	Wennappuwa Pradeshiay sabha	Qualified	Qualified	Qualified
228.	Chawakachcheri Pradeshiya Sabha	Qualified	Qualified	Qualified



229.	Karainagar Pradeshiya Sabha	Qualified	Qualified	Qualified
230.	Kayts Pradeshiya Sabha	Qualified	Qualified	Qualified
231.	Nallur Pradeshiya Sabha	Qualified	Qualified	Qualified
232.	Point Pedro Pradeshiya Sabha	Qualified	Qualified	Qualified
233.	Wadamarachchi Pradeshiya Sabha	Qualified	Qualified	Qualified
234.	Walikamam East Pradeshiya Sabha	Qualified	Qualified	Qualified
235.	Walikamam North Pradeshiya Sabha	Qualified	Qualified	Qualified
236.	Walikamam South Pradeshiya Sabha	Qualified	Qualified	Qualified
237.	Walikamam South West Pradeshiya Sabha	Qualified	Qualified	Qualified
238.	Walikamam West Pradeshiya Sabha	Qualified	Qualified	Qualified
239.	Karachchi Pradeshiya Sabha	Qualified	Qualified	Qualified
240.	Pachchileipalli Pradeshiya Sabha	Qualified	Qualified	Qualified
241.	Poonakari Pradeshiya Sabha	Qualified	Qualified	Qualified
242.	Nanattan Pradeshiya Sabha	Qualified	Qualified	Qualified
243.	Manner Pradeshiya Sabha	Qualified	Qualified	Qualified
244.	VauManthai West Pradeshiya Sabha	Qualified	Qualified	Qualified
245.	Musali Pradeshiya Sabha	Qualified	Qualified	Qualified
246.	Pudukuduirippu Pradeshiya Sabha	Qualified	Qualified	Qualified
247.	Muhudubadapattu Pradeshiya Sabha	Qualified	Qualified	Qualified
248.	Vavuniya North Pradeshiya Sabha	Qualified	Qualified	Qualified

249.	Korale pattu North Pradeshiya Sabha	Qualified	Qualified	Qualified
250.	Manmunei Pradeshiya Sabha	Qualified	Qualified	Qualified
251.	Porathiwu Pattu Pradeshiya Sabha	Qualified	Qualified	Qualified
252.	Manmunei south-west Pradeshiya Sabha	Qualified	Qualified	Qualified
253.	Eravur Pattu Pradeshiya Sabha	Qualified	Qualified	Qualified
254.	Manmunei-South and Eruwil Pattu Pradeshiya Sabha	Qualified	Qualified	Qualified
255.	Koralaipattu West Pradeshiya Sabha	Qualified	Qualified	Qualified
256.	Manmunai West Pradeshiya Sabha	Qualified	Qualified	Qualified
257.	Koraleipaththu Pradeshiya Sabha	Qualified	Qualified	Qualified
258.	Kuchchaveli Pradeshiya Sabha	Qualified	Qualified	Qualified
259.	Muthur Pradeshiya Sabha	Qualified	Qualified	Qualified
260.	Kinniya Pradeshiya Sabha	Qualified	Qualified	Qualified
261.	Thambalagamuwa Pradeshiya Sabha	Qualified	Qualified	Qualified
262.	Kanthale Pradeshiya Sabha	Qualified	Qualified	Qualified
263.	Morawewa Pradeshiya Sabha	Qualified	Qualified	Qualified
264.	Seruwila Pradeshiya Sabha	Qualified	Qualified	Unqualified
265.	Town and Gravets Pradeshiya Sabha	Qualified	Qualified	Qualified
266.	Addalachenai Pradeshiya Sabha	Qualified	Qualified	Qualified
267.	Akkaraipattu Pradeshiya Sabha	Qualified	Qualified	Qualified
268.	Alayadivembu Pradeshiya Sabha	Qualified	Qualified	Qualified

269.	Irakkamam Prodeshiya Sabha	Qualified	Qualified	Qualified
270.	Karaitivu Pradeshiya Sabha	Qualified	Qualified	Qualified
271.	Ninthavur Pradeshiya Sabha	Qualified	Qualified	Qualified
272.	Navithanveli Pradeshiya Sabha	Qualified	Qualified	Qualified
273.	Pothuvil Pradeshiya Sabha	Qualified	Qualified	Qualified
274.	Sammanthurai Pradeshiya Sabha	Qualified	Qualified	Qualified
275.	Thirukkivil Pradeshiya Sabha	Qualified	Qualified	Qualified
276.	Damana Pradeshiya Sabha	Qualified	Qualified	Qualified
277.	Dehiattakandiya Pradeshiya Sabha	Qualified	Qualified	Qualified
278.	Namaloya Pradeshiya Sabha	Qualified	Qualified	Qualified
279.	Padiyathalawa Pradeshiya Sabha	Qualified	Qualified	Qualified
280.	Mahaoya Pradeshiya Sabha	Qualified	Qualified	Qualified
281.	Lahugala Pradeshiya Sabha	Qualified	Qualified	Qualified

### 3. Observations of Local Authorities

#### 3.1 Colombo Municipal Council

	Total Assests Rs.	Total Liabilities Rs.	Equity Rs.	Surplus (Deficit) Rs.	Opinion
<b>2021</b>	29,785,656,044	10,870,082,544	18,915,573,500	570,693,595	Qualified
<b>2022</b>	35,847,745,839	10,988,421,308	24,859,324,531	2,905,893,767	Disclaimer
<b>2023</b>	40,264,919,072	11,589,891,125	28,675,027,947	2,940,432,774	Disclaimer

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	The outstanding Assessment Tax was Rs.4,202,014,333 as at 31 December 2021. There are 1121 properties in the outstanding exceeds more than Rs.500,000 out of such outstanding Assessment Tax balance and its outstanding Assessment Tax is Rs.1,893,978,890. Similarly, 166 properties out of these outstanding properties are government properties and its outstanding is Rs.504,395,533. 812 property units out of these	2023	The action should be taken to immediately recover.	The taking over of property had been commenced in 2024.	The implementation of the recommendation had been commenced in 2024. As at 31 December 2023, the outstanding balance was Rs. 1,353,476,656.

properties had not paid any amount in 2021. The outstanding Assessment Tax properties in which the outstanding exceed more than Rs.10 million is 24 and its value is Rs.445, 568,243.

- |     |  |      |   |   |  |
|-----|--|------|---|---|--|
| (b) | The pavement shop rent revenue recoverable as at 31 December 2021 was Rs.602,373,386 and said value is about 647 percent of billing in the year. An inactive pavement shop rent of Rs. 163,207,567 had been included in this outstanding value and no action had been taken to recover or write off that amount. | 2021 | The action should be taken to expeditiously recover it.   | No action had been taken.                       | No action had been taken.  |
| (c) | The outstanding house rent recoverable as at 31 December 2021 from each housing complex was Rs.21, 298,843.  | 2021 | The action should be taken to immediately recover.  | No action had been taken.                       | No action had been taken.  |
| (d) | It was observed that Slave Island waste water pumping station handed over to Colombo Municipal Council on 30 November 2021 constructed at a cost   | 2021 | The steps should be taken to implement the pumping station having renovated high-pressure pipe system | The necessary action is being taken to rectify. | The proposed dates to be completed the measures had been exceeded. |

of Rs. 481,617,786 under Greater Colombo Waste Water Management Project had been inactive. At the preliminary inquiry conducted after taking over pumping station, this had caused the damages occurred to the pumping station and connected pipe system. Similarly, it was observed that huge environment damage occurs through release of waste water collected to Salve Island Waste Water Pumping Station through an open drain to Beraie Lake.

expeditiously.

- |   |             |   |   |  |
|---|-------------|---|---|--|
| <p>(e) A land in extent of 4 acres 1 rood 29.8 perches located in No.45, Marcus Fernando Mawatha had been leased to Sri Lanka Tennis Association on monthly rent of Rs.100 for a period of 25 years by the agreement No.415 dated 07 October 1958. Even though the period of lease agreement on 30 September 1983, a formal lease</p> | <p>2021</p> | <p>The action should be promptly taken to recover the lease in arrears and enter into a formal agreement.</p> | <p>It had been proposed to enter into agreements after revising the lease rental.</p> | <p>The properties are being used by the lessee without taking action to pay the amended rent and enter into agreement.</p> |
|---|-------------|---|---|--|

agreement had not been entered into up to 31 August 2022 and the Tennis Association has been utilizing the land without a legal agreement. Similarly, the Tennis Association has been utilizing a land in extent of 55 perches in an unauthorized manner without payment of any rent since 1958 in addition to above land. The outstanding lease rental recoverable from Tennis Association was Rs.30, 075,662 as at 30 June 2022.

- |     |  |      |   |   |  |
|-----|--|------|---|---|--|
| (f) | No measures had been taken to provide 64 houses constructed in Paradise Housing Scheme in laundry land situated in Paradise Place, Colombo 12 at a cost of Rs. 200,863,837 up to 28 February 2016 to the residents who are eligible to obtain houses and low income people who have not houses as at 31 December 2021. | 2021 | The action should be taken to distribute the houses in formal manner. | The action is being taken to distribute the houses. | The distribution of houses had not been completed yet. |
| (g) | 50 perches of Modara   | 2021 | The steps   | The survey  | The activities had                                     |

<p>Elie House land belonging to council had been leased to an institute in July 1992 and it was observed that remaining 60 perches of that land had been utilized for their purposes in an unauthorized manner by the institute. Even though it had been revealed that the unauthorized constructions had been carried out, no action had been taken by council in relation to such unauthorized usages and unauthorized constructions.</p>	<p>should be taken to recover outstanding rent and promptly take the legal action.</p>	<p>activities had been commenced.</p>	<p>not been completed.</p>
<p>(h) 02 floors with 6000 square feet had been built in an unauthorized manner in a land extent of 11 perches located in lot No.48 of land parcel plan No.02 of the land in which the official residence of curator of Borella Cemetery is located in Elvitigala Mawatha, Colombo 08 belonging to Colombo Municipal Council. These unauthorized constructions had not been removed even up to 31 December 2021.</p>	<p>The legal action should be taken to take over relevant properties to council.</p>	<p>A committee had been appointed to take measures in this regard.</p>	<p>Even though the instructions had been given to take over the possession of this property to the council again at the meeting of committee of Public accounts held on 06 June 2023, no action had been taken.</p>



- |     |   |      |  |                           |                                      |
|-----|---|------|--|---------------------------|--------------------------------------|
| (i) | 12 single houses belonging to Colombo Municipal Council had been transferred to the persons and the rent value of these 11 houses had not been valued since many years. The council had no information such as location of these houses, which bears the possession, square feet of houses and existence of houses. | 2021 | The outstanding amount should be recovered and the lease agreements should be updated. | No action had been taken. | The measures had not been taken.     |
|     |   |      |  |                           |                                      |
| (j) | 200 buckets each Rs.29,325 had been purchased at a cost of Rs.5,865,000 in September 2016 for pavement market complex at Malwatta Road and these buckets had become idle in unsafe manner by affecting to the natural disasters without effectively utilization for an task even up to 31 December 2021.            | 2021 | It should be immediately utilized for effective purposes.                              | No action had been taken. | It had been further idle.            |
|     |   |      |  |                           |                                      |
| (k) | Since Kangaroo rider machine used for Sathu Uyana purchased at accost of Rs.4, 242,600 on 16 March 2018 had broken within 02 months from purchase, it had been  | 2021 | The action should be taken to promptly recover.  | No action had been taken. | No action had been taken to recover. |

removed from usage since 2018. The action had been taken to transfer the performance security of Rs.2, 723,735 submitted by the supplier for recovery of this loss to the council and the action had not been taken to recover a financial loss of Rs.2, 154,564 not covered from that even up to 31 December 2021

- |     |  |      |  |  |                           |
|-----|--|------|--|--|---------------------------|
| (l) | As per the tax returns sent by Department of Inland Revenue for the period of time from 01 July 2016 to 31 March 2020, Value Added Tax payable was Rs.897,143,592 as at 04 May 2023 and no action had been taken to settle such tax. | 2022 | The action should be taken to settle the tax in arrears.                       | No action had been taken.                      | It is in same condition.  |
| (m) | The council had not taken action to recover outstanding entertainment tax of Rs.31, 664,911 receivable from 35 cinema halls for 2022 even up to 13 February 2023.  | 2022 | The step should be immediately taken to recover outstanding entertainment tax. | The written requests had been made to recover. | It couldn't be recovered. |

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| (n) | In accordance with the list of registered institutions in Tourist Development Authority of Sri Lanka, even though there 378 hotels, guest houses and restaurants registered at Tourist Development Authority of Sri Lanka belonging to the area of Colombo Municipal Council, only 93 out of that had been identified and no action had been taken to charge license fee from 18 institutes. No step had been taken to investigate about remaining 275 institutes for verification whether those are in operation or inactive. | 2022 | The action should be taken to carry out a survey accurately and maintain a list of institutions in update manner and charge due license fees. | No step had been taken.   | It is in same condition. |
| (o) | The cash in hand of officers was Rs.3,195,339 existed in the financial statements continuously since 19 years and no step had been taken to settle such balances.  | 2022 | The action should be taken to adjust the recovery of cash in hand of officers from the accounts under a formal method.                        | No action had been taken. | It is in same condition. |
| (p) | The receivable balances of Rs.466,586,610 in relation to 4862 accounts which are   | 2022 | The steps should be taken to obtain revenue by tendering the  | No action had been taken. | It is in same condition. |

inactive in the debtor balances in the statement for assets and had existed without recovery.

inactive businesses and the revenue accounted related to inactive period should be formally removed from accounts and settled the accounts.

- (q) Even though the 2022 restaurant at Crow Island Beach Park had been leased to Paradigam Event Management (pvt) company without a procurement procedure from 01 September 2016 to 31 August 2026, the lessee had left the premises on 21 April 2019 without formal notice. Even though the council had sent a letter to the company on 01 December 2020 informing to pay the total outstanding amount of Rs.4,702,733 recoverable from the lessee to the council on or before 15 December 2020 and if the company fails to do so, the case will be filed against the company and recover

The action No action had been The outstanding should be taken is in same to immediately taken. condition and the recover outstanding property had been amount and idle. recoverable losses.

such amount, a loss of Rs.4, 702,733 had occurred to Colombo Municipal Council due to not taking the future action on that matter.

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| (r) | Even though the approval had been granted to monthly charge Rs.200 per day with the relevant lease for 16 trade stalls completed the work by the project for the persons who had engaged in sales at the beginning at Beach Park by the council decision No.2757 dated 28 March 2016, the fees had been duly charged only in 2016.If the rents would have been formally charged, an amount of Rs.6, 624,000 had been recovered in minimum from 01 May 2016 to 31 December 2021. But an amount of Rs.1,803,464 had been recovered as shop rent. | 2022 | The step should be promptly taken to recover outstanding rent. | No action had been taken. | It is in same condition.       |
| (s) | It was observed that the laboratory equipment purchased at a cost of   | 2022 | The action should be taken to utilize the relevant             | No                        | The equipment is further idle. |

			Rs.12,286,464 (Without VAT) in 2015 under Greater Colombo Waste Water Management Project had not been used and idle.	equipment for investigations.	
(t)	Even though 07 years had elapsed up to 31 December 2022, the machine for testing the structure of the trees purchased by Land and Environment Development Division at a cost of Rs.7.4 million in 2015 for testing and measuring the condition of the trees and roots of the trees more than 100 years old in the city had not been utilized and kept in office of Viharamahadevi Park.	2022		The officers should be trained on usage of machines immediately and the investigation should be performed on the officers who had not taken action to utilize the machine so far.	The machine is being inspected for use. It is further idle.
(u)	As per 2(1)(a) of the Extraordinary Gazette Notification No.2264/17 dated 27 January 2022 of Democratic socialist republic of Sri Lanka, the disposal of waste to the environment, deposit or emission should be only carried out not polluting the environment from such disposal or not a chance for occurrence of environmental	2022		In terms of the provisions in gazette, an investigation should be formally carried out and the action should be taken to dispose.	No action had been taken. The measures had not been taken as per recommendation.

pollution.

Accordingly, even though it had been indicated that as per the gazette notification that the 32 parameters and 03 color criteria in relation to the sewerage in disposing the waste water or sewerage to a common sewerage network connected to common refinery system or marine to pipe system or both should be inspected, the sewerage had been released to the sea without a formal and adequate investigation by the laboratory located in Madampitiya Pumping Station.

(v)	<p>Since there is a risk of making decisions on sewerage samples obtained by 02 pump station workers attached to the laboratory, the necessary facilities should be provided to obtain the samples under the direct supervision of the laboratory technician. A formal scientific methodology had not been followed in</p>	2022	<p>The obtaining No samples should be formalized and a systematic work division should be carried out without occurrence collusion.</p>	<p>The recommendations had not been implemented.</p>
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relation to obtaining samples from the bowsers coming to the pumping station and due to that reason, polluted waste water had been released to the environment as well as the opportunities had been given to the workers to perform the irregularities.

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| (w) | Even though the council had identified about 20 places which are under water in a normal rainy situation in Colombo city, it had failed to achieve a physical and financial progress in the year under review of the proposed projects to be constructed for minimizing the flood situations occurred due to over flow of rainy water and award the contracts. | 2023 | The taking remedies in relation to identified places should be expedited.  | The action had been taken on this matter.      | It had been failed to acquire adequate progress. |
| (x) | Even though a new canal with 632 m had been commenced for speedily flowing the rainy water collected to Norris canal by development of Norris canal in Colombo city implemented under Ministry of Urban Development and  | 2023 | The priority should be given to complete the constructions of the project. | It is being discussed with final 07 residents. | It had been failed to acquire adequate progress. |



Housing through loan aids of World Bank, the contract couldn't be completed due to a dilapidated housing complex with 36 houses belonging to municipal council and a provision of Rs.150 million had been allocated under Ministry of Urban Development and Housing in the year under review for completion the remaining canal with 105m. It couldn't be utilized that amount owing to not taking speedy measures to evacuate those residents and it couldn't be prevented the inundation of Deens Road, Maradana from rainy water.

- (y) A concrete pipe((24'')) 2023 had been laid up to about 180 m for flowing the rainy water of Sangaraja Mawatha before several years by Land Development Corporation and even though the obstruction for completion last part with 10 m had been removed, the responsible officers of

The remaining work of the project should be completed without delay. The action is being taken.

Even though the houses were removed, the action had not been taken to complete the work of the project.

Colombo Municipal council had failed to complete the project. Therefore, it couldn't be prevented the inundation of that road from rainy water due to not flowing the rainy water collected in that road even in small rains.

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| <p>(z) The goats are only slaughtered in urban slaughter house of Colombo Municipal council and the beef is transported from the areas such as Vauniyawa, Horuwpat hana, Galenbidunuwewa, Kahatagasdigiliya, Gal gamuwa, central Nuwaragampalatha, Mihintale and Giribawa to the slaughter house in Colombo and distributed to the beef shops in Colombo city. Even though the transportation of beef from the areas of local authorities to slaughter house of Colombo Municipal Council is completely contrary to the prevailing by-laws, beef transportation had been done in 04 decades. The</p> | <p>2023</p> | <p>The information in relation to amendment of by-laws and formulation of laws to be performed in national level and provincial council level should be submitted.</p> | <p>No action had been taken.</p> | <p>No progress had been acquired.</p> |
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amendment of relevant by-laws and obtaining approval and requests for formulation of laws in national level from the relevant officers had not been performed.

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| (aa) | The fees for testing beef is 05 cents for 01 pound and since the fees had not been amended after 27 February 1959, a revenue of Rs.43, 126,800 had lost due to not charging the service fee for testing the meat passed the council decision No.3516 dated 27 December 2022 such as Rs.1500 for a cow, Rs.1500 for a pig and Rs.600 for a goat after publication. | 2023 | The action should be taken against not taking action as per decision of council, and making revenue loss.          | No action had been taken.                                    | It is in same situation. |
| (ab) | The town hall building and the ancient Edinborough Hall had been allowed to utilize by businessmen by suppressing to its objectives and tarnishing proudness and ancient of the building located in Main Street, Pettah, Colombo 11 which had been named as an old monument by the gazette notification of  | 2023 | Since this place attracts local and foreign tourists, the action should be taken to protect the ancient monuments. | The renovation activities had been assigned to the officers. | It is in same situation. |

Democratic Socialist Republic of Sri Lanka No.187373 dated 16 August 2013 named as "Old Town hall Centre" reestablished as a museum and cultural, arts and commercial center by Hon. President and Prime Minister on 16 February.

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| <p>(ac) There are 48 shops leased in old town hall and the monthly rent should be amended one in 05 years and the rent to be charged on 01 January 2012 had been valued on 29 June 2012 by Municipal Valuer and informed to Deputy Treasurer (Revenue) and since the amended rent had not been charged without updating the computer system, Rs.27, 958,260 had lost to urban council's fund from 01 January 2012 to 31 December 2022.</p> | <p>2023</p> | <p>The loss occurred should be recovered from the responsible officers.</p>  | <p>It had been informed that it will be inspected by Internal Audit Division.</p> | <p>The recommendations had not been implemented.</p> |
| <p>(ad) In accordance with section 16 of main enactment amended by section 7 of Licencing to Clubs Act No.38 of 1987,11 facts should be available in a place</p>   | <p>2023</p> | <p>The steps should be taken to provide the license as per the provisions specified in Licensing of Clubs Act.</p> | <p>No action had been taken.</p>  | <p>The recommendations had not been implemented.</p> |

where the club maintains its activities or intends to be maintained had been submitted and if such facts are complied with, the permission should be given to issue a license and the club license should not be issued or renewed unless any club established after the date of implementation of Act as per section (2) 2 of aforesaid Act had been registered under Societies Ordinance or and had been co-operated by the parliament Acts. However, the licenses had been issued for 25 clubs without consideration such facts.

(ae)	While a large land No.319 and 323 in extent of 38.32 perches in Old Moor Street had been leased to a person on 09 December 1983 through a lease agreement for 99 yers long-term lease, the lease ownership had been transferred to a business place from 09 December 1983 for 99 years lease through	2023	The action should be taken to recover outstanding rent having taken over the business place.	No action had been taken.	The recommendations had not been implemented.
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agreement

No.964.Sine the ground rent to be paid by the lessee had not been paid, a settlement process and the court proceedings had been followed for the recovery of due money with an objective of recovery of such rent. The writ order as per the decision of the high court dated 21 November 2007 had not been implemented. With the concurrence for payment of the complete outstanding amount within remaining 10 years, the the case filed in the high court No. HCARB1571/2003 had been completed and the total outstanding amount of Rs.20, 823,102 to be completely paid as at 31 August 2019 had not been paid up to 30 June 2024.No action had been taken against the lessee.

(af) After expiry of 30 years period of lease of a huge land in extent of 14.76 perches belonging to municipal council No.9/1, Robert

In accordance with the municipal Councils Ordinance, the action should be taken and the No action had been taken.

The recommendations had not been implemented.

Gunewardena Mawatha, Colombo 05 to a private company on 31 December 2017, it had been decided by commissioner to lease that land on 27 February 2018 to such lessee on monthly rent of Rs.2, 000 for 10 years again contrary to the provisions of section 40(1)( f) of Municipal Councils Ordinance. After that, the monthly rent of this property had been valued as Rs.16, 000 and the lessee had not paid such rent and a loss of Rs.1, 008,000 had occurred to council from 01 January 2018 to 31 December 2023 due to not entering into agreement.

value rent should be charged. The action should be taken against the responsible persons in relation to avoidance of recovery of rents.

- (ag) A huge land in extent 2023 of 15.68 perches bearing rates No.136 of Sri Sumanatissa Mawatha, Colombo 12 belonging to Colombo Municipal Council had been informally leased on a monthly rant of Rs.30 for carrying out a timber business. The tender had been called to lease this land for

After recovery of possession from the lands from the persons who had resided in an unauthorized manner since 1980, the action should be taken to lease through tender.

No action had been taken. The recommendations had not been implemented.

99 years lease by publishing an advertisement in national newspapers on 11 December 1980. Even though a private company had submitted a bid of Rs.3, 250,000, such transaction had not been done. Up to now, no action had been taken to remove unauthorized residents and lease the land or charge a reasonable rent.

(ah)	<p>Nawam Mawatha 2023 laundry with 40 laundry rooms handed over to Colombo Municipal Council constructed at a cost of Rs.900 million as an investment of Urban Development Authority in 2013 had not been maintained as per the provisions of by-laws by Colombo Municipal Council and contrary to that, 14 dirty cloths rooms and ironing rooms had been utilized for residence. As per council decision No.1029 in 2013, even though it was due to be entered into agreement to obtain a deposit of</p>	<p>The action should be taken as per the provisions in by-laws for prevention of misuse of government investments.</p>	<p>No action had been taken.</p>	<p>The recommendations had not been implemented.</p>
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Rs.50,000 and charge a monthly rent of Rs.5,000 from laundrymen, no action had been taken accordingly. As per the special decision of Commissioner in 2017, the rent had been reduced up to Rs.3, 000. 14 laundries out of 40 had been completely used for residence and the persons who do not engage in laundry work reside in the laundries and Department of People Health had not taken action to maintain the laundries as per the provisions of by-laws.

(ai)	<p>As per a request made for obtaining a rain water connection for a new building No.15 ,Dr. C.W.W Kannangara Mawatha , Colombo 07, an estimate of Rs.90 million had been submitted to the relevant private company on 05 October 2020 by Director of Water Supply and Drainage Board. A letter dated on 11 January 2021 submitted by such company to Mayor</p>	2023	<p>Since the No contract amount is determined as per the nature of the connection in providing the connections to the toilet system and waste water system of Colombo Municipal Council, a method with transparency should be introduced.</p>	<p>The recommendations had not been implemented.</p>
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had been directly forwarded to Director, Water Supply and Drainage Board by Mayor and accordingly, the relevant rain water connection had been provided by approving a new estimate of Rs.3.08 million instead of the estimate of Rs.90 million. The reason for reducing the previous estimate of Rs.90 million up to Rs.3.08 million is that it had been previously intended to fix a separate pipe system from the relevant place to Norris Canal and the municipal council had no such proposal or a plan. Since Lipton Roundabout area is not an area with flood threat, a providing of an estimate of Rs.90 million is contradictory.

(aj)	Due to economic inflation prevailing in the country on which the provisions had not been made by provisions of Municipal Councils Ordinance or Poverty Ordinance, 134,000 vouchers by Rs.3,500	2023	The council's funds should be used only for expenses allowed under section 188 of Municipal Councils Ordinance.	No action had been taken.	The recommendations had not been implemented.
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at a cost of Rs.469,620,000 from Lak Sathosa had been purchased for providing the relief for people who face economic difficulties and distributed without any criterion at the discretion of each councilors and such expense is an expense which can't be allowed under section 188(1) of Municipal Councils Ordinance.

(ag)	<p>After the period of 2023 lease of the land in extent of 01 rood 0.1 perches belonging to Colombo Municipal Council bearing rate No. 71 ½, 71 1/3,73 located in Sir James Pieris Mawatha leased to a private hospital had extended up to 50 years on 22 October 1992 ,a new lease agreement No.3411 had been signed on 30 November 2004.As per conditions 2 and 3 of such agreement, it had been valued by Municipal Valuer the annual ground rent as Rs.5 million and monthly nominal rent as Rs.18,000 on 22 December 2022.Even</p>	<p>If the valued ground rent is not charged from the lessees, the action should be taken to recover the loss occurred to the municipal council's fund from the responsible officers.</p>	<p>No action had been taken.</p>	<p>The recommendations had not been implemented.</p>
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though the proposal for amendment of lease rent had been approved by the finance committee on 17 February 2023 and by municipal council on 03 March 2023, the proposal had been submitted to charge Rs.5 million of ground rent instead of Rs.100 million of ground rent to be charged at once for future 20 years as per the valuation report and Rs.100 million had lost to municipal council fund due to not charging such Rs.5 million.

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| (ai) | Even though 65 houses had been obtained from Housing Development Authority for the residents in the flats in Arnod Rathnayeka Mawatha, 14 houses out of that had been informally provided to the workers who serve in Mayor's Office and Urban Secretary Department. | 2023 | The houses provided to the employees by preventing misuse of the properties of the councils should be considered as official residencies and entered into agreements and recovered the rent. | It had been decided to sign the agreements. | The recommendations had not been implemented. |
| (aj) | A group of people for an external party had earned revenue from issuing tickets for parking vehicles in the  | 2023 | The action should be taken to lease the lands lawfully enabling to   | No action had been taken.                   | The recommendations had not been implemented. |

huge land belonging to municipal council in extent of 03 roods 2.12 perches located in front of Nagalagamveediya public market without intervention of municipal council and no action had been taken by municipal council in this regard.

receive revenue to urban council.

**3.2 Sri Jayawardenapura Kotte Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	42,289,813,162	343,421,841	41,946,391,321	161,769,825	Qualified
<b>2022</b>	42,621,703,067	313,256,688	42,308,446,379	305,213,089	Qualified
<b>2023</b>	42,515,835,961	332,660,854	42,183,175,107	210,290,184	Qualified

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	It had been entered into agreement with a private contractor for construction of Pitakottee Jayarajacity mixed development project at a contract value of Rs.619, 276.616 on 16 February 2016. For that, an amount of Rs.2, 638,191 had been incurred for as the consultation fee and an amount of Rs.255, 707,477 had been incurred for the constrictions and the contractor had left the site on 10 September 2018.	2021	The projects should be immediately completed and the plans should be duly implemented.	Since the money is not available to be carried out the project, the project was halted. Even though the Municipal Engineer had submitted a proposal to the Finance Committee for recommencement of this project as per the revised structural plan, the taking future action had been suspended in accordance with the prevailed economic condition.	The action had been taken to cancel the agreement of the contractor. An investigation is being carried out on this Jayaraja City project by Office of Local Government Assistant Commissioner (Colombo).

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| (b) | <p>It had been entered into agreements to provide the consultancy services for architecture activities of the construction project of new urban council building at a contract value of Rs.36,010,657 and on 26 January 2015 and an amount of Rs.26,220,340 had been paid as the consultation fees. Later, the council does the council had neglected the urban council building construction project. A case had been filed against the council by the consultancy firm to recover the remaining amount and an amount of Rs.877,887 had been incurred for that by council. Further, since this outstanding had not been paid, a late fee of Rs.11,468,913 had to be paid related to that.</p> | 2021 | <p>Having taking over the ownership of the land, the projects should be promptly completed and the plans should be duly implemented.</p> | <p>The payment had been made as per the judgement of the case for empowerment of the arbitration decision held in this regard.</p>                | <p>The payment had been made as per the judgement of the case for empowerment of the arbitration decision held in this regard. The recommendations had not been implemented.</p> |
| (c) | <p>Since 14 shops of Janajaya city Super Market had been vacant since long-time, the revenue received to the council had lost from that.</p>   | 2022 | <p>The strategies should be prepared to lease the shops which had not been leased yet in Janajaya City Market</p>                        | <p>Even though the lessee of a shop had taken the key, the shop is not occupied and therefore, it had not been billed. It is expected to take</p> | <p>The shops had not been leased.</p>  |

		Complex.	further action in this regard.02 shops had been leased to the lessees. The remaining 11 shops had been referred to Department of Valuation to obtain valuations for tender.	
(d)	The outstanding 2023 Assessment tax balance was Rs.141, 865,710 at the closing date of year under review.	The action should be taken to recover the due tax without delay.	Presently, an amount of Rs.31, 383,217 had been recovered.	Currently, 30 percent of outstanding had been recovered.
(e)	At the end of year 2023 under review, the total shop rent receivable was Rs. 35,090,412 and the outstanding rent balance more than 01 year old was Rs. 30,130,251.	The action should be taken to recover the due shop rent without delay.	The measures are being taken to recover the outstanding shop rent presently.	The measures are being taken as per the agreement in relation to outstanding shop rent.
(f)	The entertainment tax of Rs.2, 781,679 recoverable from 02 cinema halls in the limit of council area since 2019 had not been recovered even up to 31 December 2023.	The action should be taken to recover due revenue immediately.	A letter related to entertainment tax had been forwarded to Local Government Assistant Commissioner for approval and the approval had not been received for that up to the date of audit.	As per the instructions of Local Government Assistant Commissioner, omission of revenue in arrears and entertainment tax had been submitted to the approval of Hon. Governor by council.



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| <p>(g) Under selling and distribution of goods on relief basis carried out by council at first Covid wave, even though the goods had been brought from council for sales, no action had been taken to recover corona advance balance of Rs.1,291,160 recoverable as at 31 December 2023 due to crediting the money received from that to council fund.</p>   | <p>2023</p> <p>The suitable action should be taken once the inquiries will be ended.</p> | <p>The investigations are being performed in this regard by Commission to Investigate Allegations of Bribery or Corruptions and Local Authority Assistant Commissioner's Office and it is expected to take further action as per the results of that.</p> | <p>It is expected to take future action as per the results.</p>  |
| <p>(h) In accordance with monthly shop rent report by Department of Valuation for 2023 for Welikada Plaza market complex, new shop rent value related to each shop had been informed. The shop owners had informed that since the revenue received from lease the shop again is less, they can't agree with the new shop rent valuation. However, it was observed that unauthorized revenue of Rs.21, 000 had been earned monthly by these shop owners and 18th condition of the lease agreement had been violated and no any legal action</p> | <p>2023</p> <p>As per the agreements, the action should be taken.</p>                    | <p>A survey is being carried out by Revenue Inspectors of council whether shop owners of Welikada Plaza had subleased and subsequently, it was informed that the action will be taken as per agreements.</p>  | <p>A survey is being taken by Revenue Inspectors of council whether it had been subleased and subsequently, the action will be taken as per agreement.</p> |

had been taken against the violation of such agreement.

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| <p>(i) The action had not been taken to recover the employee loan of Rs.8, 842,794 not recovered since 05 -10 years.</p> | <p>2022<br/>2023</p> | <p>The steps should be taken to recover employee loans.</p> | <p>The measures are being taken to further identify these balances and it is due to be taken future action and it is due to be taken future steps after obtaining the further instructions in this regard.</p> | <p>A committee consisting with the staff officers had been appointed for recovery of this employee loans and it is due to be taken future action on committee decision. .</p> |
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**3.3 Dehiwela Mount Lavinia Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	3,565,841,488	936,069,584	2,629,771,904	12,820,662	Qualified
<b>2022</b>	4,866,307,593	616,211,607	4,250,095,986	976,156,225	Qualified
<b>2023</b>	5,680,595,415	484,588,287	5,196,007,128	810,103,015	Qualified

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	In terms of the provisions of the Municipal Councils Ordinance, an amount of Rs.1, 214,417 had been recovered as at 31 December 2023 from surcharge enforced since against the responsible officers by Auditor General since 1995 to 2015.	2021 2022 2023	The action should be taken to recover surcharge.	It is due to be taken future steps having found out about that.	Not recovered
(b)	Even though it had been indicated that there are 1943 markets on which the licenses should be issued for 2023, the licenses had been issued only for 730 markets and 1213 markets had carried out business without obtaining licenses.	2021 2022 2023	The necessary action should be taken in relation to businesses which had not taken licenses.	In 2022, it had been filed cases against the shops which had not taken licenses.	It had not been filed cases in 2023.

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| <p>(c) An amount of Rs.1, 233,582 of vehicle parking charges related to from December 2022 to March 2023 had not been paid to the council by the persons who had obtained the tenders for charging the vehicle parking charges in the places such as close to Department of National Zoology, either sides of marine road and in front of Rathmalana fair daily. An amount of Rs.868, 582 had to be further recovered after deducting performance security.</p> | <p>2023</p>          | <p>The outstanding amount should be recovered.</p> | <p>The performance guarantee had been reduced. It is due to be taken legal action to recover the balance amount.</p>   | <p>Had not been recovered.</p>                      |
| <p>(d) As per fact 02 of the letter for maintenance, lighting and switching off of street lamps issued on 17 May 2002 by Department of Local Government (Western province), even though it had been indicated that the taking steps for introduction of method of calculation on which the date of fixing the bulb can be found after numbering every pillar, no action had been taken to identify the street</p>   | <p>2021<br/>2023</p> | <p>The electric pillars should be numbered.</p>    | <p>An amount of Rs.1, 000,000 had been allocated for the project of numbering the electric pillars by budget 2024.</p> | <p>The recommendation had not been implemented.</p> |

lamps in the council area and number those pillars.

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| (e) | No action had been taken to recover a loan balance of Rs.4, 412,457 from the employees who had deceased, retired and transferred as at 31 December of the year under review. | 2023 | The action should be taken to recover outstanding loan balances.          | The relevant source documents had remained unfound. Therefore, it takes much time to solve the disputes and presently, an unused committee had been appointed.                     | It is due to be taken relevant action having submitted the report provided by unused committee to future management committee.   |
| (f) | As at 31 December 2023, the council had 22 vehicles in inactive condition and no step had been taken to repair and reuse or dispose such vehicles.                           | 2023 | The action should be taken to use after repair or dispose.                | It is due to be taken action in the future to repair the vehicles which can be repaired and dispose the vehicles which are not economically effective to repair after identifying. | It had not been repaired or disposed.  |
| (g) | At the end of 2023, 206 plots of land belonging to council had been identified and the deeds or title certificates had been obtained for only 48 plots.                      | 2023 | The action should be taken to obtain deeds//title certificates for lands. | The measures are being taken to obtain the title certificates for those lands having gazette through Department of Land Title Settlement.  | Presently, the lands which had not been gazetted in the name of council had been identified in Rathmalana area and the assistance of regional office of Department of Land Title Settlement had been obtained. |

**3.4 Moratuwa Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,054,479,592	275,401,075	779,078,517	136,192,585	Qualified
<b>2022</b>	1,125,066,850	229,309,416	895,757,434	90,675,820	Qualified
<b>2023</b>	1,199,513,690	209,357,887	990,155,803	67,100,827	Qualified

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	In terms of sections 252(1)(a) and (b) of Municipal Councils Ordinance, outstanding Assessment Tax balance was Rs.300,320,232 as at 31 December 2023 due to not taking action to recover Assessment Tax and the outstanding recoverable from 406 rate units more than Rs.50,000 was Rs.99,053,321.	2023	The outstanding revenue should be immediately recovered.	The action is being taken to recover outstanding money.	It was possible to reduce the number of properties on which the outstanding is available from 406 to 305 after the value exceeds Rs.50, 000.
(b)	An amount Rs.43, 116,235 had to be recovered as Assessment Tax from 264 public institutions as at 31 December	2023	The outstanding revenue should be immediately recovered.	The opportunity had been given to pay as installments.	An outstanding of Rs.42,278,760 had to be charged for third quarter of 2024 for government

	2023.				property.
(c)	In accordance with sections 254(a) 1 and 2 of Municipal Councils Ordinance (Chapter 252), even though the rent recoverable to municipal council should be charged, no action had been taken to recover an outstanding amount of Rs.5,303,156 recoverable as at 31 December 2023 from 179 properties which are leased on long-term basis.	2023	The outstanding revenue should be recovered.	The action had been taken to send the outstanding notices and take over shops on non-payment of outstanding.	As at 30.06.2024, further outstanding balance was Rs. 3,800,444. On the approval of Hon. Governor, the amount written off was Rs.195,426 as at 31.03.2024.
(d)	In terms of the provisions of Municipal Councils Ordinance, an amount of Rs.760,173 had not been charged as at 31 December 2023 for 02 surcharges enforced by Auditor General in previous years against the responsible persons.	2023	As per the provisions of the Municipal Councils Ordinance, the action should be taken.	The action will be taken to pay the allowances after receipt of the approval of Hon. Governor only.	It had been informed that the letters dated 31.07.2024 had been sent to all surcharge owners to pay the surcharge and if they will not do so, the legal action will be taken to recover the surcharge.
(e)	Even though an Assessment Tax irregularity had been done by cancelling the bills worth of Rs.105,893 at 10 incidents in 2018 by using the common password by	2021 2022 2023	The inquiries should be immediately ended.	The steps had been taken to provide the passwords to the officers attached to the service up to now.	The investigation report and draft charge sheet had been forwarded to Local Government Assistant Commissioner's

falsely using the secret password which should be with a staff officer by the employees attached to computer work in rates division, the loss had not been recovered even at the end of year under review.

Office on 09.12.2022. On the facts shown by them, the action had been taken to obtain a statement from rates client. A report of bills related to the investigation had been requested from the agency called Land Emedsoft and the action will be taken to submit the report once this information is received.

- (f) The huge land in 2023 extent of 0.7063 belonging to council in which Lunawa rest house is located had been transferred to Urban Settlement development Authority on 06 December 2021 without any payment by the President under section 06 of Government Lands Ordinance (Chapter 454). Accordingly, Urban Settlement development Authority had constructed a flat housing scheme in
- The action should be taken to recover rates and the services to be delivered to the urban community should be provided.
- A cabinet memorandum had been drafted and submitted to Ministry of Local Government (W.P.) on 10 October 2024 for obtaining the compensation.
- The recommendations had not been implemented.



that land and such houses had been sold to the people. Even though the persons of 175 houses are citizens of the city, no action had been taken to assess the rates for these houses and give the numbers and charge Assessment Tax so far. Due to this reason, the services to be delivered to this urban community had not been provided by municipal council and huge Assessment Tax revenue had lost to the council due to this reason.

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| (g) | At the case filed against the council in relation to approval of plans, no action had been taken to recover an amount of Rs.11,602,318 paid by council as compensation and case fees to the plaintiff as per court order given on 20 July 2018 persons from the responsible for that in the year under review. | 2021<br>2022<br>2023 | As per Financial Regulation, the inquiry should be promptly ended and the recommendations should be implemented. | It is in the investigation level. The files including the documents related to such investigation had been submitted to Local Government Assistant Commissioner's Office (W.P.) by Moratuwa Municipal Council on 29 April 2024. | The recommendations had not been implemented.                  |
| (h) | On delay of sending the returns and contributions to Employees 'Trust  | 2021<br>2022<br>2023 | As per Financial Regulation, the inquiry should be promptly ended  | Currently, the institute has no workers who contribute to   | As per Financial Regulations 156, the all amount to be paid to |

Fund from 2003 to 2015, the council had a responsibility to pay a surcharge of Rs. 1,549,200 and no action had been taken to recover such money from responsible persons.	and the Employees' Trust recommendations should be implemented.	Fund.	Employees' Trust Fund on delay of returns and contributions had been completely paid by an installment of Rs.14,853.96 from 78 installments from February 2006 to July 2022. The action will be taken to submit a detailed report related to above payments.
(i) In accordance with subsection 188(1) of 2021 2022 2023 Municipal Councils Ordinance (Chapter 252), even though an amount of Rs.2,040,522 had been paid as Rs.953,715 and Rs.1,086,807 from council funds in 2015 and 2016 respectively for sudden accidents and health insurance coverage for 27 councilors which is a transaction on which the municipal council funds can't be used, no measures had been taken to recover an amount of Rs.1,703,022 to municipal council even at the end of year	The action should be taken to recover due balance to the council.	The action had been taken to recover the insurance cover from the monthly allowance of the councilors until the council was dissolved in 2016.	It had not been recovered.

under review and it  
had not been  
accounted as a balance  
receivable also.

**3.5 Kaduwela Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	4,523,727,042	833,789,117	3,689,937,925	622,069,391	Qualified
<b>2022</b>	4,599,480,933	751,978,432	3,847,502,501	243,511,413	Qualified
<b>2023</b>	7,008,467,878	804,264,256	6,204,203,622	62,486,268	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of the recommendation to the date of report</b>
(a)	The current account in a state bank had been inactive since more than 05 years and the balance was Rs.600,353 as at 31 December 2022.	2022	The relevant measures should be taken in relation to settlement of balances.	The reminders had been sent to People's Bank. It had been informed to take action to settle having sent a letter dated 04.10.2024 to People's Bank and obtained the information on the amount of the bank account.	Since it had to be settled a payment of Rs.14,250 unidentified up to now, the account can't be closed until it is settled.
(b)	As at 31 December 2023, the outstanding Assessment Tax balance was Rs, 89,425,049 since some years.	2023	The action should be taken to recover outstanding rates.	The collection of money by visiting the houses in the limit of council area, conducting the mobile services and providing property seizure notices are carried out.	An amount of Rs.720,114,425 had to be further recovered from outstanding Assessment Tax in 2023.
(c)	Even though an	2023	The action should	It had been	The revenue had

amount of Rs.1,420,620 had been obtained by selling white glass 91300kg and glass with various colours 4260 kg to glass manufacturing company by council in the year under review, it had not been credited to council fund. As per the information obtained, revenue of Rs.1,002,425 not credited to council fund earned from sales of glass pieces for the period under review had existed.

be taken to perform the transaction in transparent manner.

informed that the not been credited to the council's fund. action will be taken to report the progress on that in due course.

- (d) An amount of Rs.3,253,840 had been paid to the contractor by laying a concrete slab on a plate surface on iron pillars in premises of 1300 square feet in 2019 for establishment of administration division of Athurigiriya District Secretariat in Mega city building and the retention money of such contract had been also released on 26 December 2019. However, since the its construction activities had not been implemented the

It should be responsible to plan the constructions projects as per the estimated provision.

The relevant project had been halted due to submission of quotations by tenderers exceeding the estimated amount in calling tenders for increase the floor area in the upper floor and an unfavorable economic condition.

The building in which the development activities had not been performed had been idle.

amount paid for the above constructions had become idle.

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| <p>(e) 02 machines out of 06 purchased at a cost of Rs.66, 612,047 in 2017 with an objective of development of the roads by laying carpet after establishment of pre mixed division by sabha had been engaged in pre mixed division commenced in 2018 due to non-implementation of the project and remaining 04 machines worth of Rs.58, 214,750 had been remained idle in Athurugiriya office premises more than 06 years since 13 August 2017.</p> | <p>2023</p> | <p>The purchases should be done as per a formal procurement plan.</p>              | <p>It had been informed that the necessary action is being taken to sell the remaining 04 machines in association with the institutes which import such machines.</p>         | <p>Had been idle.</p>     |
| <p>(f) The electric elevator established at a cost of 3,900,000 in November 2013 to access to the shops in the upper floor in Kaduwela Bus Stand premises had been inactive in 2016 and elapsed more than 07 years, it had not been renovated so far. As per the sabha decision 09 December 2021, this not effective for the bus stand and even though it had been</p>   | <p>2023</p> | <p>The procurement plans should be prepared having identified the requirement.</p> | <p>It had been informed that it was decided to take proposed further measures having inspected the iron and other parts of this electric elevator and assessed the value.</p> | <p>It is in inactive.</p> |

recommended to be located in the head office suitably, it had been inactive asset in the bus stand even up to the date of audit.

**3.6 Gampaha Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	6,843,419,510	310,334,300	6,533,085,210	181,048,126	Qualified
<b>2022</b>	7,537,434,850	379,505,538	7,157,929,312	53,423,602	Qualified
<b>2023</b>	7,620,129,998	219,583,517	7,400,546,481	111,022,252	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Contrary to the Article 148 of the Constitution of Democratic Socialist Republic of Sri Lanka, Sections 185 and 186 of Municipal Councils Ordinance and Regulation No.25 on Municipal Councils Financial Administration related Accounting in Western Province, a separate fund had been established called "Mayor Fund" by opening a separate account in a state bank in Gampaha for crediting the donations received to the municipal council.	2021	As per section 185 of the Municipal Councils Ordinance, the action should be taken to provide the information required for audit.	It had been informed in writing by Mayor that the information related to the bank account had been destroyed by fire.	The recommendation had not been implemented.



- (b) Even though an amount of Rs.5,230,606 had been incurred for indoor netball ground at Madamawatta in 2003, the work had not been completed and it had been reported by Central Engineering Consultancy Bureau on Engineering in 2011 that this construction couldn't be utilized and some constructions had decayed. By neglecting such recommendation, Rs.8,840,741 had been paid for construction of waste exchange center from 30 September 2019 to 15 December 2020 without removing the decayed constructions and on 14 January 2021 after 01 month from development of waste exchange center, the Mayor had agreed to provide it for a project consisting with a volleyball ground, children's park and urban park without sabha approval by the letter No. ගම්නස/නාලු01/04/2021 dated 05 November
- The dilapidated constrictions should be removed and the waste exchange center incurred a huge expenses should be utilized as a waste exchange center. It should be taken action as city development plan in carrying out the development activities.
- The urban council had agreed to give the land for the new project having removed the waste yard and waste exchange center from this place and established in other suitable place.
- The recommendation had not been implemented.

2021. Accordingly, it was observed that the constructions totaled of Rs.14,071,341 as constructions of Rs.5,230,606 carried out in 2003 and Rs.8,840,741 in 2019 had been an idle expense carried out from sabha fund.

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| <p>(c) An amount of Rs. 5,373,097 had to be paid by sabha including an amount of Rs.1,432,826 and Rs.2,149,239 payable to the Employees' Provident Fund from the employees and the employers respectively as per sections 10(1) and 10(2) Provident Fund for 37 project workers served from 2005 to 2015 with surcharge of Rs.1,791,032 for default the payment. An amount of Rs.2,742,757 had been paid by sabha fund up to 30 June 2022. No action had been taken by sabha to identify the responsible parties in relation to this even up to 31 August 2022. Furthermore, even though an amount of Rs.648,463</p> | <p>2021 The action should be taken as per F.R.156 in relation to the responsible parties.</p> | <p>It had been informed that the action will be taken to get future action on that matter having verified the information by responsible persons.</p> | <p>The recommendation had not been implemented.</p> |
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out of Rs.1, 904,229 which is the contributions of employees' Provident Fund for these workers had been paid up to 30 July 2022, Rs.1,255,765 had to be paid by sabha.

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| (d) | There are no title deeds available for 20 crematoriums worth of Rs.1, 597 million belonging to sabha and there are no title deeds and plans available for 36 lands worth of Rs.3,862 million and 14 crematoriums had not been demarcated. | 2022 | The boundaries should be marked having prepared title deeds and plans. | It had been informed that the survey of the cemeteries is being carried out now.   | The recommendation had not been implemented.  |
| (e) | Under the project basis, 75 workers had been recruited without approval and the payments had been made as Rs.14,1, 44,245 in 2020, Rs.15, 536,821 in 2021 and Rs.15,577,694 in 2022.  | 2022 | The projects and project employees should be approved.                 | Even though it had been sent to Local Government Commissioner's Office, no concurrence had been given due to the deficiencies. | The recommendation had not been implemented.  |
| (f) | In accordance with the age analysis report, Rs.13,667,261 more than 10 years old, Rs.23,225,705 05-10 years, Rs.18,974,512, 03-05 years, Rs.13,281,818 01-03 years and  | 2023 | Outstanding rates revenue should be recovered.                         | At the end of every quarter of 2022, the red notices had been issued.  | Up to now, the outstanding is Rs.33, 787,229. |

Rs.10,701,273 less than 01 year were in the outstanding Assessment Tax balance of Rs.79,850,570 as at the closing date of year under review.

- (g) In accordance with the age analysis, the outstanding shop rent balance at the closing date of year under review was Rs.16,758,012 05-10 years, Rs.4, 070,808 03-05 years, Rs.2,631,000 01-03 years and Rs.3,272,696 less than 01 year. 2023 Outstanding trade places rent revenue should be recovered. Subsequent to taking into account Covid write-off, it had been informed that the outstanding balance was Rs. 26,732,516 at the closing date. It had been informed to the lessees in writing.
- (h) The outstanding loan and advances balance was Rs.1,729,780 from 46 employees who vacated the post, died, retired and transferred. 2023 The employee loan balances should be recovered. It had been informed that there are no sureties for the persons who vacated the post, the money of 31 pensioners had been received in 2024, the letters had been sent to 07 employees and the information of 22 pensioners couldn't be found. As at 07 October 2024, the outstanding balance was Rs. 1,081,848.

**3.7 Negombo Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,006,379,360	377,808,763	628,570,597	58,059,856	Qualified
<b>2022</b>	1,331,413,651	487,473,117	843,940,534	12,401,464	Adverse
<b>2023</b>	2,236,242,697	807,063,895	1,429,178,802	204,958,275	Adverse

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The 7 assets worth of Rs.16, 611,626 purchased and received as donations from 2018 to 2020 had not been utilized even at the date of audit and had been idle in the stores.	2022	In purchase of assets, it should be purchased as per the requirement.	It had been decided to issue these machineries to the person in charge of tools.	Even though the machineries had been issued to the person in charge of tools through inventories, those are not utilized.
(b)	It was observed that the formal agreements had not been entered into municipal council with the lessee in leasing such shops as per Regulation 411(iii) on Municipal councils Financial Administration Accounting when leasing 116 shops in daily market and only a permission had been provided to lessee for	2023	The action should be taken to recover outstanding shop rent.	It had been referred to legal officer by a council decision to take a decision in relation to entering into agreement.	The outstanding was Rs. 2,569,403 as at 30 September 2024.

sales and the  
outstanding shop rent  
was Rs.4, 020,758  
from 111 shops as at  
31 December 2023.

**3.8 Nuwaraeliya Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	915,982,511	163,982,742	751,999,769	56,399,455	Qualified
<b>2022</b>	996,648,724	146,248,214	850,400,510	61,105,627	Qualified
<b>2023</b>	1,186,336,153	226,466,042	959,870,111	49,801,252	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of the recommendation to the date of report</b>
(a)	Even though the imprest obtained as per Financial Regulations 371 (2)(b) amended by Public Finance Circular No.2015/03 dated 14 July 2015 and paragraph 05 of such circular should be settled within the 10 days of the completion the task for obtained it or as soon as the task is completed, 09 advances balances of Rs.1,214,500 taken for conducting various programs, purchases and petty cash advances of municipal council	2021	The action should be taken as per the circulars.	It had been informed that the charges had been drafted in relation to the responsible persons and submitted to Local Government Commissioner.	A preliminary investigation had been commenced by Local Government Assistant Commissioner's Office.

since 05-08 years  
and not settled had  
existed.

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| (b) | In accordance with section 247 e (1) of Municipal Councils Ordinance (Chapter 252), an amount of Rs.5, 376.761 of tax on sales 46 plots of lands auctioned by 04 private companies in council area had been less recovered.                            | 2023 | The actions should be taken in terms of the provisions of Act. | The further necessary action is being taken to recover.  | Had not been recovered. |
| (c) | In accordance with section (a) of Circular Local Government Commissioner No.2015/1 dated 27 January 2015, no action had been taken to recover shop rent of Rs.42,398,365 which was outstanding more than 01 year from 267 shops in urban council area. | 2023 | The outstanding revenue should be recovered.                   | The action will be taken to recover outstanding.   | Had not been recovered. |
| (d) | Even though the shops rent of the shops belonging to council had been valued by Department of Valuation in 2009 at the last time, such rent had not been   | 2023 | The valued rent should be recovered.                           | The steps are being taken to complete after discussing the prevailing issues with Department of Valuation. | Had not been recovered. |



charged as at 31 December of the year under review. Therefore, an amount of Rs.55,609,875 had lost to the sabha fund from 148 shops inspected within 15 years.

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| (e) | <p>In accordance with the sections 24 ( c ) and 24(d) of National Environmental Act No.47 of 1980, an amount of Rs.3,733,373 had been incurred for the construction of a building with a concrete slab by municipal council in phase IV of Gregory Lake without obtaining a recommendation and approval of Central Environmental Authority as per the condition 03 of schedule III of extraordinary gazette notification No.1487/10 dated 05 March 2007.The legal proceedings had been taken by Central Environmental Authority against municipal council in relation to this</p> | 2023 | <p>The action should be taken as per the provisions of the Act.</p> | <p>It is expected to perform after submitting to Central Environmental Authority for approval.</p> | <p>The necessary steps had not been taken.</p> |
|-----|---|------|---|--|--|

matter.

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| <p>(f) The interlock road built in 2015 at a cost of Rs.17,509,603 in the fourth phase of Gregory Lake was completely with wilderness and underutilized, and the stones had been washed away in some places. All the public street lamp posts built at a cost of Rs. 4,262,224 in the 04<sup>th</sup> phase of the lake had been destroyed. As the actions had not been taken to repair those, Gregory Lake remained completely dark at night. The council had not taken steps to protect the lake grounds and prevent the unauthorized access by preparing fence boundaries of the Phase II and IV areas of Gregory Lake.</p> | <p>The Gregory Lake should be properly maintained..</p> | <p>A suitable place to herd the ponies should be prepared before preventing ponies and cattles from entering irrespective of the fence boundaries. Making fence boundaries and preventing unwanted intrusions thereafter can be more successful.</p> | <p>Necessary steps have not been taken</p> |
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**3.9 Kandy Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	4,979,204,917	2,281,853,031	2,697,351,886	60,688,681	Qualified
2022	4,804,565,892	2,142,685,518	2,661,880,374	351,459,924	Qualified
2023	5,452,192,661	2,212,995,688	3,239,196,973	256,288,872	Disclaimer

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of the recommendation to the date of report</b>
(a)	While the relevant construction was being carried out by the contractor in the implementation of the construction of box culvert work in Kuda Rathwatte Road by sabha, an excavator machine belonging to the council had met with an accident in usage for the constructions. After that, Even though Rs.22, 044,548 had been paid from municipal council fund for the machine rent out for handling the waste in Gohagoda waste yard performed by this machine and renovation for this machine, the relevant	2021	These industries should be implemented with accurate monitoring and due consideration and the responsible parties related to the accidents should be identified.	It had been informed that the action will be taken to recover from National Insurance Trust Fund.	Financial Regulation 104 investigation had not been conducted. Presently, no money had been received from insurance and the deficiency had not been rectified.

amount had not been recovered by insurance or from responsible parties having carried out inquiries.

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| <p>(b) In terms of F.R.104 2022 inquiry carried in relation to the destruction of D.S.Senanayake Public Library by fire in 2007, an amount of Rs.31, 250,000 had not been recovered from the responsible persons.</p>                                    | <p>The losses recommended from Financial Regulation 104 inquiry should be recovered. I</p> | <p>It had been informed by the committee headed by Local Government Commissioner that the Municipal Commissioner has the power to recover the money as per section 254a (2) of Municipal Councils Ordinance. The letters had been sent to such officers under the hand of Municipal Commissioner to pay the surcharge by the letter dated 19 September 2022.</p> | <p>A case is pending and the loss had not been recovered.</p> |
| <p>(c) Even though the 2022 outstanding fees of Rs.57, 538,128 of 06 revenue subjects had been written off in the year under review not in compliance with section 266(a) of Municipal Councils Ordinance, the approval of municipal council and the</p> | <p>As per the provisions of the Act, the action should be taken.</p>                       | <p>Since there were differences between the individual balances and balances brought forward in previous years, the balances had been written off with an objective of accurately</p>  | <p>No action had been taken to obtain the approval.</p>       |

approval in charge of subject had not been obtained for that.

accounting the revenue.

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| (d) | As per section 28(a)(3) of Urban Development Authority Act No.41 of 1978 amended by Acts No.04 of 1982 and No.44 of 1984, even though the demolition order had been given related to 10 cases filed in the court for demolition the unauthorized constructions, the court order had not been implemented at the closing date of year under review elapse of 02 years. | 2023 | The action should be taken as per court orders.          | It is accepted that it had not been demolished and removed and the action will be taken to investigate and take relevant steps. | The court orders had not been implemented.                         |
| (e) | As at the closing date of year under review, the outstanding Assessment Tax balance was Rs.205,363,030 and no action had been taken to recover an outstanding Assessment Tax balance of Rs.36,846,801 from 30 units on which outstanding for 01 unit was more than Rs.500,000 as per section 256 of Municipal Councils Ordinance (Chapter 252).                       | 2023 | The action should be taken to recover outstanding rates. | The action will be taken to recover the outstanding Assessment Tax.   | No method had been prepared to recover outstanding Assessment Tax. |

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| (f) | Lease rent revenue of 2023 Rs. 144,543,178 had not been charged from 725 lands leased in accordance with 13(1) of by-laws of municipal council published by the gazette notification No.1249 dated 09 August 2002.    | The action should be taken to recover outstanding lease. | The steps will be taken to recover outstanding and it is due to be taken legal action whenever necessary.   | No method had been prepared to lease the lands and charge the lease amounts. |
| (g) | A lease rental of 2023 Rs.24, 614,082 had not been recovered from 2015 to 31 December 2023 from leasing the space to 263 lessees in upper floor of new market complex at Railway Crossing Road.                       | The lease rental should be periodically charged.         | The opportunity had been given to 92 shop owners who had paid the money in 2022 to carry out their business in the future at the same places and the council had decided to write off the outstanding of remaining 171 shop owners. | The lease rentals had not been charged.                                      |
| (h) | At the closing date of 2023 year under review, outstanding water revenue was Rs 184,551,257 and Rs.80, 653,971 had not been recovered from 179 water consumers whose outstanding of a unit was more than Rs.100, 000. | The outstanding water fees should be recovered.          | The disconnection measures are continuously implemented for collection of revenue in arrears.   | No method had been prepared to recover outstanding water revenue.            |
| (i) | As at 31 December of 2023 year under review, outstanding fees of  | The action should be taken to recover                    | The action is being taken to recover outstanding  | The outstanding water revenue had not been                                   |

Rs.95, 525,371 for the aggregate of 03 years had not been charged from 4206 consumers under urban waste water project.

outstanding money.

amounts through recovered. disconnection of water connections.

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|--|---|--|--|
| <p>(j) F.R. 104(4) Inquiry 2023 report had been issued on 12 July 2023 in relation to not recovery an amount of Rs.55 million from 2015 up to date by leasing Smile Building No.74 at Dalada Street, Kandy to an external party and even though it had been ordered to recover an amount of Rs.55 million from the responsible parties and a preliminary inquiry should be carried out as the recommendations of the inquiry board of such report, such orders had not been implemented.</p> | <p>As per the orders of the inquiry reports, the necessary action should be taken.</p>  | <p>In the future, the action will be taken to take necessary action to recover the loss.</p>   | <p>The implementation of the orders of preliminary investigation and recovery of outstanding had not been carried out.</p> |
| <p>(j) A loss of Rs.86, 668,189 had occurred by awarding the tender exceeding the engineering estimate of laying water pipes project adjacent to the main road from Kandy to Katugasthota in 2017 and an irregularity of Rs.</p>   | <p>The action should be taken to recover the loss and the necessary disciplinary action should be taken with regard to the responsible parties.</p> | <p>Even though the format had been received, it had been received without the signature of the appointing authority. An inquiry on that had been forwarded on 29.05.2024 and</p> | <p>An inquiry 104(4) had not been formally carried out. The loss had not been recovered.</p>                               |

1,500,000 had been made for the expenses incurred for the officers for going abroad for testing these equipment when the water pipe equipment had been imported. No action had been taken in this regard having performed inquiries as per F.R.104 (3) and 104(4).

they had agreed to deduct Rs.1, 500,000 from the final bill to be paid to the contract company and pay. Since a delay had occurred for handing over this project to Kandy Municipal Council, Maga company had given consent to deduct Rs.5,052,673 from the final bill as late fee for that.

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|---|-------------|---|---|--|
| <p>(k) The shop rent had been received from 31 meat shops of Kepptipola, Bogambara, Manikkubura and central market complexes belonging to municipal council by using false receipts numbers without charging shop rent and noted in the shop rent document and an irregularity of Rs.8,277,600 had been occurred from 2018 to 31 July 2023.</p> | <p>2023</p> | <p>The action should be taken to recover the revenue lost having identified the officers who had not supervised the irregularities occurred and take the disciplinary action.</p> | <p>Since the 104(4) inquiry should be performed by Central Province Local Government Department, an inquiry 104(3) related to that had been done and relevant reports had been submitted to Local Government Department on 25 October 2023.</p> | <p>The disciplinary action had not been taken and an amount of Rs.5, 859,856 had been recovered from the irregularity.</p> |
| <p>(l) In transferring the lease ownership of 18 shops of Manikkubura, Keppetipola.</p>   | <p>2023</p> | <p>The action should be taken to recover the revenue lost having identified</p>   | <p>Since the 104(4) inquiry should be performed by Central Province Local Government</p>  | <p>The disciplinary action had not been taken and an amount of Rs.1, 919,805 had been</p>                                  |



Bogambara and Geroje E.De Silva market complexes belonging to municipal council, the receipts for the money charged had been falsely noted and had been handed over the shops without receipts and the key money to be obtained for transferring the shops without approval of health committee and municipal council had not been credited to council fund and an irregularity of Rs.13,593,790 had occurred. No action had been taken to conduct an inquiry as per F.R.104 (4) in this regard and recover the loss and take necessary disciplinary action.

the officers who had not supervised the irregularities occurred and take the disciplinary action.

Department, an inquiry 104(3) recovered from the irregularity. related to that had been done and relevant reports had been submitted to Local Government Department on 22 April 2023.

- (m) The lady officer in 2023 charge of cash of municipal council had misused an amount of Rs.5,157,042 daily collected for 02 days without banking and no action had been taken in relation to this having conducted inquiries as per F.R. 104(4).

The necessary measures should be taken in relation to the officers who had not daily checked the banking of cash.

Since the 104(4) The recovery of revenue lost and inquiry should be taken by disciplinary action had not been performed. performed by taking Central Province Local Government Department, an inquiry 104(3) related to that had been done and relevant reports had been submitted to Local Government Department on 07 February 2024.

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|-----|---|---|--|--|
| (n) | <p>By carrying forward 2023 the balances of the shop rent document year by year and quarter by quarter of the shop rents of market complexes of central market space, Goodshed upper floor, Gohagoda, Katugathota Road, Railway Crossing Road A and B, Deiyannewela, Dangolla and Aruppola, an irregularity of Rs.1,443,627 had occurred since 2016 to 31 August 2023 by putting false notes and not billing the revenue. The action had not been taken to charge this or take disciplinary action having conducted a F.R.104 (4) inquiry in this regard.</p> | <p>The action should be taken to recover the revenue lost to municipal council from the relevant officers and take the disciplinary action against them.</p>                  | <p>The inquiry 104(3) had been completed and submitted to Local Government Commissioner on 12.01.2024. It had been informed to Local Government commissioner on 27.10.2023 to carry out a preliminary inquiry and appoint a committee F.R.104 (4) and complete inquiry within a month.</p> | <p>The recovery of revenue lost and taking disciplinary action had not been performed.</p> |
| (o) | <p>A laborer in primary 2023 level (not skilled) of municipal council had worked 04 months from 10 April 2019 to 08 August 2019 had vacated the service. An amount of Rs.1, 792,460 had been paid as salaries for 04 years period from 08 August 2019 to August 2023 to this laborer. Even</p>  | <p>The action should be taken to recover the revenue lost to municipal council from the officers who had acted negligently and take the disciplinary action against them.</p> | <p>Since the 104(4) inquiry should be performed by Central Province Local Government Department, an inquiry 104(3) related to that had been done and relevant reports had been submitted to Local Government</p>   | <p>The recovery of revenue lost and taking disciplinary action had not been performed.</p> |

though it had been noted as "transfer" in the pay list, a loss had occurred to municipal council fund due to not taking action to stop the salaries.

Department on 27 October 2023.

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| (p) | <p>As per the judgement of the case No. L 5664 filed between Kandy Municipal Council and Kandy Hotel Company, the ownership of 03 plots of land of Rajina Hotel had with Municipal Council. This hotel premises had not been valued after 2011 and as per the valuation reports 2011, revenue of Rs.46, 395,250 had not been recovered from 1986 to 2023 taking into account the comparative increase for that.</p> | 2023 | <p>If the lease is not paid, the legal action should be taken and recover the possession.</p>  | <p>It had been informed that the measures had been taken to recover the outstanding to be paid to Kandy Municipal Council by Rajina hotel, take action again to recover the outstanding and if it is failed to recover, the legal action will be taken.</p> | <p>The legal action had not been taken and the possession had not been taken over.</p> |
| (q) | <p>As per the contract agreement for construction of Katukale Community hall which was being constructed at a cost of Rs.5, 443,629 incurred from sabha funds at the closing date of year under review, even though the project should be commenced on 13</p>   | 2023 | <p>Having identified the officers who had recommended the payments for the work not done, the measures should be taken related to such officers.</p> | <p>The over payment was Rs. 1,151,993 and the contractor had been informed in writing to pay back that amount over paid. Accordingly, a request had been made to recover such amount from the retention money of</p>  | <p>Having holding inquiries, no action had been taken.</p>                             |

October 2020 and completed the works on 13 October 2021, the constructions had been left at the closing date of year under review. An amount of Rs.1, 478,703 had been over paid for more than 12 works completed.

construction of Dodamwela multipurpose building and this work performed by the contractor.

**3.10 Dambulla Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	875,181,034	107,656,353	767,524,681	(46,991,093)	Adverse
<b>2022</b>	976,156,318	147,227,095	828,929,223	13,791,096	Qualified
<b>2023</b>	988,551,232	144,928,865	843,622,367	62,387,440	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though it had been entered into agreements with Dambulla Pradeshiya Sabha for 73 shops handed over Municipal Council by Dambulla Pradeshiya Sabha, municipal council had not entered with the agreements with external parties.	2021	The new agreements should be entered with the external parties.	It had been informed in writing as well as verbally and the all lessees had not responded for that and the relevant documents in relation to at least preparation of agreements had not been forwarded.	The recommendations had not been implemented. .
(b)	In terms of the provisions of subsection 226(1) of Municipal Councils Ordinance, 02 surcharges worth of Rs.227, 709 had been enforced by me within the year under review against the responsible persons. With the	2021	The action should be taken to recover the surcharge.	It had been informed that the appeals had been submitted by a surcharge holders related to Rs.225, 065 and Rs.227, 709.	Had not been recovered.

surcharges enforced within the previous years an amount of Rs.433, 774 had to be recovered as at 31 December in the year under review.

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| <p>(c) For the participation of a people's gathering at Temple Trees held on 09 May in the year under review, the official vehicle of Mayor had been used and it had got fire and met with accident at Meerigama highway express entrance. In relation to the loss of Rs.11,000,000 of this vehicle, no F.R.104(4) report had been prepared even up to the end of year under review.</p> | <p>2022</p>          | <p>Having carried out the inquiries without delay, the action should be taken as per the recommendations of F.R.104 (4) report.</p>              | <p>Subsequent to appointment of F.R.104 (4) inquiry board by Local Government Department, the future action will be taken on relevant inquiry recommendations.</p>                                   | <p>A committee had been appointed for F.R.104 (4) inquiry by Central Province Chief Secretary' Office. The inquiry reports had not been received so far.</p> |
| <p>(d) A retention money of Rs.1,941,861 related to the machine had been released in the year under review at 03 occasions without paying attention to inactivation of the incinerator installed in waste management center at a cost of Rs.20,972,104 from time to me, payment of Rs.969,192 for the repairs not exceeding the maintenance hours</p>                                    | <p>2021<br/>2022</p> | <p>The action should be taken in relation to the expenses incurred for maintenance of the assets and the renovations during warranty period.</p> | <p>The payment had been made on 20.06.2022 having made relevant renovations and converted into proper operation and a method is being prepared to efficiently utilize the machine in due course.</p> | <p>The recommendations had not been implemented.</p>   |

of 3000, not obtaining a quality certificate through Central Environmental

Authority that the air emitted by machine is in compliance with the air emission, not obtaining a verification from a knowledgeable person related to that after checking that all components of incinerator are compliance with the specifications, no providing the foreign training opportunities to an one officer of the council as agreed, and non-completion of 04 maintenance times and the relevant machine couldn't be implemented<sup>94</sup> in the year under review.

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| (e) | The registration certificates issued by Department of Motor Traffic for 12 vehicles including 02 vehicles handed over to municipal council from Dambulla Pradeshiya Sabha and 08 tractor trailers purchased by municipal council and a motor vehicle received to council on which the source can't be found had not been submitted for audit. | 2023 | The action should be taken to obtain the registration certificates. | The action will be taken to obtain the registration certificates. | The registration certificates had not been presented. |
|-----|---|------|---|---|---|

**3.11 Matale Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	4,244,762,569	247,785,187	3,996,977,382	74,897,187	Adverse
2022	4,361,729,681	207,576,200	4,154,153,481	79,574,869	Qualified
2023	4,281,160,712	168,901,049	4,112,259,663	111,343,407	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to recover outstanding water fees of Rs4, 802,812 since about 18 years.	2022	The outstanding water fee should be recovered.	It couldn't be recovered the outstanding amount when the water project was handed over to Water Supply Board and the action will be taken to recover it in the future.	The outstanding money had not been recovered.
(b)	Even though it had been entered into agreement and leased for 2000 square feet for 3D cinema hall in upper floor of super market complex, it was observed that 3972 square feet exceeding the agreed square feet had been utilized at the inspection carried out on 11 November	2022	The action should be taken to formalize the agreements and recover the rents.	It had been informed to Municipal Engineer to report whether a construction of 191 square feet had been carried out from the staircase to cinema hall.	The money related to unauthorized usage had not been recovered or legalized.



2022. Accordingly, revenue of Rs.3, 719,191 had lost to the council as at 31 December 2022.

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| <p>(c) As per Public Administration Circular No.13/2008(vi) dated 29 December 2021, even though the fuel allowance related to approved fuel diesel 135 liters had been given by addition to the salary, an amount of Rs.1, 042,721 had been obtained for 4120 fuel liters for travelling of Municipal Commissioner without approval from June 2021 to October 2023 by exceeding that limit.</p> | <p>2023</p> <p>The action should be taken as per circular instructions.</p>                       | <p>In accordance with Municipal Councils Ordinance, this fuel had been obtained.</p> | <p>The money had not been recovered.</p>                                |
| <p>(d) An irregularity of Rs.620,000 had been performed by not crediting that money collected through alteration of documents such as change of receipts, change of noted in relevant license, non-issuance of receipt after obtaining money to the revenue by falsely showing the money charged by the</p>   | <p>2023</p> <p>The necessary action should be taken having immediately carried out inquiries.</p> | <p>As per inquiry F.R.104 (4), the letters had been sent to recover the money.</p>   | <p>The revenue lost had not been credited to the council's revenue.</p> |

officers as crematorium fee in cremating the bodies in the crematorium of municipal council related to 01 October of previous year to 30 April of the year under review in the documents for other revenue receipts.

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| <p>(e) An irregularity of Rs.92, 675 had been done by obtaining an invoice issued to another institute by gas supplier company and altering the value of that invoice as Rs.92, 675 and annexing to voucher 2439 dated 19 December 2022 without obtaining the gas and paying the advance.</p>                         | <p>2023</p> | <p>The investigations should be immediately carried out and the necessary action should be taken.</p>           | <p>The action will be taken to carry out a preliminary inquiry in this regard and take necessary action.</p> | <p>The loss occurred had not been credited to council's revenue.</p>                                   |
| <p>(f) As per the card noted the daily gas receipt maintained in the crematorium, even though 330 gas cylinders with 37.5 kilograms had been purchased from 01 January 2022 to 31 December 2022, it was observed that 349 gas cylinders had been purchased as per the payment vouchers for the purchase of gas in</p> | <p>2023</p> | <p>Having performed the investigations immediately, the action should be taken to recover the revenue lost.</p> | <p>The action will be taken to carry out a preliminary inquiry in this regard and take necessary action.</p> | <p>The action had not been taken to settle the shortage by comparing stock receipts and issuances.</p> |

municipal council  
 .Accordingly, 19 gas  
 cylinders with 37.5  
 kilograms worth of  
 Rs.285, 741 had not  
 been received to the  
 crematorium.

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|-----|---|------|--|---|------------------------------------|
| (g) | No step had been taken to recover outstanding key money of Rs.452, 115 and penalty of Rs.4, 308,287 in providing shops of super market complex belonging to municipal council to the external parties on lease basis and no action had been taken to renew the agreements once in 05 years. | 2023 | The action should be taken to recover the outstanding revenue. | The relevant letters had been prepared had been submitted for recommendation of Accountant for taking legal action and the action will be taken to take legal action once the recommendation is received. | The Shortage had not been settled. |
|-----|---|------|--|---|------------------------------------|

**3.12 Galle Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	1,822,574,805	380,091,536	1,442,483,269	215,983,993	Adverse
2022	1,509,244,704	327,247,053	1,181,997,651	52,679,076	Adverse
2023	1,699,450,366	383,311,376	1,316,138,990	52,577,206	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though the valuation should be updated in every 05 years, the revenue had been charged from Galle International Cricket Ground on the valuation in 2013.	2023	The action should be taken to recover due revenue.	Subsequent to determination of the extent of land, a valuation report will be immediately obtained.	It had not been valued.
(b)	Even though it had been informed to the council after valuing 30 shops at urban new fish market complex, it had not been leased and a loss of Rs.7, 004,400 had occurred to the council.	2023	The action should be taken to expeditiously earn revenue from the assets belonging to council.	It is due to be tendered in due course.	It had not been leased.
(c)	There was an outstanding balance of Rs.800, 610 related to 10 urban houses at Siyabalagahawatta and no any lease had	2023	The outstanding revenue should be immediately recovered.	The letters had been referred to Revenue Inspector to recover the outstanding money.	The recommendations had not been implemented.

been paid by the relevant parties to the council since 07-17 years.

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| (d) | Even though 11 lap tops worth of Rs.994, 900 and 09 tabs worth of Rs.395, 991 purchased in 2012, had been provided to the councilors, it had not been returned those. | 2023 | The assets belonging to council should be managed. | A letter had been presented to Local Government Commissioner. | The action will be taken in the future. |
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**3.13 Matara Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,246,585,664	393,845,477	852,740,187	142,443,317	Adverse
<b>2022</b>	1,270,615,806	301,694,804	968,921,002	162,479,763	Adverse
<b>2023</b>	1,323,832,418	225,219,818	1,098,612,600	143,093,918	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Since it had not been planned Walgama Public Market shop complex building to display to the people, visiting the market by people was in very poor level and the council had to pay back Rs.2, 858,410 of deposit money, key money and monthly shop rents made by 13 traders who had obtained the shops and small shops.	2023	A formal program should be implemented to earn revenue from the properties belonging to the council.	Due to failure of the plan, the shops had been closed and the shop rents billed related to the time of closure and one-off payment had been paid back.	No action had been taken.
(b)	No measures had been taken to settle the loan amount and outstanding interest of Rs.154.194 million provided to Matara Municipal Council	2023	The external liabilities should be immediately settled.	A clear answer had not been forwarded.	No action had been taken.

under urban sector  
project by Asian  
Development Bank.

- (c) One Telecom 2022 The renovation An estimate It had not been  
company had patched activities of roads related to repaired.  
Sarath sedera should be renovation of the  
Mawatha located in promptly carried road had been  
Maddawatta out. prepared and  
Eliyakanda submitted to  
Brownsheel belonging finance  
to council for laying committee and it  
the cables and even is expected to  
though an amount of renovate the road  
Rs.3,081,668 had been after receipt of  
charged on 20 the approval.  
December in previous  
year from relevant  
company, the road  
repairs had not been  
done even up to the  
end of year under  
review.

**3.14 Hambanthota Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	185,701,034	37,549,168	148,151,866	6,676,131	Qualified
<b>2022</b>	209,896,895	31,329,548	178,567,347	13,236,376	Qualified
<b>2023</b>	247,366,894	40,021,092	207,345,802	24,248,352	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per the new regulations made by extraordinary gazette notification No.2238/4 dated 28 July 2021 and paragraph 05 of regulation No.30, no action had been taken by council in relation to 05 business and residential unauthorized constructions between 35-9393 square meters.	2021	The action should be taken as per the gazette.	It had been informed to Urban Development Authority to obtain the instructions for taking further action in relation to the unauthorized constructions.	No action had been taken.
(b)	A loss Rs.5, 508,000 had occurred to the council from 27 April 2016 to 31 December 2022 on charge of Rs.165 as monthly rental when the approval had been received to charge the	2022	The rents should be charged as per the valuation report and if the rent is not paid, the action should be taken as per lease conditions.	The lessees had been continuously made aware in writing to recover this valuation amount and it had been taken great effort by holding discussions.	The recommendations had not been implemented.



lease rental as per the valuation report 12 April 2016 for 10 lands at Tissa Road belonging to council leased in 1997. Similarly, a revenue of Rs.15, 000 –Rs.150, 000 had been informally earned by subleasing the buildings built in this land by lessees by violation of the lease conditions.

**3.15 Akkarapattu Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	668,982,148	15,400,224	653,581,924	(322,737)	Qualified
<b>2022</b>	752,162,008	12,340,403	739,821,605	22,325,733	Qualified
<b>2023</b>	824,330,502	20,118,334	804,212,168	32,126,681	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The property tax recoverable at the end of the year under review was Rs.67,375,845 and Rs.55,839,877 had been outstanding since 01-08 years.	2022 2023	The steps should be taken to immediately recover due outstanding revenue.	Since there is no Revenue Inspectors, it couldn't be recovered the listed revenue without outstanding and the action will be taken in future to appoint Revenue Collection officers and recover outstanding.	No steps had been taken to recover outstanding amount.
(b)	No action had been taken to recover 02 advances of Rs.106,003 given to an employee in Akkkaraipattu pradeshiya sabha and an officer in community center in	2023	The action should be promptly taken to recover the amount paid as advance.	The preliminary action had been taken to write-off relevant balances.	No step had been taken to recover the advance amount from relevant person or community center so far.

2011.

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| (c) | Approximately a 2023 revenue of Rs.10,000,000 had annually lost to the council since the shops had been provided on rent in range from Rs.1,000 to Rs.5,250 monthly based on the valuation in 2011 without timely valuing the shop rent.  | In terms of Municipal Councils ordinance, the action should be taken to periodically value the rent. | It had been requested to make valuations from Department of Valuation.  | No action had been taken to value the rent yet.                           |
| (d) | Even though a public library had been established in 2022 as an electric library at a cost of Rs.2, 848,078 under Local Development Support Project, this process had been left due to non-availability of the electric equipment facilities such as software, saver, bar code reader and bar code printer required for fully implementation this . | The action should be immediately taken enabling to achieve the objective of electronic library.      | Only infrastructure facilities and computer facilities had been provided for electronic library under Local Development Support Project. It had to be purchased other equipment and the software from municipal council's fund. | No action had been taken to fulfill the objective of electronic library.  |
| (e) | Even though 03 goods containers had been purchased at a cost of Rs.5, 910,000 to make shops under Local Development Support Project, no action had been taken to provide the basic facilities in these shops for the  | The requirements should be immediately completed and the action should be taken to rent out.         | Even though the action had been taken to provide the good containers by calling the market prices, the action will be taken to fulfill the deficiencies   | No measures had been taken to achieve the objectives of the shops so far. |

benefit of normal  
consumers.

shown in 2024  
under Local  
Development  
Support Project.

**3.16 Kalmunai Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	660,637,449	64,494,491	596,142,958	5,123,295	Qualified
<b>2022</b>	762,190,524	46,631,380	715,559,144	59,202,514	Disclaimer
<b>2023</b>	994,838,729	58,201,744	936,636,985	57,284,725	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A person had obtained the lease from Kalmunai public market and fish market in 2021 had submitted a security guarantee of Rs.5, 600,000 from Co-operative Rural Bank. Even though this security guarantee had been falsely prepared, it had been accepted by council without inspection. Therefore, outstanding lease rental of Rs.4, 770,100 had not been recovered up to 13 September 2024 and no legal action had been taken on this matter.	2022 2023	The action should be taken to recover from the all parties who had not paid the fees and rents.	The formal action had been taken to rectify this error.	No action had been taken to recover outstanding.

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| (b) | No measures had been taken to recover an outstanding loan of Rs.192, 650 due from 03 officers of the council who deceased, retired and vacated the post from such persons or sureties.                   | 2023         | The step should be taken to recover outstanding loans from such persons or sureties.  | The steps will be taken to recover the outstanding loan of deceased officer from gratuity and outstanding loans of other officers from them or sureties. | No measures had been taken to recover loans of officers so far.     |
| (c) | 05 vehicles under the usage of municipal council had been stopped in private vehicles repair garages long time but no step had been taken to repair and reuse those vehicles even up to 07 October 2024. | 2023         | The steps should be taken to reuse after repair or dispose.   | Currently, the action is being taken to establish a committee in this regard and repair or dispose them.   | No action had been taken to repair and reuse.                       |
| (d) | No step had been taken to transfer the ownership of 13 vehicles used by municipal council and under the name of other institutions and to the name of municipal council since more than 05 years.        | 2022<br>2023 | The steps should be taken to alter the ownership of the vehicles.   | The action will be taken to take over in the future.   | No action had been taken to transfer the ownership so far.          |
| (e) | The computer software used by the municipal council for collection of revenue since 01 January 2020 had not been purchased from an approved institute and the revenue daily charged had not been         | 2022<br>2023 | Having purchased such software from an approved institute, the documents should be formally maintained by engaging responsible and qualified officers | A case is being heard in Magistrate's Court, Kalmunai with regard to the financial fraud occurred in Finance Division. Subsequent to completion of this  | No action had been taken in relation to this special matter so far. |

fully deposited to the accounts of council due to non-engagement of responsible and suitable officers, non-maintenance of documents, non-availability of formal supervision, not certification by senior officers and no internal audit or internal control and an amount of Rs.18,094,795 charged from 09 revenue sources had been deposited and cheated at the inspection carried out by Eastern Provincial Internal Audit Unit on this matter.

and the case, the disciplinary action information on should be taken this matter will be against the party informed to you. who had made the fraud and this loss should be recovered from them.

**3.17 Batticaloa Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,162,829,000	75,262,000	1,087,567,000	153,674,005	Qualified
<b>2022</b>	1,142,310,004	111,015,418	1,031,294,586	156,875,725	Qualified
<b>2023</b>	1,196,612,379	149,408,908	1,047,203,471	178,416,549	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per Financial Regulations 104-110 of the Financial Regulations of Democratic Socialist Republic of Sri Lanka, the complaint had been lodged in the police in relation to damaged furniture including PABX system worth of Rs.800, 000 and other assets due to an accident from fire to Deputy Commissioner's Office and no action had been taken as per Financial Regulation.	2023	In terms of the Financial Regulation, the inquiry should be carried out about loss.	The future action will be taken after informing to Local Government Commissioner in this regard and carrying out an investigation and obtaining the reports.	The steps had not been taken.
(b)	As per Public Administration Circular No.08/2014 dated 26 December 2014, 22 vehicles	2023	The action should be taken to insure the vehicles.	The steps will be taken to insure after obtaining vehicle registration	The steps had not been taken.



belonging to council  
had not been insured.

books.

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| (c) | The outstanding Assessment Tax of Rs.2, 142,428 from the public institutions had existed more than 03 years and it was observed that there are time delays in the recovery measures for this.  | 2023 | The steps should be immediately taken to recover outstanding revenue.   | The letters had been sent to Sri Lanka Railways and Department of Fisheries in which there are more outstanding balances.                                 | The steps had not been taken.            |
| (d) | In compliance with the circular No.SEC/2022/03 dated 23 December 2022 of Department of Inland Revenue, no action had been taken by council to reimburse Withholding Tax of Rs.4, 854,181 in year under review from Department of Inland Revenue from the interest income for the fixed deposit deposited in National Savings Bank. | 2023 | As per circular, it should be reimbursed from Department of Inland Revenue.   | The action will be immediately taken to recover.  | The steps had not been taken.            |
| (e) | In sale of the lands parceled located in the limit of municipal council area, 05 plots of lands in extent of 97 perches transferred to council had been transferred to his and his wife name by former   | 2023 | The steps should be taken to take over the lands belonging to the council to the name of council and this should be reported to the disciplinary authority. | It had been made complained to Commission for Investigation of Bribery or Corruptions by BC/1829/2015 in this regard and the Commission had completed the | The activities had not been completed. . |

Commissioner from 2003 to 2006. Even though it had been indicated in the audit report in previous year, no action had been taken by council.

investigation.

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| (f) | As per section 37(a) of Municipal Councils Ordinance (Chapter 252), even though the minister's approval should be obtained prior to construction of monument or statue, the prior approval of the minister had not been obtained for 05 statues constructed in the area of council. | 2022 | The action should be taken as per the Ordinance.                                   | In due course, the action will be taken to obtain the approval.                       | The necessary steps had not been taken. |
| (g) | In accordance with National Environmental Protection Act No.47 of 1980 amended by the Act No.56 of 2000, no environmental protection license had been obtained for Thrupperumthurai solid waste center.   | 2022 | The action should be taken to obtain environmental protection licenses.            | The action will be expeditiously taken to obtain environmental protection licenses.   | The necessary steps had not been taken. |
| (h) | Rs.02 million had been incurred for bio gas manufacturing project and the manufacturing and usage of bio gas had  | 2021 | The effective measures should be taken to implement bio gas manufacturing project. | Since bio gas manufacturing project does not have technical facilities for filling in | The necessary steps had not been taken. |

not been formally implemented by council even at the end of year under review.

distribution containers, it can't be implemented

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| (i) | As per Sustainable Development Goals Act No.19 of 2017, the sustainable development goals to be achieved by the council in 2030 had not been identified. | 2021 | Having identified the sustainable development goals, the measures should be taken to implement those. | The measures will be taken to identify the measurement indices on development agenda to be achieved in 2030 and implement them. | The necessary steps had not been taken. |
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**3.18 Anuradhapura Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	14,079,040,470	249,199,125	13,829,841,345	46,807,370	Qualified
<b>2022</b>	14,107,450,672	174,503,833	13,932,946,839	34,570,337	Qualified
<b>2023</b>	14,361,385,264	256,353,738	14,105,031,526	108,130,062	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) As per sections 5.3.1 and 7.2 of Chapter xix of the Establishments of Democratic Socialist Republic of Sri Lanka, former Municipal commissioner who had been transferred on 21 June 2016 had not handed over the official residence and a house rent of Rs.201, 017 from November 2009 to June 2016 and an amount of Rs, 228,033 from 01 January 2020 to march 2022 had not been recovered for using as official residence. A penalty rent of Rs.376,643 had not been recovered for	2021	In accordance with sections 5.3.1 and 7.2 of chapter xix of the Establishments Code of Democratic Socialist Republic of Sri Lanka, the action should be taken to recover rent and penalty rent.	No action had been taken.	The rent and penalty rent had not been recovered. The official residence had been handed over up to now.

the period of occupation the official residence without Approval.(from July 2016 to March 2022) No action had been taken under Government Quarters (Recovery of Possession ) Act No.07 of 1969 in related to this.

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| (b) | The legal action had not been taken to recover an outstanding Assessment Tax of Rs.88, 745,571 as at 31 December 2023 as per section 252(i) (a) of Municipal Councils Ordinance.  | 2023 | The action should be taken to recover Assessment Tax in arrears. | 926 property seizure notices had been issued in the limit of council and accordingly, a considerable amount of outstanding had been recovered. | The outstanding had to be recovered.         |
| (c) | The outstanding rent of Rs.66,719,780 existed 01-08 years related to 511 shops belonging to municipal council and an outstanding rent of Rs.8,821,505 related to 210 shops of public market had not been recovered since 01-08 years. | 2023 | The outstanding rent should be recovered.                        | 28 final notices for recovery of outstanding shop rent, 20 resident tax notices and 09 distress licenses had been issued.                      | The outstanding amounts had to be recovered. |
| (d) | The outstanding rent of Rs.1, 967,718 recoverable for lease of assets had not been recovered even up to 31 December 2023.   | 2023 | The outstanding assets lease rentals should be recovered.        | The action is being taken to recover.  | The outstanding amounts had to be recovered. |

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| (f) | Even though 88 books sets worth of Rs.94, 500 under custody of a lady councilor had destroyed, no step had been taken to recover such loss.   | 2022 | The measures should be taken to recover the loss.  | It had been referred for legal action.   | It is in same situation.   |
| (g) | The disciplinary action and necessary legal action had not been taken in relation to the fraud and loss of Rs.56, 425,174 occurred to the municipal council in the previous years.  | 2023 | Having conducted the disciplinary inquiry, the action should be taken as per such recommendations.             | The disciplinary inquiry had been conducted in relation to 02 facts included in this and implemented the disciplinary orders. The inquiry is being carried out with regard to remaining facts. | It is in same situation.   |
| (h) | Having identified the responsible persons for the loss of Rs.3.3 million after carrying out a formal inquiry on 18 September 2014 as per F.R.104 in relation to fire of excavator machine used for Kirikkulama Pilisaru project, no action had been taken as per such recommendation. | 2021 | As per F.R. 104, the inquiries should be expeditiously completed and taken action as per such recommendations. | The approval or formal disciplinary order had not been given for recommending the investigation reports by Local Government Commissioner.  | Since final investigation reports recommendations had not been given, no recovery had been made. |
| (i) | Even though the financial loss occurred to council fund due to payment of Rs.1, 816,557 as salaries and allowances for the  | 2021 | The step should be taken to immediately recover the financial loss verified by the                             | Subsequent to completion of the relevant disciplinary inquiry, the further action  | Had not been recovered.  |

period from the date of transfer to June 2018 to an employee who had been transferred to another institute in 2013 after working in the council had been verified from preliminary inquiry reports, no action had been taken to recover such money.

basic investigations from the relevant parties.

will be taken by main ministry as per disciplinary orders.

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| (j) | No legal action had been taken to recover outstanding rent of Rs.11, 231,838 to council from an official residence belonging to Anuradhapura Municipal Council. | 2023 | The legal action should be taken to recover outstanding rent. | The action will be taken to discuss with Hon Governor in this regard and take decisions in the future. | It is in same situation. |
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**3.19 Pollannaruwa Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,685,234,487	257,259,525	2,427,974,962	(12,003,474)	Qualified
<b>2022</b>	2,573,319,282	153,337,610	2,419,981,672	(29,640,177)	Qualified
<b>2023</b>	2,665,541,838	142,923,551	2,522,618,287	712,752	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As at 31 December in the year under review, outstanding waste fees revenue recoverable was Rs.10, 943,500.	2023	The action should be taken to duly recover outstanding revenue.	The steps are being taken to recover outstanding waste fees.	Had not been recovered.
(b)	In 2021, 08 projects with agreement value of Rs.42, 091,260 commenced with the provision of Ministry of Provincial Councils and Local Government 2021 had been halted in half way due to non-receipt of fund. Even though an amount of Rs. 6,793,428 had been paid for such projects at the date of audit, such expense had become an idle expense due to	2022	The action should be taken to not become the money incurred for the project idle.	Since the provision had been received for 01 project, the bidding documents are being issued for such project.	The action is being taken to rectify.



stoppage of the work  
in half way.

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| (c) | No legal action had been taken in relation to an outstanding of Rs.16, 238,205 for 149 shops belonging to municipal council.  | 2023 | As specified, the revenue should be collected.                 | The legal action will be taken in the future.   | No legal proceedings had been taken.  |
| (d) | The outstanding lease rental for 57 shops in new public market complex of Pollonnaruwa Municipal Council leased in 2020 was Rs.52,918,053 and 06 shops out of 57 had been sealed in February 2024 and no action had been taken as per section 20 and 22 of the agreement in relation to balance 51 shops. | 2023 | In accordance with the agreements, the action should be taken. | It is due to be taken the future action on the decisions given after the investigation carried out.                                       | Had not been recovered.   |
| (e) | No legal action had been taken to recover the key money of Rs.15, 964,890 receivable to council for public market complex, bus-stand shops and Hospital junction shops belonging to Pollonnaruwa Municipal Council.   | 2023 | The action should be taken lawfully.                           | This long-term outstanding will be paid in installments and legal action will be taken in relation to the persons who avoid the payments. | No legal action had been taken related to the persons who avoided the payments. |

**3.20 Badualla Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,252,695,356	162,727,906	1,089,967,450	40,464,802	Qualified
<b>2022</b>	1,295,923,702	191,646,491	1,104,277,211	(7,436,511)	Qualified
<b>2023</b>	1,371,224,613	227,250,009	1,151,974,604	(14,679,331)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The action had not been taken to recover the dishonored cheques account balance of Rs. 2,148,709 on which the number of cheques can't be found and existed since 2016.	2021	The dishonored cheques money should be promptly recovered.	A committee had been appointed on 23 August 2024 for recovery of dishonored cheques.	Had not been recovered.
(b)	In accordance with the provisions 226(1) of Municipal Councils Ordinance, an amount of Rs.3, 754,000 had not been charged even up to 31 of December of the year under review in relation to 03 surcharges enforced by Auditor General in 1994, 2004 and 2007.	2022	The surcharge should be immediately recovered.	The court proceedings had been taken to recover the surcharge and the action is being taken accordingly.	Had not been recovered.

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| (c) | As per section 180 of 2023 Municipal Councils Ordinance (Chapter 252), 02 public toilets had been provided to the wives of 02 employees at a bid of Rs.9, 723,000. | As per the provisions of the Municipal Councils Ordinance. | The preliminary investigation is being carried out by Department of Local Government in relation to relevant bid award. | The preliminary investigation report had been received and the section 180 of Municipal Councils Ordinance had been inserted in relation to this matter as per its recommendation and the action will be taken accordingly. |
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**3.21 Bandarawela Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	631,662,252	142,542,751	489,119,500	(108,667,276)	Disclaimer
<b>2022</b>	4,215,733,160	224,352,699	3,991,380,462	18,698,429	Disclaimer
<b>2023</b>	4,590,567,793	113,250,222	4,477,317,570	150,601,799	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though an amount of Rs. 71,822,477 had been received to council fund for construction of shops in whole sale vegetables market complex at Vishaka road before 2018, it had not been utilized for the construction of market complex even at the end of 2022 and incurred for other purposes.	2022	The fund should be only utilized for objected task.	In due course, the action will be taken in this regard.	The shops had not been built.

**3.22 Rathnapura Municipal Council**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	887,437,016	222,290,529	665,146,487	(26,194,733)	Qualified
<b>2022</b>	933,936,600	296,553,730	637,382,870	(49,398,215)	Qualified
<b>2023</b>	1,080,685,512	332,786,677	747,898,835	33,249,066	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As at closing date of year under review, outstanding Assessment Tax balance was Rs. 39,878,569 and no age analysis had been carried out related to the outstanding balance.	2021 2022	The age analysis should be prepared and the outstanding revenue should be collected.	Since the software is old more than 21 years, an age analysis related to such outstanding couldn't be obtained.	The outstanding balance is Rs. 31,664,228 and since there is no method of obtaining an age analysis through rates software which is about 21 years old, such information can't be provided.
(b)	The mixed waste of 5318 metric tons had been released to the open environment of waste yard without eco-friendly method within the year under review. Therefore, the fire had occurred at several times at that place in 2023 caused so many social and environmental in the	2023	The disposal of waste to the open environment should be minimized.	Since the date of commencement of the waste management, the waste in this land had been openly disposed and the measures are being taken with maximum effort by obtaining the technical and financial support	As per the assistance of numerous institutions, these activities are being altered systematically and as a result of taking various efforts for obtaining waste segregated under only a specific

area.

in cooperation with various institutions. classification since 2017, it was able to alter more than 50 percent and a progress had been achieved by making restrictions through circulars since 2024 for limitation the open disposal of waste.

- (c) When 157 labourers confirmed personally to holder had been engaged in the service exceeding the approved cadre, 65 and 40 labourers had been recruited to the relevant field on service agreements without formal approval and an amount of Rs. 23,800,865 had been paid 2023. The many excess employees had been engaged in administration building, libraries and preschools without exact duty assignment.
- 2023
- A formal approval should be obtained for excess employees and the all employees should be effectively engaged in the service.
- The duties had been assigned to 02 employees with service agreements employed in library staff and pre-schools.
- The duties had been assigned to the all laborers attached and even though it had been requested for the formal appointments to be performed by the provincial council, the appointments had not been made. Since work/field laborers had been appointed to cover up the duties for the vacancies continuously existed in such posts, the workers had been recruited on service agreement basis due to non-availability of the work/field laborers who had been confirmed to holder personally retire, no new

appointment is not made for that.

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| (d) | The electric 2023 equipment of Rs. 971,631 purchased at the modernization of municipal council building had been misplaced. | The responsibility should be determined and recovered the loss. | The action will be taken to recovery the relevant expenses having identified the responsible persons through an investigation carried out by the provincial council in this regard. | The recommendations had not been implemented. |
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**3.23 Kurunegala Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	4,604,203,190	3,430,839,164	1,173,364,026	759,129,083	Disclaimer
<b>2022</b>	5,987,026,771	3,926,958,364	2,060,068,407	12,835,988	Disclaimer
<b>2023</b>	6,930,472,050	4,589,891,244	2,340,580,806	144,435,202	Disclaimer

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs. 25,862,363 had been incurred for providing the water connections outside municipal council. The estimates had not been prepared by obtaining the minimum quotations by calling quotations for water meters and concrete pillars in preparation of an estimate for this project and over estimates had been prepared and an amount of Rs. 1,889,895 had been over paid.	<b>2021</b>	<p>Prior to commencement of the procurement activities, a cost estimate should be formally prepared and obtained the approval of the relevant authority.</p> <p>In preparation the cost estimate, the estimate should be prepared by obtaining the market prices. The payments should be made after checking the relevant work subjects by technical officers.</p>	<p>The putting signatures and official seal of the officers who had prepared and inspected the estimates and official seal of Municipal Engineer in approving had been missed. It had been informed that the action will be taken to rectify those matters in due course.</p>	<p>It had been informed that the deficiencies in the procurement process highlighted had been avoided presently and formally performed and the action will be taken to avoid the deficiencies in preparation of estimates and recover such money after a formal preliminary investigation in relation to over payments.</p>



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| (b) | <p>Even though a 2022 building plan should be approved in carrying out a construction within the limit of land as per the Urban Development Act, a plan had not been approved by council in the construction a multipurpose electric and telephone transmission tower in land of Kurunegala Municipal Council. Even though the ground rent for telephone transmission tower should be valued by Department of Valuation, the ground rent had been determined without such valuation.</p> | <p>The plans should be approved in carrying out the constructions.</p>   | <p>It had been informed that currently, the action is being taken to prepare a separate plan for the relevant plot of land and the relevant amendments will be made having submitted to Department of Valuation once it is received.</p> | <p>It had been informed to Fillet Holdings Institute to survey the land in which the multipurpose electric and telephone transmission tower is located in municipal council premises and prepare the plan. It had been informed that the relevant amendments will be made by submitting to Department of Valuation once it is received.</p> |
| (c) | <p>The performance security of Rs. 459,590 and advance security of Rs.1,838,361 submitted by the contractor for fulfillment of the contract for renovation of toilet system of bus-stand are false. Without an investigation about these false certificates, an advance amount of Rs.1, 838,311 and</p>  | <p>The investigations should be carried out on officers appointed to Technical Evaluation Committee and the officers appointed to the procurement committee who had acted without responsibility and the action should be taken to</p> | <p>The preliminary investigation had been implemented.</p>   | <p>The case No. B/141/24 had been filed at Magistrate's Court, Kurunegala and the preliminary investigation had been implemented to identify the responsible persons.</p>   |

shares money had been released. As per order of standing committee on finance 2022, even though it had been mentioned that an amount of Rs. 18 lakhs paid to this contractor should be reimbursed from the advance security and performance security, it couldn't be reimbursed this amount due to submission of false securities.

recover the loss occurred to council's fund.

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| (d) | The measures had not been taken to settle Rs.1, 312,519 in relation to 26 dishonored cheques from 03 months to 16 years as per the dishonored cheques schedule submitted with the financial statements. | 2023 | The action should be taken to settle.   | It had been informed that the action is being taken to settle after identification.                                   | It had been informed that it is due to be submitted a report with the observations and recommendations in joining with Accountant(Revenue) and Legal Officer for taking further action in relation to not realized overdue cheques and take decisions. |
| (e) | The action had not been taken up to December 2023 to recover an amount of Rs. 90,546,072 recoverable from 29 shops in Central Market and a 10   | 2023 | The action should be taken to complete the constructions and tender and earn the revenue. | The construction of the shops couldn't be completed unexpectedly and even though it had been taken efforts to recover | The construction of the shops couldn't be completed unexpectedly and even though it had been taken efforts to recover the  |

percent penalty for delay of payment up to 31 September 2022 or take over the shops on which the rents had not been paid and tender again.

the outstanding at several occasions, the practical issues on recovery had arisen until taking a final decision for date of completion.

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|-----|--|------|---|---|---|
| (f) | No action had been taken to recover an amount of Rs.4, 632,469 at the end of the year under review from Ranthaliya rest house belonging to council.                | 2023 | The steps should be taken to recover outstanding amount.          | It had been informed that the action is being taken to recover this outstanding.  | The action is being taken to recover the outstanding of Rathnaliya Rest House and the relevant parties had been made aware on outstanding amount of the rest house.                       |
| (g) | As at the closing date of year under review, outstanding balance of sewerage system receivable was Rs.148, 033,671   | 2023 | The steps should be taken to recover outstanding amount.          | It had been informed that the action will be taken to recover the outstanding revenue through enforcement of by-laws or other alternative strategies. | The letters had been forwarded to the domestic and business places which had not paid the fees and currently, it is being discussed in relation to settlement of this outstanding amount. |
| (h) | The persons have been enjoying the land consisting with 03 plots of land in extent of 20 perches and 7.78 perches with the public well located in Weharawatta land | 2023 | The action should be taken in relation to unauthorized residents. | Having received the valuations from the Department of Valuation, it had been informed that it is expected to take further                             | The steps are being taken related to the valuations for the parcels in Weherawatta Land.  |

belonging to urban council, 05th lane, Nissanka Mawatha in an unauthorized manner without leasing.

action in relation to unauthorized residents in these lands as per the recommendations of committee.

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| <p>(i) An advance of Rs.1, 2023 445,847 paid on 21 May 2022 for an industry halted had not been recovered even up to 31 December 2023.</p> | <p>The action should be taken to enforce surcharge in the future for the loss occurred to the council.</p> | <p>As per the letter No. NWP/GOV/AD/02/06/13 dated 02.07.2022, it had been informed that the constructions had been halted now and the action will be taken in the future to get legal action to recover the remaining amount after deducting the value of such bill from advance amount.</p> | <p>It had been informed again to take action to pay this amount .If the action is not taken like that, it had been informed that the legal action will be taken in the future.</p> |
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**3.24 Jaffna Municipal Council**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,502,223,632	207,206,482	1,295,017,150	272,824,761	Qualified
<b>2022</b>	1,822,653,572	344,220,015	1,478,433,557	333,243,645	Qualified
<b>2023</b>	2,108,045,121	209,219,573	1,898,825,548	418,843,362	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An outstanding Assessment Tax balance of Rs.145,644,642 which is 01-05 years old had existed.	2023	The effective steps should be taken to recover outstanding.	The action had been taken to collect through revenue collection officers and the mobile services.	Revenue in arrears had not been recovered.
(b)	At the closing date of the year under review, Rs.11,094,069 of shop rent and Rs.7,719,669 shop lease rental had been outstanding. Rs.47,340 of shop rent and Rs.7,719,669 out of that had existed since more than 05 years.	2023	The effective steps should be taken to recover outstanding.	The legal action is being taken to recover.	Revenue in arrears had not been recovered.
(c)	The action had not been taken to utilize Rs.373,562,914 which had been idle in general deposit	2023	The funds should be utilized for the specified purposes.	The steps will be taken to utilize for future development programs.	The funds had not been utilized for the specific objectives.

account since more than 05 years for relevant objectives.

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| (d) | 30 advances which are old 05-27 years and worth of Rs.6, 883,066 given to the contractors had not been recovered so far. | 2023 | The action should be promptly taken to settle the advances. | The action is being taken to settle.                                       | The advance account balances had not been settled. |
| (e) | The rent agreements of 160 shops had not been renewed more than 03 to 11 years and charged the rents.                    | 2023 | The action should be taken to renew the agreements.         | The measures are being taken to renew the agreements.                      | The rent agreements had not been renewed.          |
| (f) | No action had been taken to repair and use or dispose 55 vehicles which had been unused more than 01 year to 10 years.   | 2023 | The assets should not be kept unused.                       | The action had been taken to remove the vehicles from assets and renovate. | The assets had not been utilized                   |

**3.25 Urban Council, Maharagama**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	1,995,320,960	486,134,152	1,509,186,808	(47,172,349)	Qualified
2022	2,582,461,362	579,188,078	2,003,273,284	81,910,172	Qualified
2023	2,821,753,142	423,626,968	2,398,126,174	480,318,446	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of the recommendation as of the date of the report</b>
(a)	Although the council had paid a total of Rs. 24,554,972, including Rs. 13,717,577, to the Urban Development Authority in 2021 for the acquisition of the Nawinna Stadium, it had not been taken over by a deed even as of 31 December 2021.	2021	Actions should be taken to take over.	The Urban Development Authority has granted physical possession of this land to the Urban Council. As the freehold title deed has not yet been granted to the Urban Development Authority by the Presidential Secretariat under Section 6(1) of the Land Acquisition Ordinance, it has not been possible to grant the deed.	The council has generated revenue by using the Nawinna Stadium for various events from 2020 and although a tender has been issued for the swimming pool located there for the period 2023/2026 for an amount of Rs. 840,000, the recommendation has not been implemented.

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| (b) | Although a nominal value of Rs. 2,052,258 was shown under cash and cash equivalents in a current account that was closed in August 2015, it had not been settled in the year under review.  | 2021<br>2022<br>2023 | Actions should be taken to settle.                       | The report of the Board of Inquiry, consisting of three investigating officers, appointed by the Assistant Commissioner of Local Government in a letter dated 26 April 2023, was received by the Council on 05 June 2024. | The said investigation report had not provided sufficient recommendations and orders to settle the nominal account and a letter was sent to the Assistant Commissioner of Local Government on 28 June 2024 requesting specific and clear instructions to enable settlement in the year 2024. It has not been settled to date. |
| (c) | There was a deficit of Rs.15,684,183 from 318 shops as of December 31, 2023. Out of that balance, there was Rs. 2,759,013 from 37 shops with a deficit of between 02 and 03 years, Rs. 7,232,760 from 51 shops with a deficit of between 03 and 05 years and Rs. 971,734 from 06 shops with a deficit of more than 05 years. The deficits had been going on for a long time due to the fact that the ownership of the shops that did not pay rent was not taken back to | 2023                 | Actions should be taken to recover the outstanding rent. | With respect of 69 shops that have been in arrears for a long time, they have been referred for legal actions. Final notices have been sent to the remaining shops.   | As of 30 September 2024, Rs. 4,550,947 has been recovered and the process of recovering the arrears is being carried out..  |



the Municipal Council  
as per the agreements  
and was not leased to  
other parties.

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| <p>(d) As the council had not taken any steps to sell solid waste or to produce fertilizer through a compost project and to sell non-biodegradable waste, Rs. 69,717,610 had been spent on the Waste Management Authority for the disposal of solid waste in the year under review and Rs. 43,667,950 on private vehicles in addition to the vehicles available in the council for the transportation of waste to the Kerawalapitiya Thermal Power Plant amounting to a total of Rs. 113,385,560 .</p> | <p>2023</p> | <p>The council should use its vehicles as much as possible to generate income for the council through garbage collection and to transport garbage.</p> | <p>Due to the high amount of waste generated in the Maharagama area, the amount paid to the Karadiyana waste yard has also increased. Vehicles have had to be used on a rent basis to transport waste to the Kerawalapitiya Thermal Power Plant.</p> | <p>The present situation is similar to last year. An exchange center and buyers are being identified for the collection of biodegradable waste.</p> |
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**3.26 Urban Council, Boralesgamuwa**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	936,532,368	99,609,819	836,922,549	23,913,815	Qualified
2022	1,358,693,190	114,791,436	1,243,901,754	49,306,547	Qualified
2023	1,420,994,550	82,776,499	1,338,218,051	51,899,404	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation status of the recommendation as of the date of the report</b>
(a) Although the Urban Development Authority had constructed the second floor of the Boralesgamuwa Municipal Council's multi-purpose building up to the slab level, construction work had been temporarily halted since August 2022. The building in that condition had been temporarily handed over to the council on 09 February 2023 and work had not resumed even by the last day of 2023. Due to the delay in resuming construction, the cost of Rs. 248,789,106 spent on the building so far may have been a	2023	Actions should be taken to complete the building.	Requests have been made from the Ministry of Local Government to provide funds for the construction of the multi-purpose building and we have been informed to commence construction from the council funds. Accordingly, after receiving approval for the construction out of the money in the joint account of the Urban Development Authority, the construction of	Construction of essential parts is due to be carried out in the future.

sheer wastage of funds and the building's wiring, etc. was also deteriorating.

the necessary parts of the building to run the office is scheduled to be carried out.

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| <p>(b) Actions had not been taken to take over the ownership of 06 vehicles registered in the names of other institutions used by the Council to the Urban Council even by the last day of 2023</p> | <p>2023</p> | <p>Action should be taken to take over the ownership.</p> | <p>The application of car transfer has been completed and sent to the relevant institutions.</p> | <p>The process of takeover is being carried out.</p> |
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**3.27 Urban Council, Kesbewa**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	3,111,606,751	681,108,890	2,430,497,861	49,134,973	Qualified
<b>2022</b>	3,285,405,379	856,327,319	2,429,078,060	175,382,222	Qualified
<b>2023</b>	3,311,891,434	369,402,158	2,942,489,276	564,836,406	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Implementation Status of the recommendation as of the date of the report</b>
(a)	Action had not been taken to recover the entertainment tax of Rs. 281,047.	2021 2022 2023	Actions should be taken to recover the outstanding revenue.	After this was referred to the Department of Local Government for write-off in 2018, although the department recommended it for write-off, the Ministry of Local Government has requested information on how the amount has been structured.	The council does not have sufficient written evidence to provide information on how this money was allocated. Although letters have been sent to the Department of Local Government informing them of this, approval has not been received yet.
(b)	though assessments should be assessed once in every 5 years, the council had assessed in the years 2012/2013 for the last time and the assessments for the	2023	Actons should be taken to value the assessments.	Work is being initiated to carry out assessment revisions for the year 2024.	Property revisions have been intiated.

year under review had  
been levied based on  
those years.

**3.28 Urban Council, Kolonnawa**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	6,632,475,585	123,309,879	6,509,165,706	55,553,690	Qualified
<b>2022</b>	6,726,083,401	135,644,387	6,590,439,014	71,698,961	Qualified
<b>2023</b>	6,900,182,740	287,391,761	6,612,790,979	34,263,400	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) The hand paper machine worth Rs. 4 million given to the Council by the Industrial Development Authority on 13 March <b>2013</b> had not been included in the inventory register as an asset of the Council. Also, the said machine parts had been kept idle without being used for production purposes.	2021	Actions should be taken to document the assets properly and use them for their intended purposes.	The inventory of the parts of the hand paper machine has not been documented. Since the machine parts could not be identified separately and formally at the time of receipt, the quantities of parts present at that time were recorded by drawing diagrams and filed. These machine parts were in a condition that could not be reassembled and put back into operation.	The paper machine has not been provided to the Council, only the machine parts have been obtained. As there is no officer with the knowledge to assemble it, it has been impossible to identify the machine parts and a separate record is maintained with the pictures and names of the machine parts and they have not been used for any production purpose.

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| <p>(b) Although once an 2022 advance is issued, the same should be settled within 10 days of completion of the relevant work as per F.R.371 (5), this had not been done in respect of Rs. 1,106,500 given on 19 occasions during the year under review.</p>               | <p>Actions should be taken to act in accordance with the financial regulations.</p> | <p>It has been informed that strict instructions have been given to the officers to act in accordance with the amendment 371(5) of Financial Regulation and that steps will be taken to prevent such shortcomings from occurring in the future.</p> | <p>Instructions have been given to the officers and it has been informed that steps will be taken to prevent such shortcomings that will not to be occurred in the future.</p> |
| <p>(c) Actions had not been 2022 taken to recover a balance of Rs. 2,212,952 owed to the council by 36 officers for more than four years.</p>   | <p>Action should be taken to recover the relevant outstandings.</p>                 | <p>Actions have not been taken to put forward the preventive measures.</p>  | <p>A balance of Rs. 286,213.12 for three officers remains to be recovered from the five transferred officers and actions are being taken to recover that balance.</p>          |
| <p>(d) The value of 2021 outstanding 2022 assessments and taxes 2023 as at the end of the year under review was Rs. 79,421,106, of which the amount due from 45 outstanding assessment balances with an outstanding value of more than Rs. 40,000 was Rs. 24,668,316.</p> | <p>Action should be taken to recover the outstanding revenue.</p>                   | <p>It has been informed that out of the Rs. 24,668,316 arrears of more than Rs. 40,000/-, an amount of Rs. 5,122,946 has been recovered and the remaining arrears have also been collected by implementing property seizure</p>                     | <p>It has been informed that as of 16 January 2024, the remaining amount to be recovered from properties valued at more than Rs. 40,000 is Rs.5,896,098.</p>                   |

programs since  
May 2024.

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| <p>(e) The balance of rent 2023 receivable from 187 shops belonging to the council was Rs. 7,016,695.</p> | <p>Action should be taken to recover the outstanding revenue.</p> | <p>It has been planned to recover the arrears when providing new trading locations.</p> | <p>The reason for this outstanding was that there have been proposals to demolish 02 building complexes due to the Orugodawatte-Ambathale road widening project.</p> |
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**3.29 Urban Council, Seethawakapura**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,064,415,920	278,733,550	785,682,370	32,239,839	Qualified
<b>2022</b>	1,062,995,882	270,775,890	792,219,992	15,143,714	Qualified
<b>2023</b>	1,069,797,033	223,418,613	846,378,420	(5,792,630)	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Rs. 11,360,000 had been spent from 2016 to 2019 on developing the infrastructure facilities of the Wewe Kele Eco-Tourism Site, which is located on a land in extent of 27-acres and in 2018, it had been planned to remove the old public hall building on that land and construct a three-storeyed building on that site, with an estimate of Rs. 4,503,193. However, before implementing those plans, the council had not acquired the permanent ownership of that land until the end of the year under review.	2021	Prompt action should be taken to acquire ownership of the relevant land.	A letter has been referred to inform the Divisional Secretary of the position on this transfer.	Actions have not been taken to implement the recommendation.

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| (b) | <p>It was observed that the irregular and careless activities of the industrial park run by a private company adjacent to the center of Seethawakapura city were causing great environmental hazard to the residents of the nearby village of Weralupitiya. Accordingly, it was observed that there were many environmental problems such as the accumulation of polluted water in the river, the submergence of Puwakpitiya due to polluted water, the villagers being ill due to the toxic fumes and noise from vehicles and the addition of waste materials to the drinking water.</p> | 2021         | <p>Necessary measures should be taken to prevent environmental damage.</p> | <p>The Investment Promotion Board carried out road repair and tree planting programs with the participation of industrial institutions and the Ministry of Health annually inspects whether the factories have obtained these licenses.</p> | <p>All institutions of the Investment Promotion Board have taken steps to obtain environmental permits annually from the Central Environmental Authority.</p>  |
| (c) | <p>As per the agreement No. 248/334 dated 09 June 1989, a land owned by the Council had been leased to the Bank of Ceylon on 01 July 1988 under a thirty-year lease. Although the monthly lease rent as per the said lease agreement was Rs. 80,000, the monthly lease rent</p>   | 2021<br>2022 | <p>Appropriate actions should be taken.</p>                                | <p>Currently, there is a case pending in the Awissawella District Court under case No. 29081/19 and further action is to be taken based on the decision of the relevant case.</p>   | <p>The new agreement and letter prepared to recover the outstanding amounts and lease this property to the same institution on a new agreement have been forwarded to the Commissioner of Local Government, W.P.</p> |

had become Rs. 475,000 as per the new valuation of the Valuation

Department after the expiry of the lease period of 2018. Due to the non-levy of tax on the new valuation, the rental income to be collected from 01 July 2018 to 18 November 2022 had been Rs. 22,561,718.

by the Assistant Commissioner of Local Government, C.D. on 11 September 2024, for the approval of the Hon. Governor.

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| (d) | The financial statements show a balance of Rs. 27,254,299 which was outstanding assessment tax revenue due to the council as at 31 December 2023. | 2023 | Actions should be taken to collect the outstanding assessed taxes.   | Actions have been taken to provide arrears lists to the Property seizure Officer to recover the outstanding amount. | As of 30 September 2024, an amount of Rs. 4,734,826 has been collected from the outstanding amount.   |
| (e) | The outstanding shop rent income at the end of the year under review was Rs. 2,580,984.   | 2023 | Actions should be taken to collect the outstanding shop rent.        | Further actions are being taken to recover the deficit.   | As of 30 September 2024, arrears of Rs. 1,351,274 have been recovered and reminder letters have been sent to collect the remaining arrears. |
| (f) | The outstanding rest house rent due to the council as of 31 December 2023 was Rs. 9,181,373.  | 2023 | Steps should be taken to collect the outstanding rent on Rest-house. | Legal actions are being taken to collect recovery.  | Although the Urban Development Authority was informed and as it did not respond   |

favorably,  
summons have  
been tendered on 9  
May 2024 though  
the the company's  
lawyer.

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| (g) | <p>Although the period of residence in a government official residence should be 05 years as per Section 6.1 of Chapter XIX of the Establishments Code, the same officers of 07 official residences whose administrative rights have been transferred to the Urban Council have been residing for a period ranging from 07 to 29 years and although the contract period of those officers has been from 02 to 06 years, the relevant contracts had not been updated.</p> | 2023 | <p>Actions should be taken to take over the legal ownership of the official residences to the council and actions should be taken to update the agreements.</p> | <p>It has been informed that the Divisional Secretary is taking actions to take over the legal ownership of the official residences and that necessary actions are being taken to remove employees who have been residing in official residences for more than 5 years and to provide official residences to employees on the waiting list.</p> | <p>I will take actions to take over the official residences of the council.</p>   |
| (h) | <p>Actions had been taken to approve a tender of Rs. 38,511,660 for 5 U-shaped shops located on the upper floor of the bus stand and Rs. 9,571,107 had been received from the tenderers from 2012 to 2018. However, although 11 years had passed since the construction of those</p>   | 2023 | <p>Prompt actions should be taken to complete the Construction work.</p>  | <p>A tender has been issued for the construction of shops on the upper floor (U) of the bus-stand and the amount due has been collected in one lump sum.</p>  | <p>Arrangements have been made to obtain structural engineering recommendations regarding the stability of the concrete slabs proposed to construct 34 shops on the upper floor of the bus stand.</p> |

shops was planned, the construction had not been commenced even as of 10 October 2023.

**3.30 Urban Council, Kalutara**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
2021	3,772,095,812	76,801,497	3,695,294,315	40,481,432	Qualified
2022	3,975,290,849	27,196,468	3,948,094,381	34,345,527	Qualified
2023	-	-	-	-	-

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
Although it was stated that repairing 04 vehicles owned by the council was not economically profitable according to the recommendations of the mechanical engineer, action had not been taken in this regard.	2022	Vehicles that are not cost-effective to repair should be disposed of.	Repairing of 02 vehicles is not fruitful and the chassis numbers of the remaining 02 vehicles could not be found.	A committee has been appointed again to dispose of the vehicles.

**3.31 Urban Council, Panadura**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	530,558,715	55,039,785	475,518,930	63,731,152	Qualified
<b>2022</b>	3,384,944,912	46,744,113	3,338,200,799	74,959,597	Qualified
<b>2023</b>	4,783,833,344	40,876,466	4,742,956,878	82,395,207	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	The total assessment and tax deficit at the end of the year under review was Rs. 39,639,846, of which Rs. 35,715,916 was between 1 and 05 years and Rs. 3,923,930 was more than 05 years, out of which the outstanding balance due from 101 assessment units exceeding Rs. 50,000 was Rs. 10,109,384.	2023	Actions should be taken to collect the outstanding revenues promptly.	Arrangments are being made to recover the outstanding balance by telephoning and door-to-door visiting.	It has been informed that actions will be taken to recover the remaining outstanding amount.
(b)	According to the Shop rent Information Report, the revenue to be collected from commercial premises rent in the year under review was Rs. 22,202,312 and as of 31 December 2023, an	2023	Actions should be taken to collect the outstanding revenues promptly.	Actions are being taken to maintain mobile services and collect the remaining arrears.	Recoveries have not been made.

amount of Rs. 9,961,208, which is 45 percent, was to be recovered.

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|-----|---|-----------|--|---|--|
| (c) | <p>The outstanding employee debt balance as at 31 December 2023 was Rs. 4,750,971, while the uncollectible and unknown debt balance was Rs. 521,639. As at 31 December 2023, the outstanding balance from transferred officers was Rs. 1,274,706, the outstanding balance from retired officers was Rs. 1,745,121 and the outstanding balance from deceased and retired officers was Rs. 1,209,505.</p> | 2023      | <p>Actions should be taken to collect the outstanding balances promptly.</p> | <p>A request has been sent to the Assistant Commissioner of Local Government (Kalutara) to obtain the necessary approval to write off the employee loan balance of Rs. 4,750,971/- and the uncollectible and unknown loan balance of Rs. 521,639/-.</p> | <p>As on 30 September 2024, the balance due from transferred officers was Rs. 542220 and the balance due from retired officers was Rs. 747,400/- and the balance due from deceased and officers who vacated the service was Rs. 967,951.</p> |
| (d) | <p>Action had not been taken to implement the salary and human resources management software purchased from a private company for Rs. 295,000 in 2017 to date. Therefore, in addition to the amount purchased for the software system with 07 subjects to computerize the office activities of the Municipal Council, Rs. 178,500 had also been</p>   | 2022/2023 | <p>Actions should be taken to use the software system efficiently.</p>       | <p>It has been informed that it is advantageous to pay service fees in total value compared to paying service fees for each software separately.</p>  | <p>Actions have not been taken to implement the recommendation.</p>  |



paid as service fees in  
2022 without being  
used.

**3.32 Urban Council, Horana**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	657,053,083	38,815,344	618,237,739	30,700,415	Qualified
<b>2022</b>	2,371,384,196	24,183,142	2,347,201,054	(25,910,915)	Qualified
<b>2023</b>	2,355,002,267	21,718,317	2,333,283,950	(24,814,535)	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) The council had not taken actions to maintain a Gully Bowser service to properly dispose of the sewage collected within the Municipal' jurisdiction in accordance with Section 118 of the Municipal Council Ordinance.	2023	Action should be taken to act in accordance with the referenced section.	It has been reported that although requests were made to give a gully bowser since 2017 The council has not received a gully bowser yet.	Actions have not been taken to implement the recommendation.
(b) Even at the end of the year under review, action had not been taken in accordance with Financial Regulation 104 of the Democratic Socialist Republic of Sri Lanka regarding the damage	2022 2023	Action should be taken to act in accordance with the referenced Financial Regulations.	The report of the committee appointed in this regard was discussed on 29 May 2024 and it has been informed that further action will	Further action will be taken after receiving the committee report.

to the engine of the vehicle bearing No. PB-6383.

be taken after receiving the final report.

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| <p>(d) No steps had been taken to take over the ownership of 41 lands included in the council's land register to the council.</p> | <p>2022<br/>2023</p> | <p>Actions should be taken to acquire the lands that should be acquired by the council.</p> | <p>There are no details on how 28 plots of land were obtained and it has been informed that actions will be taken to take over the remaining lands to the council.</p> | <p>Actions have not been taken to implement the recommendation.</p> |
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**3.33 Urban Council, Beruwala**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	626,375,888	25,036,660	601,339,228	50,168,142	Qualified
<b>2022</b>	637,189,475	20,755,011	616,434,464	12,368,388	Qualified
<b>2023</b>	669,542,200	18,434,372	651,107,828	502,179	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) the software had been purchased for 10 devices in June 2020 at a cost of Rs. 4,350,000 to collect the council's revenue online without conducting a feasibility study regarding the acquisition of software and studying how effectively this software could be used by the council and what software was actually needed by the council and it had not been used from the date of purchase until December 2021.	2021	Actions should be taken to identify the need and purchase.	No answers have been given.	A feasibility study has not been conducted. The software for the three devices, namely, inventory management, accounting report management and complaint management, is not yet in the operational mode.

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| <p>(b) The bodybuilding centers in Maradana, Beruwala, with bodybuilding equipment worth Rs. 1,075,410, have been idle since 2022 due to the lack of a bodybuilding instructor and there was also a risk of corrosion due to the bodybuilding equipment being directly exposed to sea winds.</p> | <p>2022<br/>2023</p> | <p>Arrangements should be made to employ a trainer for the Gymnasium.</p> | <p>It has been notified that action is expected to be taken in the future.</p>            | <p>No action has been taken so far in this regard.</p> |
| <p>(c) A cab used by the council from 2012 had not been transferred to the council's name.</p>   | <p>2023</p>          | <p>Actions should be taken to take over the assets in the council.</p>    | <p>The necessary documents have been submitted to the Department of Local Government.</p> | <p>No action has been taken yet in this regard.</p>    |

**3.34 Urban Council, Ja-Ela**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	4,007,857,865	83,750,218	3,924,107,647	44,943,673	Qualified
<b>2022</b>	4,067,804,885	118,096,199	3,949,708,686	25,390,607	Adverse
<b>2023</b>	4,171,928,091	68,808,617	4,103,119,474	142,785,008	disclaimer

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) Actions had been taken to pay Rs.9,387,500 for the purchase of 9 software systems for the computerization of the municipal council office work, contrary to the guidelines 1.2.13, 5.6.11, 2.4.1, 2.4.11, 2.3.22, 2.3.23, 2.6.11(i), (ii), (iv), 4.2.21, 4.3.11 of the Government Procurement Guidelines of 2006. As of the audit date of 25 September 2023, the stock and warehouse management software and the salary management software system were not operational and Rs. 655,000 and Rs. 865,000 paid for them had become a sheer waste of money.	2023	Actions should be taken to proceed as per the guidelines and steps should be taken to properly identify and obtain the software requirements needed by the council.	Due to the lack of sufficient computer knowledge among the officers, a problematic situation had arisen in the implementation of the stock and stores management software and the salary management software.	Currently, the software system is being implemented by employing officers who have computer literacy.

- (b) An amount of Rs. 2023 3,595,000 was paid for the implementation of the third phase Purchase of an online payment application contrary to the guidelines 1.2.1(3), 2.1.2(1), 2.4.1, 2.4.1(1), 2.3.2(2), 2.3.2(3), 2.6.1(1)(i), (ii), 4.2.2(1), 4.3.1(1) and 5.6.1(1) of the Government Procurement Guidelines, 2006 - and when full training was not provided, the entire amount had been paid without retaining the value of 25 percent, resulting in an irregular payment of Rs. 898,750. Since no relevant work had been carried out using the software by the audit date of 25 September 2023, the amount of Rs. 3,595,000 spent was a waste of money.
- Actions should be taken to proceed according to the guidelines and act in accordance with the agreements.
- Since online payments should also be made in parallel with the software currently used and to prevent conflicts between systems, the relevant software for online payments has also been purchased from the same institution and since training is covered for all software components mentioned in the agreement, the relevant payments have been made with the approval of the General Assembly.
- All software components mentioned in the agreement are performing the relevant functions.

**3.35 Urban Council, Wattala-Mabola**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	3,414,766,504	109,522,325	3,305,244,179	48,496,019	Qualified
2022	6,273,881,624	53,176,558	6,220,705,066	74,202,464	Qualified
2023	6,374,680,572	60,298,286	6,314,382,286	82,282,721	Adverse

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Although actions should be taken to obtain undisturbed ownership in purchasing the land in extent of 01 acre and 29.50 perches, which had been purchased by the council for Rs. 9,475,000 on 22 August 2013, it had purchased with 03 unauthorized houses and a wall also had been built around the land thereon. Since electricity had been obtained for those 03 houses, the electricity had been obtained with the permission of the council and without taking steps to evict the unauthorized residents, it had been decided to provide those houses to	2021	Actions should be taken to address in respect of Asset protection and clear and ensure the ownership of the council.	The construction has not been possible due to objections levelled from local residents.	Actions have been taken to enter into a rent agreement from 21 June 2026 based on a agreement with an approval to leagalize those residents.



the residents themselves in a way that would allow the urban council to collect rent as per the council decision of 23 February 2021. Although provisions had been allocated in the 2022 budget for the construction of a vehicle yard in the year 2021, due to the location of these 03 houses, the problem had not been resolved and it had been included in the annual budget and thereby this construction could not be carried out.

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| <p>(b) As of 31 December of 2022 the year under review, the outstanding balance of commercial premises rent and house rent was Rs. 16,835,859, of which Rs. 6,385,068, or 38 percent, was a balance that had been outstanding for more than 5 years.</p> | <p>Actions should be taken to recover outstanding balances according to the accounts.</p> | <p>Actions are being taken to recover the deficits.</p>          | <p>Rs. 847,047 of the outstanding amount has been recovered as of 31 August 2024. The remaining outstanding amount is being collected.</p> |
| <p>(c) According to the 2022 information included in the fixed assets register, it was revealed that deed numbers had not been mentioned in relation to 15 lands owned by the council</p>  | <p>Actions should be taken to update the documents.</p>                                   | <p>The process of preparing the deeds has already initiated.</p> | <p>The Survey Department is conducting land surveying activities.</p>  |

and although getting deeds executed to confirm ownership of lands was one of the council's primary functions, this had not been done.

**3.36 Urban Council, Minuwangoda**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,484,331,096	92,534,399	1,391,796,697	22,083,743	Qualified
<b>2022</b>	1,623,696,529	133,181,423	1,490,515,106	26,580,197	Qualified
<b>2023</b>	1,618,741,700	116,096,439	1,502,645,261	13,239,491	Adverse

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	when the toilet system constructed at Hadirama Junction at a cost of Rs. 5,388,056 had not been opened for public use for nearly 4 years as of 31 December 2021, it was proposed in the General Assembly on 9 March 2021 to remove this toilet system after obtaining the approval of the Governor for the project to establish a tourist attraction shopping center and a rest area with accommodation facilities. As a result, the money spent on its construction is observed to be a wasteful expenditure due to the weakness in decision-making in the management.	2021	Construction should be carried out according to the city development plan.	The Ministry of Local Government is taking actions to open the Lavatory system to the public.	It had been informed that a feasibility study was being conducted and further action would be taken thereafter.

- (b) Although an agreement had been entered into with a society to construct a three-storeyed building in Ambagahawatta on the Ambagahawatta land on the Colombo - Minuwangoda Road, actions had not been taken to conduct a feasibility study for this and approve a project report and total cost estimate. The contracted amount for laying the foundation of the three-storeyed building in Phase I of this project was Rs. 2,355,303 and a society was selected and the tender was awarded contrary to Section 3.9.4 of the Procurement Guidelines. Although the total cost of this construction should have been contracted in accordance with the contract conditions and specifications of the Construction Industry Development Authority as per Section 5.3.5 of the Procurement Guidelines, such action had not been taken and although the construction work had commenced in the year 2019, the construction
- 2021
- Actions should be taken to carry out the procurement activities based on a total cost estimate, resolve the issues and initiate the projects.
- Since a case is also being heard in the Supreme Court regarding the lawsuit that is the subject of this case, construction work has been temporarily stopped until the litigation is concluded.
- As a case is pending, construction work has been temporarily ceased until the case is concluded.

work had been stopped on a court injunction due to the fact that the Council did not take action regarding the security of the land belonging to the Council.

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| <p>(c) The Japalawatta Sports Ground, which had been developed and maintained by the Municipal Council as a public playground since 1979, had been transferred to the Minuwangoda President's College for development purposes, despite the objections of the Council, until the Lands and Land Reforms Commission took possession of the land under the provisions of the Land Acquisition Act.</p> | <p>2022</p> | <p>Actions should be taken to obtain legal ownership of the land.</p>          | <p>Information is being sought in this connection.</p>   | <p>Actions have not been taken to implement the recommendation.</p> |
| <p>(d) An Acting Officer without having a formal appointment, had been paid Rs. 121,827 as holiday pay from September 2022 to July 2023, contrary to Chapter VIII, Section 9:1 of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.</p>   | <p>2023</p> | <p>Actions should be taken to act in accordance with the referred chapter.</p> | <p>Holiday salaries have been paid as per the attendance and departure signatures as per the instructions of the Acting Secretary.</p> | <p>Actions have not been taken to implement the recommendation.</p> |

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| (e) | Although the council's car park located at the beginning of Newham Road had been leased in 2019, the lessee had constructed 10 temporary shops at that location and sub-leased them to others for a period of 3 years from 2020, the council had not taken action against it as per the agreement.  | 2023 | Actions should be taken to act according to the agreement.                        | The Assistant Commissioner of Local Government has submitted a letter dated 12 June 2024 in this regard.   | Further actions are being taken in this regard.   |
| (f) | It was revealed that the price of a 2 x 2 feet (10 mm) gym carpet was Rs. 4,950 according to the prices given by the company selected for the purchase of gym carpet for the Municipal Council's fitness center and the Council had paid Rs. 1,170,290 for 1063.9 square feet at Rs. 1,100 per square foot. However, it was observed to the audit that the council had overpaid Rs. 327,681 for 1063.9 square feet, at Rs. 308 per square foot (Rs. 1100 - Rs. 792) as the price per square foot was Rs. 792 according to the prices obtained in writing from the company by the audit. | 2023 | Actions should be taken to conduct in accordance with the Procurement Guidelines. | Purchases have been made based on the prices submitted in writing by the supplier at the time of quotation and the relevant work has been completed. | At present, cost estimates are being prepared. It has not been checked whether there have been irregularities in the bidding process. |

**3.37 Urban Council, Katunayake**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	3,688,500,875	220,346,365	3,468,154,510	193,042,302	Qualified
<b>2022</b>	3,811,814,066	195,336,420	3,616,477,646	177,782,346	Qualified
<b>2023</b>	3,969,701,451	163,026,582	3,806,674,869	147,401,208	Qualified

	<b>Audit Observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	During the on-site inspection conducted by the Audit on 15 November 2021 regarding the lease of the Averiwatte Daily Market, the lessee was collecting rent from 37 unauthorized stalls built on the pavement in addition to the stalls for which rent was due.	2021	Rent should not be charged from unauthorized shops.	Actions will be taken to remove the unauthorized shops.	Although the Road Development Authority, which owns the land in question, has been informed, the recommendations have not been implemented.
(b)	In order to prevent the road obstruction for the residents who used the railway reserve from Seeduwa Liyanagemulla Palliya Road to Karunaratne Mawatha, a 10-foot strip of private land had been acquired by the council and the land sharers had been	2021	Compensation should be paid in a manner that is beneficial to the council and it should be made without delay.	Actions were taken to provide access with the aim of providing comfort to the public in accordance with Section 4 of the Municipal Council Ordinance.	The relevant compensation amount was deposited with Divisional Secretary on 23.07.2017 and although Section 5 has been published and the final plan has been prepared, the

allowed to use Karunaratne Mawatha. The compensation amount of Rs. 882,500 for plot No.11 was not paid as compensation, but the compensation amount of Rs. 1,887,000 for plot No.01 had been deposited with the Divisional Secretary, Katana on February 23, 2017, allowing them to use the railway road. In addition to the compensation under this land acquisition act, an interest of 7 percent will have to be paid from the date of taking immediate possession of the land until the date of payment of compensation and then a large amount of interest will have to be paid when acquiring plot No. 01. It was also observed that a certain assessment is valid for a period of 3 years and 5 years have passed at present and the compensation and interest to be paid are even higher.

recommendations have not been implemented.

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| (c) | It was observed during 2022 the physical inspection that between 26.5 and 30.5 metric tons of | Attention should be paid to environmental pollution and | Steps are being taken to cover the waste with soil. | Even though waste is disposed of and covered with a layer of soil, |
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waste had been illegally dumped into the open dumpsite daily.

public health.

actions are taken to dispose of waste irregularly.

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| <p>(d) Although inquiries should be made before deposits are credited to the State Revenue in terms of 571(2) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, Rs. 6,309,706, which was over 2 years old, had been credited to the Revenue of the year under review without such inquiries.</p>   | <p>2023</p> | <p>Actions should be taken to carry out in accordance with Financial regulations.</p> | <p>Taking actions to act in accordance with financial regulations.</p>  | <p>I will take actions to operate in accordance with financial regulations in the coming years.</p>  |
| <p>(e) when accounting the value of the 88.8 perches of public amenity land that was owned by the council during the land sale in the year 2023, the deed value of Rs. 100,000 had been accounted as the value of the land without taking into account the minimum selling price of one perch of Rs. 1,250,000. Accordingly, when taking into account the minimum selling price of one perch of Rs. 1,250,000, the value of the 88.8 perches of public amenity land should have been Rs.</p> | <p>2023</p> | <p>Actions should be taken to assess and account the correct values.</p>              | <p>Taking steps to conduct an asset revaluation in the coming year.</p> | <p>It has been notified that an asset revaluation will be conducted next year and a fair value for the land will be shown in the final financial statements.</p> |

111,000,000 and the value of the land owned by the council had been underestimated by Rs. 110,900,000.

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| <p>(f) Rs. 4,985,000 had been paid to a private company for the installation of 07 software to make payments online in the year 2022. 05 software systems worth Rs. 3,565,000 had not been made operational by the audit date of 24 November 2023</p> | <p>2023</p> | <p>Actions should be taken to make software systems operational.</p> | <p>Discussions have been held with NECFA to activate the software systems.</p> | <p>Actions are benign taken to discuss with NECFA to activate all relevant items.</p> |
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**3.38 Urban Council, Peliyagoda**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,645,845,040	30,515,486	1,615,329,554	33,203,875	Qualified
<b>2022</b>	2,489,864,251	26,462,837	2,463,401,414	33,099,357	Adverse
<b>2023</b>	3,094,303,111	33,602,556	3,060,700,555	(38,021,625)	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Although the Finance Committee had not agreed to the recommendation to recover the loss of Rs. 312,500 regarding the loss of two sides of gate, a request had been made to the Assistant Commissioner of Local Government on 24 February 2022 for an investigation, but as of 31 December 2022 and about 10 months had passed, no evidence had been visible that an investigation was conducted.	2022	Actions should be taken to conduct the Investigations and steps should be taken to recover the damages.	Actions will be taken to recover the loss of Rs. 312,500 from the Sri Jayanthi Community Board.	Although a case has been filed through an Attorney-at-Law to recover and they have not been collected yet.
(b)	The amount of Rs. 10,204,180 spent on the 4-pillar public toilet system built on land owned by the Railway Department, which the council does not have	2023	Actions should be taken to ensure ownership before implementing projects.	It is expected that the service will be provided under the control of the Municipal Council without the award of	A request has been made to the Railway Department in a letter dated 5 September 2023 to obtain a lease

the right to, was an irregular transaction and Although public toilet facilities should be provided as required in places where the public gather in accordance with Section 110(b) of the Municipal Council Ordinance, the cost of constructing a large toilet system consisting of 3 male toilets, 3 female toilets, 2 toilets for the disabled and 2 male and female bathing areas in a place where the public does not roam about was also a wasteful expenditure.

tenders in order to generate significant revenue in the future. agreement for this land but the deed of lease has not been received to date.

**3.39 Urban Council, Gampola**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	7,285,676,721	150,887,444	7,134,789,277	29,580,076	Qualified
<b>2022</b>	7,328,890,205	139,611,626	7,189,278,579	3,839,582	Qualified
<b>2023</b>	7,396,387,361	125,534,475	7,270,852,886	48,636,781	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	In terms of Section 36 (e) (ii) of the Municipal Councils Ordinance (Cap. 255), council lands had been leased to 134 individuals without the prior approval of the Minister and actions had not been taken to collect the rent of Rs. 3,736,411 from them.	2023	As per the provisions of the Act, land should be leased under proper approval and the relevant lease rent should be collected.	Actions are taken to recover the arrears.	Approval has not been obtained yet. The outstanding balance of Rs. 2,813,274 has not been recovered.
(b)	03 vehicles worth Rs. 9,041,373 and 04 trailers worth Rs. 613,800 had been idle or underutilized for a period of between 01 and 08 years as at the end of the year under review.	2023	Action should be taken to dispose of or repair it.	Actions have been taken to obtain an assessment report on 24 July 2024.	Actions had not been taken to dispose of said machines.

(c) 38 shops in the public market complex had been closed due to inability to lease, while 60 shops for which tenders had been called and handed over to businesses, had been leased out irregularly without entering into a contract.	2023	All shop spaces should be leased and formal lease agreements should be entered into.	It has been referred to the Local Government Department for takeover the ownership.	Actions have not been taken to enter into the No formal lease agreements.
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**3.40 Urban Council, Waththegama**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	189,475,028	24,239,517	165,235,511	3,301,158	Qualified
<b>2022</b>	196,592,006	27,918,891	168,973,115	10,399,107	Qualified
<b>2023</b>	199,609,437	15,973,876	183,635,561	7,339,845	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	44 people had occupied and settled illegally on a portion of the Delgahalanda land belonging to the council.	2023	Actions should be taken to remove unauthorized residents.	Action will be taken to remove unauthorized residents	Actions have not been taken to remove.
(b)	07 vehicles and machinery worth Rs. 5,778,125 had been idle or underutilized for a period of between 04 and 15 years.	2023	Arrangements should be made to auction or put to use.	The water bowser has been sent for repairing.	Except for the water bowser, the remaining assets remain unused.

**3.41 Urban Council, Nawalapitiya**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
2021	322,003,168	37,564,966	284,438,202	21,629,256	Qualified
2022	350,171,108	36,288,823	313,882,285	19,525,232	Qualified
2023	381,435,137	29,335,619	352,099,518	23,028,979	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	143 individuals had been settled under lease agreements since 2010 on the Imbulpitiya Estate in Bawwagama, which belongs to the council, without the approval of the Minister in accordance with Section 34 (a) of the Municipal Council Ordinance,.	2023	Action should be taken to act in accordance with the provisions of the Act.	Actions will be taken to submit for approval.	Approval has not been obtained.
(b)	There was an outstanding shop rent of Rs. 134,558,962 as of 31 December of the year under review, of which Rs.27,213,122 was outstanding from 51 shops with a rent arrears exceeding Rs. 100,000. Similarly, an outstanding balance of the supermarket was Rs. 106,075,964 and	2023	Actions should be taken to collect the outstanding funds.	Actions will be taken to collect the outstanding amount.	Actions have not been taken to collect a sufficient sum of money.



the shop owners had defaulted on paying the rent due to the increase in rent based on the assessment carried out in the year 2018. Contrary to it, the Municipal Council had filed a case in 2019. The case had not been concluded due to the lack of legal documents regarding the ownership of the land on which the shopping complex is located. There was a deficit of Rs. 527,600 from 03 hut shops on Gampola Road as of the last day of the year under review. According to the new assessment carried out in 2018 for 49 hut shops on Kotmale Road and 07 shops near the supermarket, where the Council owns the land, there was a deficit of Rs. 24,797,439 due to the default in payment of shop rent by the lessees.

(c)	Although investigations had commenced on 21 February 2022 regarding the irregularity in the assessment software identified in the years 2020-2021 amounting	2023	Relevant investigations should be carried out promptly in accordance with financial regulations.	Investigations are ongoing under F.R.104(4)	Actions had not been taken to proceed as per Financial Regulations and recover the the loss
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to Rs. 1,431,151 and despite a period of 02 1/2 years having passed since the error was identified, actions had not been taken to either lodge a police complaint or conduct investigations under Financial Regulations 104(3).

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| <p>(d) The cab used by the former Chairman had met with an accident on 9 May 2022 and although the gross loss was estimated at Rs. 9,500,000, the relevant inspections under F.R. 104(3) and F.R. 104(4) had not been carried out by the last day of the year under review.</p>   | <p>2023</p> | <p>Actions should be taken to act in accordance with financial regulations.</p> | <p>Investigations are ongoing under F.R.104(4)</p>                            | <p>Actions have not been taken to proceed in accordance with Financial Regulations and recover the loss.</p> |
| <p>(e) In accordance with the provisions of the Employees' Provident Fund Act No. 15 of 1958, a case was filed by the employees due to non-remittance of contributions from the employer and employees to the public Employees' Provident Fund of 10 employees recruited on a daily wage basis during the period 2013 - 2019. According to the relevant judgment given, the Council had</p> | <p>2023</p> | <p>Actions should be taken to recover the loss suffered by the council.</p>     | <p>Actions will be taken to recover the amount from the relevant parties.</p> | <p>Actions have not been taken to .recover</p>   |

to bear the 8 percent contribution of the employee, resulting in a loss of Rs. 1,024,978.

**3.42 Urban Council, Kadugannawa**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,092,785,371	27,183,795	1,065,601,576	(6,998,535)	Qualified
<b>2022</b>	1,095,561,520	14,463,871	1,081,097,649	1,771,988	Qualified
<b>2023</b>	1,102,353,968	14,296,031	1,088,057,937	980,207	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) Although it has been stated in terms of Section 158 (e) of the Municipal Council Ordinance that all monies received from sales, leases or other transactions of the Council should be paid to the Council Fund, an income of Rs. 1,163,267 received from the sale of solid waste had been paid to health workers without being credited to the income from 2016 to the previous year.	2023	Action should be taken to act in accordance with the provisions of the Act.	The Department of Local Government has been informed in this regard.	Actions have not been taken to recover the money paid.
(b) An amount of Rs. 1,360,400 had been paid to the Railway Department on 3 March 2021 for the project to turn it into a tourist town and since the two	2023	Action should be taken to recover it.	Further actions will be taken in this regard in the future.	Actions have not been taken to recover the amount.

parties had not taken steps to enter into an agreement regarding the lease of the relevant property, the council had not received the building and therefore had not taken steps to recover the amount of Rs. 1,360,400 paid for it.

**3.43 Urban Council, Thalawakele-Lidula**

	<b>Total Assests  Rs.</b>	<b>Total Liabilities  Rs.</b>	<b>Equity  Rs.</b>	<b>Surplus (Deficit)  Rs.</b>	<b>Opinion</b>
<b>2021</b>	149,692,402	36,442,206	113,250,196	5,941,468	Qualified
<b>2022</b>	147,370,039	29,201,978	118,168,061	3,306,896	Qualified
<b>2023</b>	148,069,863	31,618,766	116,451,097	491,961	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Actions had been taken to enter into a 10-year lease agreement at the personal discretion of the Chairman without the approval of the Council after calling for procurement quotes to lease the Inn for the year 2021. The Inn had been renovated at a cost of Rs. 1,499,212 from the Council funds after leasing it to a private party at an annual rental of Rs. 2,016,000. Also, while the Inn in Talawakelle was leased for a year, the lessee had constructed a permanent building of 3000 square feet on	2021	Actions should be taken in a manner that is benefitted to the council.	It has been informed that the inn was leased for 10 years as per the tenderer's request and that the former Honorable Chairman has given his personal approval for the temporary construction without damaging the inn building.	No action has been taken regarding unauthorized constructions.

the Inn land without the approval of the Council.

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| (b) | The shops in the Lindula Shopping Complex, which were built as single-storeyed shops and given by the Council as per the agreement, had been constructed as two-, three- and four-storeyed shops by the lessees without the permission of the Council. However, the Council had not taken legal action in this regard. | 2021 | Actions should be taken to carry out the assessment immediately.  | It has been informed that although the constructing shophouses as storeyed buildings were built between 2002 and 2005, the shop owners have entered into an agreement with the council in 2015. | Issues related to unauthorized construction have not been resolved. |
| (c) | 327 units of machinery, furniture and office equipment and 07 vehicles totaling Rs. 17,280,286 remained idle and underutilized for a period ranging from 02 to 10 years as at the end of the year under review.  | 2022 | Actions should be taken to repair and utilize or dispose of .     | A survey board has been appointed and actions will be taken after receiving the observations.   | It was observed that 08 vehicles remained idle.                     |
| (d) | Although a total of Rs. 569,890 was spent on the repair of a lorry during the year under review, the money spent on it had become uneconomical as the lorry in question was unusable.  | 2023 | Repairs should be carried out taking the need into consideration. | This vehicle is not in running condition as it does not have a starter motor.   | It was observed that the lorry has not been used.                   |

**3.44 Urban Council-Hatton -Dikoya**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	248,107,873	70,306,689	177,801,184	22,363,248	Qualified
<b>2022</b>	235,650,595	56,019,023	179,631,572	(5,927,979)	Qualified
<b>2023</b>	268,839,334	58,272,412	210,566,922	19,312,704	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) As of December of the year under review, actins had not taken to recover assessment tax due from 252 individuals from 2520 units, amounting to Rs. 8,553,698 out of the assessment tax deficit at the beginning of the year and Rs. 4,654,938 out of the assessment tax billed in the year under review.	2021	The arrears should be collected.	It has been informed that red notices have been issued to those who have not paid their assessment taxes.	The assesement tax arrears as of 31 August 2024 were Rs. 9,954,751.
(b) Actions had not been taken to recover the outstanding Rest house rent of Rs. 1,581,710 relating to the years 2018 and 2019 as of the audited date of 31 July 2023.	2021	The rent on rest houses should be collected.	Although the innkeeper has been notified several times to pay the rent, it has been stated that the arrears will be paid after the inn is reopened, but	Rent has not been collected. The deficit as of 31 August 2024 was Rs. 1,581,710.



since this has not been done, the council has taken steps to renovate the inn by obtaining a loan from the Local Loan and Development Fund and the innkeeper has been notified again on 30 May 2022 to pay the arrears.

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| (c) | Although bills were sent and an amount of Rs. 235,800 had been collected only from institutions that requested to display billboards without surveying the billboards in the year under review, a loss of Rs. 901,200 had been incurred due to non-collection of fees for advertisements on 36 billboards that were subject to audited on 18 October 2022. | 2022 | Actions should be taken to conduct a survey and collect the revenue. | Actions will be taken to conduct the surveys related to billboards properly and efforts will be made to recover revenue. | No by-laws have been enacted. The fees mentioned in the paragraph have not been charged. |
| (d) | Although three years had already passed as of 31 December of the year under review for the rest house that was damaged by a sudden fire on 28 January 2020, in   | 2023 | Actions should be taken to ensure the security of property.          | Since there is no inventory Book owned by this Municipal Council in the inn, inspection has not been carried out in      | Investigations have not initiated.   |

accordance with Financial Regulations 104 (3) and (4), investigations had not been initiated.

accordance with F.R. 104 (4)

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| (e) | Although advances should be settled immediately after completion of work as per Financial Regulation 371 (5), actions had not been taken to settle 49 advances worth Rs. 617,174, which were outstanding from 1987 to 2023  | 2023 | Arrangements should be made to settle the advances.                | Since F.R. 371 (5) is an old balance that has been outstanding for 35 years, steps will be taken to settle it in the future. | Actions have not been to settle the advances.                |
| (f) | As of 31 December of the year under review, rent of Rs. 15,481,979 had not been collected from 314 shops within the jurisdiction of the Municipal Council for a period of 19 months from June of the previous year to December of the year under review due to non-collection of rent from the 314 shops in the years 2020 and 2021 as per the valuation reports provided by the Government Valuation Department. | 2023 | Outstanding charges should be collected as per assessment reports. | It has been notified of the outstanding amounts due.   | Actions have not been taken to implement the new assessment. |

**3.45 Urban Council, Ambalangoda**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	258,431,958	114,039,724	144,392,234	29,345,577	Qualified
<b>2022</b>	282,030,981	125,829,523	156,201,458	7,238,526	Qualified
<b>2023</b>	282,030,981	107,731,670	182,632,104	17,993,651	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	The council had not taken any action regarding 58 stalls in the old shopping complex which were in an unusable condition.	2023	Actions should be taken to utilize the property owned by the council effectively.	That prompt actions will be taken in the future.	So far, the rent for the shops has not been collected and no action has been taken to demolish them.
(b)	Actions had not been taken to assess and collect taxes from 55 and 51 shops owned by the council after 2007 and 2015 respectively.	2023	Actions should be taken to carry out the assessment as per the circular.	It is Agreed with the audit observation.	No actions have been taken to act regarding the assessment so far.
(c)	A lease agreement had been entered into with a private company for a period of 50 years from 9 November 2013 to develop and maintain the Rest house land belonging to the Municipal Council and although 10 years had passed since the lease,	2023	Actions should be taken to use the inn land for development activities	Advice has been sought from the legal officer at the head office.	I have forwarded this to the Chief Secretary of the Southern Province through a letter No.AM/MC/02/17/01 iv and dated 08 January 2024 and will act on the instructions 02/17 received.

this land remained idle  
without any  
development activities  
being carried out.

**3.46 Urban Council-Hikkaduwa**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	534,103,024	35,811,660	498,291,364	16,373,126	Qualified
<b>2022</b>	548,595,303	39,046,118	509,549,185	4,349,385	Qualified
<b>2023</b>	500,722,994	35,306,795	465,416,199	26,411,658	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
Although the van owned by the council, worth Rs. 6,400,000, had been completely destroyed by rioters while returning to Colombo on 9 May 2022, no action had been taken in accordance with F.R.104 regarding the loss or damage.	2022	An investigation should be carried out and relevant actions should be taken.	Instructions have been submitted to the Secretary regarding the appointment of a committee for the investigation. Accordingly, a report on the damages can be obtained.	The investigation in respect of F.R.104 was conducted by the local government body. An interim investigation report thereof has been forwarded to the Municipal Council.

**3.47 Urban Council-Weligama**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	237,087,726	40,930,261	196,157,465	30,991,088	Qualified
<b>2022</b>	235,217,739	37,386,554	197,831,185	22,120,182	Qualified
<b>2023</b>	236,023,323	36,733,087	199,290,236	9,496,600	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Since the council did not have a formal program for disposing of non-marketable non-biodegradable waste, it was covered with soil in the composting area itself and actions had not been taken to develop a formal program for disposing of the accumulated electronic waste.	2023	Actions should be taken to implement a formal waste management programme.	Plastic is recycled and other waste is sold and a formal program will be implemented in the future for the remaining waste.	Actions have not been taken in this regard.
(b)	Under the Piyawara Pre-School Project implemented in the year 2002, the Jayawickumgama Pre-School was established with facilities to provide education to 100 children, consisting of 05 classrooms and 05 toilets, at a cost of	2023	The property owned by the council should be protected.	The unauthorized residents have been given written notice to vacate and legal action will be taken in the future if they do not vacate relevant premises.	Actions have not been taken in that connection.

Rs. 06 million for the upliftment of children displaced by the Tsunami in the Weligama Urban Council area. During the field inspection conducted on 3 November 2023, it was found that the doors of this building were broken, the roof was dilapidated, the interior was damp, the walls were damaged and a part of it was occupied by unauthorized outsiders. Attention had not been paid to making the necessary repairs and preserving this preschool building and it had been abandoned and allowed to deteriorate for a long time.

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| (c) | <p>Actions had been taken to pay salaries allowances of Rs. 93,880 for the months of February and March of the year under review to a Management Service Officer who did not report to the Council in deviation from Financial Regulation 237. The said officer had not reported to the Council as of the last day of the year under</p> | 2023 | <p>Actions should be taken to proceed according to the Financial regulations.</p> | <p>Steps will be taken in the future to recover the outstanding salary and distress loan balance from the relevant officer and legal action will be taken if the relevant payments are not made.</p> | <p>Actions have not been taken in that connection.</p> |
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review and a salary and  
distress loan balance of  
Rs. 286,224 was still to  
be recovered.



**3.48 Urban Council-Tangalle**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	217,607,507	25,716,002	191,891,505	10,012,929	Qualified
<b>2022</b>	223,311,169	21,611,483	201,699,686	8,649,295	Qualified
<b>2023</b>	287,866,251	13,206,169	274,660,082	27,082,495	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Although two individuals had constructed two unauthorized structures between 750 and 2000 square feet without submitting a building plan application to the council and obtaining approval, action had not been taken in accordance with Section 77 of the urban Council Ordinance.	2021	Actions should be taken to legalize unauthorized constructions.	Builders have been informed to take steps to obtain council approval for unauthorized constructions.	It is stated that a government valuation of the land in relation to one construction will be obtained in the future and action will be taken in accordance with Section 36(e) of the urban Council Ordinance and a preliminary investigation is being carried out in respect of the other constructions.
(b)	Although the total estimated cost of repairs was Rs. 6,154,088 as per the full report prepared in accordance with	2022	Steps should be taken to act as per the recommendation of Financial Regulation	Further action will be taken after the conclusion of the legal proceedings and the Chairman has	Future action is taken in this regard, taking into account the advice of senior management and

Financial Regulation 104 (4) regarding the cab used by the Chairman, which had met with an accident while travelling without permission on 13 May 2021, the loss incurred by the urban Council Fund due to non-reimbursement of the full compensation amount by the insurance company was Rs. 2,959,088.

104(4) in used the vehicle the legal situation. respect of the in violation of the provisions of the letter. loss incurred.

- (c) Action had not been taken in accordance with section 74 & 77 of the Urban council ordinance the provisions of the Act regarding 13 stalls that had been illegally constructed as permanent stalls in the commercial premises where the land had been legally granted to the council and were being operated without paying rent. 2023
- Action should be taken to act in accordance with the provisions of the Act.
- Appropriate action will be taken in consultation with the Road Passenger Transport Authority and the Urban Development Authority regarding these stalls.
- Steps will be taken to take over the permanently constructed shops from the urban Council and remove the temporarily constructed stalls and establish them as temporary shops in a formal manner and provide them on an annual lease basis and prepare relevant project reports and submit them to the Minister in charge for approval.
- (d) It is held that the presence of a person who worked as an assistant to the urban Council from the year 2008 to the year 18 2023
- Outstanding revenue should be recovered promptly.
- Notices were published on 10 October 2023 to terminate the residency tax on this shop and the Tangalle.
- The lessee has filed a case against the Tangalle urban Council in the Magistrate's Court, Tangalle.

March 2023 as a lessee of the shop room at bus stand number S-01 belonging to the Council is contrary to Section 227(1) of the urban Council Ordinance and that the Council had not taken steps to recover the value of the allowances paid to him for that period, which amounted to Rs. 1,864,000, and the shop rent due for that shop until the end of the year under review, amounting to Rs. 946,011 and a fine of Rs. 43,000.

relevant case is scheduled to be recalled on 10 May 2024 and action will be taken accordingly.

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| <p>(e) As 31 of December of 2023 the year under review, the council had not taken actions to recover Rs. 4,349,253 due from the lease of the rest houses owned by the council and the outstanding balance for more than 02 years was Rs. 790,406.</p> | <p>Outstanding revenue should be recovered promptly.</p>                                     | <p>Legal action will be taken to recover the outstanding amount.</p>                   | <p>An amount of Rs. 471,250 of the arrears due before 08 February 2021 was paid in June 2024. Action will be taken to collect the remaining arrears.</p> |
| <p>(f) A building plan and a 2023 certificate of conformity had been fraudulently prepared using the day stamp and letterhead of the urban Council and given to an outside</p>  | <p>Actions should be taken in accordance with the provisions of the Establishments Code.</p> | <p>The preliminary investigation into this incident is being currently carried out</p> | <p>The preliminary investigation into this incident is being currently carried out and further action will be taken in accordance with its</p>           |

person. It was observed that these fraudulent documents had been prepared with the involvement of a technical officer of the Council and given to the relevant person and no formal action had been taken in this regard.

recommendations after receiving the preliminary investigation report.

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| <p>(g) Although the Monthly General Assembly had not accepted the assessment rent of Rs. 15,750 as stated in the Valuation report submitted by the Valuation Department in the year 2018 for the shop room bearing number S-24 and the Monthly General Assembly had accepted the assessment rent of Rs. 16,500 as stated in the 2022 valuation report, the loss incurred by the council fund by the end of the year under review was Rs. 1,115,000 as a result of the council not taking steps to enter into an agreement at the new assessment amount.</p> | 2023 | <p>Actions should be taken to collect the assessed rent.</p>               | <p>Actions will be taken to act according to the instructions of the Local Government Commissioner.</p> | <p>Advice has been sought from the Commissioner of Local Government and further action will be taken based on the advice given.</p> |
| <p>(h) Although the lessee who had been leased shop number 32 owned by the Council since 19 May 1994 had illegally</p>  | 2023 | <p>Actions should be taken to take over the unauthorized shop into the</p> | <p>The land where the shop is located is owned by the Tangalle Divisional</p>                           | <p>We have sent a letter to the Divisional Secretary again after inquiring</p>  |

constructed a two-storeyed building on the site of the shop and run a restaurant in default of payment of rent, the Council management had not taken any legal action in this regard by the end of the year under review.

possession of the council.

Secretariat and about the reasons has been referred for not handing to the Finance over this portion of and Policy land to the council. Committee to We will take decide on the next action accordingly steps to be taken. in the future.

**3.49 Urban Council-Kuliyapitiya**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	308,806,086	429,703,762	(120,897,676)	(229 ,176 ,464)	Disclaimer
<b>2022</b>	210,997,069	785,607,950	(574,610,881)	(459,631,917)	Disclaimer
<b>2023</b>	219,884,381	1,435,519,468	(1,215,635,087.)	(747,408,375)	Disclaimer

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Actions had not been taken to repair the Bobcat machine that had been given to a private institution for repair work in 2019 by the end of the year under review.	2022 3.5(c)	Efforts should be made to optimally utilize the assets belonging to the council.	It has been informed that legal action is expected as the repairs have been neglected.	It had been informed that legal action has been initiated against the relevant institution on the instructions of the Commissioner, as the repairs have been neglected.
(b)	As of 31 December 2023, the outstanding rest house rent due from January 2020 was Rs. 2,062,413.	2023 2.2.2(b)	Actions should be taken to recover outstanding inn rents.	It had been informed that they agreed with the observation.	It had been informed that the accountant of Lanka Rest House Limited had been communicated in writing and since there was no Board of Directors and no Chairman, decision-making and payment activities had been stopped and the relevant payments were planned to be

made as soon as  
the Board of  
Directors was  
appointed as  
possible.

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| <p>(c) As of 31 December of 2023<br/>the year under review, 3.5(a)<br/>there were 06 vehicles<br/>not registered in the<br/>name of the Council.</p> | <p>Actions should be taken to<br/>register the Vehicles.</p> | <p>It had been informed that<br/>they agreed with the observation.</p> | <p>Actions will be taken in the future<br/>after consulting with the Local<br/>Government Commissioner.</p> |
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**3.50 Urban Council-Chilaw**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	501,796,941	86,193,278	415,603,663	9,727,794	Qualified
<b>2022</b>	507,927,836	88,069,428	419,858,408	13,118,797	Qualified
<b>2023</b>	549,376,081	60,951,538	488,424,543	43,446,057	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) 08 devices were provided with Koha software under the 2018 library automation project and although it had been inactive for 6 years,actions hadnot been taken to restore it.	2023	Actions should be taken to activate the software as soon as possible.	It has been notified that verbal advice has been obtained from the Department of Local Government to investigate whether it is possible to restore it to its original condition and that work is being currently carried out to select a suitable institution to obtain a technical report for that purpose.	It has been informed that efforts are being made to investigate whether it is possible to restore the situation.
(b) Although the Shirley Coraya Hall had been given to the Chilaw Hospital in 2017, no	2023	Action should be taken to recover outstanding funds promptly.	It has been informed that discussions were held with the	Actions were taken to hold Discussions with the relevant parties



agreement had been reached and it had not been returned to the council even by 2023. The outstanding rent from 2017 to 31 May 2023 was Rs. 3,646,100.

- (c) 07 remained idle due to 2023 insufficient power capacity to operate them out of 21 air conditioners installed in 2018 at a cost of Rs. 2,842,210,

Arrangements should be made to get the maximum benefit from the physical resources purchased using council funds.

relevant parties on 6 August 2024 on 6 August 2024 and steps were taken to request those buildings be released for the needs of the Municipal Council. on 6 August 2024 and a request was made to release the buildings for the needs of the Municipal Council.

It has been informed that a letter was sent to the Chilaw Ceylon Electricity Board on 28.03.2024 informing it whether the required electrical capacity can be obtained from the transformer installed in the Municipal Council premises and if not, the measures to be taken and an estimate of the costs for that and that no response has been received so far. It has been informed that a letter was sent to the Chilaw Ceylon Electricity Board on 28.03.2024 informing it whether the required electrical capacity can be obtained from the transformer installed in the Municipal Council premises, and if not, the measures to be taken and an estimate of the costs for that and that no response has been received so far.

**3.51 Urban Council-Embilipitiya**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	479,090,409	63,910,273	415,180,136	18,639,190	Qualified
<b>2022</b>	490,061,770	40,603,340	449,458,430	15,720,435	Qualified
<b>2023</b>	453,724,899	26,493,612	427,231,287	19,682,953	Qualified

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) The council had suffered a loss of Rs. 976,600 due to having to pay compensation based on a court order against the illegal demolition of a building.	2023	The loss caused to the council should be recovered from those who were responsible for.	It happened to act according to the court order.	A preliminary report has been submitted to the Local Government Commissioner in terms of F.R.104 (3) and further action will be taken as per the instructions received from the Assistant Commissioner of Local Government to conduct a final investigation in terms of F.R.104 (4).
(b) The Rs. 950,000 baler machine, which was purchased in July 2022 due to a three-phase power outage, was still idle as of December	2022, 2023	Actions should be taken to utilize the assets effectively.	Prompt actions will be taken to install machine as soon as possible after obtaining electricity supply.	Actions have been taken to complete the necessary work for wiring to obtain three-phase electricity and the baler machine is

2023.

scheduled to be installed and put into use as soon as three-phase electricity is obtained.

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| (c) | The Urban Council had overpaid Rs. 755,770 in the construction of the new office building. In preparing the estimates, the Western Province building rate had been used instead of the Sabaragamuwa Provincial building rate. | 2023                 | Additional payments should be collected.   | Actions will be taken to deduct excessive payments out of the retention amount and it is expected to take further action based on the answers received from the consulting firm regarding the other issue. | Action will be taken based on decisions taken following on-site inspections and discussions with relevant parties regarding the audited matters.                          |
| (d) | In terms of Financial Regulation 371 (5), actions had not been taken to settle an advance of Rs. 150,000 given in the year 2017.  | 2021<br>2022<br>2023 | Actions should be taken to act in accordance with financial regulations.           | This advance has not been repaid to date.  | Actions had been taken to obtain Information to impose surcharges in this regard and steps will be taken upon it in the future.   |
| (e) | Actions had not been taken to collect outstanding assessment of Rs. 43,391,747 older than 05 years till date.   | 2021<br>2022<br>2023 | Actions should be taken to act in accordance with the Municipal Council Ordinance. | Final notices have been sent and the property prohibition proceedings have been initiated.   | Actions were taken to collect arrears of revenue in accordance with Section 170 of the Municipal Council Ordinance and the same activities are being carried out in 2024. |

**3.52 Urban Council-Balangoda**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	580,640,357	137,089,032	443,551,325	14,698,397	Qualified
<b>2022</b>	586,974,736	130,515,149	456,459,587	(10,612,433)	Qualified
<b>2023</b>	583,989,632	129,201,631	454,788,001	(1,929,612)	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	At the discretion of the Chairman, actions had been taken to approve plans for 02 unauthorized buildings and issue certificates of conformity. In granting that approval, Rs. 886,301 in revenue to be collected by the Council had also been waived.	2022	Approval of building plans and issuance of certificates of compliance should be carried out in accordance with the relevant rules, regulations and laws.	Actions were taken to approve the building plans and issue the relevant certificates with the approval of the General Assembly and in good faith having considered the applicant's request.	A preliminary investigation has been conducted into this matter and the relevant recommendations will be implemented immediately upon receipt.
(b)	Actions had not been taken to collect the outstanding assessments and taxes relating to the previous year and the year 2023 amounting to Rs. 6,119,240 and prepare a time analysis.	2022, 2023	Action Should be taken to collect the outstanding revenue.	Actions will be taken to conduct the time analysis after the new evaluation software is completed.	Actions are being taken to proceed in accordance with the Act to collect outstanding taxes and since data is being transferred to a new assessment computer program, a time analysis will be conducted

once it is completed.

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| <p>(c) While the fee collection procedure was published through gazette notifications, contrary to this, a revenue of Rs. 510,720 had been lost for a two-year period from July 2021 due to the determination of fees for a digital billboard.</p> | <p>2023</p> <p>The loss incurred should be recovered from those who were responsible for.</p> | <p>The Chairman has issued a written order to collect the fees, considering the annual fee as Rs. 200 per square foot.</p> | <p>A preliminary investigation has been conducted into this matter and the relevant recommendations will be implemented immediately upon receipt.</p> |
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**3.53 Urban Council-Kegalle**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	6,078,493,504	115,298,421	5,963,195,083	1,302,936	Qualified
<b>2022</b>	6,115,931,557	116,377,791	5,999,553,766	31,251,351	Qualified
<b>2023</b>	No accounts have been received				

<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendati on of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a) The council had lost Rs. 3,984,000 in revenue collected as fees due to the non-issuance certificates of conformity for 996 out of 1,100 approved plans from 2012 to 2019.	2022	Actions should be taken to review the process of the approved plan, take necessary actions, issue certificates of conformity and make amendments to the assessment.	This was due to many constructions being carried out without complying with the approved plans, construction being stopped on its way, incurring huge costs for legal proceedings and the absence of supervisory officers.	Technical officers and revenue inspectors have been instructed to investigate and report on the constructions of those who have not obtained certificates of conformity.
(b) Although the council-owned inn taken over by the Urban Development Authority was to be returned as per Gazette Notification No. 1589/20 of 2009, actions had not been	2022	Actions should be taken to collect the outstanding rents as per the terms of the takeover to the Urban Development Authority and	The amount of Rs. 502026 due has been submitted for write-off orders as per the decision of the Genal Assembly. The relevant	Reminders have been issued in this regard.

taken to hand over by December 2022. Also, a rest house management fee of Rs. 1,506,700 was also due from the authority for the period from September 2020 to May 2022. Moreover, since external parties had generated income from the rest house from 2009 to July 2015, the appropriateness of a request to write off the outstanding fees of Rs. 502,026 during that period was questionable.

take steps to parties have been reclaim the notified to property as per recover the the gazette amount of Rs. notification. 1,506,700. The inability to seize the property or file a lawsuit has also led to the inability to recover the arrears.

**3.54 Urban Council-Haputale**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	161,750,410	15,909,471	145,840,939	2,082,604	Qualified
<b>2022</b>	182,328,060	19,671,377	162,656,683	9,414,044	Qualified
<b>2023</b>	232,754,268	15,453,666	217,300,602	21,641,230	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Action had not been taken to recover Rs. 4,049,018 which was due to be paid to the Urban Council by the Urban Development Authority when the Inn belonging to the Urban Council was handed over in 2007 at the end of the year under review.	2022	The funds due to the Municipal Council should be collected.	It is agreed with the the summary report of the Auditor General.	The Urban Development Authority is constantly informed about the outstanding amount mentioned by the audit and a case was already pending regarding the relevant outstanding amount in the Colombo Commercial High Court between the Urban Development Authority and the tenderer at that time.
(b)	Actions had not been taken to obtain an environmental protection license for the emission /disposal	2023	An environmental protection license should be	It is agreed with the the summary report of the Auditor General.	An environmental protection license had not been obtained.



of waste issued in accordance with Section 23(b) of the Environment Act No. 47 of 1980. Further, non-biodegradable solid waste that could not be composted had not been disposed of in an open area.

obtained for the solid waste management center.

**3.55 Urban Council-Ampara**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	278,012,929	20,470,906	257,542,023	7,876,642	Qualified
<b>2022</b>	301,779,431	17,263,354	284,516,077	13,522,976	Qualified
<b>2023</b>	313,556,951	20,036,755	293,520,196	10,008,803	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	The assessment tax amount to be collected as of 31 December of the year under review was Rs. 37,875,918, which was more than four times the annual assessment amount to be collected.	2023	Actions should be taken to recover outstanding revenue promptly.	The task of collecting assessment money has been already initiated through mobile services and by visiting homes at the regional level	Although mobile services were being operated and arrears were being collected, the full amount of arrears had not been collected.
(b)	The outstanding rent balance continued to increase from 2018 to 21 December 2023 and the outstanding rent balance was Rs. 13,218,503 as of 31 December 2023.	2023	Necessary actions should be taken to settle the outstanding balance and recover the outstanding funds.	A problematic situation has arisen in keeping with the accuracy of the amount shown as the outstanding shop rent balance. A follow-up will be conducted regarding the accuracy and if any change occurs, it will be corrected in the final accounts of	Although actions were being taken to settle the outstanding balances, the full amount of the outstanding amounts had not been collected.

2024.

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| <p>(c) After the renovation of the old building located in the Ampara Public Park, the relevant purchases had been made for the Ampara Public Park in June 2023 at an expense of Rs. 2,445,535 with the aim of increasing the income level of the Municipal Council by renting it out for holding festivals, seminars and meetings, it was observed that the said items were still unused and stored as of the audit date of 04 January 2024. Due to this purchase, these items had not been used before the building located in the Ampara Public Park was renovated and their warranty period had already exceeded 07 months.</p> | <p>2023</p> <p>The goods should be used as the warranty period is getting expired.</p> | <p>Actions have been taken to purchase the said goods urgently since the provisions were allocated in 2023 and with the aim of obtaining imprest for the relevant project without delay. A significant period of time has now passed since the warranty period of the goods.</p> | <p>The building was being renovated and the goods had not been utilized.</p>                |
| <p>(d) Although a valid environmental license from the Central Environmental Authority for the Solid Waste Management Center operated at Buddhangala Road, Tissapura, should be obtained by the Ampara Urban</p>  | <p>2023</p> <p>A valid environment al license should be obtained.</p>                  | <p>It was very difficult to maintain and carry out this in a systematic manner due to insufficient physical and human resources. It has not been possible to obtain</p>  | <p>Necessary actions had not been taken to obtain the environmental protection license.</p> |

Council, the Solid Waste Management Center had been operated without a valid environmental license without taking steps to renew the environmental license even though the environmental license had expired for more than 1½ years.

an environmental protection license at this time due to the fact that the necessary requirements have not been met to obtain an environmental protection license.

**3.56 Urban Council- Chavakachcheri**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	597,731,919	36,208,537	561,523,382	47,715,189	Qualified
<b>2022</b>	661,735,739	52,127,370	609,608,369	67,424,605	Qualified
<b>2023</b>	726,333,469	68,856,122	657,477,347	76,124,474	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	As at the last date of the year under review, the total outstanding assessment tax due from 7,136 properties amounted to Rs. 11,363,597 and the outstanding rent from 5 shops amounted to Rs. 131,850, which was more than 10 years old. Also, the outstanding stamp duty balance of Rs. 2,678,345 was more than 13 years old.	2023	Outstanding balances should be collected promptly.	Necessary measures have not been taken to collect and write off.	Outstanding revenue had not been recovered.
(b)	Action had not been taken to utilize the balance of Rs. 59,339,581 in the council current account in revenue generating sources.	2023	Actions should be taken to invest in sources of income generation.	Actions will be taken to pay attention to it.	Actions had not been taken to use in income generating sources.

(c) The long-term lease 2023 agreements of 37 shops, which were to be renewed every 3 years, had been maintained for a period of 8 to 43 years without being renewed.	Appropriate actions should be taken to renew rental agreements within the specified time periods.	Actions will be taken to renew the agreements.	Actions had not been to renew the rent agreements.
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**3.57 Urban Council-Point Pedro**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	549,501,625	28,165,742	521,335,883	36,053,271	Qualified
<b>2022</b>	611,196,029	19,613,872	591,582,156	41,822,978	Qualified
<b>2023</b>	625,963,254	21,269,184	604,694,070	54,696,492	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Long-term lease agreements for 9 shops, which are to be renewed every 3 years, have been in place for between 1 and 7 years without being renewed	2021	Steps should be taken to renew rental agreements within the specified time frame.	The shopkeepers had requested the extention, citing reasons. Further actions are being carried out.	Rent agreement had not been renewed.
(b)	Three shops and two vacant lands built in 2013 on the upper floor of the Point Pedro Modern Shopping Complex for the purpose of long-term lease remain unused to this day.	2021	Actions should be taken to fully utilize the council's sources of income.	Although Bids had been invited on several occasions to rent out the shop premises, no one had come forward. Also, the process of obtaining land title deeds is being carried out.	Actions had not been taken to use in the revenue sources and utilize fully.
(c)	Although 03 lands totaling Rs. 57,730,000 had been included as fixed assets in the	2022	Action should be taken to resolve the	Actions are being taken to take over the council.	Actions had not been taken to transfer the Ownership.

financial statements, they remained unowned by the council.

ownership of assets.

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| (d) | <p>Actions had not been taken to collect the old arrears of assessment amounting to Rs. 14,154,102 from 4,691 assessment units for a period of 01 to 05 years. Also, old arrears of rent amounting to Rs. 414,434 had not been collected for a period of 01 to 10 years. Similarly, stamp duty receivable amounting to Rs. 787,100 had been outstanding for a period of more than 08 years.</p> | 2023 | <p>Optimal actions should be taken to recover outstanding amounts.</p> | <p>Necessary actions had not been taken to recover the outstandings.</p> | <p>Actions had not been taken to recover the outstanding revenue.</p> |
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**3.58 Urban Council-Weliwettithurei**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	292,865,425	8,024,228	284,841,197	13,265,119	Qualified
<b>2022</b>	409,490,699	7,967,737	401,522,962	12,829,657	Qualified
<b>2023</b>	438,023,720	6,289,392	431,734,328	20,171,175	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Actions had not been taken to collect, arrears of assessments amounting to Rs. 6,929,252 during the year under review. Also, stamp duty receivable amounting to Rs. 278,836 was more than 08 years old.	2023	Appropriate steps should be taken to recover outstanding revenue.	Actions have been taken to collect outstanding assessment tax through tax collection officers and mobile services and to waive stamp duty.	Actions had not been taken to recover the outstanding revenue.
(b)	Actions had not been taken to utilize Rs. 13,890,980, which has been lying idle in the development reserve for more than 05 years, for 04 development projects.	2023	Actions should be taken to utilize the Funds for the intended purposes.	it is expected to use the relevant funds used after obtaining suitable lands.	Actions had not been taken to utilize the funds for the intended purposes.
(c)	Although the fish market land and buildings, totaling Rs. 14,299,896, had been included in the fixed assets in the financial	2023	Actions should be taken to settle Ownership of assets	Actions are being taken to take over the council.	Actions had not been taken to transfer the Ownership.

statements, they did not belong to the council.

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| <p>(d) Although the owner of the land where the swimming pool is located had been paid Rs. 2,090,000, no action had been taken to take it over to the council for 5 years.</p> | <p>2023</p> | <p>Actions should be taken to settle Ownership of assets</p> | <p>It is expected to include in fixed assets after receiving the approval of the Survey Department.</p> | <p>Actions had not been taken to the Ownership.</p> |
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**3.59 Urban Council-Trincomalee**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	364,286,618	147,332,991	216,953,627	2,374,394	Qualified
<b>2022</b>	408,628,626	112,210,896	296,417,730	96,899,734	Qualified
<b>2023</b>	514,877,612	127,757,219	387,120,393	59,152,235	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Although 167 shops had been rented out, contracts had been signed for 21 of them and long-term leases had been granted without specifying the lease period.	2021	Terms and conditions should be clearly stated when signing lease agreements.	Steps had been taken to lease all 21 taxpayers who obtained on lease in the previous year in order to prevent loss of revenue due to the fact that no one obtained on lease in 2020 and 2021,	It has been informed that steps will be taken to sign agreements for all shops.
(b)	Steps had not been taken to recover the outstanding rent of Rs. 17,480,539 from 176 shops located in the Central Market Complex for the period from 2009 to 2021.	2021	Steps should be taken to recover the arrears.	arrears of Rs. 254,130 has been recovered during the 2022 period.	Necessary actions had not been taken to recover the said amount.
(c)	As of 31 December of the year under review, assessment tax of Rs. 16,303,605 for the year	2022	The outstanding assessed tax should be	Necessary actions are taken to recover the outstanding tax.	Of the total outstanding amount, Rs. 14,277,272 has

	and assessment tax of Rs. 101,596,687 for previous years should have been collected.		recovered in accordance with the provisions of the Act.		been recovered in 2023 and it had been informed that legal action will be taken against those who do not pay outstanding assessments of more than 200,000.
(d)	It was observed that all the garbage collected in the 7.5 square kilometer Trincomalee Municipal Council area was being dumped unsegregated on land belonging to the Forest Department in Kanniya. This situation had arisen due to the non-implementation of the agreement signed with CGL in 2017 regarding garbage management.	2022	Appropriate actions should be taken in accordance with the agreement.	According to the agreements, the solid waste collected by the Municipal Council will be handed over to CGL International Private Company in the future without being subjected to segregation In the future.	The agreement signed with CGL in 2017 was not implemented. Requests have been made to the Divisional Secretariat to obtain a new land for solid waste management, but the land has not yet been received and it has been informed that action will be taken in the future.
(e)	The machine, worth Rs. 5,695,830, installed to incinerate hospital waste, has been unused and idle since 2018 and the machine was completely covered in rust.	2022	Appropriate actions should be taken.	Although attempts were made to hand it over to the Trincomalee Regional Health Services Office, it was not accepted, stating that there were no spare parts for it in the market.	It has been informed that the machine is no longer usable and steps will be taken to remove it.

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| (f) | 43 vehicles belonging to the Urban Council had been in an unusable condition for over 12 years and the Council had not taken any action to remove or auction those vehicles.                            | 2022 | The council should take action to remove those vehicles or sell them at auction. | Actions are being taken to obtain them from the Department of Motor Traffic due to the lack of registration books for the vehicles to be sold at auction, | The Vehicle disposal Committee has decided that 25 vehicles cannot be repaired. Those recommendations had not been implemented.  |
| (g) | The Council had not taken proper steps to collect the property tax arrears totaling Rs. 88,514,106 during the year under review.  | 2023 | Action should be taken to collect the property tax arrears.                      | Actions are being taken to recover the deficit.   | Of the total outstanding amount, Rs. 14,277,272 has been recovered in 2023 and it has been informed that legal action will be taken against those who do not pay outstanding assessments of more than 200,000. |
| (h) | Actions had not been taken to collect the total rent arrears for 390 shops amounting to Rs. 49,138,586 for a period of 13 years.  | 2023 | Proper steps should be taken to recover the arrears.                             | Actions are taken to pay Special attention to collect arrears from taxpayers with long-term arrears.  | Of the total outstanding amount, Rs. 366,400 had been recovered in 2023 and Rs. 532,743 had been recovered in 2024.  |
| (i) | Although an uninsured vehicle owned by the Municipal Council was involved in an accident in 2023, the initial and final reports regarding the accident had not been prepared and similarly, the actions | 2023 | Relevant activities should be done.  | Other work related to vehicle repairing is going on.  | The preliminary investigation reports have been issued and the report has been forwarded to the Chief Ministry for future actions.   |

had not been taken to inform the Auditor General.

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| (j) | 126 shops owned by the Municipal Council had not been rented out since 2019. Due to this, the Council had lost a total income of Rs. 22,793,053. | 2023 | Arrangement s should be made to lease shops. | Actions will be taken to make alterations to shop and they will be rented out in the future. | It has been informed that despite tenders being called, no one has come forward to acquire the shops on lease and actions will be taken to renovate the shops and provide them in the future. |
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**3.60 Urban Council- Kattankudy**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	247,763,000	32,657,000	215,106,000	9,523,357	Qualified
<b>2022</b>	321,865,300	35,563,723	286,301,577	9,567,389	Qualified
<b>2023</b>	364,357,835	42,883,165	321,474,670	13,148,387	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	As of the last date of the year under review, the Council had not disclosed in the financial statements regarding 04 cases filed by the Council against external parties and by external parties the same.	2023	Steps should be taken to disclose in respect of cases through the notes to the financial statements.	Steps will be taken to disclose in cases in the financial statements.	Recommendations had not been implemented.
(b)	Financial Regulation 371(2)(b) Steps had not been taken for a period of 2 months to 16 years to identify and settle advances of Rs. 10,106,886 given to employees, contractors and public institutions of the Council.	2023	Actions should be taken to [roceed as per the Financial regulations.	Steps have been taken to resolve the outstanding advance details that have not been settled for a long time by establishing a committee to investigate them.	Steps had not been taken to recover the advances.
(c)	In accordance with the Special Provisions on Local Government	2023	Actions should be taken to	Actions are being taken to act with the Valuation	Necessary actions had not been taken in this regard.

Institutions No. 48 of 1971 and the letter No. EP/01/CMA/Cabinet.Memo/007 dated 10 July 2020 of the Chief Secretary of the Eastern Province,

Although the immovable property within the municipal limits was to be assessed once every 05 years for assessment and levy of taxes, the assessment tax was levied based on the total number of units assessed in the year 2014, which was 25,484.

value the immovable property once every 5 years.

Department jointly in respect of this matter.

- (d) In terms of Section 3(1) of the Employees' Provident Fund Act, No. 15 of 1958 (Cap. 623) and Section 16(1) of Part II, Employees' Trust Fund Act, No. 46 of 1980, the contributions for the due month shall be paid to the said funds before the last day of the following month and in case of failure to do so, the contributions shall be paid along with penalty. However, the Council had not taken actions to pay the total contributions payable for the period from January 2021 to

2023

Steps should be taken to pay contributions to the Employees' Provident Fund and Employees Trust Fund within the prescribed time periods.

Steps have currently been taken to pay the contributions due to the Employees' Provident Fund. Necessary actions had not been taken in this regard.



November of the year under review amounting to Rs. 9,388,517 on the due date.

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| (e) | Steps had not been taken for the past 5 years to repair or appropriately auction 11 vehicles and 6 trailers that were in a state of repair at the council.   | 2023 | Appropriate steps should be taken to repair or dispose of vehicles.                | Steps will be taken in the future.  | Necessary actions had not been taken in this regard. |
| (f) | Actions had not been taken to take over the ownership of 05 vehicles used by the council.  | 2023 | Actions should be taken to clarify the ownership of vehicles owned by the Council. | Details of the vehicles have been sent to the Comptroller General's Department to obtain ownership of the vehicles.     | Actions had been taken to take over the ownership.   |
| (g) | The value of the building constructed at a cost of Rs. 67,907,157 to install the Kawashima machine and the administrative building constructed at a cost of Rs. 22,858,774 had not been capitalized. | 2022 | Assets should be shown in the financial statements.                                | Actions will be taken to act in accordance with your instructions in the current year.                                  | Actions had not been taken to correct even in 2023.  |
| (h) | The Council had not taken steps to pay off or write off the amount of Rs. 6,643,239, which was outstanding for more than 05 years as a liability in the financial statements.                        | 2022 | Actions should be taken to pay off or write off the water supply debt.             | The necessary instructions have been sought from the Commissioner of the Local Government to collect this amount, which | Necessary actions had not been taken in this regard. |

has been  
outstanding for a  
long time.

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| (i) | The Council had not taken steps to repair 05 vehicles owned by the Council that could be repaired and to dispose of 06 vehicles that were not in running condition appropriately. | 2022 | Actions should be taken repair or dispose of Vehicle.                 | Actions will be taken in the future.                                 | Necessary actions had not been taken in this regard. |
| (j) | The Council did not have registration certificates for 09 vehicles including tractor trailers.  | 2022 | Actions should be taken to obtain vehicle registration certificate s. | Actions are being taken to obtain vehicle registration certificates. | Relevant certificates had not been taken to obtain.  |

**3.61 Urban Council-Eravur**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	247,563,000	14,301,000	233,262,000	12,946,800	Qualified
<b>2022</b>	281,432,310	21,118,680	260,313,630	8,726,921	Qualified
<b>2023</b>	314,484,652	11,843,395	302,641,257	6,849,118	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Sections 44, 46 and 49 of the Municipal Council Ordinance (255)  Actions had not been taken to publish 628 roads maintained by the council in the Gazette.	2023	Steps should be taken to publish all roads in the Gazette.	Answers had not been given.	Necessary actions had not been taken in this regard.
(b)	Sections 170(1) and (2)  Action had not been taken to recover arrears of assessment tax amounting to Rs. 6,063,395 from 304 property owners who had arrears exceeding Rs. 10,000 out of 10,807 immovable properties assessed until the end of the year under review.	2023	Immediate actions should be taken to recover outstanding assessment taxes.	It has been decided to stop the removal of garbage from property owners who have not paid their assessment taxes.	Necessary actions had not been taken in this regard.

<p>(c) Financial Regulations 2023 of the Democratic Socialist Republic of Sri Lanka</p> <p>Financial Regulations 371(2)(a)</p> <p>Steps had not been taken to settle the total advances of Rs. 399,386 given by the Council from the year 1988 to the year 2013.</p>	<p>Actions should be taken to identify the advance payments and take action to settle them.</p>	<p>Actions to settle the advances are going on.</p>	<p>Necessary actions had not been taken in this regard.</p>
<p>(d) Rs. 5,067,459 due from 2023 the lease of the public market and women's market on bids had not been collected for more than 02 years as of 31 December of the year under review.</p>	<p>Immediate action should be taken to recover outstanding arrears.</p>	<p>It has been difficult to recover these arrears due to problems of identifying individuals.</p>	<p>Necessary actions had not been taken in this regard.</p>
<p>(e) Actions had not 2023 been taken to formally lease the land on which the Sri Lanka Telecom Corporation building was located, which had been taken over by the Eravur Municipal Council by means of Plan No. A 1695 of Gazette No. 10459 dated 03 October 1952 to that institution or to recover these lands through legal</p>	<p>Steps should be taken to lease the land or take legal action.</p>	<p>Legal action will be taken against the relevant institution after receiving the response from the District Secretary, Batticaloa.</p>	<p>Necessary actions had not been taken in this regard.</p>

proceedings.

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| (f) | Steps had not been taken to implement the recommendations regarding the construction of unapproved office buildings and the rental of cultural halls, which were revealed by the Parliamentary Committee on Public Accounts (COPA) in 2017, for the past 6 years.  | 2023 | Actions should be taken regarding the matters uncovered by the Parliamentary Committee on Public Accounts (COPA). | <b>-do-</b>   | Necessary actions had not been taken in this regard. |
| (g) | The Council had not obtained environmental licenses for 27 slaughterhouses, solid waste centers and bakeries in accordance with the National Environment Act No. 47 of 1980 as amended by Act No. 56 of 1988, Act No. 53 of 2000, Act No. 01 of 2008 and Section "B" of the Special Gazette No. 2264/18 dated 27 January 2022. | 2023 | Environmental license should be obtained in accordance with the Act.  | Actions are being taken to obtain environmental protection licenses for slaughterhouses, solid waste centers, and bakeries. | Actions had not been taken to obtain licenses.       |
| (h) | Actions had not been taken to publish Sections 44, 46 and 49 of the Municipal Council Ordinance (Cap.255) and the letter of the Batticaloa   | 2022 | Steps should be taken to publish all roads in the Gazette.  | The council is currently taking actions to publish all roads in the gazette.  | Necessary actions had not been taken in this regard. |

District Government Commissioner No. BT/ACLG/PL/Road/20 13 dated 10 July 2013 in the Gazette in respect of regarding the roads owned by the council.				
(i) Action had not been taken to recover the outstanding garbage disposal taxes of Rs. 322,500 from 15 poultry slaughterhouses since 2013, entertainment taxes of Rs. 177,856 from 05 years and arrears of meat stall rent of Rs. 483,979 from 2012.	2022	Actions should be taken to recover the outstanding revenue.	Problems have arisen in recovery due to the lack of documentation, the debtors having emigrated abroad and their deaths.	Necessary actions had not been taken in this regard.
(j) Court fines receivable from the Chief Secretary of the Provincial Council and other authorities as at 31 December of the year under review amounted to Rs. 7,993,590 and stamp duty was Rs. 6,036,000.	2022	Steps should be taken to collect stamp duty and court fines revenue.	No answers had been received.	Necessary actions had not been taken in this regard.
(k) The Council had not taken action to recover the stamp duty of Rs. 3,201,500 due for the past 05 years up to the end of the year under review due to	2022	Steps should be taken to bring stamp duty and court fines revenue within the prescribed	No answers had been received.	Necessary actions had not been taken in this regard.

	reasons such as mismatch in schedules and absence of documents proving deposit in the bank.		time.	
(l)	The 64-shop market building complex on the main road, which was completed in 2001 at a cost of about Rs. 10 million, had been closed until now without being opened for public use and without earning any rental income.	2022	Steps should be taken to generate income using assets.	The council will take actions to generate income by handing over the fish market stalls currently being constructed in the relevant market complex under the LDSP project to the public once they are completed. Necessary actions had not been taken in this regard.
(m)	The Council had not taken action to submit the Comprehensive Report regarding the office building as per the parliamentary Committee on Public Accounts though a period of 5 years has passed.	2021	The Council should act in accordance with the recommendations of Parliament.	Letters have been sent to the Chief Engineer of the Batticaloa Building Department to obtain the relevant report. Parliamentary recommendations had not been implemented.
(n)	Although agreements were signed in October 2016 to acquire lands belonging to two religious places on the Punnaikuda Road for a long-term lease of 33 years for Rs. 22.28 million and construct a shopping mall at an estimated cost of Rs.	2021	Projects should be completed within the relevant period and used for the relevant purpose.	After the completion of the construction of the fish market under the LDSP program, the council will take actions to provide it for public use and generate tax revenue. Desired target had not been accomplished.

193 million, the council has been paying Rs. 56,000 as land rent to the religious places since October 2016 without earning any income as the contract has not been completed.

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| <p>(o) Action had not been taken to achieve the Sustainable Development Goals and Targets as per the Sustainable Development Act No. 19 of 2017.</p> | <p>2021 Sustainable development indicators should be identified and implemented.</p> | <p>Our council's indicators, which include 17 development goals, have been included and prepared the budget – 2022. Furthermore, the council has included expenditure descriptions in the 2021 action plan to achieve sustainable goals.</p> | <p>Necessary actions had not been taken.</p> |
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**3.62 Urban Council-Kinniya**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	233,682,482	28,173,980	205,508,502	5,021,054	Qualified
<b>2022</b>	281,318,828	31,473,349	249,845,479	(11,674,683)	Qualified
<b>2023</b>	332,405,933	31,914,484	300,491,449	(6,620,365)	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	The Council had not taken steps to collect the total rent receivable of Rs. 27,267,000 as at the last day of the year under review.	2023	Steps should be taken to collect the outstanding amount.	Actions will be taken to correct this in the future.	The lawyer of the Council has been informed to take legal action.
(b)	deductions amounting to Rs. 244,400, representing 40 percent of the tax value during the year under review had been made by the council without the recommendations of the Local Government Commissioner and the approval of the Governor.	2023	Action should be taken to act in accordance with the relevant circulars.	Actions will be taken to prevent such mistakes from happening in the future.	The council does not have the power to write off 40 percent and actions should be taken by the Commissioner of Local Government to obtain the approval of the Governor to write off those loan instalments.

**3.63 Urban Council-Manner**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,238,643,883	57,367,870	1,181,276,013	59,992,135	Qualified
<b>2022</b>	1,493,031,222	66,991,028	1,426,040,194	75,044,641	Qualified
<b>2023</b>	1,516,813,161	50,685,910	1,466,127,251	99,598,413	Qualified

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	The laundry centre, which cost Rs. 12,000,000 as stated in the financial statements for the year under review, was not observed during the audit physical inspection.	2022	Actions should be taken to submit reasons for physical absence to the audit.	Decisions are made for future actions after instructions are sought.	Relevant documents had not been submitted.
(b)	The balance of Rs. 1,379,553 in rent related to 16 shops and the balance of Rs. 350,000 in license fees for 03 private communication towers were older between 02 and 16 years, actions had not been taken to collect to date.	2023	Appropriate measures should be taken to recover outstanding revenue.	Efforts are being taken to recover outstanding and write off arrears.	The arrears of revenue had not been collected.
(c)	Although Advance account balances of Rs. 650,000 due from two parties remained	2023	Steps should be taken to settle the advance	A decision has been taken regarding the settlement of	The balances of advance accounts had not been settled.

uncollected for over 11  
years, appropriate  
action had not been  
taken to recover them.

account  
balances.

advances.

**3.64 Urban Council-Vavuniya**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,538,764,671	63,168,311	1,475,596,360	60,260,795	Qualified
<b>2022</b>	1,553,764,799	49,192,006	1,504,572,793	54,883,911	Qualified
<b>2023</b>	-	-	-	-	-

	<b>Audit observation</b>	<b>Year of the report</b>	<b>Recommendation of the Auditor General</b>	<b>Preventive measures taken by the auditee entity</b>	<b>Status of the recommendation as of the date of the report</b>
(a)	Title deeds and papers for the 26.93 hectares of land stated in the financial statements had not been submitted to the audit.	2021	Information regarding land not disclosed in the financial statements should be submitted to the audit.	Further actions are being taken regarding lands that do not have ownership at present.	Relevant information had not been submitted.
(b)	The outstanding balance of assessment and rent Older than the year was Rs. 30,137,756.	2022	Appropriate steps should be taken to recover outstanding balances.	Outstanding amount had not been recovered.	Outstanding revenues had not been recovered.
(c)	] The 9 vehicles, which were in a disposal condition, had been parked in the vehicle yard for the past 5 years.	2022	Assets should not be left unattended.	It has been decided to repair and reuse this vehicle.	It had not been repaired and used.

(d)	Action had not been taken for the past 2 years to recover the outstanding employee loan balance of Rs. 463,632 from 03 officers, 06 retired officers and a deceased officer.	2022 Actions should be taken to act in accordance with the Establishments Code.	Recovery measures have been taken.	Outstanding amount had not been recovered.
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### 3.65 Seethawaka Pradeshiya Sabha

	Total Assests Rs.	Total Liabilities Rs.	Equity Rs.	Surplus (Deficit) Rs.	Opinion
2021	1,209,335,954	239,187,220	970,148,734	147,778,193	Qualified
2022	1,303,572,290	173,002,652	1,130,569,638	119,570,029	Qualified
2023	1,297,871,959	118,362,971	1,179,508,988	14,928,217	Qualified

Audit observation	Year of report	Auditor General's recommendation	Preventive measures taken by auditee entity	Implementation status of recommendation at the date of report
Even though an amount of Rs.4, 183,000 had been paid to garage as per the final bill for the repair of cab belonging to sabha,the sabha had not decided the way of acting about the loss of Rs.1,318,275 not covered by Sri Lanka Insurance Corporation for that. It couldn't be recovered the above loss since the inquiry board had assigned the power to municipal council for determination the responsible party in relation to the loss without submission the full report to be submitted as per F.R.104(4).	2023	The action should be taken to recover such loss by taking action as per F.R.104.	It had been informed that a letter dated 26 March 2024 had been forwarded to Sri Lanka Insurance Corporation for recovery of the outstanding amount not reimbursed in relation to renovation of WP PE - 6879 cab and the action will be taken to recover relevant outstanding amount.	The action will be taken as per the instructions of Local Government Assistant Commissioner.

**3.66 Kottikawatta Mulleriyawa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	7,798,309,689	231,961,230	7,566,348,459	75,111,697	Qualified
<b>2022</b>	7,513,903,769	174,691,588	7,339,212,181	67,206,396	Qualified
<b>2023</b>	7,609,839,313	101,750,058	7,508,089,255	73,425,256	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The service of a chain dozer in D6H type had been obtained for reducing the waste collected at Kotikawatta waste yard and covering such waste on rent basis from a private institution and an amount of Rs. 30,676,250 had been paid for that as rent from September 2018 to December 2021. Only 05 tons is utilized for manufacturing compost out of 30-35 tons of degradable waste daily collected and an additional expense had to be incurred for reducing the waste and covering such waste due to non-utilization of about 45-65 tons of waste daily	2021	The sabha should take action to create an environmental friendly surrounding to the residents and earn revenue to sabha by properly carrying out the waste management of sabha and minimizing the expenditure.	A chain dozer is essential for the activity of pushing the waste and since sabha has no possibility of purchasing such vehicle, it had been informed that this service is obtained under the approval of sabha on rent basis.	This service of D6H chain dozer from 2018 to 2021 D4 type chain dozer prior to that period had been obtained from a private company on rent basis under approval of municipal council and the payments had been made for that. It had not been engaged in a project for producing bio gas due to incurring of huge financial cost and not receipt of proper technical assistance.

collected as the remaining quantity and 20-25 non-degradable waste and 10 tons of mixed waste for making compost or manufacturing bio gas.



**3.67 Homagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,411,164,011	596,149,721	1,815,014,290	215,580,460	Qualified
<b>2022</b>	2,651,101,033	754,096,096	1,897,004,937	(37,738,951)	Adverse
<b>2023</b>	7,053,988,059	267,026,569	6,786,961,490	373,112,282	Qualified

<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) It had been revealed that a house with a concrete roof and a temporary boutique had been built by a resident adjacent to that public amenities land in extent of 14.66 perches from kiriwathuduwa Kahatagahawattalanda Pubudu Uyana land in extent of 1 rood 7.52 perches under lot No.106 provided to sabha by finance company and by deed No.497 dated 23 January 1996 . Furthermore, the water and the electricity had been obtained for that house and it was observed that the Assessment Tax had also been requested.	2021	The step should be taken to immediately verify the ownership of the lands.	Since there is an unauthorized construction, it had been submitted to the legal officer for further action having forwarded to relevant Commissioner for recovery of possession. It had been referred to the surveyor of council by legal officer for rectification of the deficiencies shown in the surveyor plan.	No action had been taken to solve this issue so far.

But this land had not been taken over to sabha at the end of year under review.

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| <p>(b) Even though the land in 2021 extent of 1 acre 19.50 perches located in Jalthara Ranala Laksiri Garden adjacent to the playground with common amenities had been acquired by the external party and cultivated, the action had not been taken by sabha to demarcate this land.</p> | <p>The action should be taken to promptly take over the land to sabha.</p> | <p>It had been informed to surveyor to carry out the survey activities. Similarly, a name board had been fixed as it is a public land. The instructions had been given to the cultivators to remove the unauthorized cultivations.</p> | <p>It had been not solved.</p>   |
| <p>(c) Deviation from the 2023 procedures indicated in Circular No.LGD/04/2016 dated 28 April 2016 of Local Government Commissioner, a fixed deposit of Rs.80,000,000 had been withdrawn in February and March 2023.</p>   | <p>The action should be taken as per circulars.</p>                        | <p>It had been informed that the necessary action will be taken in the future as per circular.</p>   | <p>It had been informed that the necessary action will be taken as per western circular in withdrawal of the fixed deposits.</p> |
| <p>(d) As at 31 December 2022, the Assessment 2023 Tax recoverable to 2022 sabha was Rs. 122,835,410 and this tax had not been recovered so far.</p>   | <p>The action should be taken to recover outstanding rates.</p>            | <p>It had been informed that the all efforts will be taken to recover these outstanding balances.</p>  | <p>It had not been recovered.</p>  |

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| <p>(e) Since t, he receivable 2021<br/>rent revenue of 900,000 2022<br/>and outstanding penalty 2023<br/>of Rs.27, 450,000 from<br/>Meegoda economic<br/>center in 2023 which<br/>were suspense in<br/>receipt to sabha due to<br/>non-settlement of lands<br/>and faultiness in the<br/>agreement had been<br/>adjusted to the revenue<br/>of the year, the surplus<br/>of the year under<br/>review had been<br/>overstated by Rs.28,<br/>350,000 and the<br/>recovery of total<br/>amount of Rs.255,<br/>150,000 receivable as<br/>at 31 December of the<br/>year under review was<br/>in suspense.</p> | <p>The action<br/>should be<br/>taken to<br/>obtain the<br/>legal<br/>ownership of<br/>this property.</p> | <p>It had been<br/>informed that the<br/>payment of rents<br/>had been stopped<br/>on the argument<br/>of the trust board<br/>of Meegoda<br/>Economic center<br/>that this property<br/>does not belong<br/>to the council<br/>due to<br/>mentioning the<br/>ownership of this<br/>land as the<br/>government in<br/>survey of lands<br/>for Bim Saviya.</p> | <p>The action is being<br/>taken as per the<br/>information<br/>obtained from<br/>Department of<br/>Survey for solving<br/>the issue on the<br/>ownership of the<br/>property.</p> |
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**3.68 Ja-ela Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	8,601,925,080	559,516,447	8,042,408,633	40,748,205	Qualified
<b>2022</b>	8,511,261,290	533,774,991	7,977,486,299	22,041,963	Disclaimer
<b>2023</b>	13,997,236,473	180,909,963	13,816,326,510	108,925,589	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Recommendation of Auditor General</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
As per the letter No. LGD/GM/1/7/2020 dated 22 December 2020 of Local Government Commissioner, even though it had been emphasized that a formal procurement procedure should be followed in purchase of the computer software, the computer software systems in relation to rates management, mixed revenue management, accounts management and stock and stores management had been purchased an amount of Rs. 10,030,000 at 02 occasions contrary to the guidelines without any study and consideration for	2022	In compliance with the procurement guidelines, the purchases should be made.	It is informed that presently, the subject fields such as rates, mixed revenue accounts, stock and stores management are being successfully implemented by the system.	The reports can't be obtained as expectedly.

selection of a suitable  
bidder with an  
objective of  
computerizing of the  
office work.

**3.69 Biyagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,076,036,928	419,145,779	1,656,891,149	128,555,443	Qualified
<b>2022</b>	2,047,043,475	165,001,691	1,882,041,784	188,532,345	Qualified
<b>2023</b>	2,312,110,314	109,794,183	2,202,316,131	201,645,061	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The balance of Rs. 2,425,043 in Value Added Tax account had not been settled since many years.	2023	It should be settled.	It had been informed it will be settled in the future.	The recommendation had not been implemented.
(b)	Even though a gulley bowser had been purchased at a cost of Rs.1, 025,000 on 02 February 2018, the gulley bowser service had not been maintained after 2020.	2023	The useless expense should be recovered from the responsible parties.	Since it is not effective to utilize within the limit of council, it is due to be used for the road maintenance.	It had been given for maintenance for usage of other purpose. It had been purchased without identification of requirement.

**3.70 Attanagalle Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,967,164,458	259,752,484	2,707,411,974	76,585,446	Qualified
<b>2022</b>	2,878,504,358	167,250,036	2,711,254,322	59,614,955	Qualified
<b>2023</b>	2,877,941,572	94,738,650	2,783,202,922	72,539,698	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Contrary to section 20 of Rating and Valuation Ordinance No.30 of 1946, the Assessment Tax had been charged on valuations 14 years old in 02 sub stations.	2023	The rates should be charged as per new rates having made valuations.	The rates extracts had been sent to Department of Valuation.	The valuations had not been provided to 02 sub stations.
(b)	Even though as per the judgement of land case No. 39/980, even though an amount of Rs. 1,876,800 had been paid to the plaintiff from sabha fund on 15 May 2019 by Attanagalle Pradeshiya Sabha, the loss had not been recovered from the responsible parties.	2022	The loss should be recovered.	In accordance with the investigation report received from Local Government Assistant Commissioner's Office, it had been informed to the people's representatives and the officers who are the respondents to pay.	Since a formal surcharge letter had not been received to the people's representatives, the payment is not made.

**3.71 Divulapitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,983,174,233	188,670,490	2,794,503,743	48,140,244	Qualified
<b>2022</b>	3,123,936,725	68,859,116	3,055,077,609	248,696,808	Adverse
<b>2023</b>	3,057,014,875	31,591,843	3,025,423,032	77,987,661	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Contrary to section 20 of Rating and Valuation Ordinance No.30 of 1946, the Assessment Tax had been charged based on valuations in 1994 and 2004.	2023	The Assessment Tax should be charged as per new rates having valued.	It had been informed that 18,000 properties had been handed over to Department for Valuation for revision of valuation.	14,622 properties had been handed over to Department of Valuation to obtain new valuations.
(b)	Contrary to F.R. 371 (2) an advance of Rs.2,793,113 provided from 2006 to 2020 had not been recovered.	2023	The action should be taken as per Financial Regulation.	The preliminary inquiry is being conducted by Local Government Assistant Commissioner's Office.	The recommendation had not been implemented.
(c)	The Assessment Tax had been charged from only 2,774 properties out of 16,260 identified on which the rates should be charged.	2023	The Assessment Tax should be charged having obtained the valuation.	The action is being taken to recover the rates from 13,587 properties.	14,622 properties had been handed over to Department of Valuation to obtain new valuations.



**3.72 Gampaha Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	3,987,042,254	307,945,506	3,679,096,748	13,806,233	Qualified
<b>2022</b>	4,063,453,622	247,895,629	3,815,557,993	8,036,241	Qualified
<b>2023</b>	4,031,148,750	63,780,496	3,967,368,254	123,751,969	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
495 public complaints had been received and 202 had been solved and 59 percent is being solved.	2023	The public complaints should be solved.	Since the power is limited for fulfillment of personal aspirations, it had been informed that the progress does not reach to maximum.	It had been informed that it had not been reconciled due to the personal disputes between both parties.

**3.73 Dompe Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	2,236,196,397	167,618,539	2,068,577,858	49,034,331	Qualified
<b>2022</b>	2,469,504,247	91,800,224	2,377,704,023	76,087,748	Qualified
<b>2023</b>	2,552,646,304	62,465,409	2,490,180,895	45,239,814	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The building had not been utilized effectively to the people and revenue to sabha due to non-utilization of the complete upper floor with 87 shops and certain parts in ground floor with 73 shops by the traders of the two storied building with 6,380 square feet of 01 floor transferred to to sabha for fair activities in 2020 constructed at a cost of Rs.68 million by Urban Development Authority and had been idle 06 days except fair day.	2023	The assets should be effectively utilized.	Since it had been only constructed for a weekly fair, it is conflicting to provide the shops in the upper floor as market system.	The complete land had been leased for trading activities and the fair land is utilized on the fair day, day before it and day after it and it had been informed that the shop goods are sold in the upper floor in certain weekly fair day and it will be provided for requirements in remaining 04 days in the future.

**3.74 Minuwangoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,179,623,184	1,179,623,184	-	171,652,556	Qualified
<b>2022</b>	1,343,970,417	200,421,577	1,143,548,840	257,692,865	Disclaimer
<b>2023</b>	1,586,216,392	388,649,741	1,197,566,651	30,650,742	Adverse

  

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The computer software had been obtained by sabha at a cost of Rs.6,750,000 at 03 occasions since 2018 and even though it had been informed that the facilities can be obtained for 13 key functions of sabha by such software, it was observed that there is no contribution from the computer software for fulfillment of such functions.	2022	The requirements should be accurately identified in purchase of software to the sabha and the software purchased should be utilized.	Some activities are successfully implemented. The basic activities are being carried out for other all functions.	The all activities are not successfully implemented.

**3.75 Mahara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,236,164,456	274,538,977	961,625,479	85,829,929	Qualified
<b>2022</b>	1,080,859,328	164,322,641	916,536,687	77,588, 762	Adverse
<b>2023</b>	1,315,306,126	163,182,326	1,152,123,800	98,414,694	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
An amount of Rs.25, 143,780 had been recovered from outstanding Assessment Tax balance of Rs. 103,578,993 prevailed at the beginning of the year and the recovery percentage was 24 percent. Within this balance, the balance of Rs.1,385,052 was more than 10 years old, Rs.1,480,426 05-10 years and Rs.70,973,040 03-05 years.	2023	The outstanding Assessment Tax revenue should be recovered.	It had been informed that the action will be taken to recover in the future.	Rs.26,546,250 had been recovered from Assessment Tax in arrears as at 31 December 2023.

**3.76 Mirigama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,498,629,445	92,808,857	1,405,820,588	7,961,437	Qualified
<b>2022</b>	1,560,065,424	66,396,467	1,493,668,957	62,390,419	Qualified
<b>2023</b>	1,567,328,581	29,912,960	1,537,415,621	34,416,743	Qualified

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommend ation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	Since the action had not been taken to approve 56 employees conformed in the service in accordance with Public Administration Circular No. 25/2014, a salary reimbursement of Rs. 2,634,737 obtainable for such employees in the year under review had not been received.	2021	As per Circular No. 25/2014, the action should be taken to inform about the employees confirmed in the service to Department of Management Services and approve the cadre and reimburse the salaries.	It had been made requests to approve the employees who had been confirmed in the service.	Up to now, the approval had not been received.
(b)	16 lands in extent of 2 acres 3 roods and 06 lands on which the extent can't be exactly identified had not been valued and accounted.	2021 2022	The value should be assessed and accounted.	It had been informed that it will be rectified in the final account in 2023.	The recommendation had not been implemented.

- |     |  |      |  |   |   |
|-----|--|------|--|---|---|
| (c) | It had not been entered into agreements with 206 out of 341 and many agreements had been signed before 20 years.   | 2022 | The lease should be entered into agreements. | It had been informed that the action will be taken to sign the lease agreements for shops after receipt of new valuation. | It had been requested to Department of Valuation for amendment of shop rents. |
| (d) | Even though 31 shops provided on rent in 2019 had been engaged in businesses, it couldn't be recovered an outstanding key money amount of Rs.41,510,174 due to not providing the shop keys after obtaining key money and entering into agreements. | 2023 | The outstanding rent should be recovered.    | It had been informed that the action will be taken to enter into agreements and recover the key money.                    | The recommendation had not been implemented.                                  |

**3.77 Kelaniya Pradeshiya Sabawa**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	2,802,786,499	340,531,533	2,462,254,966	25,202,130	Qualified
<b>2022</b>	2,810,295,371	147,223,814	2,663,071,557	111,371,688	Qualified
<b>2023</b>	3,180,667,504	56,862,794	3,123,804,710	411,945,994	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) There are no valid agreements for 15 shops out of 29 of Thoranahandiya public market and, the agreements prevailed for 11 had expired during 1998- 2005 and no new agreements had been entered into. Further, even though the new agreements had been made by Department of Valuation for these shops in October 2020, it couldn't be implemented due to the protests arisen by the shop owners.	2021	The action should be taken to lease the shops with a valid agreement.	In accordance with new valued monthly rent received from Department of Valuation, it had been informed to visit to enter into agreements on 01 March 2021. It had been requested by Department of Valuation on 25 February 2022 to take action to conduct an objection inquiry for consideration their objections.	The lessees had been made aware to come to enter into agreements with council.
(b) An expense of Rs.50 million had been incurred for solid waste management program	2021	The steps should be taken to maintain the	It had been informed by Central Environmental	As per recommendation, it had not been Implemented.

	<p>in the year under review and a waste yard including a compost yard had been maintained without an environmental license. The request made for obtaining the environmental license had been refused by Central Environmental Authority due to non-completion of the construction of leachate treatment system which is the byproduct of compost manufacturing.</p>		<p>compost yard and waste yard after obtaining the environmental license.</p>	<p>Authority that it is possible to obtain environmental license within this year.</p>	
(c)	<p>The annual lease rent had not been paid since 2018 for the land which had been leased for 33 years by a vesting certificate without a lease agreement on annual nominal lease rental of Rs.1,000 to Sri Lanka Football Federation on 07 March 2006. Moreover, the valued amount of Rs.19, 000,000 and valued expenditure of Rs. 89,750 of the land had not been recovered from Football Federation.</p>	2021	<p>The action should be taken to award by a lease agreement and recover outstanding rent and recover the valuation expenses from the Football Federation.</p>	<p>It is due to be taken future action having obtained the necessary legal instructions related to this.</p>	<p>The recommendation had not been implemented.</p>
(d)	<p>In accordance with Financial Regulation 371 of Democratic Socialist Republic of</p>	2023	<p>The action should be taken as per the Financial</p>	<p>It had been informed that it will be rectified.</p>	<p>Rs.63,219 had been recovered on 22 August 2024.</p>



	Sri Lanka, an amount of Rs.1,880,535 which is value of 45 advances had not been recovered.		Regulations.	
(e)	As at closing date of 2023 year under review, outstanding rent of Rs.1,714,507 which is more than 05 years old and Rs.266,972 which is 03-05 years had existed.	The business place outstanding rent should be recovered.	It will be recovered as per objections inquiry.	Rs.476,080 had been recovered from outstanding balance more than 05 years.
(f)	An outstanding rent of 2023 Rs.733, 489 which occurred in lese the reception hall belonging to sabah in 2004 had not been recovered even up to 31 December 2023.	The outstanding rent balances should be recovered.	The action is being taken to obtain a court order to the party who had not obeyed to the court judgement.	It couldn't be obtained a copy of the file for filing the case again.
(g)	No action had been 2023 taken to renovate Hunupipitiya old crematorium which had been inactive since 03 years.	Having renovated, it should be utilized.	The quotations called had exceeded Rs.50, 000,000.The action is being taken to repair in 2024.	The recommendation had not been implemented.
(h)	There are no plans for 2023 21 lands and the legal documents certifying the title for 76 lands out 97 lands used by sabha.	Having plans, the titles should be verified.	It had been informed that the steps will be taken to prepare the declaration of deeds having prepared plans.	The recommendation had not been implemented.
(i)	The outstanding 2023 employee loan is Rs.1, 318,990 of 11 officers interdicted, vacated, died and retired	The outstanding employee loans should be recovered.	The reminders had been sent to the officers interdicted and the sureties of	It had not been recovered.

officers.

the        vacated  
officers        had  
retired and gone  
abroad.        The  
gratuities had not  
been received for  
died and retired  
officers.

**3.78 Wattala Pradeshiya sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	1,062,602,136	161,753,502	900,848,634	120,504,997	Qualified
<b>2022</b>	3,672,073,625	101,614,950	3,570,458,675	263,219,162	Qualified
<b>2023</b>	4,057,812,518	123,906,081	3,933,906,437	436,438,354	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In 1988, Parswatta land, Usvetekeiyyawa in extent of 11 acres, 02 roods, 11 perches worth of Rs.188,000 had been awarded to Wattala Pradeshiya sabha by Rev. Dr. Nicalus Marcus Fernando by a deed of gift. In 1991, this land had been divided into 57 plots of land or an approximate to that number by Chairman and Secretary and transferred to others by deed of gift.	2021	The action should be taken as per the objectives indicated in the deed of transfer.	It had been referred to the lawyer who had prepared the deed of Pariswatta land in Uswetekeiyyawa to obtain a clarification in this regard.	The lawyer had informed to council that the land had been parceled when it had been transferred to the council and it couldn't be identified the basis for transfer of lands.
(b)	In terms of section 20 of Rating and Valuation Ordinance No.30 of 1946, the rates had been charged for 67,377 properties based on	2023	Having carried out the valuation, the rates should be charged as per new	The letters had been submitted to Department of Valuation for new valuation.	Even though it had been requested from Department of Valuation to take a new valuation since 2017, the recommendations

	valuation in 2008.	rates.		had not been implemented.
(c)	Since an amount of Rs.27,674,227 had been collected within the year out of the outstanding Assessment Tax balance of Rs.83, 978,079 as at the date of beginning of year under review, the collected value of outstanding was 33 percent.	2023	Outstanding Assessment Tax should be recovered.	It had been informed that the action will be taken to recover the outstanding through various programs. The progress of the recovery from the outstanding prevailed on 30 April was 17 percent.
(d)	Since an amount of Rs.2,735,759 had been collected out of the outstanding shop rent balance of Rs.8,596,534 at the date of beginning of year under review; the collected value of outstanding was 31 percent.	2023	The outstanding shop rent should be recovered.	It is being recovered. Rs.1, 339,883 had been recovered from overall outstanding as at 31 August 2024 and it is being further recovered.
(e)	The 05 vehicles worth of Rs.42,644,520 and a machine received for the usage of sabha by other public institutions had not been taken over to sabha,	2023	The action should be taken to take over the ownership.	The retransfer letters are being completed. The recommendations had not been implemented.
(f)	Contrary to Public Administration Circular No.18/2001 dated 22 August 2001, 19 officers who had served in sabha 07-28 years	2023	The action should be taken as per circular.	A list of officers more than 05 years will be presented Local Government Assistant Even though 07 officers had been transferred in 2024, they had not been released due to not reporting the

had not been  
transferred.

Commissioner, replacements.  
Local  
Government  
Commissioner  
and Chief  
Secretary.

**3.79 Panadura Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,030,067,195	158,717,531	871,349,664	(95,803,562)	Qualified
<b>2022</b>	1,027,021,259	204,331,409	822,689,850	(5,923,009)	Qualified
<b>2023</b>	1,096,075,226	198,441,991	897,633,235	76,769,142	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) The annual billing of rates was Rs.29,268,870 in the under review and no action had been taken to recover an amount of Rs.13,255,536 or 45 percent out of that within the year under review. The outstanding balance was Rs.2,952,995 from 16 rates units more than Rs.50, 000.	2023	In the current year, the outstanding revenue should be collected.	Taking action to provide internet facilities to pay rates and distribution of leaflets for making aware the lessees about the service from council had been carried out.	As at 31 August 2024, the revenue collected was 45.58 percent.
(b) As per the progress report, the trading place rent revenue was Rs.4,438,163 recoverable at the beginning of year under review and Rs.1,830,800 or 41 percent had not been	2023	The outstanding revenue should be promptly recovered.	The action had been taken to monthly conduct the progress review meeting in relation to the collection of revenue and lease of 04 shops	The amount to be further recovered was Rs.3,692,692 on 30 August 2024.

- recovered within year under review.
- within 2024.
- (c) An amount of 2023 Rs.20,000,000 had been received on 27 September 2021 from Local Loans and Development Fund for removal Keselwatta public market from old and construction of new building and Rs.150,000 should be paid in every month as per such loan interest. The grace period provided is 01 year and 07 months and the installment had to be paid at the end of grace period. Even though a loan amount of Rs.4, 231,000 had been received from Local Loans Development Fund on 26 April 2022, the construction activities of the public market had been halted in half way. The tenders had not been called to recommence the construction activities.
- The constructions should be commenced again.
- Subsequent to giving a call for requesting the information on the financial behavior of the project for these constructions from Local Loans and Development Fund again, the guidelines for expediting the process for project proposal recommendation s had been submitted by them. Accordingly, the action had been taken to perform.
- The necessary action is being taken to recommence the project.
- (d) An amount of Rs.253, 577 had been incurred from sabah fund only a part of common drainage going through a private land under construction of the
- The action should be immediately taken to complete the project.
- A decision had been obtained to necessary action to acquire as decision 773 of the decisions committee on
- Presently, the valuation had been completed and the amount related to the valuation amount had been deposited in

common drainage in the government land bounded to Kajugahawatta land Dibbedda Puchchananada Mawatha and making to flow the rainy water project commenced for solving the water transportation issue prevailed 25 years since 1998 and it had been halted in half way. Due to this reason, in addition to the damage flowing the rainy water from drainage of the road had flowed to the private land, the road couldn't be used due to not flowing the rainy water.

14.03.2024.A Divisional letter had been Secretariat and the submitted to necessary measures Divisional are being taken to Secretary on submit the proposal 22.03.2024 related to the requesting to acquisition. carry out valuation activities related to above acquisition.



**3.80 Bandaragama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	581,245,869	137,368,640	443,877,229	52,741,814	Qualified
<b>2022</b>	1,683,793,093	129,151,363	1,554,641,730	68,792,224	Qualified
<b>2023</b>	1,791,991,206	188,057,823	1,603,933,383	78,802,975	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Millaniya Pradeshiya Sabha had been established on 11 February 2018 as a separate unit of Bandaragama Pradeshiya Sabha and even though it had elapsed more than 06 years, the distribution of assets had not been settled by paying an outstanding of Rs.35, 663,712.	2021 2023	Having paid the outstanding, the distribution of the assets and liabilities should be immediately carried out.	It had been informed that how many installments for payment of this money will be determined by the agreement submitted by Local Government Commissioner.	The agreement to be submitted by Local Government Commissioner including number of installments to be paid had not been received yet.
(b)	An outstanding loan balance of Rs.1, 166,832 had not been recovered from 11 officers died, vacated the post, retired and interdicted.	2023	The outstanding loan balances should be recovered.	It had been informed that the action will be taken to recover Rs.14, 800 due from 02 deceased employees from the pension gratuity and even	A balance of Rs.422, 152 recoverable from 03 employees vacated the post couldn't be recovered. Rs.365, 078 from remaining loan balance had been recovered.

though the letters  
had been sent to  
the persons  
vacated the post,  
no response had  
been given.

**3.81 Beruwela Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	689,096,158	109,689,863	579,406,295	75,271,564	Qualified
<b>2022</b>	831,592,395	79,501,076	752,091,319	1,640,490	Qualified
<b>2023</b>	792,694,113	66,922,238	725,771,875	8,048,882	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) No action had been taken to transfer the legal ownership of 191 lands belonging to sabha to sabha.	2022	The action should be taken to transfer the assets belonging to sabha to sabha.	The programs had been implemented by Divisional Secretary under resolving the land issues prevailing in the local authorities. For that, all issues had been submitted.	It had been requested from Divisional Secretary to take over.
(b) No long-term and formal program had been prepared for disposal of hugely collected waste of Beruwela pradeshiya Sabha.	2022 2023	A sustainable solution should be obtained to make aware the responsible parties on issue about waste disposal.	As per the capacity of the compost yard, the degradable waste is sent to that place and remaining parts is disposed to a private land.	The recommendation had not been implemented.

(c) The license of Central Environmental Authority had not been obtained for the slaughter house and since there is no formal method of flowing water there, the waste water had mixed to Benthara river adjacent to land.	2023	The action should be taken to obtain the environmental license.	The deficiencies had been pointed out by the site inspection for providing the license by Central Environmental Authority and it had been informed that those will be rectified and resolved in the future.	The environmental license had not been obtained.
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**3.82 Bulathsinhala Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	480,298,390	41,228,051	439,070,339	15,093.695	Qualified
<b>2022</b>	577,179,366	26,236,493	550,942,873	5,420,731	Qualified
<b>2023</b>	612,906,726	10,050,520	602,856,206	2,103,503	Unqualified

<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>status of recommendation as on date of the Report</b>
(a) Even though the constructions should be carried out by forwarding the requirement of sabha prior to construction of multipurpose building, a multipurpose building had been constructed at a cost of Rs.153,351,216 by Urban Development Authority without identifying such requirement and vested to sabha in November 2019 by vesting order of Divisional Secretary.	2021	The constructions should be carried out after identifying the necessity of sabha.	No inquiry had been made on the necessity of sabha prior to construction.	The recommendation had not been implemented. Up to now, the building is in underutilized condition.
(b) In terms of section 93 of Pradeshiya Sabha Act No.15 of 1987, the duty of pradeshiya sabha	2022 2023	The necessary facilities should be provided for proper disposal of sewerage in the	It had been informed that the relevant public requests will be	Since there is no gulley bowser, the service can't be delivered

shall be to take all measures for cleaning and emptying all latrines and cesspits in formal manner in due time .However, no gulley service had been maintained since 2½ years for disposal of sewerage in sabha limit.

limit of sabha.

forwarded to  
Agalawatta or  
Horana  
Pradeshiya  
Sabha.

- (c) Even at the end of 2023 year under review, no action had been taken to take over the ownership of 03 vehicles.

The action should be taken to transfer the ownership of the vehicles to the name of sabha.

The ownership of vehicles had not been transferred to the name of institute.

The action is being taken to transfer the ownership of the vehicles to the name of institute.

**3.83 Dodangoda Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	638,649,755	58,448,604	580,201,151	17,750,137	Qualified
<b>2022</b>	668,976,701	55,561,045	613,415,656	23,401,881	True and fair view
<b>2023</b>	683,490,798	27,354,791	656,136,007	19,483,543	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementatio n status of recommendatio n at the date of report</b>
Even though a holiday resort had carried out business activities without obtaining the licenses since long time, the plans for buildings newly constructed in that institute had been approved by sabha in 2019 without considering it and the certificate of conformity had been issued for that building in 2022.	2023	The action should be taken to against the institutes which are not compliance with the rules and regulations.	It had been informed that the action will be taken not to occur these delays in the future.	It is in same situation.

**3.84 Kaluthara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	788,078,556	70,481,246	717,597,310	62,107,296	Qualified
<b>2022</b>	809,679,235	45,165,276	764,513,959	50,962,414	Qualified
<b>2023</b>	855,813,634	35,902,309	819,911,325	44,290,949	Disclaimer

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) Non-implementation of the provisions of extraordinary gazette notification 2296/5 dated 06 September 2022				
(i) Since Assessment Tax receivable to Kaluthara Municipal Council had not been identified from 20 March 2023 to 31 December 2023, the Assessment Tax revenue recoverable to Kaluthara Municipal Council had been shown as revenue of Kaluthara Pradeshiya Sabha in the financial statements.	2023	The accounts should be accurately prepared.	The answers had not been given.	The recommendation had not been implemented.



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|--|---|--|
| <p>(ii) No step had been taken to precisely identify the assets belonging to Kaluthara Municipal Council from 20 March 2023 and had over, even at the end of year under review; the assets belonging to Kaluthara Pradeshiya Sabha had not been accurately depicted in the financial statements.</p> | <p>2023</p> <p>The accounts should be accurately prepared.</p>      | <p>The answers had not been given.</p> <p>The recommendation had not been implemented.</p>   |
| <p>(b) Section 134(1) of Pradeshiya Sabha Act No.15 of 1987</p> <p>Even though the approval had been received from Chief minister for carrying out a new valuation, in 2019, the tax had been charged in the current year on valuation in 2013.</p>  | <p>2023</p> <p>The action should be taken as per relevant rule.</p> | <p>Once the instructions will be received from the Secretary of ministry of Local Government it had been informed that the amendments will be commenced. ,</p> <p>The recommendation had not been implemented.</p> |

**3.85 Madurawela Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	377,851,106	17,913,029	359,938,077	(337,255)	Qualified
<b>2022</b>	408,880,052	16,777,673	392,102,379	(3,712,883)	Qualified
<b>2023</b>	403,202,944	15,920,992	387,281,952	(150,222)	True and fair view

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) In relation to 2021 construction of Narthupana multipurpose building completed at a cost of Rs.20, 619,845 in 2016 by				
(i) Puraneguma project under the aids of Asian Development bank, it was observed the following facts. Though the tenure of land in extent of 0.3277 hectares in which above building had been constructed had been handed over to sabha by Madurawela Divisional Secretary, the ownership had not been transferred even up to 31 May 2023.		The action should be taken to take over the ownership of the lands.	The applications required for acquisition had been sent to Local Government Commissioner.	The reminders had been sent. It had not been acquired yet.

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|---|--|---|---|
| <p>(ii) Even though the 2021 constructions should be carried out after performing a feasibility study and identifying the requirement of sabha, the building constructed at a cost of Rs.20,619,845 without identifying the requirement එසේ අවශ්‍යතාව had been handed over to sabha in November 2016 and utilized at several occasions and it had been underutilized much time.</p> | <p>The action should be taken to utilize the underutilized assets.</p>                               | <p>Some programs are only maintained.</p>         | <p>It is utilized for the activities of sabha about 04 days in a month.</p> |
| <p>(c) A Bell machine in 2022 XT-Pack type worth 2023 of Rs.784, 300 received as a donation from Ministry of Provincial Councils and Local Government in 2016 had been idling in the fertilizer yard without usage about 03 years.</p>  | <p>The assets should be properly maintained and those should be utilized for relevant objective.</p> | <p>The renovations are being carried out now.</p> | <p>The recommendation had not been implemented.</p>                         |

**3.86 Mathugama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	758,123,934	54,891,117	703,232,817	26,494,865	Qualified
<b>2022</b>	723,429,492	43,452,079	679,977,413	22,666,765	Qualified
<b>2023</b>	1,391,191,142	47,148,056	1,344,043,086	21,750,676	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	When surveying Batamullakanda land with book value of Rs.12, 500,000 in extent of 12 acres 02 roods 36 perches on 21 August 2012, land in extent of 02 roods 12.72 perches had been acquired by a public institution. a temple and 03 house owners. After 04 years, even though it had been only informed to the public institution and the persons in November 2016 to hand over it to sabha and no action had been taken to acquire such lands to sabha on 23 August 2022. It was observed that	2021	The ownership of lands belonging to sabha should be verified.	Urban Development Authority had proposed to develop it as a forest.	The recommendation had not been implemented. The necessary action had not been taken in relation to the plots of land acquired by the external parties.

a land in extent of 12 acres 23 perches had not been utilized and had been underutilized.

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| <p>(b) The unauthorized 2021 houses had been constructed in Mathugama watta land in extent of 07 acres, 01 rood 11.4 4 perches with a value of Rs.20,000,000 and no action had been taken by sabha. Furthermore, even though the Foreign Employment Bureau building had been constructed in this land without any payment to sabha, it was observed that a lease rental is not paid by that institute to sabha. Though veterinary office building had been constructed in this land, it was observed that no lease rental is paid by that institute. Accordingly, it had not been accurately identified that how many extent of land indicated in the books belong to sabha.</p> | <p>Having accurately identified the lands belonging to sabha, those should be documented.</p> | <p>This is a land transferred to Matugama Small Urban council in 1962 by Kaluthara Government Agent. There is an opportunity to reside in it by the persons who worked there at that time. Even though Foreign Employment Bureau had paid lease for 05 years since 2003, it had not been paid after that and the plot of land had been provided to Foreign Employment Bureau on a cabinet decision.</p> | <p>The recommendation had not been implemented.</p> |
|--|---|---|---|

- |  |   |  |   |
|--|---|--|---|
| <p>(c) An amount of Rs.1, 2023<br/>565,000 had been paid to a private company for 07 systems for computerization of the functions of Mathugama Pradeshiya Sabha in 2015.As per condition 06 111 of relevant agreement, though the all software systems should be established within 180 working days, other 05 systems except 02 systems of rates and shop rent had not been computerized even up to the end of year under review.</p> | <p>The management should take action to efficiently and effectively utilize the software systems purchased.</p> | <p>The data is being entered for implementation the accounting system presently and other systems are implemented for preparation of salaries library activities and stores and documents for stock control.</p> | <p>The recommendation had not been implemented.</p> |
| <p>(d) Even though the 2023<br/>software systems had not properly implemented, an amount of Rs.608, 528 had been paid to such company from 2020 to 2023.</p>   | <p>The systems purchased should be utilized receiving economic benefits.</p>                                    | <p>The payment facilities should be obtained via online connected with People's Bank for implementation of the software systems.</p>   | <p>The recommendation had not been implemented</p>  |
| <p>(e) The water motor 2022<br/>purchased at a cost of 2023<br/>Rs.785,795 in November 2022 for Beli wattakanda drinking water project had been idle without usage even</p>  | <p>The management should take action to efficiently utilize the software systems purchased.</p>                 | <p>The action had been taken to implement the project in 2024.</p>   | <p>The recommendation had not been implemented</p>  |

up to the end of year  
under review and the  
benefits had not been  
provided to  
beneficiaries by that  
project incurred  
Rs.1994605.

**3.87 Paindanuwara Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	462,139,106	49,056,523	413,082,583	49,111,572	Qualified
<b>2022</b>	404,266,712	22,759,522	381,507,190	5,738,191	Qualified
<b>2023</b>	405,502,578	15,706,317	389,796,261	8,643,976	True and fair view

	<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a)	In leasing Baduraliya fair 2013, since it had not been taken action to charge Rs.108,599 as lease rental and even though it had been informed by the letter No.LGN/6/4/1/P29/1 dated 03 January 2018 of Western Province Local Government Commissioner to recover the financial loss occurred to sabha fund from former Secretary of sabha , no action had been taken accordingly.	2021	The steps should be taken as per the orders of Local Government Commissioner.	The officer had been informed to pay by a letter.	Even though the officer had been informed to pay by a letter in 2022, no payment had been made so far.
(b)	No action had been taken to transfer the ownership of 08	2023	The action should be taken to take over	The provisions required for survey activities	The recommendations had not been



lands enjoyed by  
sabha to sabha.

ownership of the  
lands enjoyed by  
sabha to sabha.

had been implemented.  
requested from  
Department of  
Local  
Government.

- (c) The ownership of 30 2022  
crematoriums under 2023  
the administration of  
Palindanuwara  
Pradeshiya Sabha  
had not been  
transferred to sabha.
- The actions  
should be taken to  
transfer the  
ownership of  
crematoriums to  
sabha.
- Subsequent to  
receipt of  
provisions from  
Department of  
Local  
Government, it  
had been  
informed that the  
actions will be  
taken to survey  
and take over.
- Had not been  
taken over.

**3.88 Walalavita Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	277,419,972	118,090,459	159,329,513	1,469,855	Qualified
<b>2022</b>	320,408,242	68,648,653	251,759,589	(55,306)	Qualified
<b>2023</b>	285,732,607	29,220,548	256,512,059	(13,572,596)	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Contrary to section 182 of Pradeshiya Sabha Act No.15 of 1987, outstanding revenue of Rs.470,301 had been written off from books without obtaining approval of Governor within the year under review.	2023	The action should be taken as per relevant section o	The answers had not been given.	The approval of Hon. Governor had not been received yet.
(b)	The inquiries as per financial Regulations for determination the responsible parties had not been commenced in relation to destruction of the computers and accessories worth of Rs.751, 884 provided to Chairman in 2022.	2022 2023	Having taken action as per relevant Financial Regulation, the loss should be recovered.	The requests had been made from Department of Local Government on 22 May 2023 and 01 April 2024. to carry out an investigation.	As informed by Department of Local Government on 02 May 2024 to carry out an investigation by a public institution close to sabha, even though a request had been made from Divisional Secretariat, no answers had been given.

**3.89 Ella Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	439,499,952	23,856,585	415,643,367	(2,660,587)	Qualified
<b>2022</b>	444,744,379	17,094,650	427,654,729	99,844	Qualified
<b>2023</b>	552,260,659	19,657,087	532,603,572	13,183,111	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) Even though pradeshia sabha should take steps to renovate the thoroughfares in the area and provide adequate latrine facilities, the access roads to 09 Arch bridge and Little Adam's peak in Ella area where a large number of foreign and local tourists visit and no latrine facilities had been provided.	2022	In accordance with Pradeshia sabha Act No.15 of 1987, the renovation of thoroughfares and providing of toilet facilities should be carried out.	There are no toilet facilities due to the land issues in little Adams Peak. In the future, the action will be taken to discuss with hotel owner 98 and provide such facilities. It is due to be commenced a project with all sanitary facilities adjacent to Nine Arch Bridge in this year by Central Cultural Fund. The action will be taken to clean the access to	The necessary facilities had not been provided.

little Adams  
peak by  
Shramadana.

- (b) As per the 2023  
constriction fitness  
certificate issued by  
National Buildings  
Research  
Organization in 2016  
in relation to  
construction of Ella  
Tourist Information  
Centre, it had been  
recommended that  
the column  
foundations should  
be built on hard bed  
rock layer with  
adequate load  
carrying capacity, an  
amount of  
Rs.6,599,634 had  
been paid without not  
construction of work  
parts with the  
foundation of  
building as per  
physical inspection.
- Since this area is  
vulnerable to the  
land slides, the  
constructions  
should be carried  
out having  
obtained the  
recommendations  
of National  
Buildings  
Research  
Organization.
- Agreed. This  
work had been  
started by Uva  
Provincial  
Tourism  
Ministry.  
Therefore, the  
action is being  
taken to carry  
out further  
activities by  
inquiring from  
Uva Provincial  
Tourism  
ministry.
- It is in the same  
situation.

**3.90 Uvaparanagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	208,198,109	47,368,703	160,829,406	11,013,880	Qualified
<b>2022</b>	222,505,263	34,240,203	188,265,060	2,725,691	Qualified
<b>2023</b>	255,238,727	13,927,500	241,311,227	19,305,539	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) Even though the latrine facilities should be provided having identified the places in which the latrines are required, no latrine facilities had been provided to the local and foreign tourists who visit Boburu Ella tourist area.	2022	After identifying the necessary places, common facilities should be provided.	The payments had been made for survey activities for the construction of toilets and the action will be taken to constructions after legally transferring the land.	The construction of latrine had delayed due to issue of obtaining a land for lands.

**3.91 Kandaketiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	205,347,085	85,113,388	120,233,697	(206,849)	Qualified
<b>2022</b>	241,267,881	8,793,275	232,474,606	(1,607,454)	Qualified
<b>2023</b>	260,344,480	11,451,672	248,892,808	(1,251,215)	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) 05 shops located in land in extent of 12 perches in Kandekatiya junction belonging to prdeshiya sabha had been enjoyed by a businessman in area in unauthorized manner and the order had been given by court to evacuate the businessman. However, the relevant party had performed the business even up to the end of year under review without any payment to sabha and not taking action as per court orders.	2022	It should be taken as per court orders.	The all files related to this had been taken to Department of Local Government.	The relevant shops are enjoyed by this businessman and a rent is not charged to sabha.

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|---|----------------|---|--|--|
| <p>(b) The water store tank of 20000 liters for Godunna water project at a cost of Rs.824, 466 on the provisions of National Water Supply and Drainage Board in 2013 had not been utilized for the expected purpose even up to 31 December 2023 had been idle.</p>                                    | <p>2023</p>    | <p>The project should be implemented as per accurate plan.</p>        | <p>That water tank had not been filled the water so far and when it was found the reason, it was a technical error.</p>                                  | <p>On technical reasons, it couldn't be used this water tank.</p>                                      |
| <p>(c) Even though buildings and toilet complex had been constructed for Thennepanguwa weekly fair at a cost of Rs.3, 584,393 on the provisions of Local Development Support Project in 2021, it had not been utilized for expected purpose up to 31 December 2023 and become uneconomic expense.</p> | <p>02 2023</p> | <p>The action should be taken to fulfill the expected objectives.</p> | <p>In the future, the necessary action will be taken to hold the weekly fair after carrying out promotional advertising activities.</p>                  | <p>No action had been taken to hold the weekly fair.</p>   |
| <p>(d) Kandekatiya Pradeshiya Sabh had not segregated waste as degradable and non-degradable collected annually about 25 tons in limit of sabha and disposed in Mahaweli forest reserve located in</p>  | <p>2023</p>    | <p>The disposal of waste should be formally carried out.</p>          | <p>A formal waste management project is being commenced in association with Meegahakivula and Ridimaliyadda Pradeshiya Sabhas and later, a permanent</p> | <p>The waste is disposed in this place until another place will be received for disposal of waste.</p> |

Buddahakotte since  
05 years by digging  
pits irregularly.

solution will  
receive for this  
issue.



**3.92 Passara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	387,296,010	91,904,878	295,391,132	(976,513)	Unqualified
<b>2022</b>	388,714,149	81,777,879	306,936,270	(3,091,099)	Qualified
<b>2023</b>	409,509,439	34,672,683	374,809,756	19,313,403	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
A public market complex with 46 shops had been constructed in 2017 at a cost of Rs.44,770,559 from the provisions of Local Loans and Development Fund of Department of Local Government and money collected from the shop owners of public market owned by Passara Pradeshiya Sabha. The sabha had decided to lease 20 shops on long-term lease of 30 years to the old shop owners deviation from tender procedure in leasing the shops in 2018 and 21 shops on long-	2023	The outstanding revenue should be collected as per the agreements.	In accordance with approval of Uva Province, Hon Governor, the action will be taken to recover outstanding amount receivable after deduction of monthly valued rent and the steps will be taken to settle the remaining loan balance of Local Loans Development Fund from non-refundable and further payable amount.	No outstanding rent had been recovered.

term lease by tender method and 05 shops on annual tender system. An amount of Rs.12, 165,159 had been outstanding from these 46 shops as at 31 October 2023.

**3.93 Bandarawela pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	153,325,750	5,778,537	147,547,213	1,688,233	Qualified
<b>2022</b>	209,250,637	19,389,889	189,860,748	540,254	Qualified
<b>2023</b>	288,305,436	3,047,267	285,258,169	23,607,673	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though 02 containers had been purchased for waste management at a cost of Rs.3,975,000 by using the provision of Local Development Support Project (LDSP), those had been idle without using for expected purpose.	2023	Prior to implementation of the project, a feasibility study should be performed.	Even though it had taken efforts at several occasions to use as a waste management resource center, it had failed and it had been submitted for approval of Hon. Governor to tender such 02 centers as shops.	The residents have no interest to hand over the waste to recycle centre.

**3.94 Mahiyangana Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	204,089,235	42,173,167	161,916,068	20,980,048	Qualified
<b>2022</b>	196,466,501	28,343,094	168,123,407	5,061,765	Qualified
<b>2023</b>	202,030,888	25,298,236	176,732,652	8,750,803	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The various parties have been carrying out businesses in shopping complex with 31 shops constructed by lessees in a land belonging to sabha located in Mahiyangana city from 2012 to year under review and sabha had not entered into the agreements with lessees and charged the lease rentals.	2021	After entering into agreements with the lessees, outstanding lease rental should be recovered.	The action is being taken to enter into agreements.	It had been entered into agreement for only 04 shops and recovered the rent.
(b)	A permanent waste yard and office building had been constructed at a cost of Rs.16,203,454 by allocation a land in extent of 05 acres in Mahiyangana	2022	The necessary action should be taken to obtain economic benefits to the amount incurred.	The waste yard building constructed in Dehigolla area had been provided to an external party for	The waste recycle activities had not been started.

Dehigoalla village for waste recycle activities in 2016 and the electricity connection required for the building had been obtained. However, the waste recycle activities had not been carried out in that place even up to the end of year under review due to the objections of residents.

manufacturing of compost on rent basis from 01 August 2021 up to now.

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| (c) | Even though the charge of rents and fees receivable to sabha shall be the duty of Secretary, as per section 159(1) of Pradeshiya Sabha Act No.15 of 1987, the lease rental had not been charged in relation to 20 shops located in the ground floor of public market from 2014 to 2022. | 2022 | The lease rental should be charged having entered into the formal agreements.  | It had delayed entering into agreements informing by shop owners of ground floor to take action to provide them 25 years lease. | No action had been taken to enter into agreements and recover rent. |
| (d) | Even though the projects should be started as per formal agreements after preparing a project report, carrying out a feasibility study and obtaining the approval of minister for that, no action had been at ken   | 2022 | When carrying out the constructions in a land belonging to sabha, it should be entered into a formal agreement and immediately completed the projects. | It had been constructed through a contract company by charging money from lessees with the intervention of Trade                | No action had been taken to enter into agreements and recover rent. |

accordingly. Even though a market complex 88 new shops, cinema hall and 32 block shops has been constructing since 2012 by demolishing 24 old shops constructed in the land lot No.5035 belonging to pradeshiya sabha and 20 block shops located in fair area collected money through a trade association established by some persons, the work had not been completed even up to the end of year under review.

Association without contribution of government entered into agreements with Mahiyangana Pradeshiya Sabha and Mahiyangana Public Trade Association. Similarly, it had been constructed on the concurrence to transfer it to sabha at the end of construction.

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| (f) | 29 shops had been constructed by Urban Development Authority in 2013 at a cost of Rs.21.5 million in bus stand of Mahiyangana Sri Lanka Transport Board. The rent revenue of Rs.10,040,000 had lost to due to not lease out the shops from January 2014 to 31 December in the year under review. | 2022 | Under conditions, the shops should be leased through a formal procurement. | ne | The relevant 29 shops had been tendered at several occasions and 11 shops out of that had been tendered. It had been entered into agreements by 05 shops and since an enjoining order had been given for 03 shops out of remaining 06, the entering | The lessees had obtained only 11 shops and even though it had been tendered to lease 18 shops, the lessees had not presented. |
|-----|--|------|--|----|---|---|

into agreement  
had been  
suspended. The  
necessary  
action will be  
taken to tender  
remaining  
shops in the  
future.

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| (g) | When 49 shops were being removed in weekly fair by sabha (2012), outstanding shop rent of Rs.5, 776,700 had not been recovered even up to the end of year under review.   | 2022 | The action should be taken as per a legal method and not unfavorable to sabha fund. | The answers had not been given.  | It had not been entered into agreements to lease newly constructed shops and the revenue received to sabha from old shops had lost also. |
| (h) | A gulley pit had been prepared in 2022 at a cost of Rs.778,500 from sabha fund for removal of gulley waste close to Mahaweli river flowing adjacent to Nisala Arana cemetery in the year under review without obtaining the recommendations of Public Health Inspector and carrying out a environmental study. The gulley pit had not been used up to the end of year under review. | 2022 | The gulley pit should be utilized for disposal of gulley materials.                 | The construction of gulley had been done under supervision of the technical officer. Presently, 02 gulley pits are used to put gulley. | The newly constructed gullies had not been used to dispose gulley so far.  |

**3.95 Meegahakiula Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	134,439,432	9,279,938	125,159,494	2,858,159	Unqualified
<b>2022</b>	143,654,469	20,900,531	122,735,938	(1,755,705)	Qualified
<b>2023</b>	139,411,426	5,785,519	133,625,907	2,750,143	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The inquiry had not been performed as per Financial Regulations 104(4) in relation to cab worth of Rs.7,650,000 fired and destroyed due to an aggressive situation occurred in Colombo area 09 May in previous year.	2023	After carrying out inquiries, the value of damage should be recovered from the responsible persons.	On 07 September 2023, the statements had been obtained from sabha Secretary and the driver.	The investigation related to cab is being carried out by Secretary of Ministry of Local Government and currently, Sabha Secretray and officer in charge of subject had taken statements from the driver. Moreover, relevant documents had been obtained from the Inquiry Board.



**3.96 Rideemaliyadda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	170,880,867	18,152,674	152,728,193	(1,253,791)	Qualified
<b>2022</b>	163,835,530	22,690,101	141,145,429	(2,144,507)	Qualified
<b>2023</b>	205,521,100	21,958,074	183,563,026	3,148,153	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	02 shops constructed at a cost of Rs.5,200,000 on the provisions of Local Development Support Project(LDSP) in the year under review had been closed without leasing and an amount of Rs.116,458 had been incurred for publication the paper advertisement for lease the shops and cancellation such advertisements again.	2023	The management decisions should be accurately taken.	As per the recommendations of Management committee, the paper advertisements had been published for shops due to be leased for 03 years .After that, since it had been decided to lease the shops for 25 years, the paper advertisement in accordance with the instructions of Local Government Commissioner.	Since the valued amount for shop is not adequate, it had been requested to value again and these shops had been further closed.

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| (b) | It had not been taken action to settle an advances of Rs.481, 487 provided to 13 approved societies under 'Gamin Gamata Dorin Dorata' roads development project in 2014 and 2015 in the year under review. | 2023 | Once the task is completed, the advance should be settled.                   | The action is being taken to submit a report for writing off advance balances unrecovered and existed long time from accounts to Hon. Governor.              | Up to now, no action had been taken to recover or write-off.                    |
| (c) | 05 vehicles belonging to sabha had been idle more than 01 year due to no renovation and utilization of 05 vehicles belonging to sabha.   | 2023 | The vehicles belonging to sabha should be repaired and utilized.             | Owing to non-availability of the provisions, no repairs had been carried out.  | The repairs had not been carried out due to non-availability of the provisions. |
| (d) | An amount of Rs.105, 357 had been over paid as councillor allowances and telephone allowances to 19 people's representatives of pradeshiy sabha in march of year under review.                             | 2023 | The members allowance and telephone allowance over paid should be recovered. | Some people's representatives had paid back the parliamentaria n allowances and telephone allowances and it had been informed to the other party in writing. | Only Rs.11,733 had been recovered.  |

**3.97 Welimada Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	520,871,294	56,773,965	464,097,329	(4,522,217)	Qualified
<b>2022</b>	618,621,215	44,673,610	573,947,605	47,097,077	Qualified
<b>2023</b>	733,822,424	55,622,287	678,200,137	26,935,892	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The temporary licenses had been issued to 03 private slaughter houses without environmental protection license by renewing from 14 days to 14 days.	2022 2023	The step should be taken to provide formal environmental protection license for slaughter houses.	The applications had been sent after giving instructions to obtain the environmental protection licenses.	The environmental licenses had not been obtained.
(b)	The sewerage disposed from fish markets and business places owned by Sabha located close to public bus stand in Welimada city had been released to Uma Oya.	2023	The immediate action should be taken in relation to waste disposal to the environment.	It had been planned to make a septic tank and suck pit to dispose the waste water.	Presently, the action had been already taken to prepare a septic tank and a suck pit.

**3.98 Soranathota Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	708,900,498	24,485,231	684,415,267	(2,594,530)	Unqualified
<b>2022</b>	729,761,861	19,930,240	709,831,621	4,630,590	Qualified
<b>2023</b>	733,619,948	19,302,299	714,317,649	151,276	Unqualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though the action should be taken by pradeshiya sabha for ensuring the safety of the tourists who come to visit Dunhida Waterfall, no necessary action had been taken to construct the fence at unsafety areas from access road to waterfall, removal of decayed trees beny towards the road and prevention of the issues related to nuisances occurred to tourists from monkeys remained in either side of roads.	2023	A suitable security program should be implemented for the protection of tourists.	Presently, the constructions are being made by a suitable contractor having carried out the procurement activities for construction the relevant work. The notice boards had been displayed to make aware the tourists on the damages done by the animals.	A suitable safety program had not been implemented so far.

**3.99 Haldummulla Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	176,475,744	24,957,505	151,518,239	1,089,223	Qualified
<b>2022</b>	178,746,255	24,626,372	154,119,883	(956,802)	Qualified
<b>2023</b>	180,647,719	11,682,092	168,965,627	3,189,285	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A house belonging to Koslanda sub office of pradeshiya sabha had been provided to an employee of pradeshiya sabha on 08 November 1982 after entering into agreement and such officer had retired on 01 January 1984. But the relevant house had not been vested to sabha even up to end of 2023.	2022	The safety of the properties of sabah should be verified.	Since sabha has no a transfer deed in the name of sabha, there are difficulties in taking legal action.	The necessary action had not been taken.
(b)	As published in part 4(b) of extraordinary gazette notification No.1773 dated 24 August 2012, unauthorized mobile stalls constructed obstructing the view from Beragala Junction to Uda Viharagala which is a	2022	The action should be taken to remove the constructions which hinder the people.	Since these constrictions are not permanent, pradeshiya sabha had tried to remove it. A huge people's protest had arisen when taking action to	Unauthorized structures had not been removed.

tourist attraction had not been removed even up to the end of year under review.

remove in co-operation with Divisional Secretariat, RDA and Haputale Police. Accordingly, it had been referred to a decision of Badualla District Regional Co-ordination committee.

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|--|---|---|---|
| <p>(c) Even though a 2023 building for waste recycle material collection had been constructed at a cost of Rs.1, 892,539 in 2021, waste recycle activities had not been started.</p> | <p>The waste management should be formally carried out.</p> | <p>Presently, 02 tanks had been erected to put non-degradable waste and clean and sell and in the future, this issue will minimize.</p> | <p>The recycle activities had not been started.</p> |
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**3.100 Haliella Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	258,780,166	63,305,026	195,475,140	9,827,800	Qualified
<b>2022</b>	256,022,351	63,588,377	192,433,974	(6,208,219)	Qualified
<b>2023</b>	342,593,075	40,591,170	302,001,905	11,909,135	Qualified
<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>	
(a) An amount of Rs.174,781 had been over paid for work items No.02,03, and 04 for preparation of drainage work in Kolluwatta Road ,Uduwara from sabha fund in the year under review and from the beginning to south wall of drain constructed had eroded up to 02 metres and south wall from bottom had completely left. It was not observed that reinforcements of 0.3 had put for the height of wall of drain at the erosion.	2022	The over payments should be immediately recovered.	No answers had been given.	The overpayments had not been recovered.	

(b) In March of the year 2023 under review, councilor allowance of Rs.177,833 and telephone allowance of Rs.12,467 had been over paid to people's representatives.	An internal control system should be established for the prevention of the over payments.	Rs.126, 500 had to be recovered from people's representatives and Rs.8433.41 from telephone allowance only.	The reminders had been sent and 02 persons had paid an amount of Rs.11, 733.
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**3.101 Kataragama Predeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	351,990,275	41,179,348	310,810,927	10,617,414	Qualified
<b>2022</b>	381,627,449	90,667,097	290,960,352	10,307,877	Qualified
<b>2023</b>	700,817,319	86,953,539	613,863,780	3,624,703	Disclaimer

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General/s recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Fuel of Rs.369,058 or 2134 liters had been used for the cab of Chairman of prdaeshiya sabha exceeding the approved fuel limit of 400 liters for month from January 2022 to April.	2022	It should be charged having identified the responsible persons.	An inquiry had been performed by Department of Local Government in relation to this and it is expected to take action as per such inquiry report.	It had been informed to former Chairman and Vice-Chairman to pay this amount to pradeshiya sabha.
(b)	As per section 10 of Employees' Provident Fund Act No.15 of 1958, since employee provident fund contributions had not been paid for 04 employees from January 2001 to December 2016, an amount of Rs.198,360 which is the 8 percent contribution charged	2023	It should be charged the surcharges having identified the responsible persons.	The surcharge had been paid as per the judgement of case No. 54627.	As per the judgement of the case No.54627 referred to Tissamaharama Magistrate's Court by Hambanthota Assistant Labor Commissioner against Kataragama Pradeshiya Sabha, this amount of Rs.198,360 had been paid by sabha

by employee and surcharge of Rs.247,950 had been paid from sabha fund.

fund and no recommendation had been implemented.

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| (c) | Since the 03 percent contribution had not been paid to the Employees Trust Fund No.46 of 1980 from May 2016 to December 2022, a surcharge of Rs.380,710 had been paid from sabha fund. | 2023 | It should be charged the surcharges having identified the responsible persons.                           | This amount had been paid as per the letter of Manager of Employees' Trust Fund.    | The recommendation had not been implemented. |
| (d) | 150 shops belonging to sabha had been leased without entering into agreements.   | 2023 | In renting out the properties belonging to sabha, it should be entered into agreements with the lessees. | The shop owners had been made aware to immediately enter into agreements with them. | The recommendation had not been implemented. |

**3.102 Thanamalwila Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,804,784,012	28,238,139	1,776,545,873	(5,017,959)	Qualified
<b>2022</b>	1,823,995,175	46,822,328	1,777,172,847	(29,040,379)	Qualified
<b>2023</b>	1,898,868,775	48,906,975	1,849,961,800	25,879,718	Disclaimer

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	02 shops as No.05 and 06 close to Danduma weekly fair belonging to Thanamalwila pradeshiya sabha had been leased in 2019 and even though it had been indicated that an amount of Rs.1,500,200 which is the 50 percent of procurement bid value had been paid in the documents related to lease out of shops, such amount had not been credited to sabha fund.	2023	It should be recovered having identified the responsible persons and found out in relation to the transaction.	It had been verified at the inspection that relevant money had not been credited to sabha fund and it had been informed to Local Government Commissioner to take the further action on this matter.	A surcharge notice had been issued.
(b)	The revenue licenses had not been obtained for 22 vehicles and machineries belonging to	2023	The revenue licenses for the vehicles and machineries should be obtained within the stipulated	The steps will be promptly taken to solve this issue.	The revenue licenses had not been obtained for the vehicles belonging to this sabha since long

Thanamalwila  
pradeshiya sabha and  
the registration  
certificates had not  
been obtained for 07  
vehicles out of that.

period of time.

time and the action  
had to be taken as  
per the instructions  
given by Local  
Government  
Assistant  
Commissioner's  
Office in relation to  
payment of  
penalties.

- (c) The engine No. of 2023  
cab belonging to  
sabha is  
4D56DE9507 and  
engine No. of the  
registration  
certificate is  
4D56JN0914.

The attention  
should be paid in  
relation to  
utilization and  
safety of the assets  
belonging to sabha.

Since there is  
no information  
available for  
fixing a new  
engine, a  
request had  
been made to  
Local  
Government  
Commissioner  
to perform a  
formal inquiry  
on this matter.

Since the  
information had not  
included about  
fixing a new engine  
in the file, it is due  
to be carried out a  
formal inquiry on  
this matter.

**3.103 Badakumbura Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	492,026,274	62,807,300	429,218,974	1,412,034	Qualified
<b>2022</b>	468,023,317	35,724,601	432,298,716	(1,847,792)	Qualified
<b>2023</b>	501,632,834	3,698,034	497,934,800	8,019,009	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) The action had not been taken to perform survey activities 78 lands in various extents belonging to sabha and transfer the legal ownership of 98 lands.	2022	The legal ownership of the lands belonging to sabha should be verified having carried out the survey activities.	It had been informed to Divisional Secretray to transfer the lands surveyed and the necessary action will be taken to transfer the remaining lands in the future.	The requirements recommended had not been fulfilled.
(b) A plot of land in extent of 15 acres in Pussallawa grama niladhri division for waste recycle program had been vested to sabha on 14 December 2010 on special sabha decision in June 2009.Rs.120,000 had been incurred for	2022	The safety of lands belonging to sabha should be verified.	Since the people's objections had arisen for implementation a waste recycle center in Waikuburuwatt a land located in Pussallawa Grama Niladhari	It couldn't be implemented due to the people's objections arisen for implementation waste recycle center and the requests had been made to Land Reform Commission to

land survey activities in 2010 and the relevant program had not been implemented. Up to November 2022, 25 unauthorized families had resided in this land.

Division, it transfer this land couldn't be to Pradeshiya implemented. sabha. But the requests had been made to Land Reform Commission to transfer this land to Pradeshiya Sabha.

**3.104 Bibila Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	843,399,015	116,158,072	727,240,943	24,380,733	Qualified
<b>2022</b>	855,227,643	127,999,712	727,227,931	(8,159,094)	Qualified
<b>2023</b>	774,218,324	26,361,985	747,856,339	(3,763,620)	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	It had not been mentioned the expiry date of the lease agreements related to 84 shops belonging to sabha and more than 20 years had elapsed from lease of 23 shops out of that.	2023	The lease agreements should be formally maintained.	Since the period of lease had not been included in the old agreements, the lessees had not agreed to insert the lease period in new lease agreements and it couldn't be entered into agreements mentioning the period of time.	It couldn't be entered into the agreements mentioning the period of time due to non-agreement of lessees.
(b)	It was observed that the sewerage removed from gulley service by sabha had been disposed to an open drain in the land in which Puwak palaya waste yard is located and it had	2023	The disposal of sewerage should be formally carried out.	The project report related to preparation of the sewerage disposal system had been forwarded to Local Government	The recommendation had not been implemented.

been collected to  
small stream  
bounded to that land  
and collected to  
Maduru Oya.

Commissioner.



**3.105 Buttala Pardeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	453,255,018	31,115,879	422,139,139	1,309,921	Qualified
<b>2022</b>	452,872,485	21,905,932	430,966,553	(32,247)	Qualified
<b>2023</b>	1,060,908,846	24,828,139	1,036,080,707	11,561,970	Qualified

	<b>Audit observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	161.9 diesel litres worth of Rs.64,000 had been informally disposed on 14 July 2022 from motor grader machine belonging to sabha and the responsible parties related to that had not identified and recovered that amount even up to 21 February 2023.	2022	It should be charged having identified the responsible persons.	A complaint had been lodged in Buttala Police Station in relation to the misplacement of fuel in motor grader machine and the inquiry on that matter is being carried out.	The preliminary inquiry had not been completed so far.
(b)	The legal ownership of 52 lands had not been transferred to sabha.	2022	The legal ownership of lands belonging to sabha should be taken over.	The transfer activities of the properties enjoyed by our institute are being performed by property transfer orders and it had been informed again to Buttala	The lands not transferred from vesting orders had been forwarded for surveying activities and the lands surveyed had been referred to Land Commissioner General for

			Divisional Secretary to expedite it by the letter dated 20 December 2022.	transfer.
(c)	An amount of 2022 Rs.111,974 had been over paid since the distance for the transportation of gravel from obtaining gravel at Lunugala Colony up to the road under repair related to 03 roads gravel projects had been overstated.	The over payments should be recovered.	The necessary action will be taken in due course having inspected about the overpayment.	The recommendations had not been implemented.
(d)	In relation to 2010 – 2023, machinery rent revenue of Rs.11,296,080 recoverable from rent of vehicles and machineries belonging to sabha had not been recovered even up to 31 December of year under review.	The necessary action should be taken to immediately recover outstanding revenue.	In the future, the relevant outstanding amount will be recovered.	An amount of Rs. 5,506,589 had to be further recovered.
(e)	In terms of the provisions of Pradeshiya sabha Act, an amount of Rs.559,108 related to 06 surcharges enforced by me against the responsible persons in the previous years had not been	The surcharge amount should be promptly charged.	In 2024, the relevant amount will be recovered.	An amount of Rs.421, 975 had to be further recovered.

recovered even up to  
31 December of year  
under review.

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| <p>(f) An amount of 2023 Rs.709,433 had been paid from sabha fund as fuel expenses for 16,230 kilometers which had not been run for the cab used by Chairman from January 2021 to July 2023.</p> | <p>The fuel expenses over incurred from sabha fund should be recovered from the responsible parties.</p> | <p>The requests had been made to carry out a preliminary inquiry in relation to the change of the running charts of cab from Local Government Commissioner.</p> | <p>The preliminary inquiry is being performed by Local Government Assistant Commissioner's Office.</p> |
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**3.106 Madulla Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	369,655,101	59,664,403	309,990,698	7,768,588	Qualified
<b>2022</b>	445,993,004	16,587,479	429,405,524	(4,880,963)	Qualified
<b>2023</b>	458,549,021	9,127,546	449,421,475	6,001,544	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The survey activities had not been carried out for 26 lands in various extents belonging to sabha and no action had been taken to transfer legal ownership of 63 lands.	2022	Having surveyed the lands belonging to sabha, the legal ownership should be obtained.	The letters had been forwarded to Madualla Divisional Secretary requesting to survey the lands belonging to sabha and lands of cemeteries and take over the legal ownership.	The letters had been forwarded to Madualla Divisional Secretary requesting to survey the lands belonging to sabha and lands of cemeteries and take over the legal ownership.
(b)	The unauthorized construction had been erected by an external party by covering a part of building of Iginiyagala public library had not been removed up to February 2024.	2023	The safety of the properties belonging to sabha should be verified.	In the future, the necessary legal action will be taken to solve this issue.	The necessary measures had not been taken.

**3.107 Medagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,701,992,662	46,137,435	1,655,855,227	8,934,030	Qualified
<b>2022</b>	1,754,044,364	22,474,413	1,731,569,951	5,594,359	Qualified
<b>2023</b>	1,762,987,714	15,571,221	1,747,416,493	11,483,075	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The rent income of Rs.6,662,759 recoverable related to ease of the properties in previous years had not been recovered in the year under review.	2023	The outstanding revenue should be immediately recovered.	The action will be taken to recover the outstanding revenue.	No action had been taken to recover the outstanding revenue.

**3.108 Moneragala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,714,990,144	78,389,705	1,636,600,439	(13,693,430)	Qualified
<b>2022</b>	1,692,180,296	63,492,389	1,628,687,907	(20,784,531)	Qualified
<b>2023</b>	1,746,577,211	10,831,847	1,735,745,364	6,817,614	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
In relation 2016 – 2022, the rent income of Rs.9,914,947 recoverable from lease of properties had not been recovered in the year under review.	2023	The outstanding revenue should be immediately recovered.	It had been forwarded to Hon. Governor for approval to write off the outstanding revenue in relation to the Covid pandemic period.	Only Rs.66,390 had been recovered from tender lease rental outstanding prevailed at the beginning of year.

**3.109 Wallavaya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	436,023,241	64,502,846	371,520,395	10,682,682	Qualified
<b>2022</b>	446,365,549	68,347,958	378,017,591	3,905,313	Qualified
<b>2023</b>	604,019,622	23,027,255	580,992,367	(3,370,578)	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The rent income of 2023 Rs.6,933,148 recoverable from lease of 13 properties belonging to sabha before 2018 and from 2019 to 2023 had not been recovered.		The outstanding revenue should be immediately recovered.	The action will be taken to recover outstanding revenue.	No action had been taken to recover outstanding revenue.

**3.110 Siyabalanduwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	387,947,575	50,162,043	337,785,532	2,241,918	Qualified
<b>2022</b>	458,638,187	30,999,022	427,639,165	359,636	Qualified
<b>2023</b>	481,244,189	17,310,304	463,933,885	(536,374)	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	57 shops belonging to pradeshiya sabha had been given on lease basis up to 15 December 2023 and trade tax, industry tax and trade license fees had not been charged for any time.	2023	The tax and fees receivable to sabha should be charged.	The instructions had been given to Revenue Inspector to recover relevant revenue.	No lease had been recovered.
(b)	It was observed that engine numbers of 02 vehicles and chassy number of 01 vehicle belonging to sabha had not matched with the engine number and chassy number in the registration certificate.	2023	The attention should be paid in relation to the ownership and safety of the assets of sabha.	The necessary action is being taken to solve this issue currently.	No step had been taken to resolve this issue.



**3.111 Elpitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	213,490,596	35,663,983	177,826,613	3,401,739	Qualified
<b>2022</b>	388,490,613	39,188,974	349,301,639	7,360,137	Qualified
<b>2023</b>	526,653,829	25,669,985	500,983,844	(2,396,394)	Qualified

	<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though the prices for cutting soil by man labour had been used for reducing high side soil with regard to 07 industries, an amount of Rs.363,726 had been over paid for 310.18 m <sup>3</sup> due to usage of excavator machine and JCB machine for this.	2022	The over payments should be recovered.	The instructions had been given to take action as per the detailed work description and the specified prices received from Provincial Engineering Office in due course.	A letter No. අප්පරාස/සං/05 dated 09 August 2024 had been forwarded to Local Government Commisioner. As per the decisions taken at such discussion, the money over paid had not been recovered.
(b)	Even though the price rates for cutting soil by man labour had been used for cutting soil in side drains of the roads related to 05 works , an amount of Rs.137,456 had been over paid due to	2022	The over payments should be recovered	The instructions had been given to take action as per the detailed work description and the specified prices received from Provincial Engineering Office in due	A letter dated 09 August 2024 had been forwarded to Local Government Commissioner. As per the decisions taken at such discussion, the money over

usage of excavators  
and JCB machines  
for cutting soil in  
drains.

course.

paid had not been  
recovered.

**3.112 Imadoowa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	193,483,931	23,256,237	170,227,694	10,469,801	Qualified
<b>2022</b>	219,376,099	64,809,652	154,566,447	(19,946,801)	Qualified
<b>2023</b>	226,015,395	29,553,742	196,461,653	(17,034,709)	Qualified

	<b>Audit observation</b>	<b>Year of repor</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to recover an amount of Rs.502,050 for 334.7 square metre constrected without approval related to a development license and Rs.2,500,000 for 10 vehicle parking places.	2023	The action should be taken as per gazette.	It had been referred to take legal action.	It had not been recovered.
(b)	The shopping complex with 260 square feet constrected in the mid of Imaduwa city at a cost of Rs.9,605882 before 17 years had not been completed for use for a effective economic purpose.	2023	The market complex should be utilized for effective economic activity. .	It had been planed to utilize for effective economic activities.	It had not been utilized for effective purpose.

**3.113 Karandeniya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	341,247,662	40,110,000	301,137,662	(29,060,936)	Qualified
<b>2022</b>	353,101,880	35,432,122	317,669,758	124,632,737	Qualified
<b>2023</b>	406,278,741	20,920,353	385,358,388	(17,821,434)	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The revenue recoverable at the beginning of the year under review was Rs. 13,691,865 and the outstanding balance was Rs.10,124,944 at the end of year under review. There were 1127 units on which no rates had been paid for 2023 and outstanding Assessment Tax balance to be charged from such units was Rs.3,817,535 in 2023.	2023	The progress of recovery of outstanding recevue should be grown.	The action is being taken to recover outstanding amount.	The progress of recovery of outstranding revenue is not adequate.

**3.114 Thawalama Pradeshuya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	95,169,302	16,231,573	78,937,729	(4,587,763)	Qualified
<b>2022</b>	135,075,844	5,700,716	129,375,128	2,085,523	Qualified
<b>2023</b>	142,309,936	9,416,876	132,893,060	649,869	Qualified
<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General'r recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>	
(a) The attention of sabha had not been paid to the damage occurred to the environment since 63 instituions had not obtained enviornmental licenses and it had been shown that an amoun of Rs.283,500 as license fee and Rs.189,000 as investigation fee had not been recovered by sabha.	2023	The licenses should be issued after checking the enviornmental impacts.	The action will be taken to charge the fees having provided the licenses in the furure.	No action had been atken to obtain licenses up to 15 October 2024.	
(b) The title deeds had not with sabha related to 41 lands worth of Rs. 464,634 and no action had been taken to transfer such lands and settlethe ownership.	2023	The land belonging to sabha should be taken over.	The action will be taken to transfer that land to sabha having identified whether such land belongs to sabha by the committee appointed presently.	The ownership had not been settled 15 October 2024.	

**3.115 Nagoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	193,701,359	40,926,733	152,774,626	(5,096,691)	Qualified
<b>2022</b>	172,381,050	26,276,755	146,104,295	(3,842,959)	Qualified
<b>2023</b>	12,344,848,681	62,408,086	12,282,440,595	(2,271,216)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken by sabha to recover an amount of pre....fees of Rs.240,000 for 08 communication towers established within the area.	2023	The relevant fees should be charged.	In the future , it will be charged.	It had not been charged.
(b)	An amount of Rs.1,270,225 had been informally paid without preparation the estimates based on quantity under the price ratios related to soil excavating in construction of access road to a crematorium belonging to sabha.	2023	The estimates should be prepared based on quantity and paid.	It had been paid to the machine on hour basis. The action is being to charge it. ω.	The acion had not been taken to recover.
(c)	There were 53 grama nidhari divisions in extent of 17,971	2023	The action should be taken to identify the areas on which	Having identified 06 grama niadhari	The recovery process had not been started yet.

hectares in the limit of pradeshiya sabha and no action had been taken to enhance its revenue by identifying the developed ares and charging rates in terms of section 134(1) of and (2) of Pradeshiya Sabha Act No.15 of 1987.

Assess ment Tax divisions, it should be enforced. had been gazetted.

**3.116 Niyagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	160,075,657	48,498,168	111,577,489	(6,177,357)	Qualified
<b>2022</b>	232,852,812	110,168,910	122,683,902	(4,239,830)	Qualified
<b>2023</b>	167,234,836	31,192,295	136,042,541	(22,430,411)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	36 roads constructed and developed at a cost of Rs.19,947,965 with 4764 kilometres after 2018 had not been included into road inventory and gazetted.	2023	The action should be taken as per Act.	The program of collection of geographical information such as roads, culverts, and street lamps in the limit of sabha in these days is being implemented. After completion such program, the roads inventory will be updated and maintained based on such report.	The recommendation had not been implemented. \
(b)	In terms of subsection 134(1) of Pradeshiya Sabha Act no.15 of 1987, no action had been	2023	The action should be taken as per section of Pradeshiya Sabha Act.	The relevant action will be immediately taken.	The action is being taken.



taken by sabha to charge rates from developed villages including Thalgaswela.

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| (c) | 03 lands with in 2023 extent of 271 perches enjoyed and utilized by pradeshiya sabha as well as 03 buildings worth of Rs.52,400,000 with 413 square metres had not been used for effective economic activity and had been idle. | The properties belonging to sabha should be utilized for effective purposes. | The action will be taken for effective purposes. | No recommendations had been implemented. |
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**3.117 Neluwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	292,812,342	14,008,258	278,804,084	32,388,347	Qualified
<b>2022</b>	321,710,584	23,086,541	298,624,043	3,621,295	Qualified
<b>2023</b>	302,759,272	51,452,211	251,307,061	2,578,385	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Audit observation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per circular No. දළපා/පළාතො/ 2010/01 of Southern Local Government Commissioner, even though the shops agreements should be updated once in 03 years, no action had been taken to update the lease agreements related to 17 shops after 2017 and 2019.	2022	The action should be taken as per circulars.	The relevant activities will be performed in the future.	No action had been taken as per circular.
(b)	An amount of Rs.175,165 on rent out of fish stall since 01-03 years and an amount of Rs.615,809 frecoverable for annual tenders of Duvili Ella from 02 persons had to be recovered..	2023	Outstanding revenue should be recovered.	The action will be taken to recover in the future.	The recommendation had not been implemented.

**3.118 Baddegama pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	467,151,950	36,607,236	430,544,714	297,751	Qualified
<b>2022</b>	529,877,422	25,403,244	504,474,178	27,060,421	Qualified
<b>2023</b>	569,449,348	31,786,216	537,663,132	3,104,539	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Audit observation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though the provisions had been approved for 03 projects of Rs.4, 250,000 for providing drinking water, such projects had not been implemented.	2022	The projects on which the provisions had been approved should be implemented.	It had been accepted the observations.	The recommendation had not been implemented.
(b)	Since 830 m3 of soil obtained from playground for work item No.02 of preparation playground in Kasideniya auction land had been provided by using excavator, Rs.200,030 had been over paid due to non-application of specific price rates.	2023	The relevant official rates should be used. .	The rates used had been used due to non-receipt of relevant official explanatory notes.	The relevant official rates had not been used. .

**3.119 Balapitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	308,029,743	39,203,028	268,826,715	8,477,103	Qualified
<b>2022</b>	325,790,739	49,287,141	276,503,598	(14,288,250)	Qualified
<b>2023</b>	504,223,096	37,807,167	466,415,929	(6,057,395)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs.1,662,300 had been outstanding as outstanding shop rent of Rs.1,467,000 and outstanding surcharge of Rs.195,300 at the end of 2023 since a shop of Balapitiya multipurpose building had been leased tby Balapitiya Coopertaive society since 2021 and had not been paid the rent..	2023	The action should be taken to charge the lease rental timely.	Until a final decision will be taken by submitting the documents to Local Government Commissioner, a grace period had been requested by Balapitiya Multipurpose Co-operative Society. Accordingly, it is due to be taken further action.	Even though it had been made aware continuously on non-payment of outstanding shop rent, it had not been charged.
(b)	14 lands belonging to sabha worth of Rs..28,788,300 and 09 lands on which the valaue can't be	2023	The lands should be effectively utilized.	The action will be taken to effectively utilize the lands.	In the future, It had been informed the action will be taken to rectify in the future.

identified had not  
been utilized and  
been idle.

**3.120 Benthota Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	352,427,203	68,272,512	284,154,691	36,030,421	Qualified
<b>2022</b>	355,300,520	88,413,004	266,887,516	(44,462,884)	Qualified
<b>2023</b>	395,360,617	45,394,791	349,965,826	7,327,536	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Audit Observation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
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Outsatnding Assessment tax revenue was Rs. .28,308,586 as at 01 January of year under review and the outanding balance was Rs.18,604,712 at the end of year under review. 924 rates units worth of Rs.2,182,037 out of 6501 units in the limit of sabha belonging to head office had since more than 10 years. defaulted the payment of lease. The total of outastanding was Rs.5,701,292 from 26 rate units more than Rs.10,000 each out of 446 belonging to Iduruwa sub office.	2023	The action should be taken to charge outstanding rates and tax revenue.	The further action will be taken to in relation to recover outstanding Assessment Tax.	It had been informed that the action will be taken to recover outstanding.
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**3.121 Rajgama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	484,717,108	38,400,034	446,317,074	447,989	Qualified
<b>2022</b>	525,857,394	28,355,198	497,502,196	483,820	Qualified
<b>2023</b>	554,187,158	18,807,343	535,379,815	533,927	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Since the new valuation related to the shops belonging to sabha had not been implemented, a revenue of Rs.2,874,300 had lost to sabha at the end of year under review.	2022	The new valuation should be implemented.	Deputy Local Government Commissioner and Local Government Commissioner had been made aware and the letters had been forwarded requesting further instructions.	New valuation had not been implemented.
(b)	06 vehicles including 03 vehicles at a cost of Rs.10,921,373 and gulley bowser, water bowser and trailer On which the cost had not been indicated had been without repair since 01-10 years and been idle.	2023	It should be obtained the maximum benefit from the resources with sabha.	The action will be taken to get a decision at future finance committee.	It had not been implemented up to 15 October 2024.

**3.122 Habaraduwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	497,763,943	34,603,120	463,160,823	(33,088,943)	Qualified
<b>2022</b>	456,241,925	26,357,375	429,884,550	59,423,243	Qualified
<b>2023</b>	474,731,357	29,461,146	445,270,211	(69,243,012)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The auditorium worth of Rs.30,000,000 in the upper floor of Ahangama sub office building had not been used and been idle and the ceiling had totally unfixed and the walls had cracked.	2022	The action should be taken to immediately utilize.	The further action will be taken as per the report of National Buildings Research Organization.	It had been requested from give the instructions having conducted an inquiry from Local Government Chief Engineer and once such instructions will be received, it is due to be taken a decision on the building.
(b)	Since Koggala free trade park and jovi park belonging to sabha had not been implemented since 2018, 7850 ticket worth of 3,966,990 printed related to thahad been idle.	2023	The renovation activities should be expedited and the revenue should be earned.	After the renovation activities had been finished, the action will be taken to earn revenue by using tickets.	Jovi Park is being repaired now and once such activities will be completed, an earn revenue by using tickets.



- |     |   |  |   |
|-----|---|--|---|
| (c) | As per section 03 of 2023 the agreement related to shop lease, outstanding security guarantee was Rs.1,534,200 from 85 shops and no action had been atken to recover that maount. | The action should be taken to charge surety money. | In the future, It had not been the action will recovered. be taken. |
|-----|---|--|---|

**3.123 Akuressa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	382,106,442	59,873,106	322,233,336	17,133,372	Qualified
<b>2022</b>	421,820,434	48,446,200	373,374,234	(925,273)	Qualified
<b>2023</b>	545,757,656	25,727,347	520,030,309	9,355,475	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per paragraph 04 of circular No. දළපා/පළාතො/2010/01 dated 27 December 2010 of Southern Local Government Commissioner, key money of Rs.929,554 had to be recovered from 18 shops and the lease agreements of 133 shops of 02 shopping complexes belonging to sabha had not been updated since 02-32 years as per paragraph 05. Similarly, the lease rent valuation of 99 shops in world market complex had not been updated as per paragraph 06 of circular and 14 shops had been sub leased	2023	The action should be taken as per circular.	It had been agreed to pay remaining key money through mediation board and the attention had been paid to rent out the shops after constructing formally. Similarly, it had been referred to Department of valuation to obtain the valuation and the future action will be taken after appointing committee for inspecting sub	No action had been taken.

to other parties  
deviation from  
provisions of  
paragraph 11 of such  
circular.

leases.

- |     |   |   |  |  |
|-----|---|---|--|--|
| (b) | An amount of 2023 Rs.1,992,735 had been incurred for the development of access road of crematorium belonging to sabha and an amount of Rs.221,719 had been over paid by the contractor due to non-application of the specific rates. Furthermore, when the contracted work parts had not been completed, the payments had been made considering that all work had been completed. | The payments should be made as per due rates and the work performed.    | As per the prices prevailed at the occasion in the preparation of the estimates, the estimates had been made and the amount over paid will be recovered from the retention money. Section 132 (            | No measures had been taken.                            |
| (c) | In purchase of 21190 2022 120 CR books worth of Rs.4,449,900 for the distribution among the children in Akuressa pradeshiya sabha limit in the year under review, it had been acted deviation from section 132(k) of Pradeshiya Sabha Act No.15 of 1987 and 14, 103, 178(7)(2), 207, 208,   | It should be taken action as per Acts, rules and Financial Regulations. | The action had been taken on the written instructions of the Chairman who is Chief Accounting Officer and Executive Officer and it is accepted that the action had not been taken as per section 132(k) of | The measures can't be taken in pradeshiya sabha level. |

211, 213 of  
Pradeshiya Sabha  
Financial and  
Administration Rules  
1988 and Financial  
Regulations 237 and  
a fesibility study  
related to this had not  
been prepared.

Pradeshiya  
Sabha Act.

**3.124 Athuraliya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	173,758,550	20,046,235	153,712,315	315,020	Qualified
<b>2022</b>	173,540,187	15,377,627	158,162,560	196,720	Qualified
<b>2023</b>	185,177,971	11,772,715	173,405,256	16,271,215	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
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Deviation from the provisions in paragraph 11 of circular No. ද.ප.පා/ප.පා.කො/2010/01 dated 27 December 2010 of southern Province, Local Government Commissioner, 07 shops in Thibobotuwa shopping complex belonging to sabha had been sub leased by lessees for a higher rent than monthly rent charged by sabha to other parties. Similarly, as per paragraph 04 of above circular, Rs.2,447,500 key money related to 05 fish stalls belonging to Thibotuwawa	2023	The action should be taken as per circulars.	The future action will be taken for the shops given to the other parties having carried out a survey on shops sub leased and the action will be taken to acquire the fish stalls.	No action had been taken.
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public market owned  
by Athuraliya  
pradeshiya sabha had  
not been recovered.

**3.125 Devinuwara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	371,316,224	27,665,131	343,651,093	19,207,364	Qualified
<b>2022</b>	382,289,884	24,607,489	357,682,395	20,240,880	Qualified
<b>2023</b>	468,026,959	27,099,959	440,927,000	31,491,763	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per the provisions in paragraph 11 of circular No. ද.ප.පා/ප.පා.කො/2010/01 dated 27 December 2010 of southern Province, Local Government, even though the vesting of lease ownership to other party by lessee should not be done without approval of sabha, 14 shops of 03 shopping complexes belonging to sabha had been utilized by other parties.	2023	The action should be taken as per circular.	After obtaining the outstanding amount from lessee as per the instructions of Local Government Commissioner in relation to transfer the possession for shop No.03, Kopiwatta from the shop rent out, it will be given to the same lessee again.	No measures had been taken.
(b)	The responsible parties of sabha had not taken action to effectively use Gandara Health Centre partially	2023	The action should be taken to effectively use the money.	The building will be constructed and Gandara library will be established	No measures had been taken.

constructed at a cost of Rs.1,271,174 in 2014 after completion up to 25 April 2024.

there.

- |     |  |      |   |  |                                    |
|-----|--|------|---|--|------------------------------------|
| (c) | <p>Since sabha had not a formal method for manufacturing compost from waste 3 ½ tons daily collected and recycle the non-degradable waste,the waste had been disposed to Wellamadama Molawatta land and covered with soil and therefore, there is a risk of spreading infectious diseases in the area.</p> | 2023 | <p>A formal waste management system should be introduced.</p> | <p>Since March 2024, the action had been taken to segregate the waste as degradable and non-degradable and it had been decided to dispose the degradable waste to Wallamadama land and bring the non-degradable waste to the solid waste management center ,Monroviyawatta, Galle monthly.</p> | <p>No measures had been taken.</p> |
|-----|--|------|---|--|------------------------------------|



**3.126 Dickwella Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	630,060,690	128,520,067	501,540,623	75,375,089	Qualified
<b>2022</b>	641,692,643	148,094,153	493,598,490	45,788,643	Qualified
<b>2023</b>	682,160,048	104,141,865	578,018,183	66,721,653	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Deviation from the provisions of the section 28(1) of of the gazettee notification No.2235/54 dated 08 July 2021 including the planning and development regulations/orders of Urban Development Authority,the development licenses had not been obtained for 08 buildings newly construted or under construction and as per subschedule 02 of gazette notification, afee of Rs.1,187,570 for 03 building applications on which the plans had been rejected but	2023	It should be taken action as per gazette notification.	It had been informed to legalize the unauthorized structures and the necessary action will be taken to charge relevant approved covering charges after following the legal measures for the building plans.	No measures had been taken.

construted had not  
been charged and no  
action had been taken  
to formalize that  
construction.

**3.127 Kamburupiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	454,303,743	131,574,607	322,729,136	21,406,094	Qualified
<b>2022</b>	522,752,664	96,484,706	426,267,958	1,662,212	Qualified
<b>2023</b>	496,467,689	21,836,863	474,630,826	1,469,241	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Deviation from the provisions of the sections 4(1) and 28(1) of the gazettee notification No.2235/54 dated 08 July 2021 including the planning and development regulations/orders of Urban Development Authority, a land called Kanathawatta or Ketokolagahawatta Putugahakoratuwa land in Mapalan area in extent of 01 acre 15.20 perches had been parceled and sold in 2021 without a development license and there were 04 buildings newly constructed or under construction in	2023	It should be taken action as per gazette notification.	It had been informed to submit the application again after completing the deficiencies.	No measures had been taken.

the limit of sabah  
without a  
development license.

- |     |   |   |   |                                    |
|-----|---|---|---|------------------------------------|
| (b) | <p>An amount of 2023 Rs.259,040 had been over paid to the contractor due to usage of the rates introduced for using of man labour under E1-003 without using the rates introduced in 2022 under E1-027 for excavation of soil using machines by Southern Province Road Development Authority in payment of excavating and removal of 208.45 m<sup>3</sup> in development of 02 roads works completed at a cost of Rs.324,835.</p> | <p>The specific rates should be used.</p> | <p>The technical Officers had not provided the answers for audit query.</p> | <p>No measures had been taken.</p> |
|-----|---|---|---|------------------------------------|

**3.128 Kirinda Puhulwella Preadeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	185,011,537	44,242,025	140,769,512	(515,070)	Qualified
<b>2022</b>	182,464,647	36,893,886	145,570,761	(4,683,492)	Qualified
<b>2023</b>	168,879,611	5,216,607	163,663,004	(6,567,491)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs.143,882 had been over paid to the contractor as Rs.444.08 for each soil 324m <sup>3</sup> due to usage of rate of Rs.1108.30 introduced E1-003 instead of rate of Rs.664.22 introduced under DR-005A for first half of 2019 by Road Development Authority, Southern Province in preparation of the estimates related to digging drains work for making the foundation for construction of concrete walls of 09 construction of concrete side	2023	The specific rates should be used.	The price analysis will be taken by relevant institutions in preparation of estimates and payment of bills in the future and the attention will be paid on that.	No measures had been taken.

walls,side walls and  
culverts implemented  
under 2020  
Sapirigamak Janatha  
Sabhagithwa Rural  
Development  
Program and 2020  
Rural Infrustruture  
Development  
Program.

- |     |  |      |   |  |                                    |
|-----|--|------|---|--|------------------------------------|
| (b) | <p>No measures had been taken by sabha to remove the unauthorized strutures in relation to Udagammana Hiusing Project implemented informally without approval of pradeshiya sabha in 2019 as per the powers vested to sabha by Urban Development Authority Act No.41 of 1978 amended by Acts No.04 of 1982 and No.44 of 1984 and the provisions of section 52 of Pradeshiya Sabha Act No.15 of 1987.</p> | 2023 | <p>In terms of the Act, the action should be taken.</p> | <p>In the future, the action is being taken to legalize these unauthorized construction.</p> | <p>No measures had been taken.</p> |
|-----|--|------|---|--|------------------------------------|

**3.129 Kotapola Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	288,253,325	90,111,465	198,141,860	(4,599,517)	Qualified
<b>2022</b>	291,944,956	75,951,290	215,993,666	(5,833,966)	Qualified
<b>2023</b>	242,733,353	22,910,506	219,822,847	(1,356,373)	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A formal and permanent waste management project had not been implemented for allocation of non-degradable waste for recycle from the waste of 06 tons in the daily collected in the limit of sabha in the year under review and the non-degradable waste had been put into the pits in a land in Aninkanda area.	2023	A formal waste management plan should be implemented.	Since the facilities are not available to provide polythene after cleaning as requirement of the customers, those are stored and other non-degradable waste are put to the pits and the action will be taken to destroy the waste in eco-friendly manner after burning those once the insulator machine will be received.	No measures had been taken.
(b)	No action had been taken to take action as per Finnacial Regulation 104 ,identify the responsible persons and recover relevant	2023	The action should be taken as Financial Regulations.	A committee had been appointed headed by the inquiry officers as per F.R.103 and 104 for recovery of loss and the	No measures had been taken.

amount in relation to 170 chairs with defects out of 1300 plastic chairs in Phonix nelum type purchased at a cost of Rs.900,900 on 10 April 2019.

action is being taken accordingly and the step will be taken to not to occur this incident.

- |     |   |      |  |   |                             |
|-----|---|------|--|---|-----------------------------|
| (c) | A case had been filed in Western Province High Court (Commercial ) in 2012 mentioning that JCB machine purchased at a cost of Rs.7.2 million in 2009 from a private company had some defects and Rs.765,250 had been incurred as lawyer consultation fee from sabha fund for that and even though the legal consultation firm had informed to file an appeal petition in Supreme Court in 2022 due to defeat of the case, the measures taken for that had not been presented to the audit and the relevant inquiries had not been carried out so far. | 2023 | The proposed measures should be immediately taken.               | Even though it had been informed to file an appeal petitions in the Supreme Court,the legal consultation fee had not been paid by sabha for that and the committee members appointed for inspection of this vehicle had not comr for inspections up to 27 April 2024. | No measures had been taken. |
| (d) | In relation to the contract assigned to a private contractor by Road Development Authority for  | 2023 | The payments should be only made to the contractors entered into | Since the time is not adequate to provide the answer for audit observation, it had  | No measures had been taken. |



construction of new bridge instead of Mederipitiya old bridge, the relevant contractor has a duty to construct a temporary bridge but an amount of Rs.420,604 had been incurred from sabha fund for crane charges and supply of cement in construction of such temporary bridge by Kotapola pradeshiya sabha.

contracts.

been requested additional 02 weeks for providing the answer.

**3.130 Malimbada Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	440,666,037	48,086,649	392,579,388	9,740,481	Qualified
<b>2022</b>	438,751,475	35,324,748	403,426,727	8,459,120	Qualified
<b>2023</b>	409,070,389	35,978,558	373,091,831	15,269,110	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Deviation from the provisions of paragraph 11 of circular No. ද.ප.පා/ප.පා.කො/2010/01 dated 27 December 2010 of Southern Province, Local Government Commissioner, 03 shops the shopping complex belonging to sabha had been subleased to other party.	2023	The action should be taken as per the agreements.	The legal action will be taken for the shop owners who violate the agreements.	No measures had been taken.
(b)	Sine the sabha had no formal method to dispose the non-degradable waste which can't be sold, it was observed that those waste had been covered by putting soil in compost land.	2023	A formal waste management plan should be implemented.	The necessary action is being taken to bring non-degradable waste to Galle Monroviyawatta waste management unit.	No measures had been taken.

**3.131 Matara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	449,432,528	131,481,387	317,951,141	26,218,678	Qualified
<b>2022</b>	382,387,042	40,738,717	341,648,325	7,180,069	Qualified
<b>2023</b>	482,127,531	21,575,433	460,552,098	10,957,838	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The waste of 02 tons is daily collected in the limit of Matara Pradeshiya sabha and a formal waste management project had not been implemented for recycle non-degradable waste even up to the end of year under review. Similarly, since there was no document available for reporting compost quantity manufactured by using degradable waste by sabha, the information on daily compost manufacturing and remaining stock couldn't be obtained.	2023	A formal waste management system should be introduced and the documents should be formally maintained.	The collection of non-degradable waste program had been recommenced and the quantity of fertilizer manufactured is measured as per way of packing the fertilizer.	No measures had been taken.

**3.132 Mulatiyana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	277,807,517	77,274,916	200,532,601	(9,446,679)	Qualified
<b>2022</b>	279,295,519	37,251,497	242,044,022	155,125	Qualified
<b>2023</b>	279,863,325	27,824,508	252,038,817	2,258,639	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Deviation from the provisions of paragraph 11 of circular No. ද.ප.පා/ප.පා.කො/2010/01 dated 27 December 2010 of Southern Province, Local Government commissioner, 04 shops of 02 shopping complexes had been sub leased to other parties.	2023	It should be taken action as per circulars.	The lessees had stated that it had not been leased to other parties and it was observed that it had been leased only on verbal statements and the lessees had paid the monthly rents properly.	No measures had been taken.

**3.133 Pasgoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	625,129,773	113,126,245	512,003,528	11,036, 507	Qualified
<b>2022</b>	648,681,008	43,871,804	604,809,204	31,630,036	Qualified
<b>2023</b>	660,311,335	14,843,229	645,468,106	12,724,937	Qualified

<b>Audit observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Deviation from the provisions of pagargraph 05 of circular No. ද.ප.පා/ප.පා.කො/2010 /01 dated 27 December 2010 of Southern Province, Local Government Commissioner, since no action had been taken to update the agreements of 22 shops, 01 year and 06 months had elapsed from the end of period. Similarly, 22 shops of 02 shopping complexes belonging to sabha had been sub leased by lessees to other parties on a higher rent deviation from the provisions of pagragraph 11 of	2023	The action should be taken as per circulars.	Since the lessees had given their discontent to enter into new lease agreements due to non-agreement of new assessments with lease rentals, it couldn't be updated the tax agreements and since the shops had been leased to tender system on prepaid system in construction of the market complex, the shops had been obtained by wealthy businessmen for earning additional income by submitting tenders and a loss had not	No measures had been taken.

above circular.

occurred to sabha  
since they had paid  
the monthly  
rentals.

**3.134 Pitabeddara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	422,673,122	16,957,947	405,715,175	5,339,119	Qualified
<b>2022</b>	452,185,031	22,494,850	429,690,181	19,640,754	Qualified
<b>2023</b>	489,573,360	22,350,807	467,222,553	14,159,614	Qualified

<b>Audit observation</b>	<b>Year of repor</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though the contract had been awarded to a private contractor and approved socities at a contract value of Rs.10,936,007 after preparing estimates of Rs.12,474,726 at 08 occasions from 2019 to year under review for the construction of upper floor of Pradeshiya sabha buiding, the construction of the upper foor had not been completed up to 24 January 2024 owing to not carrying out the constutions having identified the priority of wark to be completed considering the	2023	Having identified the all functions, the total cost estimate should be prepared and the contract should be implemented.	It is accepted the audit observations.	No measures had been taken.

prevailing provisions  
and non-preparation  
of total cost estimate  
having planned  
constructions covering  
the all work of the  
upper floor of the  
building.



**3.135 Thihagoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	257,316,648	103,836,313	153,480,335	13,617,546	Qualified
<b>2022</b>	227,499,722	58,374,039	169,125,683	19,271,767	Qualified
<b>2023</b>	202,408,583	20,924,529	181,484,054	(3,366,126)	Qualified

  

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Deviation from the provisions of the section 28(1) of of the gazettee notification No.2235/54 dated 08 July 2021 including the planning and development regulations/orders of Urban Development Authority, a development license had not been obtained for 09 buildings construted or under construction within the urban area belonging to sabha ( before publication area belonging to Thihagoda pradeshiya sabha as a urban area by extraordinary gazette notification	2023	The action should be taken as per the gazette notification.	A discussion had been conducted in association with other relevant companies and a field test will be carried out and taken necessary action.	No measures had been taken.

No.2302/20 dated 19  
October 2022) .  
Further, the  
consrctions had been  
made not in  
compliance with the  
plans and  
development  
regulations.

**3.136 Weligama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	629,519,261	96,176,809	533,342,452	150,321,069	Qualified
<b>2022</b>	710,239,596	100,221,847	610,017,749	89,001,946	Adverse
<b>2023</b>	708,279,464	56,792,390	651,487,074	79,998,357	Qualified

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A land had been purchased at a cost of Rs.16,800,000 in the name of false owner for construction of waste water treatment plant disposed from the septic tanks in last year and even though an amount of Rs.785,100 had been incurred as lawyer and stamp fee, the land had not been utilized for any purpose due to insuffient of land.	2023	The sabha properties should effectively utilized.	The water Supply and Drainage Board had verified that it is technically suitable to construct septic waste water treatment center in the existing land.	No measures had been taken.
(b)	Even though the approval had been granted to transfer the land in which the vehicle parking is located for Warakapitiya crematorium	2023	The action should be taken as per approval.	The vesting order had not been received.	No measures had been taken.

belonging to sabha to  
 sabha as per section  
 27 of Government  
 Lands Ordinance, an  
 amount of  
 Rs.4,000,000 had  
 been paid to a third  
 party from sabha  
 fund by obtaining a  
 valuation report by  
 submission of false  
 information.

- |  |             |   |  |                                    |
|--|-------------|---|--|------------------------------------|
| <p>(c) Kaluwara Bedda land in extent of 01 acre 01 rod 2.80 perches transferred to sabha for common amenities in 2013 had been exchanged for a private land in extent of 01 acre 02 rods Garaduwa Kadalana located in Kaburugamuwa west grama niladhari division leased from 01 December 2012 to 30 November 2013 by him who was a relation of former Chairman and the approval had been given falsely to parcel Kaluwara Bedda land exchanged and lot No.4 and 05 of such land had been purchased by sabha at a cost of Rs.3,850,000 for common purposes.</p> | <p>2023</p> | <p>The lands should be purchased at a minimum cost.</p> | <p>The survey activities had not been done so far.</p> | <p>No measures had been taken.</p> |
|--|-------------|---|--|------------------------------------|

- |     |  |  |   |                                    |
|-----|--|--|---|------------------------------------|
| (d) | <p>When purchasing 2023 100 perches from land bearing plan No.35/215 adjacent to Kaburugamuwa waste project in last year, the land had been valued as Rs.9,400,000 by submission of false information to Department of Valuation. The above land in the name of former Chairman prior to purchase had been sold to the husband of his daughter and the land had been purchased to sabha at a cost of Rs.9,400,000. An amount of Rs.424,000 had been incurred as lawyer fee and stamp fees for purchase of land in previous years in the year under review.</p> | <p>The lands should be purchased at a minimum cost.</p>                      | <p>It is due to be started the survey activities of this land and it is expected to utilize for compost yard after making fences.</p> | <p>No measures had been taken.</p> |
| (e) | <p>Deviation from the provisions in 5:4:4(i) of Government Procurement Guidelines 2006, an amount of Rs.13,173,881 had been paid as 20 percent from contract value without obtaining securities</p>  | <p>2023</p> <p>The action should be taken as per Procurement Guidelines.</p> | <p>Agreed.</p>  | <p>No measures had been taken.</p> |

for 37 contracts  
assigned to a contract  
value of  
Rs.63,931,823 to 14  
registered contractors  
from August 2021 to  
August 2023.

**3.137 Agunakolepallessa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	394,145,400	149,863,012	244,282,388	1,241,833	Qualified
<b>2022</b>	332,678,207	71,830,001	260,848,206	4,109,195	Qualified
<b>2023</b>	285,294,289	27,384,590	257,909,699	(2,423,251)	Qualified

<b>Audit observation</b>	<b>Year of Repor</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Since the action had not been taken to disconnect 05 Lanka Bell telephone connections which were inactive since 2020, a loss of Rs.102,500 had occurred to sabha by payment of Rs.500 monthly as fixed charges and it had not been recovered from the responsible persons.	2023	The loss occurred to sabha fund should be recovered from the responsible parties.	In the future, the action will be taken to rectify as soon as such losses and damages will be identified.	Presently, even though the all telephone connections prevailed with such telephone company had been disconnected, the loss occurred had not been recovered.

**3.138 Beliatta Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	559,153,771	192,446,887	366,706,884	5,654,173	Qualified
<b>2022</b>	527,095,883	180,274,106	346,821,777	5,150,607	Qualified
<b>2023</b>	473,431,673	49,050,181	424,381,492	16,432,199	Qualified

  

	<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per circular No. දළපා/පළාතො/2010/01 dated 27 December 2010 of Local Government Commissioner, Southern probvince, key money of Rs.3,837,500 had not been charged in relation to 15 shops.	2022	The action should be taken as per circulars.	It had been informed to the current lessees to pay key money on 17 January 2023 and the action will be taken to charge in the future.	The instructions had been requested from Local Government Commissioner for the issue, the future action had to be taken after giving the instructions.
(b)	No measures had been taken to recover an amount of Rs.519,632 recoverable from 03 persons filed cases in previous years by sabha even up to the end of year under review.	2022	The action should be taken to recover the money to be charged.	The information had been requested from the courts and it will be submitted after receipt.	A reminder had been submitted on 28 August 2024 to the courts for obtaining the minutes of the cases.
(c)	A part with 2860 square feet located in second floor of sabha office building had	2023	The action should be taken as per circular provisions.	It had been informed to Department of Valuation to obtain	It had been made aware the relevant institute to enter into agreement as



been provided to a private party without a rent from December 2013 to 22 January 2024 which was the date of audit.

a valuation.

per current  
valuation for  
payment of  
outstanding.

- (d) Even though the key money should be charged as one-off payment or within 06 months on request of lessee in rent out, the key money of Rs.5,140,000 had not been recovered recoverable from 20 shops transfeered to the lessees who were not relationsand the period of time in which the key money had not been charged was 02-09 years.
- 2023
- The action should be taken as per circular provisions.
- The instructions had been requested from for issue from Local Government Commissioner.
- After Local Government Commissioner had provided the instructions for issue, the action will be taken accordingly.

**3.139 Hambanthota Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	375,165,085	90,304,037	284,861,048	(4,137,677)	Qualified
<b>2022</b>	312,087,553	37,452,112	274,635,441	(14,357,570)	Qualified
<b>2023</b>	308,877,415	23,623,280	285,254,135	(1,579,801)	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The vehicle parking yard adjacent to dry Zone Botanical Garden completely construted at a cost of Rs..8,483,140 in 2021 had been idle and the expenses incurred was not an economic expense.	2023	The action should be taken to effectively utilize the assets.	Since a huge amount of money is incurred for providing infrastructure, it had been requested to allocate provisions for that.	Since this vehicle park belonging to Hambanthota Pradeshiya Sabha had not been used and the tourists who visit the botanical garden use the park inside the garden, this project had become failure.

**3.140 Katuwana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	604,342,464	111,052,238	493,290,226	3,022,051	Qualified
<b>2022</b>	600,976,786	122,831,063	478,145,723	(10,624,215)	Qualified
<b>2023</b>	515,891,470	32,838,048	483,053,422	2,233,920	Qualified

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though the key money should be charged subject to maximum 06 times at the date of lease or within 06 months, the key money of Rs.9,534,333 recoverable from 10 shops leased in 2017 and 2022 had not been recovered.	2023	The action should be taken as per the provisions of commissioner of local government.	Rs..49,000 had been charged and the letters had been sent to obtain the instructions from Secretary of chief ministry for recovery the balance and the future action will be taken on the instructions received.	The letters had been sent to the lessees to recover outstanding key money in the future.

**3.141 Tissamaharama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	363,382,256	92,821,963	270,560,293	(5,550,236)	Qualified
<b>2022</b>	369,799,304	87,426,928	282,372,376	3,171,163	Qualified
<b>2023</b>	893,551,038	90,738,994	802,812,044	117,226,792	Adverse

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) An expense of Rs.1,731,840 incurred for payment of laying interlocks from the beginning of Pannegamuwa Aloka Mawatha to Mr. Jayawarnena's house had not an effective expense due to the value of interlocks without specific strength and the measures in relation to that matter had not been taken by sabha management in the year under review.	2022	The constructions should be carried out in compliance with specific standards. If not so, the loss should be recovered from the responsible persons.	The action should be taken to obtain quality inspection reports from Roads Development Authority.	Though the quality checking had been done by Roads Development Authority at 02 occasions, the reports submitted were contradictory.
(b) A new market complex with 28 shops and open building in Pannegamuwa Public	2023	The maximum results should be obtained from the assets belonging to sabha.	The action had been taken to obtain a valuation.	The action had been taken to obtain a valuation and even though it had been

Market had been constructed by District Secretariat at a cost of Rs.62,915,634 and it had been handed over to sabha in 2021 and since it had not been utilized even up to the date of audit 11 December 2023, the building premises was in wilderness and severely polluted. It was observed that it is waste of public fund due to non-utilization of this market complex constructed at a cost of Rs.62.9 million and handed over to sabha and it was an action taken to avoid the revenue recoverable to sabha.

informed that the action will be taken to open the shops after receipt that, no recommendation had been implemented so far.

- |  |             |   |   |  |
|--|-------------|---|---|--|
| <p>(c) This buiding with 48 shops in the ground floor , first floor for maintenance of pradeshia sabha office and second floor for meeting hall constructed by Urban Development Authority adjacent to Tissamaharama bus stand had been handed over to sabha on 02 December 2019. The work of the ground floor with 48 shops had</p> | <p>2023</p> | <p>Having completed the constructions, the building should be utilized.</p> | <p>The constructions will be completed after obtaining loans from Local loans Development Fund.</p> | <p>The necessary action is being taken to obtain loans from Local Loans Development Fund for completion.</p> |
|--|-------------|---|---|--|

been completely finished and a considerable work of other 02 floors had been completed. Even though 04 years had elapsed from handing over the building, the action had not been taken to lease the shops and earn revenue and no action had been taken to complete the constructions of other 02 floors and utilize it.

- |  |             |  |   |   |
|--|-------------|--|---|---|
| <p>(d) In terms of Public Administration circular No.22/99 (XXXIII) dated 07 November 2017, even though the maximum distance traveled between office and house should not be exceeded 50 kilometers for the officers to whom the transport facilities are provided, the action had not been in the above manner and the transport facilities had been provided exceeding 100km per day for coming and going by sabha Secretary. From 02 November 2020 to 02 October 2023, the fuel</p> | <p>2023</p> | <p>The loss occurred to sabha fund by taking action contrary to the provisions in the circular should be recovered from the responsible persons.</p> | <p>The action will be taken in the future as per circular provisions.</p> | <p>Even though it had been informed that the action will be taken in accordance with the circular provisions, no recommendation had been implemented.</p> |
|--|-------------|--|---|---|

cost of Rs.323,403  
had been purchased  
from sabha fund for  
19272 km exceeding  
100km per day and  
such additional fuel  
cost had loss to the  
sabha fund.

**3.142 Tangalle Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	603,737,427	117,845,190	485,892,237	49,132,725	Qualified
<b>2022</b>	565,361,227	67,885,649	497,475,578	(5,299,820)	Qualified
<b>2023</b>	705,921,939	19,402,003	686,519,936	113,952,198	Adverse

<b>Audit Observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The details of the money incurred in phase 01 and 02 of Ranna west meeting hall building handed over to sabha in September 2019 had not been submitted to audit and even though an amount of Rs.28,913,959 had been incurred in phase 03, the meeting hall had not been utilized for effective purposes even up to end of year under review.	2022	Having transferred, the assets should be effectively utilized.	Until a specific transfer will be carried out, the maintenance couldn't be done by using sabha funds and it is problematic to utilize for a specific purpose.	Even though District Secretary had given the expenditure values of building, it had not been transferred. The vesting of land had not been done by Divisional Secretary.



**3.143 Weeraketiya pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,106,707,787	259,252,350	847,455,437	6,646,470	Qualified
<b>2022</b>	956,014,136	158,301,018	797,713,118	(4,737,002)	Qualified
<b>2023</b>	888,432,900	29,193,440	859,239,460	34,572,634	Adverse

<b>Audit observation</b>	<b>Year of report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
As per Urban Development (Amendment ) Act No.04 of 1982 and the amendments to that by extraordinary gazette notification, a penalty of Rs.614,940 by Rs.50 per day on occupation/usage or utilization without certificate on conformity had not been charged from 10 building development plans.	2021	The action should be taken as per the Act and gazette notification.	When the action will be taken related to these applications, the measures will be taken as per relevant Act and relevant gazette notification.	The information related to occupation/utilization or usage without certificate of conformity about 10 buildings are being prepared now and subsequent to preparation of such information the relevant progress will be immediately submitted. Accordingly, no recommendation had been implemented.

**3.144 Abagamuwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	395,840,218	127,605,432	268,234,786	1,564,588	Qualified
<b>2022</b>	777,276,644	72,657,702	704,618,942	8,240,798	Qualified
<b>2023</b>	543,745,521	23,761,227	519,984,294	1,273,039	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	For the period from 2018 to previous year, a creditor balance of Rs.47,823,809 for 110 creditors had not been settled.	2022	The balances payable should be settled.	It will be rectified when the final accounts 2023 will be prepared.	A balance of Rs.12,743,097 had not been further settled up to August 2024..
(b)	The ownership of 35 lands used by Ambagamuwa pradeshiya sabha had not been transferred and Watawala common land had been used external parties in an unauthorized manner.	2022	The action should be taken to transfer the ownership and the unauthorized residents should be removed.	The action is being taken to transfer and the action is being taken to remove unauthorized residents.	The ownership of lands had not been transferred up to August 2024 and unauthorized residents had not been removed. Af

**3.145 Agarapathana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	35,776,121	14,504,535	21,271,586	3,579,586	Qualified
<b>2022</b>	27,517,220	8,888,262	18,628,958	(2,379,205)	Qualified
<b>2023</b>	29,912,048	23,560,207	6,351,841	2,305,376	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The F.R. 104 inquiry in relation to vehicle accident occurred on 05 September 2020 had not been completed and no action had been taken to get it repair. Due to this reason, a vehicle had been hired for traveling of Chairman and an amoun of Rs.4,729,849 had been paid within the year.	2022	After renovation, it should be utilized.	The relevant vehicle had been given to a private institute and an estimate had been requested for repair.	No recommendation had been implemented.

**3.146 Kotagala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	166,633,239	24,405,525	142,227,714	40,295	Qualified
<b>2022</b>	178,448,394	22,072,830	156,375,564	(7,121,181)	Qualified
<b>2023</b>	168,198,363	19,466,045	148,732,318	2,131,942	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs.2,856,631 had been paid to 03 projects constructed by using the financial provisions of Ministry of Estate, Housing and Commiunity Infrustruture and an amount of Rs.1,370,536 had over paid for 08 work subjects of those projects.	2021 3.2 (a)	The over payment should be recovered.	It had been informed that the action will be taken to recover it and report to the audit.	Even up to August 2024, the over payments had not been recovered.
(b)	Sabha had entered into a contarct of Rs.83,373,432 on 11 May 2015 for constrution of new building and an amount of Rs.21,559,211 had been paid for that up	2023 3.5	The construction should be completedand utilized.	The action is being taken to obtain a loan from local Loans and Development Fund and the action will be taken to immediately submit loan file.	The constructions had not been completed.

to 31 December 2016. Even though more than 08 years had elapsed from halting its construction at the end of year under review due to administrative and technical issues , no action had been taken to complete the work.

**3.147 Kothmale Paredeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	282,575,945	72,425,159	210,150,786	2,936,276	Qualified
<b>2022</b>	608,796,759	72,118,714	536,678,045	(16,994,625)	Qualified
<b>2023</b>	656,586,817	39,889,295	616,697,522	(19,770,215)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to settle creditor balance of Rs.58,610,536 for 87 balances related to from 2011 to year under review.	2022	The action should be taken to settle creditor balances.	The action will be taken to settle in 2023.	An amount of Rs.19 million had to be further settled up to 31 August 2024 .
(b)	The stamp duty receivable from Chief Secretray and other officers of provincial council was Rs. 10,863,360 as at 31 December of year under review.	2023	The revenue receivable should be collected.	The action will be taken to recover outstanding in the future.	Not recovered.
(c)	Even though an amount of Rs.4,000,000 had been incurred under 03 projects from 2021 to year under review Dunukedeniya Gammedda drinking	2023	The action should be taken to complete the project.	It had been referred a letter to Ministry of Power and Energy.	The project had not been implemented.

water project, the project couldn't be implemented due to not providing three phase electricity for water motor.

**3.148 Nuwaraeliya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	225,324,010	28,110,450	197,213,560	(2,891,374)	Qualified
<b>2022</b>	214,170,723	27,716,663	186,454,060	(7,495,758)	Qualified
<b>2023</b>	259,147,992	36,379,636	222,768,356	20,564,344	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Instead of charging key money for shops of sabha as one-off payment, the sabha had decided to charge it within 05 years.As a result of that, an amount of Rs.10,680,620 had not been charged from 22 shops at the closing date of year under review.	2023	The key money should be recovered.	The action will be taken to recover key money.	Not recovered.



**3.149 Norwood Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	119,481,725	47,560,132	71,921,593	(1,652,343)	Qualified
<b>2022</b>	146,818,734	43,590,546	103,228,188	4,678,451	Qualified
<b>2023</b>	185,897,540	58,192,731	127,704,809	18,942,351	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a) The lease rent of Rs.1,747,020 recoverable from lease of sabha properties from 2003 to 2018 handed over to Norwood pradeshiya sabha from Ambagamuwa pradeshiya sabha had not been recovered in the year under review.	2021	Outstanding revenue should be recovered.	It had been informed that the action will be taken to promptly charge.	An amount of Rs.1,632,460 had not been recovered as at 31 August 2024.
(b) The court fines of Rs.703,489 and stamp duty of Rs.15,236,501 were receivable as at 31 December of year under review of Chief Secretray and other officers of Provincail council.	2023	The remaining outstanding revenue should be collected.	The outstanding will be recovered in the future.	The outstanding revenue had not been recovered.

**3.150 Maskeliya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	178,744,258	12,413,450	166,330,808	470,302	Qualified
<b>2022</b>	183,365,701	16,038,789	167,326,912	(5,422,547)	Qualified
<b>2023</b>	210,090,538	14,341,661	195,748,877	4,524,562	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
A cab and a tractor belonging to sabha had been idly parked in a garage in Maskeliya area without repair since 2018 for about 05 years and the engine number in the registration certificate of cab and physical existing engine number is different.	2023	The reason for difference in engine number should be inspected.	It had not been mentioned in the documents about the difference between engine number and engine number in the book.	The necessary action had not been taken.

**3.151 Walapane Paredeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	172,877,272	37,144,733	135,732,539	7,295,043	Qualified
<b>2022</b>	189,413,347	39,892,898	149,520,449	499,026	Qualified
<b>2023</b>	178,897,785	26,759,011	152,138,773	1,402,245	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Rs.3,448,868 prevailed since 2015 from 07 shops in Ragala city and Rs.3,502,648 prevailed 01-10 years from 26 shops in Walapane had not been recovered as 31 December in the year under review.	2021	Outstanding revenue should be recovered.	It had been informed that it will be referred for write off in the future..	Rs.3,448,868 from 07 shops in Ragala city and Rs.1,557,620 from shops in Walapane had to be recovered as at 31 August 2024.

**3.152 Abangagakorale Pardeshiy sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	145,102,051	39,351,128	105,750,923	(2,997,073)	Qualified
<b>2022</b>	145,021,741	23,286,448	121,735,293	(143,662)	Qualified
<b>2023</b>	128,300,010	6,338,025	121,961,985	(173,798)	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The ownership of 70 lands worth of Rs.533, 750 and 03 vehicles worth of Rs.1, 784,050 using by sabha had not been transferred.	2023	The action should be taken to transfer the ownership.	The action is being taken to transfer.	The transfer activities had not been completed so far.

**3.153 Ukuwela Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	389,114,136	54,877,997	334,236,139	1,361,289	Qualified
<b>2022</b>	376,331,645	37,847,305	338,484,340	(12,743,646)	Qualified
<b>2023</b>	371,365,803	22,367,817	348,997,986	(17,202,327)	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The action had not been taken to transfer 67 lands on which the value had not been assessed and 11 lands worth of Rs.13,756,000.	2023	The action should be taken to transfer the ownership of lands.	The action is baing taken to transfer the ownership.	The ownership of lands had not been trasferred.

**3.154 Naula Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	246,262,747	29,009,467	217,253,280	10,528	Qualified
<b>2022</b>	808,750,632	18,706,678	790,043,954	753,296	Qualified
<b>2023</b>	701,588,224	7,353,913	694,234,311	112,140	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The ownership of 17 lands worth of Rs. 199,000,000 had not been transferred.	2022	The action should be taken to transfer the ownership of lands.	The action had been taken to obtain deeds or vesting orders and the action will be taken to obtain in the future.	The deeds or vesting orders had not been obtained.
(b)	No action had been taken to transfer the owbership of 22 land parts worth of Rs.102,500,000 enjoying by sabha.	2023	The action should be taken to transfer.	The action will be taken to transfer.	Had not been transferred.

**3.155 Matale Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	481,959,250	30,793,150	451,166,100	45,582,047	Qualified
<b>2022</b>	499,384,410	48,502,328	450,882,082	(6,949,911)	Qualified
<b>2023</b>	510,760,214	32,874,977	477,885,237	20,634,598	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs.2,215,053 had been paid to Chairman and 02 officers without submission of the evidences for carried out any duty or supervision and approval from the money received from National Water Supply abnd Drainage Board for patching the roads and administration expenses of reformation of huge Matale Water Project.	2022	The clear and formal documents should be submitted to prove that this water project had been monitored.	It couldn't be verified from the information file related to payments and documents.	No action had been taken.
(b)	As per the provisions of Pradeshiya Sabha Act, a surcharge of Rs.537,018 out of the	2023	As per the provisions of Act, the action should be taken to	The action is being taken to charge outstanding surcharge including	An amount of Rs. 406,018 had not been recovered.

surcharges enforced  
in previous years  
against the  
responsible persons  
had to be further  
recovered.

recover  
surcharges.

in surcharge notices.



**3.156 Yatawatta Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	234,215,192	11,777,206	222,437,986	8,836,576	Qualified
<b>2022</b>	245,226,660	8,712,269	236,514,391	8,451,106	Qualified
<b>2023</b>	260,120,332	11,955,244	248,165,088	6,647,550	Unqualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
04 lands in extent of 59.40 perches worth of Rs.350,600 belonging to sabha had been acquired by the external parties in unauthorized manner.	2023	The safety of assets should be verified.	Under Recovery of Possession Act, the necessary action will be taken.	No action had been taken to recover the possession.

**3.157 Raththota Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	305,447,448	45,733,851	259,713,597	(7,180,112)	Qualified
<b>2022</b>	341,672,841	64,696,997	276,975,844	(1,970,091)	Qualified
<b>2023</b>	344,857,599	44,538,866	300,318,733	(12,308,536)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to transfer the ownership of 12 plots of land in extent of 6 acres 01 rood 22 perches worth of Rs.1,724,744, 04 lands on which the extent had not been identified, Rathota Divisional Secretariat, 78 lands under Land Reforms Commission and private ownership.	2022	The action should be taken to transfer the ownership of lands.	The action is being taken to transfer to sabha having identified the ownership of lands.	The transfer activities are being taken.
(b)	As per paragraph 1(i) of circular No.2016/3 dated 17 March 2016 of Central province, Local Government Commissioner, even though it had been allowed to charge	2023	As per the instructions of the circular, the action should be taken.	The action is being taken to charge the relevant money having inspected the files and informed in writing to the shop owners to pay the key money.	The relevant money had not been charged.

the key money of 06  
shops in Janaka  
Bandara Tennakoon  
Mawatha as  
installments, an  
amount of  
Rs.3,141,246  
including key money  
and interest for that  
had not been  
charged due to not  
taking action to  
charge an interest  
calculated on  
interest rate of  
Central Bank of Sri  
Lanka.

**3.158 Dambulla Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	344,332,194	97,387,236	246,944,958	71,337	Qualified
<b>2022</b>	307,106,525	72,048,982	235,057,543	(18,463,107)	Qualified
<b>2023</b>	335,215,428	80,855,358	254,360,070	43,610,921	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Tourist hotel license fees of Rs.3,652,076 identified as outstanding revenue in previous years had been written off without approval.	2022	After obtaining proper approval, the action should be taken to write off outstanding revenue.	The accurate measures will be taken after bringing it to revenue in preparation of accounts 2023.	It had not been rectified.
(b)	The aggregate of 04 account balances receivable more than 05 years to the closing date of year under review was Rs..5,019,988.	2021 2022	The action should be taken to recover account balances reivables.	The information on outstanding other revenues could.t be found and it had been informed to Municipal council in relation to money receivable from Dambulla municipal council and the balance of current account will be immediatly rectified.	It had not been settled.
(c)	Without taking necessary action in relation to a party	2023	After obtaining a formal approval, the action should	The action will be taken to write off with proper	No action had been taken.

from whom be taken to write approval.  
 outstanding stamp off outstanding  
 duty of revenue.  
 Rs.2,356,580 had  
 not been recovered  
 in 2017 and 2020, it  
 had been written off  
 through journal note  
 No.63 without  
 formal approval  
 mentioning that the  
 receivable period  
 had exceeded.

- (d) In accordance with 2023 The action should It had been agreed to The recovery had  
 the orders of be taken to pay as installments. not been  
 F.R.104(4) inquiry recover. commenced.  
 report issued 18 May  
 2021 in realltion to  
 an accident met by  
 cab on 13 April  
 2015,no action had  
 been taken to  
 recover  
 Rs.2,367,534  
 recoverable from  
 Chairman.

**3.159 Laggala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	109,798,225	58,286,768	51,511,457	3,506,445	Qualified
<b>2022</b>	118,183,709	50,467,671	67,716,038	1,945,551	Qualified
<b>2023</b>	83,152,760	20,950,011	62,202,749	(1,081,109)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per an estimate of Rs..4,000,000 in previous year,even though the bills of Rs.3,354,894 had been sent to Department of Local Government on 31 December 2021 recommended by Technical Officer that the work had been completed when the 20 percent of work had been completed and not completed the work from the wprk indicated in the bill related to construction of the ground floor of Pitawela tourist centre under construction of	2022	The bills should be prepared for the work completed and the constructions should be completed.	Even though the final bills had been prepared and submitted for retaining the provisions allocated, no payment had been paid to the contractor.	Even though no payment had been made to the contractor, the action had not been taken in relation to the officers.

provincial specific development grants, the contracted work parts had not been fulfilled and left the project even up to the end of year under review.

- |     |  |              |   |   |   |
|-----|--|--------------|---|---|---|
| (b) | <p>Even though it had been objected to supply water to 110 consumers from Kiuvawadiya Water Scheme commenced on the provisions of village program with special necessities, a part of that had been constructed up to 02 November 2022 and incurred Rs.2,377,539. Even though it could supply water to 12 consumers, no any applicant had applied for water connections even at the end of the year under review. Due to that reason, Rs.2,377,539 incurred for that had become an idle expense.</p> | 2023         | <p>The attention should be paid to provide drinking water to a large number of customers.</p> | <p>Since it couldn't be lay water pipes in places where there are more customers on increase of cost, the water connections couldn't be provided.</p> | <p>Up to now, the water connections had not been given.</p> |
| (c) | <p>An amount of Rs.12,374,008 was receivable from 12 accounts at the closing date of year under review and Rs.990,423 existed</p>  | 2021<br>2023 | <p>The action should be taken to settle the balances.</p>                                     | <p>Since the outstanding balances had not been maintained, there is no possibility of recovery.</p>   | <p>The outstanding balances had not been settled.</p>       |

01-03 years and  
Rs.11,383,585  
existed more than 05  
years had not been  
recovered.

- |   |   |  |
|---|---|--|
| <p>(d) An amount of 2021<br/>Rs.8,316,598 was 2023<br/>payable from 05<br/>accounts at the<br/>closing date of year<br/>under review and<br/>Rs.743,808 existed<br/>03-05 years and<br/>Rs.7,572,790 existed<br/>more than 05 years<br/>had not been settled.</p> | <p>The action should<br/>be taken to settle<br/>the balances.</p> | <p>Since the The outstanding<br/>information related balances had not<br/>to creditor balances been settled.<br/>is not adequate,<br/>there is no necessity<br/>of settling.</p> |
|---|---|--|



**3.160 Ududumbara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	278,054,514	17,440,220	260,614,294	6,029	Qualified
<b>2022</b>	291,692,387	13,738,373	277,954,014	1,174,153	Qualified
<b>2023</b>	286,923,382	11,451,641	275,471,741	1,629,837	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
When implementing the new valuation report obtained 22 May 2018 for 14 shops of public market complex in 2019, the payment of moneyto that valuation had been defaulted by 06 shops and it had been filed cases in 2020.In the year under review, these shops were opened and outstanding shop rent of Rs.3,051,905 had existed from 06 shops.	2023	As per the judgement, the necessary action should be taken.	It had been issued interim injunction orders.	The outstanding shop rent had not been recovered.

**3.161 Kandy Kadawathsathara and Gangawata Korale Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	798,790,945	122,611,361	676,179,584	(40,285,282)	Qualified
<b>2022</b>	960,096,397	116,608,461	843,487,936	39,071,929	Qualified
<b>2023</b>	1,134,434,195	186,070,692	948,363,503	17,752,702	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As at 31 December year under review, Assessment Tax of Rs.18,720,121 had not been recovered and an amount of Rs.3,842,241 recoverable from 364 units for more than Rs.5,000 of outstanding per unit had been included.	2021	The action should be taken to recover outstanding Assessment Tax.	The outstanding will be recovered through a program of charging rates going house to house.	Presently, an outstanding of Rs.7, 222,897 had not been recovered.
(b)	In accordance with 178 of Pradeshiya Sabha(Financial and Administration ) Rules 1988,05 shops from Peradeniya-Colombo Road had been continuously leased too same persons more than 40 years without tender procedure.Similarly,	2022	The shops should be transferred by following tender procedure and the legal action should be taken with regard to unauthorized constructions.	The shop owners had complained in taking action to tender the shops as per new valuation obtained for 2023. Accordingly, the monthly rent will be charged from shop owners as per new valuation up to 31 December 2023 until the complaint will be	The tender procedure had not been followed.

the lessees had erected unauthorized constructions back of the shops.

inquired.

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|-----|---|--------------|---|---|--|
| (c) | It had not been acted as per paragraph 02.2(1) of circular No.2020/06 dated 28 October 2020 of Central province, Local Government Commissioner, a fixed deposit of Rs.50,000,000 had been withdrawn on 21 December 2023 with committee approval.            | 2023         | The action should be taken as per circulars.                      | The action will be taken to avoid such mistakes in the future.  | The approval had not been obtained as per circulars. |
| (d) | As per the provisions of Pradeshiya Sabha Act, a surcharge of rs.262,608 had been enforced by Auditor General against the responsible persons in previous year and no action had been taken to recover that amount at the closing date of year under review | 2022<br>2023 | The action should be taken to charge surcharges.                  | The relevant recoveries will be done.   | The surcharges had not been charged.                 |
| (e) | A printer and a tab belonging to sabha had been provided to a member of sabha and no action had been taken to take those back after dissolution of sabha.   | 2023         | The action should be taken to obtain the machines to sabha again. | It had been informed to take necessary action to hand over this tab and printer afire informing in writing. | These machines had not been handed over to sabha.    |

- (f) Even though the 2023 buidings and roads standard price rates for second half of 2023 , the estimates had been prepared based on the rates in first half of 2023 and an amount of Rs.2,500,881 had been over paid for 28 projects for construction of roads ,drains,culverts,bridge and fences.
- After identifying the officers who had prepared the estimates not in compliance with Roads Standard Rtaes recommended the payments, the action should be taken.
- It will be charged Rs.434, 369 had the amount over paid not been recovered from the retention money to be released to such contract socities.

**3.162 Minipe Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	315,639,716	36,262,651	279,377,065	5,306,843	Qualified
<b>2022</b>	322,524,426	18,500,9	304,023,488	6,847,447	Qualified
<b>2023</b>	335,422,147	271,447,640	63,974,506	10,608,433	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Due to demolition of a foundation construted in an unauthorized manner in a land belonging to sabha in 1997 by former Chairman, a case had been filed requesting a loss of Rs.500,000 and since no one appeared befor sabha, an ex-parte judjement had been given to pay aggregate of Rs.530,500 as compensation of Rs.500,000 and case fees of Rs.30,500. Even though it had been decided to charge Rs.134,950 each from 04 persons as per F.R.104(4) inquiry	2021 2022 2023	The action should taken to recover the loss from the responsible persons.	Presently, the necessary action had been taken to file cases.	As per F.R. 104(4) inquiry report, the loss had not been recovered.

related to this loss of Rs.530,500, it had not been recovered.

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| (b) | <p>Even though an amount of Rs.11,255,232 was recoverable from 20 shops in Hasalaka shopping complex,the lessees had defaulted this payment and the action had not been taken to enter into agreements with sabha and lessees after 2009 at the inspection of files of these shops. Even though as per the agreement , the space of all shops is foot 13 X 29, these shops had been construted in leangh of foot 13 X 60, the lessees had permanently resided in the back of the shops. Even though the buidings of the upper floor of this market complex should be carried out by sabha, the lessees had construted the upper floor in an unauthriozed manner and no key money had been charged.</p> | <p>The unauthorized constructions should be removed and the all tax should be timely charged.</p> | <p>Even though it had been made aware on this matter in writing by sabha,the ratepayers had not complied in this regard.</p> | <p>The legal action had not been taken and the all tax had not been timely charged.</p> |
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- (c) A space of 7,000 square feet of second floor of multipurpose building constructed under Puraneguma Project at a cost of Rs.71,949,560 had not been utilized and had been idle even as at 31 December of year under review. 2023 It should be utilized for effective purpose. It had been planned to implement an effective project in this building in association with Urban Development Authority and private sector. It had not been utilized for effective purpose.
- (d) Even though an unauthorized resident of Hasalaka weekly fair land transferred by vesting order No.4/3/9672 dated 20 October 2000 to sabha had encroached a part of land in 07 perches, no action had been taken to remove unauthorized resident. 2023 The unauthorized acquisitions should be removed. The legal measures had been taken through Local Government Commissioner presently in relation to removal of unauthorized resident. The unauthorized acquisitions of the lands belonging to sabha had not been removed.

**3.163 Udunuwara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	487,548,192	76,557,448	410,990,744	(556,046)	Adverse
<b>2022</b>	545,229,761	59,410,899	485,818,862	39,282,503	Adverse
<b>2023</b>	771,419,603	18,783,505	752,636,09	8,726,107	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A financial irregularity had occurred in the collection of rates revenue from 2011 to 2015 and the further facts related to such financial irregularity had revealed in the field. It had been concluded that outstanding rates balance of Rs.1,028,451 should be recovered at the primary and final inquiries and a new account balance as "Recoverable Rates Fraud Account" had been shown in the financial statements at the end of 2018. Even though	2021	The action should be taken to recover the amount indicated rates fraud and outstanding rates.	The rates data system and account had been rectified.	An amount of Rs.1,028,451 had not been recovered.



more than 04 years had elapsed from 2018 to end of year under review, these rates had not been charged and it couldn't be satisfied on accuracy of outstanding rates balance

Rs.32,120,181

shown in the financial

statements. Similarly, outstanding rate balance of

Rs.8,343,921

recoverable related to 521 properties with outstanding more than Rs.10,000 for unit had been included in that balance.

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| (b) | As per the provisions of Pradeshhiya Sabha Act, an amount of Rs.1,085,636 had to be recovered as at 31 December of year under review in relation to surcharge enforced by me against the responsible persons. | 2023 | The action should be taken to charge the surcharge.   | The future recoveries will be done on the orders received subsequent to ending the appeal inquiry and referring it to Ministry of Local Government. | The surcharge had not been charged.                      |
| (c) | Even though it had been constructed Pamunuwa Brass Factory within year under review at a cost of Rs.1,989,935,  | 2023 | The building should be utilized for objected purpose. | After receipt of valuation report, the had been taken to tender and lease this building.  | The building had not been utilized for objected purpose. |

It had not been utilized for expected purpose.

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| (d) | <p>Out of 09 vehicles 2023 worth of Rs.23,152,179 belonging to sabha,one vehicle more than 01 year and other 08 vehicles more than 03 years had been idle and condemned.</p> | <p>The necessary action should be immediately finished.</p> | <p>The action will be taken to auction the vehicles to be auctioned and to repair the vehicles which can be used subsequent to obtaining the government valuation.</p> | <p>The recommendations had not been implemented.</p> |
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**3.164 Yatinuwara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	645,711,407	76,782,483	568,928,924	15,581,433	Qualified
<b>2022</b>	676,417,139	83,049,162	593,367,977	10,400,651	Qualified
<b>2023</b>	730,184,493	96,943,424	633,241,069	23,069,989	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though the constructions were being carried out by damaging to Mahaweli reserve without obtaining an approval by person close to Peradeniya Colombo main road, no action had been followed by sabha.	2023	The action should be taken as per provisions of Act.	The construction plan had been submitted by the land owner for approval and it had been referred for abasic plan decision of Roads Development Authority and Mahaweli Development Authority for taking decision whether a formal approval can be given for such construction activities carried out a site inspection.	The action had not been taken to remove unauthorized constructions.

**3.165 Panwila pradeshiay sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	176,896,622	27,227,242	149,669,380	2,970,282	Qualified
<b>2022</b>	165,945,176	15,325,515	150,619,661	(4,340,391)	Qualified
<b>2023</b>	161,049,503	5,638,844	155,410,659	(566,046)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The rent of 30 shops of public market complex belonging to sabha had been valued in 2016 and even though the action had been taken to implement it in 2019, the shop owners had refused the valuation defaulted the payment of rents. Due to this reason, shop rent of Rs.5,872,250 had not been recovered from 2019 to at the closing date of year under review.	2023	The outstanding rent should be recovered.	The action is being taken to legally recover outstanding money.	It had been referred for the instructions of Local Government Commissioner.
(b)	Nuckeles Holiday Resort construted in 2015 at a cost of Rs.2,000,000 had	2023	It should be utilized for effective purpose.	The action will be taken to obtain the provisions.	Had been idle.

been idle or underutilized at the closing date of year under review. Even though this building had been constructed with an objectives of obtaining tourist attraction and earning revenue, it had been left for destruction without fulfilling the objected purpose.

**3.166 Harispaththuwa Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	499,543,071	71,735,669	427,807,402	(4,154,983)	Qualified
<b>2022</b>	613,673,983	109,084,424	504,589,559	(61,845,819)	Qualified
<b>2023</b>	765,717,526	23,928,425	741,789,101	44,158,828	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Backhoe machine and 03 tractor trailers worth of Rs .17,699,179 had been idle or underutized since 03-24 years.	2023	The action should be taken to dispose or auction.	The action will be taken to dispose or auction	It had not been disposed.
(b)	Subsequent to transfer the physical tenure of the land in which madewela Playground is located by Urban Development Authority to sabha in 2014,even though an amount of Rs.1,564,617 had been paid to urban Development Authority as acquisition charges,administrative expenses,compensation s and survey charges within 09 years for transfer the ownership of that land from Urban Development Authority.	2023	The assets should be tranferred.	The action is being taken to transfer.	It had not been transferred.

**3.167 Kundesala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,908,569,632	368,208,957	1,540,360,675	(82,099,947)	Qualified
<b>2022</b>	1,975,321,994	394,961,349	1,580,360,645	627,911	Qualified
<b>2023</b>	2,085,306,502	320,975,745	1,764,330,757	(52,988,943)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In terms of section 149 of Pradeshiya Sabha Act No.15 of 1987, Rs.14,753,555 of license fee had not been charged from 02 hotels from 2015 to 2017.	2023	As per the provisions, the action should be taken to charge the revenue.	The action will be taken to charge the fees.	The revenue had not been recovered.
(b)	As per Financial Regulations 104(3) and (4), the cab belonging to sabha had got caught to a sudden fire on 20 January 2022 and the inquiry related to that had not been completed.	2023	The action should be taken as per Financial Regulations.	The action should be taken as per the Financial Regulations.	No action had been taken so far.
(c)	The machine purchased at a cost of Rs.10,287,000 in 2021 for removal of high humidity of	2023	The purchases should be carried out with proper inspection.	There is no electricity connection.	It is not in operational level.

waste for organic fertilizer yard had not been in operational level from the date purchase to year under review.

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| <p>(d) It had been entered into contract with a private company by sabha on 28 January 2021 for a pilot project for manufacturing a fuel through polythene and plastic of Aluthwatta solid waste project. Even at the end of year under review, the project had not been commenced and an amount of Rs.29,782,203 had been incurred from 2021 to 2022 by sabha for preparation of the project site. However, since the contractor who had entered into agreement for installation of this machine had not installed it. An expense incurred for that by sabha had been idle. The necessary action had not been taken in relation to contract company.</p> | <p>2023</p> | <p>The functions related to the objective should be performed and the monitoring officers should monitor and the necessary action should be taken in relation to the contract institute about non-completion of the work.</p> | <p>It had been not idle.</p> | <p>No necessary action had been taken.</p> |
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**3.168 Medadumbara Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	307,897,807	37,979,718	269,918,089	3,303,709	Qualified
<b>2022</b>	413,617,984	23,901,062	389,716,922	41,472,288	Qualified
<b>2023</b>	459,670,068	49,519,586	410,150,482	28,883,885	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The aggregate of 09 accounts receivables was Rs..13,470,887 as at 31 December of year under review and as per the age analysis, the aggregate of the accounts balances 01-05 years of Rs.4,542,105 and the aggregate of account balances more than 05 years of Rs. .4,572,290 had not been recovered.	2023	The balances receivable should be recovered.	The action will be taken to conduct F.R.104(4) inquiry for recovery.	Up to now, it had not been recovered.
(b)	07 vehicles worth of Rs.17,850,000 and a water bowser worth of Rs.177,500 had been idle and underutilized since 02-09 years.	2023	The action should be taken to repair and dispose.	The action will be taken to repair and dispose in the future.	No action had been taken to repair and dispose.

**3.169 Pathadumbara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	433,494,505	68,400,908	365,093,597	(3,223,794)	Qualified
<b>2022</b>	430,625,055	67,682,961	362,942,094	(31,467,990)	Qualified
<b>2023</b>	450,914,508	54,636,334	396,278,174	(7,710,416)	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
In accordance with the provisions of Urban Development Authority Act No.41 of 1978, even though 786 development licenses had been approved within last 05 years for construction of buildings, no necessary action had been taken related to that after follow-up without obtaining 731 certificates of conformity.	2023	The action should be taken as per the provisions of Act..	The necessary action will be taken.	It is being examined in relation to the buildings completely constructed on which the development licenses had been given.

**3.170 Ganga Ihala Korale Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	338,443,490	74,825,214	263,618,276	728,409	Qualified
<b>2022</b>	349,127,382	45,531,446	303,595,936	975,705	Qualified
<b>2023</b>	1,931,532,877	24,464,299	1,907,068,578	741,561	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	After completing Financial Regulations inquiries related to 04 incidents,even though the final reports had been provided in March 2020 ,the damage of Rs..1,559,795 had not been indemnified.	2021	Having identified the responsible persons, it should be indemnified.	The action will be taken in the future to file cases for indemnity and recover the balance after set-off.	The loss had not been charged from the responsible persons.
(b)	Even though an amount of Rs.11,006,088 had been incurred within year under review for construction of Asupini Ella tourist project and part of pradeshiya sabha building, it couldn't be utilized.	2022	After completing the project, the requirement of people should be fulfilled.	The provisions had not been received and since this is a low income erving sabha, it couldn't be completed the work of project by using Rs.40 lakhs.	This project had not been completed.

- (c) Construction of 2022  
Ganga Ihala Shopping Complex -  
Rs.74,612,900
- (i) Having transferred the land, the constructions should be carried out.
- After maturity of fixed deposit, the action will be taken to transfer.
- It had not been transferred the land.
- Even though the land in which this shopping complex is constructed is owned by Land Reforms Commission, the constructions were being carried out without transfer.
- (ii) After signing the 2022 agreements for completion the construction contract on 07 February 2022 within 10 months, even though it had been informed to complete the work on 14 November in the year under review, it had been extended another 03 months. Though such period of time had ended on 14 February 2023, the constructions had been completed only up to the foundation level of the building.
- The action should be taken as per the agreements.
- Due to the reasons such as price fluctuation of goods in the market and shortage of goods in the market, it couldn't be completed the work on due date.
- The constructions had not been completed.
- (d) As per paragraph 02.2(1) of circular No.2020/06 dated 28 September 2020 of Central Province, 2023
- The action should be taken as per circular provisions.
- It is expected to take action after obtaining instructions from Local Government
- No action had been taken as per circular instructions.

Local Government Commissioner, even though the approval of Local Government Commissioner should be obtained for the capital project performed by using the money in the fixed deposits, 04 fixed deposits worth of Rs. 20,000,000 had been released and paid for the capital projects without doing so.

Commissioner.

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| (e) | <p>Samarsed Covid 2023 Treatment centre in the limit of pradeshiya sabha had completed its task on 25 March in previous year and 297 beds and another accessories, 301 plastic chairs, 23 wood stools, 04 rupavahini and accessories, 03 wachine machines, 08 dining tables, generator, 63 fans, 16 CCTV cameras, 07 water motors, 07 plastic water tanks, 07 water filters and refrigerator received to this centre from other institutions as donations had been handed over to Chairman of Ganga Ihala Korale Pradeshiya Sabha in</p> | <p>Having identified the requirement, the disposal should be carried out by maintaining necessary documents and files by a formal method and the legal action should be taken about informal issuances.</p> | <p>The documentation of all goods had been carried out by Divisional Secretariat and the action had been taken to take the goods handed by sabha again. As per the instructions of Hon. minister, other goods had been provided to Mahindananda foundation with an objective of providing to temples and other institutes.</p> | <p>No action had been taken to conduct inquiries and determine the responsible persons.</p> |
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writing by Divisional Sctrery of Ganga Ikala Korale on 25 Marchin previous year. The verification had been submitted that only 10 fans, 12 beds and accessories, and a washine machine out of these equipment and

Since the information of issuance of other goods had not been submitted, no action had been taken to conduct an inquiry related to this and determine the responsible persons.

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| (f) | Even though 2023 Rs.9,993,090 had been paid to Land Reform Commission on 28 April in the year under review to transfer the land located in Kruduwatta in extent of 01 acre 03 roods 05.26 perches belonging to Land Reform commission, no action had been taken to transfer the ownership even at the end of year under review. An amount of Rs.87,360 had been paid to Land Reform | The action should be taken to transfer the ownership. | The action will be taken to immediately obtain the deed. | The ownership of land had not been transferred. |
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Commission as usage fee for usage of this land from 1997 to 2010.

- (g) Even though an amount of Rs.11,284,645 had been incurred for construction of 02 buildings, it had been partially constructed and the expected output level had not been acquired. 2023
- Having completed the project, the requirements of people should be fulfilled.
- It is expected to complete the work and acquire the expected output level.
- No action had been taken to complete projects.
- (h) Construction of phase 2 of water project in Kuruduwatta disaster village in Malwatta division - Rs.1,611,565 2023
- As per work subject No.02 of this project, even though even though irrigation standard rate (WSR) p: 8 Rs.2,248 in second of 2023 should used in laying the pipes 40mm, an amount of Rs.388,752 had been over paid by Rs.590 for 659.86 metres due to usage of irrigation standard rate (WSR) p: 8 Rs.2,248 in second of 2023 .
- The legal action should be taken against the responsible persons who had not followed the standard prices.(WSR)
- Due to not receipt of standard WSR and on public requests, the WSR had been used and acted in transparent manner.
- No action had been taken to conduct inquiries about the responsible persons who had not followed WSR and recover the loss.

**3.171 Thumpane Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	368,129,036	88,107,337	280,021,699	916,334	Qualified
<b>2022</b>	376,973,067	83,287,186	293,685,881	333,345	Qualified
<b>2023</b>	357,567,462	15,322,933	342,244,529	1,656,302	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though the motor vehicle used by fromer Chairman provided by Central Provincial Council Ministry of industries had fired and met with an accident in 2014,no action had been taken by Chairman to lodge a compliant in police and take legal action in that regard.After 03 years of the accident, even though F.R.104(4) inquiry had been conducted, no action had been taken to conduct F.R. 104(3) inquiry and identify the responsible persons at the closing date of year under review. As per sabha report dated	2023	Having identified the responsible persons, the loss should be recovered and the relevant legal action should be followed.	It had been identified the responsible party and the cation is being taken to recover.	The loss had not been recovered from responsible persons.



16 February 2023,  
since the renovation  
expense of  
Rs.1,009,400 will be  
incurred to start the  
vehicle, it was  
observed that loss of  
approximately  
Rs.1,009,400 had  
occurred.

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| (b) | 04 vehicles and a 2023 machine worth of Rs.27,020,461 had been idle and underutilized since 01-08 years. | The action should be taken to repair the assets which can be used after renovation and dispose other assets. | The action will be taken to repair and auction. | No repairs and auctions had been carried out. |
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**3.172 Pathahewaheta Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	521,269,188	44,122,331	477,146,857	16,124,937	Qualified
<b>2022</b>	579,776,696	20,840,798	558,935,898	22,130,179	Qualified
<b>2023</b>	651,304,832	27,916,710	623,388,122	44,096,865	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As at the closing date of year under review, the outstanding water fee was Rs.18,550,388 and an outstanding of Rs.6,000,311 was from 824 water consumers more than Rs.10,000.	2023	Outstanding balances should be recovered.	After conducting mobile services, it will be charged.	A considerable amount had not been recovered.
(b)	Rs.51.16 million had been incurred Ankelipitiya Morogalla water project commenced work on an estimate of Rs.70.39 million covering 09 grama niladhari divisions in the limit of sabha in 2016 and had been halted in half way in 2018. Rs.19.2 million had to be further paid	2023	After obtaining relevant money, the projects should be implemented.	The provisions are not adequate.	The project had not been implemented so far.

to the contractors for the completed work. There was acute water shortage in the sabha area and the people had faces severe difficulties. However, no action had been taken to recommence the project and Rs.51.16 million incurred so far had been idle. 04 water motors worth of Rs.3,582,000 and electricity supplies worth of Rs.2,587,000 purchased for this project by contractor had been idle.

**3.173 Udapalatha pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	896,729,198	32,933,727	863,795,471	(1,929,384)	Qualified
<b>2022</b>	891,598,943	19,388,828	872,210,115	2,647,808	Qualified
<b>2023</b>	944,303,307	22,151,565	922,151,742	1,969,082	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Outstanding water fee of Rs.3,095,924 including in the financial statements had not been recovered as at closing date of year under review. Within that balance, there was a balance of Rs.1,230,891 recoverable from 171 consumers for outstanding per unit more than Rs.5,000 and a balance of Rs.1,199,099 recoverable from 165 consumers for outstanding per unit more than Rs.5,000 exceeding 05 years.	2021	The action should be taken to recover outstanding water fee.	The disconnection notices had been sent to recover outstanding water fees and the action will be taken to write off the balances which can't be recoverable on sabha approval.	Rs..803,614 had not been recovered at the end of 2023.

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| <p>(b) As at the closing date of year under review, outstanding rent of Rs.2,979,594 included in the financial statements had not been recovered and within that balance, an outstanding of Rs.2,842,130 recoverable for 66 shops for outstanding per unit more than Rs.5,000 and Rs.2,138,578 recoverable for 37 shops for outstanding per unit more than Rs.5,000 exceeding more than 05 years had been included.</p> | 2021 | <p>The action should be taken to recover outstanding shop rent revenue.</p> | <p>There is an issue of identifying outstanding revenue in Pussallawa sub office and a part of other outstanding had been recovered and the balance will be recovered.</p> | <p>Presently, Rs.2,030,454 out of this outstanding had not been recovered.</p> |
| <p>(c) The constructions of Pussellawa Kalugawatta cultural centre had been completed a work value of Rs.956,809 by the contract society on the provisions of ministry of Youth,Improvement and Social, Economic Development in 2008. Due to non-payment of relevant contract value to the contract society, the contract society had filed cases and as per the judgement on 24 March 2023, it had</p>                 | 2023 | <p>The action should be taken to charge from responsible persons.</p>       | <p>On the relevant inquiries, the future action will be taken.</p>   | <p>After conducting inquiries, the loss had not been recovered..</p>           |

been ordered to pay a compensation of Rs.2,519,240 to the contractor and Rs.1,007,696 out of that had been paid. The loss occurred to sabha had not been recovered from responsible persons.

**3.174 Pujapitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	278,028,767	49,510,106	228,518,661	9,900,042	Qualified
<b>2022</b>	288,145,890	39,860,095	248,285,795	190,197	Qualified
<b>2023</b>	295,029,946	22,467,777	272,562,169	18,771,870	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
03 vehicles and machinery and a vehicle on which the value can't be identified worth of Rs..13,919,744 had been idle and underutilized for 03-07 years.	2023	The action should be taken to repair and use and assets which can't be used should be disposed.	The action will be taken to repair and transfer to another sabha.	It had not used after repair and the disposable assets had not been disposed.

**3.175 Pasbage Korale Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	331,988,147	49,102,039	282,886,108	4,892,324	Qualified
<b>2022</b>	387,880,533	92,167,862	295,712,671	9,819,510	Qualified
<b>2023</b>	354,997,738	43,865,865	311,131,873	18,021,596	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The water connection fee of Rs.3,579,406 recoverable more than 05 years from 587 consumers of 06 water projects owned by sabha had not been recovered.	2021 2023	The action should be taken to recover outstanding fee.	The action will be taken to recover the outstanding.	The outstanding had not been recovered.



**3.176 Ayagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	174,622,482	39,699,737	134,922,745	6,293,292	Qualified
<b>2022</b>	146,401,713	25,715,260	120,686,453	(2,248,357)	Qualified
<b>2023</b>	169,405,318	35,348,166	134,057,152	(3,672,870)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Under section 126 of Pradeshiya Sabha Act, by-laws had not been enforced for 08 major matters.	2022	As per Pradeshiya Sabha Act, the action should be taken	The action is being taken to get the legal assistance for this.	Recommendation had not been implemented.
(b)	No action had been taken to regulate or dispose 43 unauthorized constructions located in sabha area.	2023	The action should be taken as per the provisions of Act.	The legal provisions for this are not adequate.	Since many constructions located in Ayagama city are located in river reserve and road reserve, it had tried to regulate these constructions presently. That task can't be performed only by sabha and it had been informed that the relevant legal provisions are not adequate.

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| (c) | <p>The action had not been taken to pay an amount of Rs.1,776,000 charged from the preschool children maintained in a building owned by sabha within 2023 to sabha and distributed among preschool teachers. Since a post of preschool teacher had not been approved in the approved cadre, it couldn't be charged such fees to sabha and pay allowances to teachers and no action had been taken to charge a rent for the building.</p> | <p>2023</p> <p>The action should be taken as per Local Government commissioner circular 01/2021.</p> | <p>Since there is no post of preschool warden in the approved cadre of sabha, a specific salary can't be determined. The amount charged from a child had not been decided by sabha.</p> | <p>Recommendation had not been implemented.</p> |
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**3.177 Eheliyagoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	391,086,925	50,699,035	340,387,890	15,518,245	Qualified
<b>2022</b>	361,617,264	31,950,236	329,667,028	991,015	Qualified
<b>2023</b>	407,390,774	35,187,501	372,203,273	29,708,366	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per the national policies, a waste management plan had not been prepared. A cost of Rs.16,041,867, 21 workers and 04 vehicles had been utilized for disposal of solid waste 1500 metric tons in the year under review in the limit of sabha. However, the waste had been disposed in a land of Beruwana area by digging pits and closed the pits without a formal and eco-friendly method. The public complaints had been received in this regard.	2021	Having obtained the approval for waste management plan, the solid waste management activities should be carried out accordingly.	Presently, a solid waste management plan had been prepared and the action is being taken to obtain approval and since the organic fertilizer is manufactured in Beruwana compost yard now, there is no more waste to dispose.	Recommendation had not been implemented.

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| (b) | As per Financial Regulations 371(5), 2023 an advance of rs.1,902,321 had been provided at 41 occasions from 1995 to 2019 had not been settled.        | The action should be taken as per Financial Regulations. | The action is being taken to obtain the approval for write off the advances not settled from 1993 to 2009 and recover the advances from 2010 to 2019. | An advance of Rs. 99,068 had been recovered at 04 occasions and it had been informed that F.R.104 inquiry will be carried out in relation to the advances from 1993 to 2009 sent for approval for write off as per instructions. |
| (c) | A balance of Rs.16,903,961 more than 05 years old was in outstanding Assessment Tax and Acarage Tax balance of Rs. 23,616,980 as at 31 December 2023. | The outstanding revenue should be immediately collected. | The mobile services had been implemented.   | As at 31 July 2024, an amount of Rs.3,408,247 had been recovered and the total outstanding had not been recovered.   |
| (d) | Since business tax had not been charged from 14 telephone towers 2004-2021, a revenue of Rs.525,000 had lost to sabha.                                | Outstanding revenue should be immediately collected.     | In the future, the action will be taken to recover.   | Recommendation had not been implemented.   |
| (e) | Under section 126 of Pradeshiya Sabha Act, 28 by-laws out of 30 to be enforced had not been enforced.   | As per Pradeshiya Sabha Act, the action should be taken. | The action is being taken for that.   | Recommendation had not been implemented.   |

**3.178 Ambilipitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	257,070,481	119,428,065	137,642,416	(1,722,924)	Qualified
<b>2022</b>	265,173,386	149,347,517	115,825,869	(27,464,380)	Qualified
<b>2023</b>	806,448,100	84,953,202	721,494,898	15,472,320	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	07 members selected from election 2018 had not submitted the declaration of assets and liabilities in terms of Declaration of Assets and Liabilities Act No.01 of 1975 amended by Act No.74 of 1988 even at the end of year under review.	2022	As per Declaration of Assets and Liabilities Act, it should be acted.	It had been made aware to submit the declaration of assets and liabilities.	Recommendation had not been implemented.
(b)	Under 126 of Pradeshiya Sabha Act, the by-laws had not been enforced for 11 major matters.	2022	As per the provisions of Pradeshiya Sabha Act, it should be acted.	19 bylaws had been followed and the by-laws are being prepared for 04 matters out of balance 11.	Recommendation had not been implemented.
(c)	07 lands in extent of 03 acres 02 roods 10 perches and land of Thunkama week fair not identified extent had not been	2022	The action should be taken to verify the safety, ownership and existence of assets.	The action will be taken to account.	Recommendation had not been implemented.

transferred and  
accounted.

- (d) As per Financial Regulations 371(5), 2023, 02 advances of Rs.130,853 provided in 2013 had not been settled. This amount should be promptly settled. It had been recommended by District Audit Committee that it is suitable to make surcharge. District Audit Committee had proposed that that it is suitable to make surcharge.
- (e) As at 31 December 2022, outstanding 2023 Assessment Tax balance was Rs.. 9,332,561 and a balance of Rs.1,433,568 more than 05 years old was in it. The revenue of sabha should be immediately collected. The outstanding are recovered through mobile services. Out of the balance more than 05 years, an amount of Rs.730,248 recoverable from Embilipitiya paper Corporation had been referred to recover from the General Treasury and it had been informed that an amount of Rs.1,583,981 had been recovered as at 31 July 2024.
- (f) 3029 metric tons of waste had been disposed to a land located in upperside of Chandrika Tank by neglecting the public protests and polluting the aquatic environment from 2020 to 2023. A formal waste management program should be implemented. Since there is no land for waste disposal, it couldn't be planned and implemented a waste management program. Recommendation had not been implemented.

**3.179 Imbulpe Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	205,841,632	26,562,699	179,278,933	3,035,488	Qualified
<b>2022</b>	181,993,913	5,436,262	176,557,651	(938,407)	Qualified
<b>2023</b>	267,600,848	8,915,766	258,685,082	6,832,893	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though Rs.4,561,397 had been incurred in 2015 and 2017 for development of Pabahinna weekly fair, the balance development activities had not been carried out for conducting weekly fair and it had been idle at the end of year under review.	2021	Having obtained the provisions, it should be developed for conducting the fair.	The estimates for construction of weekly fair had been submitted for approval under the provisions of Ministry of Local Government for completion the balance work in this area in 2018 and the action will be taken to construct it enabling to use by the sellers having received the provisions.	Recommendation had not been implemented.
(b)	As per subsection (a) and (b) of section 24 of Pradeshiya sSabha Act No.15 of 1987, the roads belonging to sabha had not been identified and	2022	It should be acted as per Act.	Up to May 2023, the necessary action were beaing taken to issue roads gazette list.	As per Act, the action had not been taken.

published in the  
gazette.

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| <p>(c) The water provided to 2209 consumers had not been tested whether it was suitable to drink. 145 water metres fixed was inactive and the water fee of Rs.5,316,619 was outstanding as at 31 March 2024.</p>   | <p>2023</p> | <p>The relevant tests should be carried out and the outstanding should be recovered.</p>                                  | <p>It had been taken action to perform the test and the inactive metres are being repaired and the mobile services are conducted to recover outstanding and the action will be taken to disconnect water connections.</p> | <p>Recommendation had not been implemented.</p> |
| <p>(d) The rates had not been charged from 783 family units resided in the zones identified as developed areas in 2018.</p>  | <p>2023</p> | <p>The revenue should be immediately collected.</p>   | <p>The action will be taken to implement in the future.</p>   | <p>Recommendation had not been implemented.</p> |
| <p>(e) The fees of Rs.800,000 charged from the children of 02 preschools for 2022 and 2023 had not been credited to sabha fund. However, the monthly allowance of Rs.12,000 had been paid to warden of such preschools and the al maintenance had been carried out by sabha.</p> | <p>2023</p> | <p>False answer. Monthly fee of Rs.1,000 is charged. The fees charged from children should be credited to sabha fund.</p> | <p>Since the sabha had no adequate provisions, the other maintenance activities are carried out by preschools. The money had been charged for that and it is not a monthly charge.</p>                                    | <p>Recommendation had not been implemented.</p> |



(f)	Under Puraneguma 2023 Project, Galagama multipurpose building constructed at a cost of Rs.42 million handed over to sabha in 2016 had been idle even at the end of year under review.	The assets should not be kept idle.	The discussions rae being held to utlize this building as revenue earning source.	Since a provision of Rs.8,500,000 had been allocated by Ministry of Provincail Councils and Tourism for carrying out renovations of this building to earn revenue as tourist centre, it is due to be commenced the renovations in future accordingly.
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**3.180 Kalawana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	146,645,348	97,712,738	48,932,610	(18,026,434)	Adverse
<b>2022</b>	131,110,086	60,495,995	70,614,091	4,721,578	Qualified
<b>2023</b>	156,330,263	64,093,548	92,236,715	1,950,847	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Various expired deposits of Rs.17,167,333 related to from 2007 to 2019 had not been settled as per F.R.571 (2).	2022	The action should be taken as Financial Regulations.	The action will be taken to settle as per F.R.571 (2) after further finding.	Recommendation had not been implemented.
(b)	Even though Rs.50,000 had been paid to Kalawana Divisional Secretary in 2021 to obtain a land for a waste yard, the acquisition had not been completed. Similarly, Beller machine worth of Rs.950,000 received from provincial council in August 2022 for recycle the non-degradable waste had been unused up to January 2023.	2022	The action should be immediately taken to utilize Beller machine after acquisition the land and obtaining three phase electricity supply.	After the finance status of sabha become favorable, it is expected to complete this matter.	It had been informed in writing to pay back the amount paid to Divisional Secretariat and the relevant action is being taken to install Beller machine in Kalawana cemetery land and the waste project had not been implemented.

- (c) Even though 2022 Rs.4,187,615 had been incurred for 05 workers, 02 vehicle and equipment for disposal of waste about 1620 metric tons annually, such waste had not been disposed in an eco-friendly manner. A formal solid waste management program should be planned and implemented. It is being observed a suitable land for waste segregation center. Recommendation had not been implemented
- (d) Road roller taken by 2022 Roads Development Authority in 2021 had not handed over. When it was retained in a house at Veddagala about 08 months, 02 batteries of it had been stolen and a loss of Rs.187,260 had occurred and said loss had not been reimbursed. The action should be taken to collect the outstanding revenue and reimburse the damage. It had been informed to Roads Development Authority to repair the machine and Rs.168,900 rent out of Rs.265,360 had been recovered so far. The damage occurred to road roller had not been reimbursed yet and an inquiry F.R.104 in relation to that had not been completed.
- (e) Contrary to Financial Regulations 177(1), The remission of Rs.317,204 collected by Revenue officers in September 2023 had delayed up January 2024. The action should be taken as per Financial Regulations. The total money had been recovered and it had been informed to Local Government Commissioner to take further related to officer. Recommendation had not been implemented
- (f) Even though 124 2023 perches from Pahalakanda Palindagoda cemetery land in extent of 160 perches had been acquired by The legal action should be taken to remove unauthorized residents. The legal instructions had been obtained and accordingly, the action will be taken. Recommendation had not been implemented

unauthorized  
residents since 1997,  
no legal action had  
been taken in that  
regard.

**3.181 Kuruwita Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	337,601,118	220,198,983	117,402,135	(34,050,836)	Adverse
<b>2022</b>	434,737,564	177,170,003	257,567,561	(55,960,976)	Disclaimer
<b>2023</b>	398,423,238	118,867,885	279,555,353	(7,339,125)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per Financial Regulations 115(2), (3), (4) of Financial Regulations of Democratic Socialist Republic of Sri Lanka, no action had been taken about creditors of Rs.50, 266,187 from 2011 to 2020.	2021	The action should be taken as per Financial Regulations.	The action will be taken in the future to take creditors balance existed from 2011 to 2020 into revenue and remove from creditors register as per Financial Regulations.	As at 31 December 2023, an amount Of Rs.12, 690,785 had been paid in creditor register and a balance of Rs.37, 575,402 had to be further paid.
(b)	The legal proceedings had been commenced for only 10 unauthorized constructions out of 60 identified from 2016 to June 2021. The measures had been taken to regulate or remove other unauthorized constructions had not been submitted to	2021	The action should be taken as per the laws in relation to unauthorized constructions.	The cases had been filed for 10 unauthorized constructions and the demolition orders had been sent to balance unauthorized constructions and it couldn't be filed cases for remaining since it had not been	The cases had been filed for 10 unauthorized constructions and the lawyer had given instructions to obtain an inquiry report again and send the notices for filing cases for balance unauthorized constructions.

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| <p>(c) A cab not owned by sabha had been unused since 2015 and later it had been set fire and destroyed in May 2022. No action had been taken to determine the loss and responsible persons in this regard as per F.R.104 at the end of year under review.</p>  | <p>2022</p> | <p>As per Financial Regulation, the action should be taken.</p>   | <p>The legal proceedings had not been ended. Under Indemnity Office Act No.34 of 2018, it had been referred to Presidential Secretariat to recover the loss. The inquiry had been performed on loss under F.R.104 and submitted to Local Government Assistant Commissioner's Office.</p> | <p>The court proceedings are carried out under case No. 66041/A at Rathnapura Court in relation to this accident.</p>   |
| <p>(d) It had been decided to obtain the service of a lawyer for court cases for a monthly fee of Rs.25,000 at the general meeting held on 16 July 2021 and it had been entered into agreement with a lawyer on the same date deviation from the procurement procedure. Later, an amount of Rs.425,000 had been paid to him as monthly allowance from July 2021 to December 2022. However, in</p> | <p>2022</p> | <p>If a service of lawyer is obtained by paying a monthly allowance, the additional fee should not be paid for the cases.</p> | <p>It had been seconded the general meeting to appoint a lawyer and pay monthly allowance for the cases incurred a large sum of money the fees had been paid for the cases appeared by him and other lawyers prior to the date of agreement with lawyer.</p>                             | <p>The obtaining service of a lawyer by paying a monthly allowance had been stopped in February 2023 and it had been performed an inquiry related to this as per F.R.104 and it had been informed by letter dated 28 August 2024 how the loss will be recovered from the responsible persons.</p> |

addition to that, an amount of Rs.103,920 had been paid to him for court cases and Rs.578,627 had been paid to other lawyers.

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| (e) | As per Financial Regulations 371 (5), 2022, an advances of Rs.2, 597,900 provided at 27 occasions from 2009 to 2017 had not been settled so far.  | That amount should be immediately settled.                                      | As per the recommendations given by inquiry board, the action is being carried out to settle the advances. | An inquiry F.R.104 (4), had been conducted and the report had not been received yet and an amount of Rs.17, 080 had been settled as at 31 December 2023. |
| (f) | An amount of Rs.3, 188,688 had been over paid in construction of the seminal hall in shopping complex. Even though it had been constructed at a cost of Rs.34, 793,520 in 2022, it had been idle up to December 2023 due to non-completion of the basic requirements. | The over payments should be recovered and the assets should not be kept unused. | Adequate answers had not been given.   | Recommendation had not been implemented.   |

**3.182 Kollenna Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	271,412,124	66,271,237	205,140,887	3,493,747	Qualified
<b>2022</b>	264,948,483	61,372,361	203,576,122	7,926,003	Qualified
<b>2023</b>	262,436,660	28,376,858	234,059,802	11,951,535	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The ownership of 32 cemeteries out of 49 belonging to sabha had not been settled.	2022	The action should be taken to transfer the ownership.	The action will be taken to transfer that land.	By solving the common issues in the lands such as existence of unauthorized cultivation, permanent residence in some lands, location of government buildings in parts of land, the land acquisition activities of such lands were being formally and systematically carried out.
(b)	Though the quotations had been received from 02 companies for purchase of Huller machine, it had been	2022	The answer is false. The loss should be recovered from the responsible persons.	The machine on which the minimum price had been submitted had not been compiled	Recommendation had not been implemented.



falsely mentioned that the quotation was received from only one company. Therefore, since the minimum price submitted by the company not evaluated had not been accepted, a financial loss of Rs.644,400 had occurred to sabha.

with the specifications, the machine had been purchased from other institute.

**3.183 Godakawela Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	319,048,849	120,422,742	198,626,107	(42,458,273)	Qualified
<b>2022</b>	348,945,326	110,873,026	238,072,300	161,980	Qualified
<b>2023</b>	560,478,610	310,118,971	250,359,639	(1,098,235)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Under section 126 of Pradeshiya Sabha Act, the by-laws had not been enforced for 09 major matters.	2022	The action should be taken as per Act.	The schedules of by-laws 21 will be published through gazette notification annually.	Up to now, the by-laws had not been enforced.
(b)	25 unauthorized constructions identified from 2019 to 2021 had not been removed as per section 47 of pradeshiya Sabha Act No.15 of 1987.	2022	As per section 47 of Pradeshiya Sabha, the action should be taken.	The Technical Officers are doing follow-up on unauthorized constructions currently.	Up to now, the necessary action had not been taken.
(c)	Due to halting of the construction of Balawinna compost yard, an amount of Rs.1,223,807 paid for that had become an uneconomic expense.	2022	The remaining work of the project should be immediately completed.	Even though such work can't be completed, Provincial Chief Ministry had agreed to provide money to solve the waste issue.	The project had not been implemented so far.

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| (d) | In construction of 2022 non-degradable waste collection centre, an amount of Rs.92,752 had been paid for the work not compiled with the specifications.   | The over payments should be recovered. | The action will be taken not to occur such incidents..  | The overpayments had not been recovered.       |
| (e) | In construction of 2023 children's park in Rakwana city, the contract had been awarded by exceeding the estimated cost by rs.533,936. Similarly, an amount of Rs.198,535 had been over paid for 04 work subjects. | The over payments should be recovered. | As per the instructions of Provincial Engineer, the payments had been made and an amount of Rs.50,812 over paid had been deducted from retention money. | Complete over payments had not been recovered. |

**3.184 Nivithigala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	273,221,855	54,588,588	218,633,267	9,776,086	Qualified
<b>2022</b>	297,178,206	40,889,682	256,288,524	475,861	Qualified
<b>2023</b>	368,100,546	23,276,519	344,824,027	32,298,957	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
96 flag posts issued had not been handed over. Even though the value of 15 posts had been recovered, the value of 81 flag posts worth of Rs.1,032,750 had not been recovered from the responsible persons as per general meeting decision. Similarly, the responsible persons had not been determined for the shortage of 35 goods.	2022	It should be identified the responsible persons in this regard and recovered.	The notices had been issued to take back 51 flag posts. The action will be taken to take back remaining 30 posts or recover relevant loss and the action had been taken to deduct from salary April 2023 from the responsible persons for shortage of goods.	The preliminary inquiry is being carried out on flag posts and it had been informed that the action will be taken as per the recommendations given at the end of inquiry.

**3.185 Palmadualla Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	386,477,229	46,400,106	340,077,123	12,779,086	Qualified
<b>2022</b>	246,681,705	38,466,944	208,214,761	11,307,949	Qualified
<b>2023</b>	222,917,396	51,965,119	170,952,277	(9,074,638)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The sabha had not followed a formal method for identification of unauthorized constructions from 2017 to 2021 and 66 unauthorized constructions had been identified through field inspection and public complaints and Palmadualla Divisional Secretariat and Roads Development Authority had been made aware by sabha in relation to 56 out of that.	2021	Having identified the unauthorized constructions, the legal action will be taken.	The action will be taken to regularize.	Recommendation had not been implemented.
(b)	An outstanding of Rs.94, 584 from the loans obtained from 1994 to 2020 by	2022 2023	The action should be taken to recover outstanding loan	The information related to the creditors is being collected and will	The action is being taken for obtaining the approval to recover the money

former member and 03 officers had not been recovered within the year under review.	balances.	be settled.	recoverable write off money recoverable.	and the not
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**3.186 Balangoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	199,763,264	32,425,589	167,337,675	3,842,440	Qualified
<b>2022</b>	532,052,715	19,043,936	513,008,779	1,927,563	Qualified
<b>2023</b>	560,908,283	16,491,944	544,416,339	21,002,318	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Two storied building constructed at a cost of Rs.27,253,473 in Welioya city in 2015 had been unused even at the end of 2022.	2022	The assets should be effectively utilized.	The agreements had been signed to obtain a loan for development of the building and it had been sent to Local Loans and Development Fund.	The ground floor of this 02 storied building had been separated to shops presently and the relevant shops had been submitted for valuation for renting those shops since 2025.
(b)	Even though a waste yard had been constructed at a cost of Rs.4, 868,664 in 2022 for compost project, its activities had not been commenced at the end of 2023. Therefore, a Beller machine worth of Rs.950, 000 received in July 2022 had been unused.	2021 2022 2023	The waste management activities should be formalized.	Subsequent to receipt of required facilities, the work of waste yard will be started. Later, the action will be taken to use Beller machine.	After fulfilled the required facilities such as toilet facilities, office buildings, laborers, water facilities for commencement of work of waste yard, the work will be started and Beller machine had been established in the waste yard. Once

the required  
technical  
knowledge is  
received, waste  
management can  
be started.



**3.187 Rathnapura Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	176,647,430	27,850,189	148,797,241	(2,079,020)	Qualified
<b>2022</b>	181,458,669	20,165,627	161,293,042	5,627,487	Qualified
<b>2023</b>	134,500,111	18,999,430	115,500,681	4,371,388)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	04 tires fixed on 06 May 2020 to the cab used for travelling of chairman had been changed and new tires had been purchased which can be run about 50,000km manufactured in Japan at a cost of Rs.224,000 on 08 March 2021. After the tires purchased had been run 8,936km within 02 months and 27 days, an amount of Rs.231,600 had been incurred on 27 May 2021 for change of tires manufactured in a foreign country. The identification number mentioned in	2021	The public money should be utilized in maximum efficiency by running the minimum distance certified by the tire manufacturer.	The identification numbers of tires had not been included into the log books previously and old tires had been handed over to the stores as per report of Technical Officer and the action will be taken to make ware the officer in charge of subject not to occur such deficiencies in the future.	An inquiry F.R.104 is being carried out in this regard and the action will be taken as per such inquiry report.

that tires at the time of purchase for identification of the tires changed had not been indicated in the log books also.

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| (b) | As per Financial Regulations 371(5), 10 advances of Rs.917, 010 provided in 2005, 2014 and 2023 had not been settled.  | 2021<br>2023 | The action should be taken as per Financial Regulations. | The relevant officers had been made aware for recovery of advances.   | Recommendation had not been implemented.  |
| (c) | After obtaining a vehicle on rent basis in 2023 for Chairman Deviation from procurement process and without entering into agreement, an amount of Rs.76, 950 had been incurred for fuel. However, he had not participated for the sabha activities within that period and a warrant had been issued by Hon. court against him. | 2022<br>2023 | An inquiry should be carried about the incident.         | Since the all officers who had been in service had been transferred, the further action will be taken after inquiring the facts on this matter. | The action had been taken to request a preliminary inquiry in this regard and the action will be taken as per such recommendations. |
| (d) | The case had been filed in 2014 requesting a compensation of Rs.70 million against the cancellation of permission given for construction of Hidellana Vehicle services center. Even  | 2023         | A preliminary inquiry should be carried out.             | The necessary action will be taken to conduct a formal inquiry in relation to misplacement of file.   | It had been requested to conduct a preliminary inquiry in this regard and it will be taken action as per such recommendations.      |

though it had been ordered by Hon. Court in 2023 to submit the subject file related to this construction, sabha had informed to the court that it had been misplaced.

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| <p>(e) The subject officer had prepared the fake documents in payment of fuel bills and a financial irregularity of Rs.2, 227,400 had performed from May 2023 to January 2024. It had been reported by preliminary inquiry committee appointed for that. The non-availability of distribution of internal work had caused for this. Even though it is very clear that the all fuel orders with vouchers had been faked, it is problematic that the officers who check, recommend, approve and certify the payment had not considered and discharged their duties.</p> | <p>2023</p> <p>The disciplinary action should be taken in this regard and a formal internal control should be established.</p> | <p>Since a preliminary inquiry and an investigation by Police Special Criminal Investigation Unit are being performed, the future action will be taken based on such inquiry reports.. The action will be taken to establish an internal control system.</p> | <p>A preliminary inquiry is being carried out on this matter and the action will be taken as per such recommendations.</p> |
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- (f) As a judgement of a 2022, Such money Presently, an A preliminary case filed against a 2023 should be inquiry F.R.104 is inquiry is being construction of a road recovered from the being carried out. conducted and the through a private parties who had action will be land unduly in acted carelessly. taken as per such 2006,the unrestricted possession of such land had been given again to plaintiff and sabha had to pay Rs.479,505 in 2022 as compensation, case fees and lawyer fees. No action had been taken to recover from the parties who had acted in irresponsible manner in construction of the road up to December 2023.

**3.188 Weligepola Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	246,314,103	81,979,237	164,334,866	5,150,349	Qualified
<b>2022</b>	345,687,908	61,785,406	283,902,502	(8,783,343)	Qualified
<b>2023</b>	329,839,397	43,889,062	285,950,335	3,934,410	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Under section 126 of Pradeshiya Sabha Act, no by-laws had been enforced for 12 major matters.	2022	The action should be taken as per Pradeshiya Sabha Act.	Standard by-laws and by-laws enforced by provincial council had been used and necessary by-laws are being prepared.	Recommendation had not been implemented.
(b)	The fees had not been charged from all transmission towers. Even though a sabha decision had been taken, no legal action had been taken against unauthorized transmission tower and the damage occurred to the road by them.	2022	Outstanding revenue should be recovered and the legal action should be taken as per sabha decision.	The reminders are being sent to the institutions for outstanding and it had been informed to repair the road.	Recommendation had not been implemented.
(c)	As per Financial Regulation 371 (5), an advance of Rs.828,505 provided at 14 occasions	2023	The action should be taken as per Financial Regulation.	The further action is being taken about unsettled advances.	Advances had not been settled.

from 2007 to 2022  
had not been settled.

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| <p>(d) It had been verified that the water supplied to 2159 consumers is not suitable for drink. As 165 water meters fixed are not in operation, a fixed fee had been charged from the customers. Similarly, outstanding water fee of Rs.1, 433,323 had not been recovered from 2018 consumers as at 30 April 2024.</p> | <p>2022, 2023</p> <p>The action should be taken to clean and distribute the water and recover outstanding.</p> | <p>It had been informed to Water Supply and Drainage Board to refine the water. The water had mixed with silt and if new meters are fixed, such meters will be inactive quickly.</p> | <p>Recommendation had not been implemented.</p> |
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**3.189 Rabukkana Pradeshiay Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	664,958,405	33,298,959	631,659,446	32,107,023	Qualified
<b>2022</b>	719,733,978	35,438,322	684,295,656	17,986,577	Qualified
<b>2023</b>	870,992,062	35,950,613	835,041,449	53,430,337	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
No any approval had been obtained for a four storied building constructed in 1986 in Kiriwallapitiya, Rabukkana. The irregular water disposal and sewerage of that building had caused a hindrance to the residents there.	2022	The unauthorized constructions and people inconveniences should be considered.	The land in which this building is located does not belong to the limit of our rates limit. However, the necessary action will be taken after inspecting about the constructions.	Presently, it had been informed that the necessary action is being taken to commence the court proceedings.

**3.190 Ruwanwella Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	592,409,117	70,746,041	521,663,076	65,070,410	Qualified
<b>2022</b>	575,062,670	47,877,496	527,185,174	34,568,584	Qualified
<b>2023</b>	553,048,254	44,341,181	508,707,073	2,433,757	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Without obtaining the approval of provincial minister in charge of subject, 17,265.85 fuel liters had been used for the official vehicle of Chairman of pradeshiya Sabha from April 2012 to September 2020 exceeding monthly approved fuel limit of 500 liters. Accordingly, an amount of Rs.1, 898,611 had been paid for fuel contrary to 156(7) and without due authority as per Financial Regulations 156(i) a(i).No action had been taken to recover that money.	2021	The action should be taken to recover the money incurred for fuel obtained without approval.	A proposal for obtaining the approval of provincial minister in charge of subject for increase of approved monthly fuel liters for Chairman's official vehicle up to 750 liters had been unanimously passed by general meeting and it had not been taken action obtain the approval of provincial minister in charge of subject.	It had been informed that a request had been made to Local Government Commissioner's office in September 2022 for carrying out a departmental inspection related to this.



- (b) The key money of 2021 Rs.6, 610,000 had been obtained from 23 traders for construction of two storied building for development of Ruwanwella city and when 02 part payments each Rs.3,014,484 had been paid for 6 shops in the ground floor, the ownership of the land had been possessed to the plaintiff on non submission of the gazette related to acquisition and certified copy of plan to the courts by sabha under section 38 of Land Acquisition Act with regard to a case filed on the ownership of land. An amount of Rs.4, 819,144 incurred for the construction was a loss to sabha and it couldn't be provided the business places for the money obtained from the persons. However, no action had been taken to determine the responsible persons and recover that money.
- Having determined the responsible persons, the action should be taken to recover the loss.
- It had been made a request through Kegalle Assistant Local Government Commission to perform the necessary action after doing a departmental inspection in this regard.
- The investigations are being carried out through Commission to Investigate Allegations for Bribery and Corruptions related to this.

**3.191 Kahatagadigiliya pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	543,053,439	14,296,368	528,757,071	(7,583,201)	Qualified
<b>2022</b>	536,312,674	18,305,975	518,006,699	(14,041,880)	Qualified
<b>2023</b>	565,226,411	14,094,773	551,131,638	(17,796,749)	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The Revenue officer who had worked in relation to non-recovery of a fee of Rs.1,074,390 charged from January 2023 to 31 June from Kahatagadigiliya weekly fair belonging to sabha at that time had been only transferred to another sabha and no necessary action had been taken to conduct a formal disciplinary inquiry and recover the loss occurred to sabha. .	2023	After conducting a formal disciplinary inquiry, the loss should be recovered to sabha.	Not commented	After conducting a formal disciplinary inquiry, the loss had not been recovered.

**3.192 Kebethithigollewa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	633,538,319	34,762,005	598,776,314	(8,156,102)	Qualified
<b>2022</b>	633,851,772	15,101,391	618,750,381	1,444,662	Qualified
<b>2023</b>	617,461,914	12,889,163	604,572,751	(8,847,010)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Since it had been decided by a special resolution of general meeting to charge a rent more than the assessed rent provided by Department of Valuation for the shops belonging to sabha located in the shopping complex of Kebithigollawa bus-stand and 23 shops had been idle due to not presence of the applicants and a rent revenue of Rs.1, 200,000 had lost to sabha.	2023	The action should be taken to lease at the rent of Department of Valuation.	Accepted	It is in same condition.

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| (b) | The solid waste 2021 collected in the limit of sabha are being disposed in the thicket scrubs and set fires without segregation. | The action should be taken to formally dispose the waste and regularize the compost manufacturing. | The steps are being taken to rectify this situation in the future. | The waste are further being disposed in formal manner. |
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**3.193 Thalawa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	584,731,411	34,043,678	550,687,733	14,234,885	Qualified
<b>2022</b>	565,467,964	25,989,394	539,478,570	(11,591,444)	Qualified
<b>2023</b>	668,858,933	23,078,632	645,780,301	22,477,373	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A provision of Rs.5,760,735 had been received in 2012 from Central Environmental Authority for construction of Karagahawewa compost yard and accordingly, it had to be entered into agreement on 27 January 2012 and completed its work within 06 months. The contract had been awarded under 04 phases in this project and the information related to first phase had not been submitted to the audit an expense of Rs.1,077,389 had	2022	The necessary action should be taken to protect and utilize the assets in this place.	The action will be taken to commence a suitable project having inspected Karagahawewa compost yard.	It had been idle.

been incurred for other phases and left that project.

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| (b) | The action had not been taken in 2023 to establish Thabuththegama weekly fair at the place constructed at cost of 9,500,000 in 2017. Therefore, the expense incurred for that had become idle.                           | 2023 | The action should be taken to open.              | It is expected to open subsequent to receipt the approval of Hon. Governor. | It is in same situation.   |
| (c) | Even though it had been decided to recover an amount of Rs. 4,458,993 from the loss occurred to cab belonging to sabha by an accident on 15 April 2019 from the responsible parties, such amount had not been recovered. | 2023 | The legal action should be taken to recover.     | Accepted.   | An amount of Rs.4, 013,094 recoverable from the Chairman had not been recovered. |
| (d) | The necessary measures had not been taken in relation to not handing over an amount of Rs.667,075 to sabha collected from the field in 2021 by a Revenue Inspector who had served in Eppawela sub office and died later. | 2022 | The necessary action should be taken to recover. | It had not been commented.  | It had not been recovered.   |

**3.194 Thirappane Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	813,582,834	113,345,380	700,237,454	(13,771,043)	Qualified
<b>2022</b>	703,425,545	38,646,244	664,779,301	(5,198,874)	Qualified
<b>2023</b>	677,619,720	6,388,106	671,231,614	2,871,785	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
04 shops constructed at a cost of Rs.1,431,543 in 2020 in Ethungama and 05 shops constructed at a cost of Rs.1,472,920 in Dayagama had been idle due to non-construction of roof.	2023	The action should be taken to carry out essential repairs of these shops and enter into the agreements and earn revenue.	There is no adequate money to repair these shops.	It is in same situation.

**3.195 Nochchiyagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	471,319,964	23,196,911	448,123,053	(477,499)	Qualified
<b>2022</b>	453,467,694	13,817,950	439,649,744	(7,357,404)	Qualified
<b>2023</b>	485,688,086	9,443,754	476,244,332	3,624,575	Disclaimer

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Outstanding water fee of Rs.6,823,873 receivable from as at 31 December 2023 from Nochchiyagama, Kukulotuwa, Horuwila, Ihalavetiyawa water projects belonging to sabha had not been recovered.	2023	The action should be taken to recover.	It had not been commented.	Outstanding water fee had to be recovered.
(b)	New building constructed for Kalaoya preschool before 02 years had been idle and the preschools had been maintained at 02 unsafety places in the midst of Kalaoya temple premises.	2023	The action should be immediately taken to utilize the new building.	It had not been commented.	Preschool had not been relocated in new building.



**3.196 Padaviya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	402,740,916	34,880,233	367,860,683	(1,596,089)	Qualified
<b>2022</b>	405,077,360	13,665,182	391,412,178	(5,023,369)	Qualified
<b>2023</b>	419,398,537	13,472,653	405,925,884	(6,023,366)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to identify the developed areas in the limit of pradeshiya sabha and publish the the gazette notification and enforce the Assessment Tax. In 2023.	2022	The measures should be expedited.	The property survey activities are being carried out.	The property survey activities had not been carried out.
(b)	Even though 34 fisheries canoes at a cost of Rs.5,834,450 in 2023 for revenue generation project, 30 canoes out of that had not been utilized for revenue generation and had been idle in sabha premises.	2023	It should be entered into agreements and utilized for revenue generation purposes.	Since the fishermen had not agreed to provide a surety deposit for canoes, it was delay to provide canoes and the action will be taken to get suitable measure having obtained a administrative committee decision.	It is in same situation.

**3.197 Medawachchiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	655,517,113	32,272,057	623,245,056	3,868,526	Qualified
<b>2022</b>	662,657,601	36,859,303	625,798,298	(11,835,280)	Qualified
<b>2023</b>	690,172,013	27,694,197	662,477,816	2,653,158	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The water purifying machine (RO) located in Pilisaru unit constructed at a cost of Rs.2,343,240 to Water Supply Board in 2019 had been out of order and the expected objective had not fulfilled through that.	2023	The necessary action should be immediately taken to activate water purifying machine.	It is due to be installed this inactive water purifying machine in another place.	It is in same situation.

**3.198 Mihintale Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	355,085,212	20,871,183	334,214,029	8,740,711	Qualified
<b>2022</b>	336,318,941	8,257,805	328,061,136	(3,760,906)	Adverse
<b>2023</b>	392,521,488	7,061,998	385,459,490	(1,613,198)	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
In terms of section 134(II) of Pradeshiya Sabha Act No.15 of 1987, no action had been taken to identify the developed areas and enforce rates in 2023.	2022	The necessary action should be expedited.	The necessary action is being taken.	It had not been assessed.

**3.199 Rabewa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	248,714,693	47,838,428	200,876,265	(25,728,099)	Qualified
<b>2022</b>	241,421,802	35,911,760	205,510,042	(15,326,002)	Qualified
<b>2023</b>	192,356,022	10,037,095	182,318,927	(10,685,007)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Rs.2, 060,525 recoverable from renting of 03 vehicles existed from 2019 had not been recovered in 2023.	2023	The action should be taken to recover having obtained the inquiry reports.	It couldn't be identified the persons from whom the rent should be recovered. And even though an inquiry had been done, a report had not been received so far.	It couldn't be identified the persons from whom the rent should be recovered. And even though an inquiry had been done, a report had not been received so far.
(b)	Even though an amount of Rs.2,917,338 had been paid for the works completed on 25 December 2017 related to modernization of old library building belonging to sabha, such building had not been completed up to usable condition and	2022	The constructions should be started and the necessary action should be taken to utilize this building.	Since the instructions of Engineer had been received, the action is being taken to commence the constructions having obtained the provision.	It had been idle.

had been idle.

- |  |             |   |   |   |
|--|-------------|---|---|---|
| <p>(b) Even though a lady officer who had served in the post of Shroff had been interdicted in relation to a cheat of Rs.349, 515 daily received to Shroff within September and October 2023 without crediting to sabha fund, No action had been taken as per Pradeshiya Sabha Rules 13, 14,15 for recovery the loss from the responsible persons after carrying out a formal disciplinary inquiry in that regard.</p> | <p>2023</p> | <p>The action should be taken as per the recommendations inquiry reports.</p> | <p>The inquiry in relation to this is being conducted and the action will be taken as per F.R.13, 14, 15 having received reports.</p> | <p>No action had been taken to conduct a disciplinary action and recover.</p> |
|--|-------------|---|---|---|

**3.200 Rajangana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	498,617,735	71,538,582	427,079,153	(12,036,604)	Qualified
<b>2022</b>	475,376,639	35,630,295	439,746,344	(8,712,211)	Qualified
<b>2023</b>	478,080,500	4,173,773	473,906,727	(8,332,419)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of 1,778,410 or 58 percent outstanding shop rent out of Rs.3,083,200 recoverable from 60 shops in 2023 had not been recovered and Rs.3,330,400 or 69 percent outstanding shop rent out of Rs.4,780,213 as at 01 January 2023 had not been recovered also.	2023	The legal action should be taken to recover it.	Outstanding rent is being recovered and the cases had been filed in the mediation board in relation to non-recovery rent.	An amount of Rs.4,026,960 had to be further recovered.
(b)	Even though Central Environmental Authority had recommended that an environmental license should be obtained for the waste management centre belonging to sabha on 08	2023	An environmental license should be obtained.	It had been informed by central Environmental Authority that the environmental license will be promptly provided.	It is in same situation.

November 2011, No  
environmental  
license had been  
obtained.

**3.201 Horoupathana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	601,825,384	38,572,283	563,253,101	24,094,849	Qualified
<b>2022</b>	462,561,707	11,581,880	450,979,827	(7,216,319)	Disclaimer
<b>2023</b>	503,841,511	9,455,121	494,386,390	(17,772,413)	Adverse

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An action had not been taken to recover an outstanding rent of Rs.5,152,943 recoverable for lease of assets existed since 01-08 years in 2023 also.	2023	The action should be taken to recover it from the responsible persons.	The measures had not been indicated in relation to the observations.	Had not been recovered.
(b)	Even though Bell machine in waste management centre had destroyed due to a fire in 2023, no action had been taken to renovate it after conducting a formal inquiry on that.	2023	Having conducted a formal inquiry, the action should be taken to recover the loss from responsible persons and Bell machine should be repaired.	It had been made aware Assistant Local Government Commissioner in this regard.	A formal inquiry had not been conducted.



**3.202 Palagala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	316,946,003	27,246,608	289,699,395	10,159,871	Qualified
<b>2022</b>	325,362,186	14,580,287	310,781,899	6,674,235	Qualified
<b>2023</b>	291,587,905	4,769,100	286,818,805	2,825,621	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The assets worth of Rs.9,236,000 purchased from the fund under LDSP had been idle in 2023.(Interlock machine and accessories)	2023	The necessary action should be taken to utilize those assets.	Had commented.	not Had been idle
(b)	The multipurpose building and well-constructed at a cost of Rs.19, 741,026 in Higuruwewa area in 2022 had been idle.	2023	The action should be taken to utilize.	Had commented.	not Had been idle.
(c)	The water bottles worth of Rs.2, 676,082 and Rs.88, 233 of label stock, water tanks, water tank support pillars, tube well-constructed in July 2022 for commencement water bottling project had been idle.	2023	The necessary action should be taken to utilize.	Had commented.	not Had been idle.

**3.203 Lankapura Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	691,828,230	79,409,278	612,418,952	(7,524,216)	Qualified
<b>2022</b>	609,164,634	43,186,703	565,977,931	(6,614,736)	Qualified
<b>2023</b>	600,519,903	28,674,147	571,845,756	(11,789,264)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Thalpotha new bus-stand constructed at a cost of Rs.2,390,568 had been idle since more than 06 years due to not entering buses into bus stand.	2022	The existing assets should be utilized for wellbeing of the people.	In the future, the action will be taken to utilize the assets for a suitable task.	The action had been taken to maintain it as a stores having repaired in 2025.
(b)	Even though the daily compost capacity manufactured by Kaushima machine established in 2019 by solid waste unit of Ministry of Local Government and Provincial Councils is 50 tons, an investment of Rs.145 million had become useless due to not collection of such capacity in the limit	2022	The steps should be taken to establish the suitable projects after a feasibility study.	Since the investment made for the Kaushima project is useless, it had been made aware by the letters requesting instructions.	Since the maintenance cost is in very high level, and kaushima machine had dilapidated now, no compost is manufactured.

of sabha and high cost of carrying degradable waste of other sabha and decrease of waste quantity generated and possibility of usage of only 2 percent of the capacity and maintenance cost. .

**3.204 Elahara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	793,264,040	115,690,631	409,677,573	(14,043,160)	Qualified
<b>2022</b>	692,000,422	29,638,860	662,361,562	(5,172,484)	Qualified
<b>2023</b>	724,082,094	17,879,491	706,202,603	9,519,834	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
An amount of Rs.15,675,708 paid without following the formal financial procedures for breaking granite without sabha approval and a feasibility study for construction of long distance services bus stand and shopping complex from 2015 to 2017 had been idle and it couldn't be fulfilled the expected objectives even up to end of year under review.	2023	Since it had been acted without a sabha approval, the action should be taken to recover the loss occurred.	It had been informed that a preliminary inquiry is being carried out in this regard.	The preliminary had been completed and the sabha had not recovered the loss or received the other recommendations so far.

**3.205 Medirigiriya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	676,596,537	111,876,918	564,719,619	7,815,748	Qualified
<b>2022</b>	597,730,145	45,298,321	552,431,824	11,579,674	Qualified
<b>2023</b>	662,542,036	17,965,001	644,577,035	32,211,798	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though 01 year had elapsed from the approval of North Central Chief Secretary on 30 June 2023 for incurring an cost of Rs.4,674,654 for renovation of motor grader machine which has a engine in repairable condition since May 2022, such repair had not been carried out.	2023	Having repaired, the action should be taken to utilize the assets.	As per recommendations of Mechanical Engineer, it had been informed that it is expected to take further action.	Mechanical Engineer had recommended on 03 June 2024 to obtain a price estimate from accepted institute.

**3.206 Dimbulagala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,375,697,338	322,842,238	1,052,855,100	81,844,803	Qualified
<b>2022</b>	909,723,212	75,728,806	833,994,406	11,965,451	Qualified
<b>2023</b>	1,085,378,470	31,012,887	1,054,365,583	(17,722,076)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though more than 06 years had elapsed from providing of 05 laptop computers, and 02 iPad to the members at cost of Rs.754,930 from sabah fund in 2015, those machines had not been returned to sabha and even though 06 members who can't return 05 laptops and ipad machine had agreed to pay the relevant value from 30 installments on 26 June 2019, such payments had been defaulted.	2022	It should be acted in lawful manner.	It had been informed in writing to recover such amount to sabha.	The action had been taken to make aware the members.

- |     |   |      |  |   |  |
|-----|---|------|--|---|--|
| (b) | It had been identified the financial loss occurred by Revenue controller of Dimbulagala pradeshiya sabha in 2011 as Rs.1,367,681 and the disciplinary order had been enforced on 27 December 2021.No action had been taken in that regard up to April 2023. | 2022 | The action should be taken to implement disciplinary order.                                | The necessary action will be taken.   | The file had been handed over to the lawyer to file the case.        |
| (c) | Even though an advance amount of Rs.1,626,116 related to 76 projects implemented in 2019,2020 and 2021 of Dimbulagala pradeshiya sabha, the project activities had not been carried out and no action had been taken to recover the advances.               | 2023 | The legal action should be taken against the responsible persons for recovery of advances. | The recoverable advance value is Rs.728,844 and the cases will be files for the balance amount. | It had been informed that the legal action will be taken to recover. |
| (d) | It had been identified the financial loss occurred by Revenue controller of Dimbulagala pradeshiya sabha in 2011 as Rs.1,367,681 and the disciplinary order had been enforced on 27 December 2021.No action had been taken in that regard up to April 2023. | 2023 | The action should be taken lawfully.   | It had been informed that the legal action will be taken.                                       | No action had been taken.  |

**3.207 Higurakgoda Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	973,780,455	77,289,830	896,490,625	562,8,106	Qualified
<b>2022</b>	937,856,921	97,959,936	839,896,985	42,743,575	Qualified
<b>2023</b>	963,486,622	81,958,401	881,528,221	2,159,038	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though Pipidemu Pollonaruwa Project had been completed in 2021, an amount of Rs.2,041,448 had to be recovered to sabha for renting out of machines to such project activities.	2022	The follow-up should be carried out.	The details for recovery of outstanding had been provided to District Secretariat.	Even though it had been continuously requested, the money had not been received. It will be submitted DCC in the future.
(b)	The cab had met with an accident and totally damaged while the Chairman of Pradeshiya Sabha was travelling on 14 April 2015 and no full inquiry had been carried out in that regard.	2023	The action should be taken as per Financial Regulations.	The instructions had been requested from Local Government Commissioner in this regard.	This vehicle is facing to natural disasters in the vehicle yard of Higurakgoda pradeshiya sabha.No recommendations had been implemented.



**3.208 Ibbagamuwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	644,674,920	115,705,542	528,969,378	37,232,056	Qualified
<b>2022</b>	811,694,584	112,209,441	699,485,142	33,796,100	Qualified
<b>2023</b>	974,346,911	50,146,660	924,200,251	57,238,181	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
No action had been taken to utilize the weekly fair completely constructed in Ibbagamuwa city under Deyata Kirula project up to 31 December 2023 and 2an amount of Rs.2,385,176 had been incurred for development of infrastructure for this building in 2023.	2023	The action should be taken to open weekly fair and commence the activities.	Amidst the severe protest of the traders, this had become failure and it had been informed that the action is being taken to conduct an alternative fair.	It had been informed that a lessee had leased this weekly fair under tender procedure for 2025.

**3.209 Udubaddawa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	417,407,303	80,505,941	336,901,362	(23,634,260)	Qualified
<b>2022</b>	841,620,473	51,908,537	789,711,936	(4,112,119)	Qualified
<b>2023</b>	844,723,567	40,775,283	803,948,284	11,245,060	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The ambulance belonging to sabha had not been repaired and utilized more than 02 years.	2023	The action should be taken to utilize the idle assets.	It had been informed that it is agreed with the observation.	It had been informed that the instructions had been requested from Local Government Commissioner for taking further action to transfer the vehicle to other sabha or repair by North West Chief Secretary.
(b)	The ownership of 02 vehicles, 31 cemeteries and 05 playgrounds by using sabha had not been transferred to sabha.	2023	The action should be taken to transfer the assets belonging to sabha.	It had been informed it is agreed with the observation.	It had been informed that the necessary action is being taken to transfer the ownership.

**3.210 Kurunegala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,332,150,892	433,711,005	898,439,877	153,025,837	Qualified
<b>2022</b>	1,531,755,345	344,551,040	1,187,204,305	295,226,983	Qualified
<b>2023</b>	1,669,232,716	361,729,559	1,187,204,305	244,928,314	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
In blocking out lands, 08 land lots had been sold in Kahatapitiya, Manelwatta land without approving a plan. No action had been taken to earn an amount of Rs.2,066,568 as 1 percent revenue by blocking out lands.	2021	The land should be blocked put with approval. The sales tax revenue should be accurately charged.	Such institute had been made aware now to hand over the required applications to sabha foe obtaining the approval for relevant institutes.	After forwarding to planning committee due to be held in the future, the necessary instructions will be taken to get legal action as per planning committee decision and it is due to be taken relevant action.

**3.211 Kuliyaipitiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	695,203,380	233,921,454	461,281,926	11,662,529	Qualified
<b>2022</b>	710,214,392	269,168,305	441,046,087	(126,974,087)	Qualified
<b>2023</b>	642,296,860	84,721,089	557,575,771	(67,662,558)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The information on date of receipt of jeep 31 ංඹ 1367 parked in sabha premises and how it received has no available with sabha and it had been revealed that the vehicle had been used since 2013 as per relevant log book. Presently, the jeep is in very dilapidated condition and no suitable measures had been taken in that regard.	2023	The necessary action should be taken in relation to idle assets.	It had been informed that it is agreed with observation.	It had been informed to Animal Production and Health Department on jeep 31 ංඹ 1367 parked in sabha premises and it is expected the answer.
(b)	The ownership of a cab and motor cycle used by sabha and 97 cemeteries maintained by sabha and lands in which Kithalawa weekly	2023	The action should be taken to transfer the ownership of vehicles to sabha in an informal manner.	It had been informed that it is agreed with the observation.	Presently, The ownership of one cab had been transferred to sabha and the action will be taken transfer the

fair and library are located had not been transferred to sabha.

ownership of other vehicles and It had been informed the action is being taken transfer the ownership of lands in which weekly fair, cemeteries and library are located to sabha.

- (c) Motor grader and 02 2023  
white iron bowsers annexed to 02 tractors had not been registered in Department of Motor Traffic.

It should be It had been registered in the informed that it is relevant legal agreed with the institutions. observation.

These vehicles had been purchased long before and it had been informed that the required action will be immediately taken after preparation of the relevant documents.

**3.212 Kobeigane Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	274,341,282	54,557,061	219,784,221	219,784,221	Qualified
<b>2022</b>	306,727,707	32,062,737	274,664,970	44,568,444	Qualified
<b>2023</b>	326,600,529	16,594,761	310,005,768	(10,029,554)	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The ownership of 04 lands belonging to sabha and 33 cemeteries maintained by sabha had not been transferred to sabha.	2023	The ownership of these assets should be taken over.	It had been informed that the transfer activities are being carried out.	It had been informed that the action is being taken to transfer.

**3.213 Galgamuwa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	417,892,258	199,692,127	218,200,131	11,968,960	Qualified
<b>2022</b>	365,903,827	124,106,681	241,797,146	2,495,179	Qualified
<b>2023</b>	564,812,492	58,959,775	505,852,717	12,516,717	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A business building in large scale had been constructed in an unauthorized manner in reserve of Arsan Wewa, Wan Ela in Galgamuwa city and leased out without approval of pradeshiya sabha by former Vice president of sabha.	2021	The legal action should be taken in relation to unauthorized constructions.	The legal action had been taken by Central Environmental Authority related to such construction due to an unauthorized construction.	It had been informed that the legal action had been taken by Kurunegala High Court with regard to that construction.
(b)	The ownership of 117 cemeteries maintained by sabha out of 151 had not with sabha.	2023	The action should be taken to transfer the assets.	It had been informed that it is agreed with the observation.	It had been requested from the relevant institutions related to takeover of cemeteries and survey activities. And the delay of receipt of approval is the reason for that.

**3.214 Giribawa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	344,563,397	118,045,364	226,518,033	(1,754,799)	Qualified
<b>2022</b>	294,712,922	61,129,986	233,582,936	1,749,008	Qualified
<b>2023</b>	240,758,201	4,973,056	235,785,145	(1,671,141)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The compost fertilizer unit of Niraviya solid waste management Centre constructed at a cost of Rs.6, 857,633 in 2019 by sabha had not been utilized from year of commencement for any purpose and had been idle.	2023	A feasibility study should be carried out before commencement of a project and the accuracy of its requirement should be satisfied.	It had been informed that it is agreed with the observation.	Since degradable waste is not generated in the area fir manufacturing compost fertilizer, it had been mentioned that it is being taken every efforts to direct said building which had been constructed for the waste management and been idle for an alternative revenue collection method.
(b)	The ownership of jeep, and cab, 11 lands and 30 cemeteries used by sabha had not been transferred to sabha.	2023	The action should be taken to take over the assets belonging to sabha..	It had been informed that it is agreed with the observation.	It couldn't be transferred the vehicle yet and it had been informed that the requests had been made to



Divisional  
Secretary to  
transfer lands and  
cemeteries.

**3.215 Narammala Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	548,904,663	65,142,513	483,762,150	38,836,406	Qualified
<b>2022</b>	560,075,779	37,346,434	522,729,345	7,901,244	Qualified
<b>2023</b>	731,172,801	29,555,956	701,616,845	35,366,731	Qualified
<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>	
The ownership of 06 lands used by sabha had not been tranferred to sabha.	2023	The action should be taken to transfer the ownership of the lands to sabha formally.	It had been informed that it is agreed with the observation.	It had been informed that the action is being taken to transfer.	

**3.216 Nikaweratiya Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,007,331,446	105,631,702	901,699,744	14,841,427	Qualified
<b>2022</b>	1,032,546,425	72,790,405	959,756,020	38,776,137	Qualified
<b>2023</b>	1,061,535,707	81,349,180	980,186,527	2,859,601	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The balances payable of Rs.2, 460,955 more than 05 years old had not been settled.	2023	The balances payable should be settled.	It had been informed that it is agreed with the observation.	Recommendation had not been implemented.
(b)	The ownership of 159 cemeteries maintained by sabha out of 161, 15 lands and motor grader had not been transferred to sabha.	2023	The ownership of these assets should be transferred.	It had been informed that it is agreed with the observation.	The activities relation to transfer are being carried out.

**3.217 Paduwasnuwara Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	629,756,785	53,578,940	576,177,845	24,177,680	Qualified
<b>2022</b>	737,930,239	32,292,007	705,638,232	45284101	Qualified
<b>2023</b>	976,481,459	90,182,369	886,299,090	21,770,587	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In terms of section 134 of Pradeshiya Sabha Act No.15 of 1987,it had been declared the development areas on which the services are delivered by sabha and charged the rates.	2023	As per the section, the action should be taken.	It had been informed that it is agreed with the observation.	Even though 14 roads had been identified as developed village areas, the recommendation had not been completed.
(b)	The ownership of 15 lands used by sabha and 131 cemeteries maintained by sabha had not been transferred to sabha.	2023	The action should be taken to transfer the assets belonging to sabha.	It had been informed that it is agreed with the observation.	The action has been taking to transfer these lands since long time and those activities had been stopped in half way due to delay of relevant institutions.

**3.218 Pannala pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	987,435,734	520,969,156	466,466,578	(55,387,814)	Qualified
<b>2022</b>	1,040,195,365	346,012,351	694,183,014	83,477,470	Qualified
<b>2023</b>	905,263,974	265,725,299	639,538,675	63,658,963	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In terms of F.R.571 (2) of Financial Regulations of Democratic Socialist Republic of Sri Lanka, overdue deposits of Rs.20,032,475 had not been settled.	2023	It should be taken action as per Financial Regulations.	The action is being taken to settle.	An amount of Rs.12, 216,243 out of that amount had been settled and no action had been taken to settle balance deposits.
(b)	The action had not been taken to transfer 50 cemeteries maintained by sabha and the ownership of JCB machine, Double cab and Jeep used by sabha had not been registered in the name of pradeshiya sabha.	2023	It should be taken action to transfer and register.	The action should be taken to rectify the deficiencies pointed by audit.	Recommendations had not been implemented.

**3.219 Polpithigama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	576,230,256	174,297,374	401,932,883	4,180,502	Qualified
<b>2022</b>	566,546,284	131,414,813	435,131,471	11,143,743	Qualified
<b>2023</b>	487,412,639	38,104,449	449,308,190	13,317,548	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In terms of the provisions of Pradeshiya Sabha Act, even though an amount of Rs.1,283,910 recoverable for 04 surcharges enforced in the previous years against the responsible persons, 17 surcharge holders had appealed to Ministry of Local Government.	2021	The money should be charged for surcharge certificates related to previous years.	It had been informed that this amount had not been paid and surcharge holders had appealed.	In relation to surcharge appeal decision notice No.ව/පපාදෙ/02/09 / අධිකාර - පොලීසි ජරාස dated 03 October 2024, it had been informed that the action will be taken to charge from relevant surcharge holders as per the letter sent by Department of Local Government.
(b)	The bus stand worth of Rs.21,140,000 handed over to sabha on 26 July 2021 in Polpithigama city had not been utilized to halt the buses.	2021	The action should be taken to utilize the bus stand.	The action will be taken about bus stand having discussed with relevant institutes.	It had been informed that the action will be taken to lease after carrying out an open tender as other revenue method having

obtained the approval of Local Government Commissioner.

- (c) After establishing 60 water tanks with 5,000 liters and 60 water tanks with 2,000 liters at a cost of Rs.29, 962,280 had been established Puraneguma Project and handed over to pradeshiya sabha on 30 June 2017. Due to providing potable water facilities to the people in area from Deduru Oya drinking water project and other water projects, it had not been obtained the expected results from aforesaid project and left it.
- 2022
- Before a project is implemented, it should be implemented having performed feasibility study and an attention should be paid on alternative program for effectively utilization of established tanks.
- Even though these water tanks had been provided to sabha due to drinking water issue prevailed in 2017 and 2018 and spread of kidney diseases, it had been requested 02 water bowsers for carrying water to these tanks under Puraneguma project. Since those water bowsers had not been received, the project had failed and it had been informed that when the water bowsers had been received in 2021, Deduru Oya water project had been implemented.
- In relation to the request letters, it had been informed that those will be given for the utilization of the qualified public places and with agreements.

**3.220 Bingiriya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	987,435,734	520,969,156	466,466,578	(55,387,814)	Qualified
<b>2022</b>	1,040,195,365	346,012,351	694,183,014	83,477,470	Qualified
<b>2023</b>	905,263,974	265,725,299	639,538,675	63,658,963	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	04 vehicles worth of Rs.7, 175,000 shown in the accounts had not been registered in Department of Motor Traffic.	2022	The relevant vehicles should be duly registered.	It had been informed that the action will be taken to rectify after checking the shortcomings.	It had been informed that it couldn't be supplies the documents related to registration of these vehicles.
(b)	As F.R.371 of Financial Regulations of Democratic Socialist Republic of Sri Lanka, 16 advances worth of Rs.358,252 prior to 2018 and advances of Rs.822,418 not identified had not been recovered.	2023	The action should be taken as per regulations.	It had been informed that it is agreed with the observation.	Recommendation had not been implemented.
(c)	An employee loan balance of Rs.249, 853 not identified had existed since many years and no	2023	The employee loans should be duly recovered.	It had been informed that it is agreed with the observation.	Recommendation had not been implemented.



action had been taken  
to identify it and  
recover.

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|-----|--|--|---|--|
| (d) | The ownership of 02 2023<br>vehicles, 18<br>playgrounds and 40<br>cemeteries with<br>sabha had not been<br>transferred to sabha. | The action should<br>be taken to<br>transfer the assets<br>of sabha. | It had been<br>informed that it is<br>agreed with the<br>observation. | Recommendation<br>had not been<br>implemented. |
|-----|--|--|---|--|

**3.221 Mahawa pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	444,245,149	35,893,820	408,351,329	22,589,293	Qualified
<b>2022</b>	444,516,790	28,248,062	416,268,728	5,573,527	Qualified
<b>2023</b>	459,133,362	23,665,851	435,467,511	1,686,935	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though a land in extent of 03 acres 20 perches of land lot No.107 in Madurugama village had been transferred to village council for a housing scheme by Kurunegala District Secretary on 16 February 1968, a housing scheme had not been implemented there. Even though 21 families had been built permanent houses in an unauthorized manner and resided since many years at the physical inspection carried out on 08 April 2022 about this land, no any measure	2021	After obtaining the legal instructions, the action should be taken accordingly.	This land had been transferred to former village council on 16 February 1968 Madurugama housing scheme project. It had been indicated in that vesting order that this land should be only used for housing scheme project. But the families who had no land in the area had built permanent houses in this land and resided.	Since a housing scheme project can't be implemented as per vesting order, it had been informed that the future action will be taken as per the recommendation of the inspection carried out by Department of Local Government for granting the land ownership to the permanent residents lawfully.

had been taken.

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| (b) | In terms of section 134 of Pradeshiya Sabha Act No.15 of 1987, it had not been declared the development areas on which the services are provided by sabha and charge rates and no rates valuation had been performed after 2012. | 2023 | The action should be taken as per the provisions of Act. | It had been informed that it is agreed with the observations. | Recommendations had not been recommended. |
| (c) | 03 vehicles, 168 cemeteries and 09 land worth of Rs.11, 527,767 maintained by sabha had not been transferred to sabha.   | 2023 | The ownership should be transferred.                     | It had been informed that it is agreed with the observation.  | Recommendations had not been implemented. |

**3.222 Mawathagama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	514,458,310	66,784,557	447,673,753	31,592,419	Qualified
<b>2022</b>	498,832,369	39,410,634	459,421,735	10,000,841	Qualified
<b>2023</b>	585,183,952	23,252,365	561,931,587	18,481,614	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
An amount of Rs.5, 149,260 had been incurred for construction of gulley treatment center in 2017 by pradeshiya sabha. It was observed that the area was very untidy environment with bad smell due to disposal of gulley to this system which had been constructed without due standard. Though the system was not in due standard, the action had been taken to dispose 571 gulley turns from 2021 to October 2022.	2022	The action should be taken to dispose the gulley in protection of the environment.	The plans and specifications given by National Solid Waste Management Support Centre had been used for construction of this project. But it had been informed that this system is not implemented in due manner.	Recommendations had not been implemented.

**3.223 Ridigama pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	376,614,689	102,407,823	274,206,866	13,974,496	Qualified
<b>2022</b>	440,551,485	70,893,009	369,658,476	21,460,953	Qualified
<b>2023</b>	433,294,179	61,762,542	371,531,637	14,011,179	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Even though the key money should be obtained in rent out of shops of shopping complex close to Ridigama Hospital, an amount of Rs.3, 863,000 from 07 shops had not been charged up to 18 November 2022 due to granting of a grace period for payment of key money from 04 years.	2022	The action should be taken recover the revenue of sabha.	It is being taken action to recover the balance amount of Rs.3, 128,000 out of Rs.3, 863,000 recoverable from 07 shops after further making aware.	The shop owners had been made aware in writing to immediately pay the outstanding.

**3.224 Wariyapola Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	740,053,154	107,483,943	632,569,211	(14,414,721)	Qualified
<b>2022</b>	867,156,675	141,237,350	725,919,325	(20,710,881)	Qualified
<b>2023</b>	828,444,113	150,067,646	678,376,467	(57,224,899)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	In terms of section 219 of Pradeshiya sabha Act No.15 of 1987, 02 employees had established a society deviation from the provisions of this section and had acted as president and Secretary of that society. After entering into agreements for contracts of society, 06 works worth of Rs.4, and 588,838 had been completed only in 2021.	2021	The action should be taken against the officers who had acted deviation from section 219 of Act as per Establishments Code.	It had been informed that it will be reported to audit after inquiring about this matter.	Recommendations had not been implemented.
(b)	114 lands and buildings had with sabha not transferred. The ownership of 85 public wells in sabha	2023	The action should be taken to transfer the ownership of assets.	It had been informed that it is accepted.	Recommendations had not been implemented.

area out of 329 had been transferred to sabha.

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| <p>(c) 08 shops of Padeniya Gimanhala, 15 shops of Katupotha multipurpose building and Wariyapola new market complex had been idle.</p> | <p>2023</p> | <p>The idle assets should be converted to the active condition.</p> | <p>It had been informed that it is accepted.</p> <p>Presently, the shops of Padeniya Gimanhala had been rent out. It had been informed that the preliminary actions are being taken to tender the shops of Katupotha multipurpose building.</p> |
|---|-------------|---|---|

**3.225 Nawagaththegama Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	202,731,805	34,224,971	168,506,834	2,866,236	Qualified
<b>2022</b>	201,375,713	19,093,412	182,282,301	2,415,502	Qualified
<b>2023</b>	223,254,946	9,765,941	213,489,005	1,395,721	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	At the ned of 2021, a compost yard constructed at a cost of Rs.17, 535,239 had been idle without usage.	2021	The compost yard should be utilized for disposal of waste.	Since the waste can't be disposed to the compost yard constructed due to wild elephants' threat, a project report had been prepared and submitted for construction of elephant fence. The Provincial Planning Director had observed that this electric fence is another useless expense and halt the construction.	It had been informed that a project report had been prepared for starting a nursery in the land where this yard is located for prevention of becoming the land where solid waste management center is located an useless expense and submitted to Local Government Department.
(b)	Nawagathegama bus-stand building had been constructed at a cost of Rs.12, 977,976 under Puraneguma Project in 2017 and even	2023	It should be obtained maximum benefits from the physical resources constructed by using government	Even though the tender had been called at several occasions for upper floor of bus-stand building belonging to	No difference in the progress.



though about 06 had fund.  
elapsed the  
construction of its  
upper floor, it had  
been idle without  
usage.

Nawagaththegama  
Pradeshiya Sabha,  
the tenderers had  
refused it at the  
property  
inspection. Since  
the period of  
valuation of that  
building had  
expired, it had  
been informed that  
the action will be  
taken to value  
again and call the  
tenders again.

**3.226 Naththandiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,675,529,033	165,987,190	1,509,541,843	42,973,144	Qualified
<b>2022</b>	1,811,461,569	74,736,030	1,736,725,539	96,043,315	Qualified
<b>2023</b>	1,927,143,726	60,093,476	1,867,050,250	91,050,058	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A cab belonging to sabha had met with an accident on 13 June 2019 and the Chairman had acted as the driver of vehicle due to leave of driver and non-engagement of a driver for covering up. It had been assessed the loss occurred to vehicle as Rs.2,900,00 and even though it had been informed to take action as per Financial Regulation and the Provisions of Establishments Code in relation to the accident, no action had been taken accordingly.	2021	As per the recommendation of Department of Local Government, the action should be taken.	At the inspection of the file in relation to this matter, it had not been mentioned the measures taken after letter given of Local Government Department and it had been mentioned that the action will be taken to examine and act in this regard.	It had not been mentioned the measures taken after letter given the recommendations of Local Government Department at the inspection of files.

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| (b) | No action had been taken by sabha to recover an amount of Rs.450, 000 given to 04 persons in 2022 for the construction of a slaughter house. Even though it had been given instructions from Provincial Accounts Committee on 13 October 2016 to recover this amount from the officers in relation to relevant task, no action had been taken to recover it so far. | 2022 | The action should be taken to immediately recover that money.                                     | It had been mentioned that the warrants had been issued to arrest the persons.        | The warrants had been issued to arrest the persons.         |
| (c) | Even though Mudukotuwa reading hall had been constructed at a cost of Rs.1, 377,215 in 2021 with an objective of easing the knowledge and education activities of the children in Mudukotuwa area, it had not been in operational level as per objective.   | 2023 | When utilizing the government funds, the action should be taken to effectively utilize such fund. | It had been mentioned that the action will be taken to bring it to operational level. | The action is being taken to bring it to operational level. |

**3.227 Wennappuwa Pradeshiya sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	1,220,130,423	325,276,477	894,853,946	35,418,219	Qualified
<b>2022</b>	1,082,662,732	190,581,632	892,081,100	22,760,712	Qualified
<b>2023</b>	1,129,567,189	166,292,545	963,274,644	26,996,377	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
As per section 172(3) of Pradeshiya Sabha Act No.15 of 1987, Rs.326, 355 had to be charged against the responsible persons as per the letter No. ඩ.ප.පා.දෙ. 02/09/01/01 ටී.කා.2006 dated 15 February 2018 of Local Government Commissioner (North West).	2023	The formal measures should be taken in relation to recovery of surcharges.	It had been informed that the file maintained by sabha had been taken by North western Local Government Department for commencing an inquiry again for recovery of surcharges.	After giving recommendations, the relevant action will be taken.

**3.228 Chawakachcheri Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	365,408,508	53,856,440	311,552,068	61,853,542	Qualified
<b>2022</b>	426,789,979	23,645,460	403,144,519	93,742,027	Qualified
<b>2023</b>	525,103,782	22,394,140	502,709,642	121,510,834	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	43 development projects worth of Rs.102, 312,634 implemented during 01-07 years from sabha funds had been left in half way.	2023	The steps should be taken to perform the relevant development activities within specific period.	Since the estimates had been prepared after calling bids presently, the all activities will be completed at the end of this year.	Due development projects had not been completed.
(b)	In the year under review, the machineries and plant purchased at a cost of Rs.3, 183,200 for usage of the libraries, furniture of Rs.231, 450 and plant and machineries of Rs.1, 289,500 for development of preschools had been unused so far.	2023	The steps should be taken to tally utilize the assets.	The action will be taken to utilize.	The assets had not been totally utilized.

**3.229 Karainagar Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	183,109,612	16,565,253	166,544,359	12,006,641	Qualified
<b>2022</b>	199,393,594	4,702,910	194,690,684	10,249,175	Qualified
<b>2023</b>	227,716,264	14,374,186	213,342,078	25,713,968	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	07 programs of Rs.21,051,855 implemented from the development reserves of sabha during 01-10 years had been left in half way.	2023	The relevant development activities should be completed within due time.	In due course, it will be implemented.	The projects had not been implemented.
(b)	Sakkalachodai fish market established at a cost of Rs.3,773,679 with an objective of renting on long-term basis had been unused so far.	2023	The steps should be taken to totally utilize revenue sources of sabha.	Even though the bids had been called for rent out at several occasions, no person had presented.	By using revenue in sources, it should be totally utilized.

**3.230 Kayts Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	203,383,925	12,308,344	191,075,581	5,073,029	Qualified
<b>2022</b>	218,146,620	8,246,869	209,899,751	7,421,847	Qualified
<b>2023</b>	230,165,683	2,218,907	227,946,776	9,594,341	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The advance of Rs. 1,083,115 provided allocations for the reconstruction of the Poongaveedhi road had not been settled for over a year.	2023	Actions should be taken to settle the advances.	Letters have been sent to the Honorable Governor for approval to settle the relevant advances.	The advance balances had not been settled.

**3.231 Nallur Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	771,418,242	103,630,533	667,787,709	164,717,484	Qualified
<b>2022</b>	840,329,092	85,504,122	754,824,970	159,759,495	Qualified
<b>2023</b>	954,187,799	81,046,005	873,141,794	181,776,258	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Although the long-term lease agreements of 8 shops should to be renewed every 3 years, those which were between 2 and 18 years old had continued without being renewed.	2022	The agreements should be signed within the specific period,.	The agreements couldn't be renewed due to non-availability of owners or inability to connect.	The rent agreements had not been signed.
(b)	As of the last date of the year under review, a balance of Rs. 38,235,707 was due from 16,698 landowners and the arrears for more than one year were Rs. 25,810,895. Similarly, the balance of shop rent and lease rent over 07 years was Rs. 691,489 and the balance of stamp duty receivable by the council over 06 years	2023	The optimal measures should be taken to recover the outstanding.	The action will be taken. Though the public auctions had been called, the bids had not been submitted. Similarly, the action is being taken to write off.	Outstanding revenue had not been recovered.



had been Rs.  
3,875,162.

- |     |   |      |  |   |   |
|-----|---|------|--|---|---|
| (c) | 12 development programs Between years 01 and 06, worth Rs. 97,840,312 implemented from the council's development reserve funds had been abandoned midway. | 2023 | Relevant development tasks should be completed within the stipulated time. | the programs will be implemented further or alternative measures will be taken. | Relevant/scheduled development activities had not been completed. |
|-----|---|------|--|---|---|

**3.232 Point Pedro Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	387,192,557	18,553,715	368,638,842	33,537,572	Qualified
<b>2022</b>	484,602,509	41,088,845	443,513,664	32,264,434	Qualified
<b>2023</b>	534,774,810	29,778,715	504,996,095	53,864,370	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
A project that had been constructed in the Manalkadu in 2016 at a cost of Rs. 2,805,443 for tourists had been completely abandoned.	2021	There should be sufficient profit on the money spent.	It was abandoned due to the absence of tourists.	The assets had not been fully utilized.

**3.233 Wadamarachchi Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	577,943,188	66,950,951	510,992,237	67,899,056	Qualified
<b>2022</b>	772,699,533	26,437,521	746,262,012	110,052,225	Qualified
<b>2023</b>	830,361,576	39,129,078	791,232,498	130,546,233	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The operations to distribute drinking water to the people through the Mudalaikuli Drinking Water Scheme, which was completed in 2014 at a cost of Rs. 2,999,723, had not been implemented to date.	2022	There should be sufficient return on the money spent.	steps will be taken to implement this scheme in the future.	The assets had not been fully utilized.
(b)	The assessment tax arrears of Rs. 13,347,505, which were outstanding for more than 10 years from year 01, had not been recovered. Similarly, the meat stall tax receivable of Rs. 74,225, which was outstanding for more than 10 years, had not been collected.	2023	Appropriate action should be taken to collect arrears.	Measures have been taken to collect arrears of assessment tax through revenue collection officers and through mobile services and to recover arrears of market rent.	The arrears of revenue had not been collected.



**3.234 Walikamam East Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	618,224,024	89,063,803	529,160,221	80,563,908	Qualified
<b>2022</b>	735,714,693	96,462,696	639,251,997	154,438,111	Qualified
<b>2023</b>	745,268,973	745,268,973	683,070,972	148,671,751	Qualified
<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>	
The council had lost revenue of Rs. 2,060,868 due to the failure to call and submit bids for 05 markets and stalls during the year under review.	2023	Actions should be taken to fully utilize assets.	The markets and meat markets have not been leased due to being no one submitting bids.	The assets had not been fully utilized.	

**3.235 Walikamam North Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	389,922,709	46,474,28	343,448,428	58,896,846	Qualified
<b>2022</b>	438,962,406	56,477,779	382,484,627	86,078,060	Qualified
<b>2023</b>	523,315,553	22,047,031	501,268,522	85,853,778	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Although a slaughterhouse and a parking lot had been established at a cost of Rs. 6,700,472 between 2014 and 2020, they had not been utilized for the relevant purposes to date.	2023	Actions should be taken to fully utilize the assets.	Efforts are being made to correct the deficiencies revealed by the Medical Superintendent of Health regarding the slaughterhouse and implement them this year.	The assets had not been fully utilized.

**3.236 Walikamam South Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	784,227,434	62,620,240	721,607,194	128,235,221	Qualified
<b>2022</b>	832,479,953	37,942,481	794,537,472	129,417,066	Qualified
<b>2023</b>	926,996,489	39,553,481	887,443,008	163,912,410	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs. 26,649,167 in arrears of assessment tax from year 01 to more than 05 years and an amount of Rs. 4,714,423 in arrears of tax rent older than 02 years had not been collected. Also, there was an arrears of stamp duty older than 10 years of Rs. 7,951,852.	2023	Arrears of revenue should be collected without delay.	A mobile service has been implemented to collect assessment taxes and actions are being taken to recover outstanding tax and stamp duty.	The arrears of revenue had not been collected.
(b)	An annual income of Rs. 713,820 had been lost due to the fact that 05 shops of the council remained idle after inviting bids during the year under review.	2023	Assets should not be left unused.	Despite the invitation to bid, re-bid and public bidding, these shops have not been leased as no one has applied.	The assets had not been used.

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|-----|---|------|-----------------------------------|--|-------------------------------|
| (c) | The plastic crushing machine at the solid waste center, which was donated to the council, had been unused for over 5 years. | 2023 | Assets should not be left unused. | That action will be taken in accordance with the Board of Survey report for the year 2024. | The assets had not been used. |
|-----|---|------|-----------------------------------|--|-------------------------------|



**3.237 Walikamam South West Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	475,169,232	53,660,399	421,508,833	54,400,837	Qualified
<b>2022</b>	546,056,784	61,277,242	484,779,542	73,962,394	Qualified
<b>2023</b>	610,277,733	40,734,506	569,543,227	97,621,746	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The 10 shops constructed by the council in 2017 for the purpose of renting them out on a long-term basis had not been tendered and had not been utilized for any purpose to date.	2021	Assets should not be left unused.	Although the council had invited bids on several occasions for the shops on the upper floor of the Manippai Market Shop Complex, they could not be utilized as no one had come forward.	The assets had not been used.

**3.238 Walikamam West Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	438,194,844	31,806,826	406,388,018	39,305,981	Qualified
<b>2022</b>	480,828,164	43,721,632	437,106,532	38,723,371	Qualified
<b>2023</b>	538,564,138	43,517,932	495,046,206	53,636,103	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Overdue deposits of Rs. 2,799,380, which were over 07 years old, had not been settled.	2022	Actions should be taken as per Financial regulations.	Actions are being taken in that regard.	adjustments had not been made.

**3.239 Karachchi Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	702,895,104	110,535,849	592,359,255	147,229,986	Qualified
<b>2022</b>	711,921,554	46,718,495	665,203,059	139,813,648	Qualified
<b>2023</b>	824,869,718	98,531,590	726,338,128	160,146,101	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The Wannerikulam Tourist Center, which was built in 2016 under the Provincial Specific Development Grants, has not been properly prepared for tourists to this day, resulting in Rs. 4,790,078 spent on it had been become a non-financial expense.	2022	Actions should be taken to utilize assets optimally.	Further actions are being taken in this regard.	It had not been fully utilized.
(b)	The total debt balance payable to the Local Credit Development Fund, amounting to Rs. 2,274,784, had not been settled for more than 6 years.	2022	Steps should be taken to settle the debt.	Steps are being taken to resolve the matter.	The debt had not been paid.

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|-----|--|--|---|---|
| (c) | The outstanding 2023 assessment tax balance due from 19,448 residents for over 5 years was Rs. 60,122,001, while there was also a balance of Rs. 12,106,808, consisting of old arrears of taxes, rent and various fees for a period of between 1 and 10 years. | Effective steps should be taken to recover arrears of revenue.                                     | Further actions are being taken in this regard. | outstanding income had not been recovered.                          |
| (d) | The construction 2023 work of 02 buildings, which were implemented from the Council's Development Reserve Fund for a period of 01 to 03 years, totaling Rs. 31,553,960, had been abandoned midway.   | Steps should be taken to complete the relevant development works within the stipulated time frame. | Further actions are being taken in this regard. | Steps had not been taken to complete the relevant development works |
| (e) | 141 computer 2023 systems and furniture items totaling Rs. 7,731,768 purchased for 06 libraries from the Development Fund had not been utilized for the relevant purposes.   | Steps should be taken to utilize assets optimally.   | Steps will be taken to provide it to libraries. | The assets had not been used.                                       |

**3.240 Pachchileipalli Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	229,317,651	32,957,847	196,359,804	26,877,124	Qualified
<b>2022</b>	268,601,110	19,247,228	249,353,882	27,480,454	Qualified
<b>2023</b>	299,307,060	22,689,478	276,617,582	29,996,608	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The allocation of Rs. 6,585,864, which was allocated for the construction of the toilet system and fence at the Palai Market, remained idle in the General Deposit Account for the past 7 months.	2023	Steps should be taken to implement projects within the specified period.	Relevant steps are to be taken to commence work.	The scheduled development works had not been completed.
(b)	The agreements relating to 36 land leases, which were to be renewed every 3 years, had been leased out continuously for the past 1 to 8 years without being renewed.	2023	Effective steps should be taken to renew rental agreements within the specified time frame.	ඒවායින් ක්ෂණිකව පියවර ගන්නා බව පෙනේ. ක්ෂණිකව පියවර ගන්නා බව පෙනේ.	Lease agreements had not been renewed.

**3.241 Poonakari Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	217,060,592	25,019,148	192,041,444	10,928,969	Qualified
<b>2022</b>	212,019,352	3,125,942	208,893,410	(1,279,869)	Qualified
<b>2023</b>	235,512,373	10,745,155	224,767,218	14,463,227	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Effective actions had not been taken to invest Rs. 7,564,999 in capital projects, which had been in the General Reserve Account for over 05 years.	2023	Effective measures should be taken to deploy capital in projects.	Necessary actions are being taken to implement the projects.	The projects had not been implemented.

**3.242 Nanattan Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	466,452,406	11,384,676	455,067,730	25,351,177	Qualified
<b>2022</b>	493,260,871	3,905,326	489,355,545	16,602,747	Qualified
<b>2023</b>	523,798,085	7,131,993	516,666,092	17,229,150	Qualified
<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>	
Action had not been taken to utilize the balance of Rs. 17,003,930 in the current account in income generating sources.	2023	Action should be taken to invest in sources of income generation.	Further actions are being taken to invest in fixed deposits.	Actions had not been taken to use in income generating sources.	

**3.243 Manner Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	355,449,761	21,298,768	334,150,99	11,707,367	Qualified
<b>2022</b>	407,833,257	17,178,791	390,654,466	33,728,619	Qualified
<b>2023</b>	431,210,114	10,686,123	420,523,991	20,004,324	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Appropriate steps had not been taken to recover the arrears of old assessments and taxes, rent and JCB, motor roller, motor grader rent totaling Rs. 3,976,766 for the past 02 to 13 years.	2022	Appropriate action should be taken to recover the amount as prescribed.	Further actions are being taken in this regard.	outstanding income had not been recovered.
(b)	Action had not been taken to utilize the balance of Rs. 55,728,840 in the current account in income generating sources.	2023	Action should be taken to invest in sources of income generation.	Further actions are being taken to invest in fixed deposits.	Actions had not been taken to use in income generating sources.
(c)	04 vehicles that could be repaired have been in disrepair for a period of time ranging from 7 to 10 years.	2023	Steps should be taken to prevent vehicles from being left in disrepair.	Further actions are taken in this regard .	The assets had not been repaired and used.



**3.244 VauManthai West Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	347,174,111	23,619,526	323,554,585	14,320,113	Qualified
<b>2022</b>	374,977,256	4,133,248	370,844,008	25,840,937	Qualified
<b>2023</b>	628,642,324	4,913,238	623,729,086	31,471,586	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Three development projects worth Rs. 3,582,000 implemented from the Development Reserve Fund of the Council during the year under review had been put on hold.	2023	Steps should be taken to complete those development projects within the prescribed period.	Projects will be completed within the relevant financial year.in the future.	The scheduled development work had not been completed.
(b)	Action had not been taken to utilize the balance of Rs. 39,940,562 in the current account in income generating sources.	2023	Action should be taken to invest in sources of income generation.	Further actions are being taken to invest in fixed deposits.	Actions had not been taken to use in income generating sources.
(c)	Seven vehicles belonging to the council that could be repaired remained idle in the vehicle yard for over 11 years without any action being	2023	. Assets should not be left unused.	Necessary steps are to be taken for the sale in the future.	Actions had not been taken to repair and use.

taken.

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| (d) | <p>Actions had not been taken to used 03 fertilizer production machines purchased from development grant funds at a total cost of Rs. 2,950,000 in those operations to date.</p> | 2023 | <p>Assets should not be left unused.</p> | <p>The initial steps for establishing the buildings will be taken in the future.</p> | <p>The machines had not been used in operations until now.</p> |
|-----|--|------|--|--|--|

**3.245 Musali Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	128,483,679	13,507,751	114,975,928	3,718,147	Qualified
<b>2022</b>	126,872,868	6,312,161	120,560,707	1,185,038	Qualified
<b>2023</b>	129,123,746	8,389,078	120,734,668	5,132,976	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Five vehicles belonging to the Council that could not be repaired and used were left idle in the vehicle yard for over 10 years without any action being taken.	2023	Steps should be taken to remove unused assets.	It cannot be sold at auction because ownership has not been transferred.	The assets had not been removed.

**3.246 Pudukuduirippu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	363,192,415	53,020,963	310,171,452	46,570,516	Qualified
<b>2022</b>	372,573,637	11,308,218	361,265,419	38,936,027	Qualified
<b>2023</b>	445,594,034	33,461,818	412,132,216	51,513,707	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Although the National Library and Documentation Services Board had provided 06 tabs, 08 computers, 01 laptop and 03 scanners in 2021 for the promotion of the Council's e-library to date, effective measures had not been taken to provide these library facilities.	2023	Steps should be taken to promote e-library facilities.	It was not possible to implement these continuously as the librarian who had received electronic training received annual transfers.	Steps had not been taken to promote library facilities.
(b)	Although the Pudukudiruppu Children's Park was constructed at a cost of Rs. 10,955,375 with the funds of the council in the year 2021, it had not yielded the expected results for the past 02 years.	2023	Assets should not be left idle.	Steps will be taken to make the work available to the public after completion of the work.	Action had not been taken to use.

**3.247 Muhudubadapattu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	456,362,048	27,402,005	428,960,043	49,548,438	Qualified
<b>2022</b>	474,904,766	19,753,039	455,151,727	35,431,286	Qualified
<b>2023</b>	552,860,725	30,425,557	522,435,168	60,038,075	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The Mulliyawalai Shopping Complex, which was constructed with a total of Rs. 21,702,465 from the Local Credit Development Fund last year, had not yielded the expected results since last year due to not being utilized for the relevant purposes.	2023	Steps should be taken to fully utilize assets.	Steps will be taken to implement it continuously.	The assets had not been utilized.
(b)	The Unnappulavu Children's Park, which was built with a total of Rs. 9,792,252 under the North and East Local Government Services Promotion Plan in 2013, had been abandoned for	2023	Steps should be taken to fully utilize assets.	The equipment installed at the children's park is being installed and used at Mullaitivu Beach as per the decisions of the council.	The assets had not been utilized.

the past 8 years due to not being utilized for the relevant purposes.

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| (c) | Due to the failure to properly complete the construction work of the Mullaitivu Central Bus Stand implemented by the Urban Development Authority in the year 2019, a total of Rs. 1,852,902 had been paid from the council's funds in the middle of the year under review to complete it, but due to the non-completion of the work to date, the public has not been able to utilize this bus stand in a beneficial manner for the past 03 years and passenger buses have also been parked at another location. | 2023 | Construction work should be completed promptly and opened for public use. | Bus stop operations have been temporarily suspended due to ongoing development work at the bus stop. | The scheduled development works had not been completed. |
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**3.248 Vavuniya North Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	386,930,201	20,827,533	366,102,668	22,615,504	Qualified
<b>2022</b>	402,418,800	5,866,676	396,552,134	7,900,100	Qualified
<b>2023</b>	437,575,189	5,722,057	431,853,132	21,540,012	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Suitable measures had not been taken for 12 years to utilize the Nedunkeni Bus Stand and the shop rooms built in 2011 at a cost of Rs.26, 137,591 under the accelerated project for uplifting the north.	2021	Action should be taken to fully utilize the assets.	Most buses do not want to go to the bus-stand due to the passengers not going there.	Measures had not been taken to use it.
(b)	Proper measures had not been taken for the last 01 to 08 years to recover the outstanding shop rent and lease rent amounting to Rs.2, 465,767. Further, an income of Rs.2,691,000 had been lost due to not giving 02 markets and 04 shop rooms on lease basis or rent basis	2023	Suitable measures should be taken to recover the outstanding amounts and assets should not be kept unutilized.	That action is to be taken to recover.	Outstanding income had not been recovered.

**3.249 Korale pattu North Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	165,940,000	2,746,000	163,194,000	5,880,993	Qualified
<b>2022</b>	179,652,185	4,811,308	174,840,877	(133,210)	Qualified
<b>2023</b>	208,050,390	5,762,030	202,288,360	5,855,358	Qualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
No any action had been taken for the last 12 years to provide pension to a road cleaning laborer who had been appointed in the year 1994 and went on retirement in 2011 following rectification of the drawbacks and salary increment issues of the personal file of the said laborer.	2023	Immediate steps should be taken to grant pension salaries.	Action is being taken to grant pension salaries by rectifying the drawbacks contained in the personal file	Steps had not been taken.



**3.250 Manmunei Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	328,264,000	16,302,000	311,961,000	18,837,813	Qualified
<b>2022</b>	336,902,131	6,138,741	330,763,390	18,381,968	Qualified
<b>2023</b>	390,881,847	6,263,778	384,618,068	10,155,483	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
Steps had not been taken in terms of Treasury Operations Circular No 03/2018 dated 26 July 2018, to close the Bank of Ceylon current account wherein stood the balance at Rs. 691,769, which has been inactive for the last 08 years.	2023	Inactive bank accounts should be closed.	That the account opened will be closed in this year.	Steps had not been taken.

**3.251 Porathiwu Pattu Prdeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	277,189,000	3,010,000	274,178,000	35,954,444	Qualified
<b>2022</b>	284,899,961	3,240,253	281,659,708	5,840,744	Qualified
<b>2023</b>	294,654,379	6,497,559	288,156,820	11,206,294	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Steps had not been taken to get 20 vehicles belonging to other Ministries and Departments transferred in the name of the Sabha and to assess value of them.	2023	Action should be taken to take over the assets which are in the possession of Sabha.	Those steps would be taken to take over the possession of the vehicles in the name of Sabha.	Required steps had not been taken.
(b)	Multichopper and Rotatable strainer worth Rs.1, 082,500, purchased for the solid waste management activities, had not been utilized for the last 02 years.	2023	Machines such as Multichopper and Rotatable strainer should be utilized.	That activities related to manufacture of fertilizer are to be carried out following the construction of aa elephant fence to ensure protection at the solid waste center.	Required steps had not been taken.

**3.252 Manmunei south-west Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	266,689,000	6,367,000	260,322,000	11,270,709	Qualified
<b>2022</b>	279,022,882	3,970,850	275,052,032	109,484	Qualified
<b>2023</b>	326,610,758	8,436,215	318,174,543	9,785,540	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Ownership of 15 vehicles belonging to the other Ministries and Departments had not been taken over by the Government.	2023	Ownerships of assets should be promptly settled.	That further action regarding ownership of vehicles are being taken to change	Steps had not been taken to take over vehicles.
(b)	As per section 24(1) of the Pradeshiya Sabha Act No 15 of 1987 and in terms of the letter No BT/ACLG/PL/Road/2013 dated 10 July 2013 of the District Commissioner of Local Governments, 253 roads in the administrative area of authority of the Sabha had not been declared un the gazette.	2022	Action should be taken to declare the roads in the gazette.	Those measures have been taken to name the remaining 253 roads and declare them in the gazette.	Action had not been taken to declare the roads in the gazette.

**3.253 Eravur Pattu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	725,567,000	23,616,000	701,951,000	83,880,400	Qualified
<b>2022</b>	822,183,743	18,239,794	803,943,949	97,352,572	Qualified
<b>2023</b>	1,023,825,887	97,368,698	926,457,189	74,514,887	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Although 19 vehicles including trailers and bowsers received as donations from other Government institutions had been used by the Sabha, action had not been taken to transfer the ownership in the name of Sabha.	2022	Ownership of vehicles should be transferred.	Not replied.	No steps had been taken.
(b)	Although a sum of Rs. 105,572 had been spent for the advertisements published in the newspapers for fixing a 18kw solar power system to the office building with a financial provision of Rs.03	2022	Steps should be taken to implement the project within scheduled time period.	Although only one bidder had obtained bid documents and it had not been presented. Therefore, that project had not been implemented.	Steps had not been taken.

million under stage  
01 of the Local  
Governments  
special project  
(LDSP-PT 1<sup>st</sup>50%),  
that project had  
been abandoned. .

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|---|--|---|---|
| <p>(c) Chenkalady market 2021<br/>complex constructed<br/>at a cost of Rs. 20<br/>million under the<br/>programme of<br/>strengthening<br/>Partnership<br/>economy and social<br/>infrastructure<br/>development(2018/1<br/>9, had not been used<br/>even by the audited<br/>day.</p> | <p>Steps should be<br/>taken to use the<br/>market building<br/>for the specific<br/>objective..</p> | <p>Instructions have<br/>been given to allow<br/>the venders to sell<br/>fish in the market<br/>after constructing<br/>the drainage system.</p> | <p>Steps had not<br/>been taken to use<br/>the market for the<br/>specific objective.</p> |
|---|--|---|---|

**3.254 Manmunei-South and Eruwil Pattu Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	358,505,000	24,648,000	333,857,000	8,125,623	Qualified
<b>2022</b>	357,016,761	20,694,406	336,322,355	7,605,387	Qualified
<b>2023</b>	423,474,484	16,529,898	406,944,586	42,837,658	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	As per sub-section 6(11), (111) of the regulations of the Urban Development Authority dated 17 April 2019 published in the gazette extra ordinary No 597/8, a fine amounting to Rs. 459,980 had not been recovered from the Periyakkal aru wedding and cultural center building, which is considered an illegal construction,	2023	That action would be taken to recover the fines.	Action should be taken to recover the outstanding fines.	Fines had not been recovered.
(b)	Action had not been taken to recover outstanding sum amounting to Rs. 6,985,055 from the	2022	Steps should be taken to recover the outstanding lease rent.	Recoveries had not been made during the period 1985-2009 due to the adverse situation	Action had not been taken to recover the outstanding lease rent.

year 2008 to the end  
of the year under  
review. 2008.

prevailed in the  
country. Therefore,  
those steps have  
been taken to write  
off following being  
informed to the  
Head of the  
Department.

**3.255 Koralapattu West Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	145,523,000	3,016,000	142,507,799	1,384,985	Qualified
<b>2022</b>	159,029,667	7,439,416	151,590,251	(1,903,574)	Qualified
<b>2023</b>	209,714,406	10,526,830	199,187,576	1,245,454	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A sum of Rs. 11,937,904 in rates and taxes has been outstanding for over 25 years from the Valachchenai Paper Mill.	2023	Immediate action should be taken to collect the long-outstanding rates and taxes.	Further steps will be taken through the Department Head to recover the amount from the factory.	The outstanding taxes have not been recovered.
(b)	To enhance the Sabha's revenue, an excavator machine purchased in 2017 for Rs. 10,950,000 using funds from the Domestic Loan Development Fund and the Sabha's own funds was not utilized as intended. Instead of purchasing a trailer to transport it and renting it out to generate income, the machine was	2023	Steps should be taken to fully repay the loan from the Domestic Loan Development Fund, and the machine must be used for its intended purposes.	No revenue could be generated through this. Additionally, the Sabha's unfavorable financial situation has led to an inability to pay the monthly loan installments.	The recommendation was not implemented.



exclusively used for activities at the Sabha's solid waste management centers, contrary to its original purpose. Furthermore, although the loan obtained for the purchase of this machine was due to be fully repaid by March 2022, a sum of Rs. 5,818,962, including interest, remains payable to the fund.

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| <p>(c) Due to a delay in commencing the construction of a solid waste sorting building at Sudupaduththina Sena in 2021, under the financial provisions of the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government, there was insufficient time to complete the project. As a result, the construction was mutually agreed to be terminated after completing only the foundation work at a cost of Rs. 2,915,720.</p> | <p>2023</p> <p>Steps should be taken to complete the construction of the solid waste sorting building.</p> | <p>All the efforts made by this Sabha to complete this project have been unsuccessful.</p> | <p>The recommendations were not implemented.</p> |
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**3.256 Manmunai West Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	177,189,000	10,858,000	166,331,000	10,444,300	Qualified
<b>2022</b>	233,919,067	18,283,822	215,635,245	19,429,389	Qualified
<b>2023</b>	264,014,408	10,098,961	253,915,447	12,972,615	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to identify and settle the 41 advance payments totaling Rs. 2,914,548, made in relation to the Sabha's solid waste management in previous years, in accordance with Financial Regulation 371(2) (a) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, for over 05 years.	2023	Action should be taken in accordance with the Financial Regulations.	Steps will be taken to identify and make the necessary adjustments in the following year.	Advances have not been settled.
(b)	Due to the Sabha's failure to take steps to deposit Rs. 500,000 from the	2023	Action should be taken to deposit the funds that have been in the savings	Steps will be taken to deposit this amount into a fixed deposit account in	The funds have not been invested in fixed deposits.

savings account into fixed deposit accounts since the 19th year, which had generated an interest income of Rs. 120,940 from the National Savings Bank's savings account from 2003 until the end of the year under review, an estimated interest income of Rs. 1,375,000 was lost.

account for a long the 2024 financial period into a fixed year. deposit account.

- (c) The Multi Chopper 2023 Machine worth Rs. 289,250, purchased in 2022 from the Governor's Fund for organic fertilizer production, had not been used for more than two years.

Steps should be taken to use the Multi Chopper Machine purchased for organic fertilizer production.

This machine will be used for fertilizer production activities in this year.

The relevant machine has not been used for its intended purposes.

**3.257 Koraleipaththu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	355,105,000	16,282,000	338,823,000	22,693,671	Qualified
<b>2022</b>	432,374,879	24,597,688	407,777,191	60,660,398	Qualified
<b>2023</b>	445,512,212	22,660,407	422,851,805	45,931,332	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No action had been taken to identify and settle the 41 advance payments totaling Rs. 3,344,907, made in relation to the solid waste, in accordance with Financial Regulation 371(2)(a) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, for over 19 years	2023	Steps should be taken in accordance with Financial Regulations.	The necessary actions have been taken to rectify the revealed deficiencies.	The advances have not been collected.
(b)	The Sabha had not taken steps to recycle 398 metric tons of plastic waste and 133 metric tons of polyethylene	2023	Steps should be taken to recycle solid waste and generate income.	Although the expansion of the organic fertilizer center was planned last year, it could not be carried out due to	The recommendations were not implemented.

waste collected annually, or to engage them in alternative actions, nor had it utilized 423 metric tons of biodegradable waste for the production of organic fertilizer to generate income.

a lack of sufficient income. However, the appropriate steps will be taken this year.

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| <p>(c) The 04 container 2023 warehouses, constructed under the Local Government Development Support Project at a cost of Rs. 16,253,511, had not been properly allocated to the 16 beneficiaries as planned by the Sabha to generate income, even by the audit date.</p> | <p>Steps should be taken by the Sabha to use its income sources.</p>              | <p>The container warehouse complex will be provided to the beneficiaries very promptly.</p>             | <p>The recommendation s were not implemented.</p> |
| <p>(d) Steps had not been 2023 taken to transfer ownership of 16 vehicles, 13 trailers, and water bowsers belonging to other ministries and departments to the Sabha.</p>  | <p>The ownership of vehicles belonging to the authority should be clarified.</p>  | <p>According to your views, steps will be taken to transfer the ownership of vehicles to the Sabha.</p> | <p>The recommendation s were not implemented.</p> |
| <p>(e) In compliance with 2023 the National Environmental Act No. 47 of 1980, as amended by Act No.</p>  | <p>Steps must be taken to obtain and renew environmental protection licenses.</p> | <p>Necessary actions will be taken in the future.</p>   | <p>The recommendation s were not implemented.</p> |

56 of 1988, Act No. 53 of 2000, and Act No. 01 of 2008, along with the regulations enacted thereunder, 31 sawmills, 4 rice mills, and 01 building materials sales establishment had not taken steps to renew their expired environmental licenses for periods ranging from 02 to 07 years as of the past year. Furthermore, in accordance with the regulations of the above Act and Section "a" of the Extraordinary Gazette No. 2264/18 dated 27 January 2022, five bakeries and 05 grinding mills had not obtained environmental licenses.

**3.258 Kuchchaveli Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	273,140,023	44,120,753	229,019,270	50,869,883	Qualified
<b>2022</b>	293,656,393	62,049,334	231,605,539	34,206,395	Qualified
<b>2023</b>	301,423,305	63,839,970	259,034,513	27,318,991	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Although by-laws should have been enacted under Section 126 of the Pradeshiya Sabha Act to implement 30 key activities, by-laws had been enacted for only 5 activities up to 31 December 2021. As a result, the Sabha lost revenue that could have been generated through the remaining 25 by-laws.	2021	Necessary regulatory actions should be undertaken by enacting by-laws.	In the future, sources of potential income will be identified, and by-laws will be approved for this purpose.	Although it was stated that actions were being taken to collect revenue through gazette notification and to prepare by-laws, the recommendations were not implemented.
(b)	According to Section 16 of the Employees' Provident Fund (EPF) Act No. 46 of 1980, the required	2022	Appropriate action should be taken.	Action has been taken to recover the amount from the relevant parties.	It cannot be accepted. The amount has not been recovered.

contribution for a given month should have been paid on or before the last day of the following month. However, due to the delayed payment of the contribution for the period from 2010 to 2014, and the relevant year, a penalty of Rs. 2,005,306 was paid as a result of the expired contributions.

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| <p>(c) Under the Local 2022 Government Support Project, 03 machines had been purchased for Rs. 2,000,000 with the objective of improving the production of organic fertilizers. However, the Sabha had not taken action to utilize the machines for the intended purposes.</p> | <p>Appropriate action should be taken.</p>  | <p>Action will be taken to utilize the machines for the intended purposes.</p> | <p>No action has been taken.</p>   |
| <p>(d) The total amount to be collected from lease payments on bids up to 31 December of the year under review was Rs. 14,014,830. of this, Rs. 12,179,493 was an</p>  | <p>2023</p> <p>Steps should be taken to recover the old outstanding balances.</p> | <p>Action will be taken to correct this in the future.</p>                     | <p>Although it was stated that discussions were held within the audit and management committee regarding the old outstanding</p> |



outstanding balance  
older than 10 years.

balances, and  
appropriate  
actions were  
taken, the old  
outstanding  
balances have not  
been recovered.

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| (e) | The actions had not been taken to pay the arrears of electricity bill for street lamps amounting to Rs. 5,497,455 to be paid to the Ceylon Electricity Board in the year 2022 and the preceding year. | 2023 | The payment of arrears should be accelerated.                  | The arrears of electricity bill for street lamps are being paid step by step at present. | The arrears had not been paid.                    |
| (f) | The electric equipment purchased at a cost of Rs. 1,992,850 to provide services through the electrical system of the public libraries had not been used for the relevant purposes.                    | 2023 | The actions should be taken to use for the particular purpose. | A trained officer will be appointed in future and the proceedings will be done.          | The recommendations had not been implemented.     |
| (g) | The Sabha had not taken actions to send the necessary documents to the Department of Examinations for the confirmation of the posts of 03 officers who completed probation period.                    | 2023 | The proper actions should be taken.                            | Answers provided.  | not The recommendations had not been implemented. |

**3.259 Muthur Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	260,405,611	36,946,990	223,458,621	24,690,239	Qualified
<b>2022</b>	264,363,921	28,982,543	235,381,378	33,728,379	Qualified
<b>2023</b>	310,064,122	19,873,363	290,190,759	29,323,360	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The shopping complex with 12 shop rooms built at Toppur in 2014 at a cost of Rs.4,967,426 had not been rented out since 08 years.	2022	It should be used for the respective purposes.	In the future, it will be renovated and rented out.	Those shops are in the level of repair and there are no adequate facilities required for leasing those. As there are financial difficulties, the Pradeshiya Sabha is unable to repair the shops and those are to be leased after being repaired.
(b)	The market building built in 2017 at a cost of Rs.3,669,340 in Sampur had not been used for 5 years.	2022	It should be used for the respective purposes.	As the businessmen did not come to take those on rent, alternative measures will be applied in the future.	Since the businessmen are reluctant to do businesses in the building due to the lack of business activities, it has

been notified that the steps will be taken to use the said building for productive purpose in the future.

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| <p>(c) Even if a building was constructed by the contractor and handed over to the Sabha on 07 December 2016 to implement the Bio Gas project worth Rs. 1,115,226 under the provincial specific development financial provision, the building remained idle to date without implementing the said project.</p> | <p>2022<br/>2023</p> | <p>It should be used for the respective purposes.</p>  | <p>The biogas production building was not operated due to the unavailability of sufficient technical instructions and machinery. The gas production will be carried out in the near future when the resources are available.</p> | <p>It has been notified that there is no technical knowledge for the production of Bio Gas and the facilities required for that are also not available.</p> |
| <p>(d) Although the boat landing project at Muthur Recreation Park, which cost Rs. 2,589,515 under the provincial specific development financial provision, was completed and handed over to the Sabha on 06 December 2019, it remained idle without being used as of the date of this report.</p>             | <p>2022</p>          | <p>It should be used for the respective purposes..</p> | <p>Although efforts have been made on various occasions, the approval to travel on the boat has not been received so far. The proceedings will be done after the receipt of the approval.</p>                                    | <p>The approval has not been granted for the boat tours. The boat tours will be executed once the approval is received.</p>                                 |

**3.260 Kinniya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	66,038,216	8,518,456	57,519,760	4,583,208	Qualified
<b>2022</b>	80,743,125	9,827,900	70,915,225	(4,257,574)	Qualified
<b>2023</b>	106,925,719	9,720,946	97,204,773	43,307,565	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Under the solid waste management project, the solid waste collection center was built in the period from 2011 to 2017 by spending a sum of Rs. 27,272,144. However, as its operations had not been started even as at the end of the year under review, the desired results had not been able to be achieved.	2021	The appropriate actions should be taken to achieve the objectives of the Sabha.	We have taken steps to implement this project as soon as possible.	The recommendations have not been implemented.
(b)	The amount to be collected from lessees for the period from 2007 to 2021 was Rs.7,382,901.	2022	The relevant actions should be taken regarding arrears.	Difficulties in determining this have arisen due to non-availability of details relating to this leasehold value. Therefore, the Sabha	The recommendations had not been implemented.

				has decided to study this properly and write off this.	
(c)	03 machines with a total value of Rs. 2,150,000; which were purchased under the Local Development Support Project (LDSP) on 21 March 2022 for turning solid waste into fertilizer, had not been installed to date and it was also observed that the proper maintenance had not been done.	2022	The machines should be used effectively.	At present, the actions have been taken to enter into agreements with International Kinniya Mamu Pvt (Ltd) regarding these machines and sent for the approval of the Assistant Commissioner of Local Government. Further actions will be taken regarding the relevant machines as soon as the approval is received for that.	The recommendations had not been implemented.
(d)	The Coir Production Machine purchased on 29 December 2022 from the Provincial Specific Development Grant (PSDG) project at a cost of Rs.410,000 remained idle without being used.	2022	The appropriate actions should be taken.	It has been sent for the approval of the Assistant Commissioner of Local Government regarding the use of Coir Production Machine. Further actions will be taken after the receipt of the approval.	The recommendations had not been implemented.
(e)	The multi-purpose building constructed in Upparu area at a cost of Rs. 897,155 in the year 2016 had not been used by the Sabha for more than 08 years.	2023	The appropriate arrangements should be made to use the building.	The building has been taken over by the Sabha and the proceedings will be made continuously regarding this matter.	The recommendations had not been implemented.

**3.261 Thambalagamuwa Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	144,657,016	6,848,827	137,808,189	8,461,631	Qualified
<b>2022</b>	197,358,262	54,963,048	142,395,214	2,317,203	Qualified
<b>2023</b>	207,529,593	12,283,022	195,246,571	6,998,328	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The steps had not been taken for a period of 01 to 04 years to recover Rs.3,552,966 due as butcher shop rent as at 31 December 2021.	2021	The appropriate action should be taken to recover the arrears.	The legal actions will be taken to recover the above arrears.	The legal actions are being taken taken to recover the arrears.
(b)	The amount receivables as rent from Butcher shop from the year 2017 to 31 December 2022 was Rs.3,906,962.	2022	The relevant actions should be taken to collect the overdue rents from butcher shops.	The legal actions will be taken to collect those arrears in the future.	The proceeding are being done to take legal actions.
(c)	Although the provision of Rs.1,000,000 had been released for the production of organic fertilizers in the year 2021, a	2022	The appropriate actions should be taken to utilize the assets.	The appropriate actions will be taken to use the assets.	The recommendations had not been implemented.

sum of Rs.803,520 had been spent to set up a work site for it on a land that does not belong to the Sabha. An organic fertilizer production machine costing Rs.1,500,000 had been purchased for this during the year under review and kept in the Pradeshiya Sabha premises without any use.

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| (d) | The actions had not been taken by the Sabha to settle the loan amount of Rs. 18,291,467 received from the Local Loans and Development Fund for the construction of an office building in 2012 and the amount of interest payable amounting to Rs.4,573,444 to the said Fund until the date of the audit. | 2023 | The appropriate steps should be taken to pay the loan and interest. | Since the income of the Sabha is very low, the said loan is not settled and the appropriate steps will be taken to pay the said loan. | The recommendations had not been implemented.   |
| (e) | As the activities of providing infrastructure facilities were not accomplished for the machine purchased at a cost of Rs. 1,500,000 in   | 2023 | The appropriate actions should be taken to utilize the assets.      | The said machines cannot be used due to the noncompletion of the infrastructure facilities for the organic fertilizer production.     | Although this compost machine was installed in the proper place, it was observed that a due service can be taken from it only after |

the year 2021 and the platform constructed at a cost of Rs. 803,520 to install the said machine for improving the organic fertilizer production, the organic fertilizer production process remained idle for more than 03 years.

constructing an elephant fence due to the arrivals of wild elephants.

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| <p>(f) The actions had not been taken by the Sabha for more than 10 years to take disciplinary actions against an officer of the Sabha for the failure to hand over the amount of money collected through 09 voucher books and the tickets used in the period 2013/2014.</p> | <p>2023</p> | <p>The disciplinary actions should be taken within the due time.</p> | <p>A preliminary inquiry has been conducted against the officer who used the receipt book.</p> | <p>The disciplinary actions have not been completed.</p> |
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**3.262 Kanthale Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	297,830,715	14,559,276	283,271,439	9,765,379	Qualified
<b>2022</b>	330,915,842	11,811,124	39,104,718	51602,610	Qualified
<b>2023</b>	389,191,622	14,929,183	374,262,439	10,849,566	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	For the repair of the JCB machine given to the Sabha by the District Secretariat, the Local Government Strengthening Program (Capital) had provided an allocation of Rs.1,903,500 and the final bills were to be submitted before 15 December 2021. However, the machine had not been repaired even as at 31 December 2022 and the repairman had removed the engine of the JCB machine.	2022	The vehicle administration should be formalized.	As the Assistant Commissioner of Local Government has started an initial investigation regarding the repair work of the JCB machine bearing RS-1461, further work will be done based on the results of the investigation.	An investigation is being conducted at present by a committee appointed by the Commissioner of Local Government.

- (b) While the machine 2022 remained not repaired, the Assistant Management Engineer of Kantale Depot had prepared fake documents stating that the repair had been completed and signed and stamped it on 10 December 2021 and certified that the repair was completed. Accordingly, a sum of Rs.648,500 had been paid to a repairman on 15 August 2022.
- The vehicle administration should be formalized.
- As the Assistant Commissioner of Local Government has started an initial investigation regarding the repair work of the JCB machine bearing RS-1461, further work will be done based on the results of the investigation.
- The actions had been taken to do the repair activities under LDSP provisions.

**3.263 Morawewa Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	131,997,365	1,164,471	130,832,894	109,478	Qualified
<b>2022</b>	134,832,363	1,411,696	133,420,667	(280,387)	Qualified
<b>2023</b>	155,082,735	5,254,087	149,828,648	176,105	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The balance of Rs.7,864,759 in the suspense account which brought forward from the year 2011 had not been settled.	2022	The arrangements should be made to settle the suspense account.	In the final account 2011, this balance was first recorded and has been recorded in every final account since then. Due to the lack of relevant information, it has not been possible to settle this. It will be settled immediately.	The balance of the suspense account remains as it is.
(b)	A JCB machine worth Rs. 16,695,000 owned by the Sabha remains idle at present since a period of about 5 years.	2022	Asset management should be formalized.	This vehicle has been impossible to be repaired as there is no suitable supplier to repair it, and the lack of financial allocations of the Sabha to bear the high cost that may incur for the repair has also been	The observation is in same situation.

a problem.

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| (c) | The loan balance of 2022 Rs.100,146, which was given to 04 officers many years ago, had not been recovered. | The proceedings should be done as per the Financial Regulations and the Circulars. | The information of the relevant persons is being collected and the arrangements are being made to recover the loan balance. | The observation is in same situation. |
| (d) | In the year 2017, 2023 Rs.1,826,485 had been given as advance and the said advance had not been settled.    | A good control over advances should be maintained.                                 | It will be corrected in the future.   | The advance had not been recovered.   |

**3.264 Seruwila Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	251,471,493	4,253,567	247,217,926	(4,561,496)	Qualified
<b>2022</b>	263,506,231	8,637,792	254,868,439	2,803,721	Qualified
<b>2023</b>	292,509,964	6,408,415	286,101,549	10,082,224	Unqualified

  

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
The crematorium built by the Pradeshiya Sabha in the year 2014 at a cost of Rs.19,000,000 remained unused during the year under review.	2022	The actions should be taken so that it can be utilized immediately.	The attention will be paid to this and the necessary measures will be taken by seeking the advice from higher officials.	The recommendations had not been implemented.

**3.265 Town and Gravets Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	372,426,660	47,054,896	325,371,764	44,237,824	Qualified
<b>2022</b>	418,184,441	38,679,929	379,504,512	35,031,797	Qualified
<b>2023</b>	524,574,718	27,445,559	497,102,159	66,570,633	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The advance amount of Rs. 2,356,250 provided from 1990 – 2013 had been written off in accounts without obtaining the approval from Minister in charge of the subject.	2023	The action should be taken to obtain the approval from the minister in charge of subject.	The action will be taken to rectify the relevant facts in the final accounts 2024.	The approval had not been taken.
(b)	The Sabha had not taken relevant actions related to 75 deposits amounting to Rs. 16,554,082 overdue for more than two year.	2023	The action should be taken to transfer as revenue.	In future,the action will be taken in relation to the deposits and rectified.	No suitable action had been taken.
(c)	The actions had not been taken since a period from one to ten years to collect the assessment tax	2023	The action should be taken to recover outstanding.	The recovery will be done by mobile service and outstanding will be indicated in K	Although the actions had been taken to collect the overdue amount by

arrears amounting to Rs.27,030,334 as at the end of the year under review.

format.

implementing mobile services for the years 2022, 2023, 2024, the total overdue amounts had not been recovered.

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| <p>(d) Although the outside persons are residing in 03 hostels situated in Wellaimanal area and owned by the Sabha for more than 40 years, any legal actions had not been taken by the Sabha against them.</p>  | <p>2023</p> | <p>The legal action should be taken against the persons who do not pay rents.</p>       | <p>The suitable action will be taken against the persons who do not pay rents.</p> | <p>A letter No. TGPS/Pla/HeaH L Lab.Quar.Land/Vellaimanal wxl dated 13.02.2023 had been sent to Divisional Secretary.Up to now,no answers had been received.</p> |
| <p>(e) At the time of making sub-divisions of 24 private lands roughly from 2011 to 2019, the lands having an extent of 1 acre 7 roods and 7.29 perches; which is the 10% allotted for the public use of the Pradeshiya Sabha, had not been used by the Pradeshiya Sabha for any public activity to date.</p> | <p>2023</p> | <p>The action should be taken to earn revenue having improved the public utilities.</p> | <p>No answers had been given.</p>  | <p>The observations had not been implemented..</p>   |

**3.266 Addalachenai Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	286,203,576	15,194,266	271,009,310	13,654,109	Qualified
<b>2022</b>	305,405,477	11,571,201	293,834,276	8,091,768	Qualified
<b>2023</b>	327,621,522	10,115,144	317,506,378	13,776,717	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The actions had not been taken to use the Animal Bone Grinding Plant which was built in Pallakkadu village with funds of Rs.1,400,000 given under the Provincial Specific Development Grants in 2014.	2022	The action should be taken to immediately utilize the animal bones grinding centre.	Even though it had been informed to relevant institute, no formal concurrence had been entered.	No action had been taken to earn revenue by renting so far.
(b)	The actions had not been taken to transfer the ownership of 07 vehicles donated by other institutions to the name of the Sabha.	2022 2023	The action should be taken to transfer the ownership.	Due to considerable custom duties related to the vehicles, the delay had occurred in transferring the ownership.	No action had been taken to transfer the ownership so far.



**3.267 Akkaraipattu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	132,022,310	2,648,569	129,373,741	249,928	Qualified
<b>2022</b>	136,594,990	2,262,206	134,332,784	(1,516,767)	Qualified
<b>2023</b>	160,237,561	2,954,798	157,282,763	2,558,104	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
A Solid Waste Grinding Machine had been purchased in 2022 at a cost of Rs 969,500 while there was no infrastructure facilities and an adequate staff for the organic fertilizer production center and remained idle until the end of the year under review.	2023	The action should be taken to earn revenue.	It had been purchased for the usage of Akkaraipattuwa Municipality Council organic fertilizer centre. Recently, this centre had been temporarily stopped.	The action had not been taken to utilize the equipment so far.

**3.268 Alayadivembu Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	263,294,214	1,131,498	262,162,716	5,110,195	Qualified
<b>2022</b>	282,778,080	3,336,098	279,441,982	6,836,209	Qualified
<b>2023</b>	291,223,026	1,983,375	289,239,651	3,477,088	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	An amount of Rs.293,955 and Rs.59,986 receivable from them and payable to them respectively due to providing false salary conversions to 04 employees of sabha had not been shown in the financial statements.	2023	The action should be taken to settle receivable and payable accounts.	The action will be taken to show in the financial statements when such incidents will arise in the future.	No action had been taken so far in relation to amount recoverable or payable.
(b)	The sabha had not taken action to recover or take suitable action about distress loan balance of Rs.290,070 not recovered from 05 employees since long time.	2022 2023	The action should be taken to promptly recover from employee or sureties.	The action will be taken to rectify after recovery the loan balance in receipt of relevant gratuities to these officers.	No action had been taken to recover from employee or sureties.

(c)	Sabha had not taken to transfer the ownership of 08 vehicles which are utiliaed by sabha to sabha.	2022 2023	The action is being taken to transfer the ownership of vehicles to the name of sabha.	The action is being taken to transfer the ownership of vehicles to the name of sabha.	No action had been taken to transfer the ownership.
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**3.269 Irakkamam Prodeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	184,485,108	4,684,746	179,800,362	2,803,059	Qualified
<b>2022</b>	207,683,353	5,097,435	202,585,918	453,208	Qualified
<b>2023</b>	221,483,048	5,395,982	216,087,066	826,053	Qualified

<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
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The action had not been taken to transfer ownership of 03 vehicles used by the Sabha to the name of the Sabha

2022  
2023

The step should be taken to transfer the ownership of the vehicles to the name of sabha.

Since 02 vehicles had been provided from Sammanthure pradeshiya sabha without any document, the name couldn't be changed .Further,the action had been taken totransfer other vehicle.

The action had not been taken totransfer the ownership.

**3.270 Karaitivu Pradeshiya Sabha**

	<b>Total Assests  Rs.</b>	<b>Total Liabilities  Rs.</b>	<b>Equity  Rs.</b>	<b>Surplus (Deficit)  Rs.</b>	<b>Opinion</b>
<b>2021</b>	193,578,585	2,702,352	190,876,233	3,947,941	Qualified
<b>2022</b>	195,513,072	3,426,973	192,086,099	(4,948,028)	Qualified
<b>2023</b>	241,674,440	3,318,847	238,355,593	14,573,016	Qualified

<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
14 shops out of the shops constructed at a cost of Rs. 14,347,200 under the North and East Coastal Community Development Project and handed over to the Sabha in the year 2009 had not been given on rent since many years by the Sabha.	2021 2022 2023	After creating new methods, the steps should be taken to rent the all shops.	Since less customers visit, no one presents to rent the shops. Therefore, some shops had not been utilized.	No action had been taken to rent the shops so far.

**3.271 Ninthavur Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	258,091,181	12,303,713	245,787,468	12,716,011	Qualified
<b>2022</b>	282,187,312	9,487,883	272,699,429	10,456,948	Qualified
<b>2023</b>	381,902,048	9,060,122	372,841,926	86,270,196	Qualified

<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
The outstanding property tax amounting to a sum of Rs. 62,854,496 as at the end of the year under review had not been recovered by the Sabha.	2023	The action should be taken to recover outstanding.	Presently, the action is being taken to recover in due time.	No step had been taken to completely recover outstanding so far

**3.272 Navithanveli Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	210,626,307	2,767,085	207,859,222	4,261,432	Qualified
<b>2022</b>	218,707,620	3,966,606	214,741,014	1,632,636	Qualified
<b>2023</b>	231,651,971	5,469,701	226,182,270	6,940,497	Qualified

<b>Audit Observation</b>	<b>Year of the Report</b>	<b>Auditor General's Recommendation</b>	<b>Preventive action taken by Audited Institute</b>	<b>Implementation status of recommendation as on date of the Report</b>
(a) The actions had not been taken to transfer the ownership of 08 vehicles; such as the Tractor, Dual Purpose Vehicle, Trailer and Car which are in the names of other Ministries and Departments, to the name of the Sabha and to calculate and account the value of those vehicles.	2021 2022 2023	The steps should be taken to transfer the ownership of vehicles to the name of sabha and value should be accounted.	The action is being taken to transfer to the name of sabha.	No action had been taken to transfer the ownership so far.
(b) Although a Rice Grinding Machine had been purchased at a cost of Rs. 4,543,500 in the year under review, the said machine had not been used even to date as the relevant building was not reconstructed.	2023	After renovating the buiding, the step should be taken to utilize paddy milling machine.	It had been decided to renovate the buiding and utilize the machines after receipt the fund.	No action had been taken to fulfil the objective of the project.

**3.273 Pothuvil Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	339,363,354	10,557,587	327,390,348	14,696,273	Qualified
<b>2022</b>	361,789,279	10,857,233	347,666,766	18,181,148	Qualified
<b>2023</b>	407,271,670	13,092,660	390,913,680	10,495,411	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No any signature had been placed by the tenants in the agreements made for 33 shops in the public market, and no arrears had been collected from the 17 tenants as per the terms of the agreement in the year under review. Also, the Sabha had not been able to recover the arrears of rent amounting to Rs 1,608,000 even using the legal actions due to the defects in the agreements.	2022 2023	After preparing a suitable method, the outstanding should be immediately recovered.	Since there were no agreement in the past, the legal action couldn't be taken.	No action had been taken to recover outstanding balances.
(b)	The ownership of 11 vehicles used by the Sabha had not been transferred to the name of the Sabha.	2022 2023	After listing the vehicles not transferred, the action should be taken transfer the vehicles to the name of sabha.	The all vehicles of sabha except some vehicles had been transferred.	No action had been taken to transfer the ownership.



**3.274 Sammanthurai Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	614,241,970	22,808,471	591,433,499	23,642,420	Qualified
<b>2022</b>	617,183,977	11,959,582	605,224,395	14,974,592	Qualified
<b>2023</b>	654,763,127	22,145,039	632,618,088	10,472,491	Qualified

  

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	The actions had not been taken to transfer the ownership of 06 vehicles and 16 land lots used by the Sabha to the name of the Sabha.	2023	The steps should be taken to transfer the ownership of assets to the name of sabha.	The action had been taken to obtain the documents from the offices already provided.	No action had been taken to transfer the ownership.
(b)	The Sabha had not taken appropriate measures to recover the outstanding loan balance amounting to Rs.144,000 from 14 officers in the year under review from those persons or guarantors due to reasons such as death, retirement and transfer.	2022 2023	The action should be immediately taken to recover outstanding loan balance from relevant persons or sureties.	The steps had been taken to recover relevant loans from the relevant officers or sureties.	No action had been taken to recover from employees or sureties so far.
(c)	The Sabha had levied Assessment Taxes for less property units without being based	2022	The steps should be taken to charge rates based on total immovable	This matter will be formally implemented in the future.	The action had not been taken to assess the value of assets again so

on the total number of immovable property units assessed by the Valuation Department for the period from 2018 to 2022. Due to this, the Sabha had lost income of (approximately) Rs.10,582,996 in the last 5 years.

properties valued by Department of Valuation..

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**3.275 Thirukkivil Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	277,760,158	5,618,860	272,141,298	8,392,084	Qualified
<b>2022</b>	289,599,588	6,865,568	282,734,020	(3,380,922)	Qualified
<b>2023</b>	333,685,187	7,238,317	326,446,870	12,533,099	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Although an amount of Rs. 10.6 million had been estimated and allocated by the Sabha for the reconstruction of the building required to use the rice cleaning and drying machines purchased at a cost of Rs. 17,678,131 in the year under review, the respective machines are not being used as this building was not reconstructed and the warranty period of the machines was near to its expiry.	2023	After renovating the building, the action should be taken to use the machineries purchased.	No suitable answer had been given.	No action had been taken so far to fulfil the objectives of the project.
(c)	A sum of Rs 316,792 to be recovered from 05 officers who deceased, retired and vacated the service was not recovered and had been shown in the financial statements continuously.	2023	The action should taken to immediately recover from relevant persons and sureties.	When the death gratuity and pension gratuity are received, the relevant money will be recovered from that.	No action had been taken to recover from the employee or sureties.

**3.276 Damana Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	231,166,544	33,164,549	198,001,995	1,365,078	Qualified
<b>2022</b>	261,781,680	38,904,883	222,876,797	2,344,297	Qualified
<b>2023</b>	247,095,069	16,850,965	230,244,104	4,766,125	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	While the former Chairman of the Pradeshiya Sabha was coming back from Colombo on 09 May 2022 by the Cab of the Pradeshiya Sabha after participating in a meeting held in Colombo without getting prior approval from the Local Government Commissioner, he encountered an aggressive incident and the Cab was attacked and set fire and consequently the Cab had been completely damaged. Although the loss occurred to the vehicle was	2023 2022	As per Financial Regulations, the action should be taken to conduct a formal inquiry and the action should be taken to remove the value from the books after obtaining the approval for implementation of recommendation.	The steps will be taken for further action.	No necessary action had been taken.

Rs.8,500,000

according to the initial report submitted in terms of Financial Regulation 104(3), the amount received as insurance compensation was Rs.5,000,000.

Consequently, it resulted in a loss of Rs.3,500,000 to the Pradeshiya Sabha. The value of the Cab had also been written off in the books during the year under review without conducting a formal inquiry as per Finance Regulation 104 and implementing the recommendations.

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| (b) | The value of 27 crematoriums, 10 playgrounds and land in which the buildings are located belonging to sabha had not been identified and accounted. | 2023<br>2022 | After identifying value, it should be accounted.                            | Since no valuation had been carried out, the value can't be identified. It is expected to take action in relation to that in future. | The value had not been identified.                 |
| (d) | The measures had not been taken to transfer the ownership of 09 vehicles belonging to sabha to the name of sabha.                                  | 2023<br>2022 | The action should be taken to take over the ownership to the name of sabha. | In the future, the action will be taken to take over the ownership of the vehicles.  | The ownership of vehicles had not been taken over. |

**3.277 Dehiattakandiya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	470,298,924	107,277,065	363,021,859	1,918,824	Qualified
<b>2022</b>	393,967,336	28,841,840	365,125,496	2,903,118	Qualified
<b>2023</b>	439,658,773	21,039,500	418,619,273	13,707,370	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Due to the delay in the provision of funds for the renovation of the proposed building to implement the project of manufacturing school bag and school footwear under the Local Development Support Project (PT 02), 23 items of machinery and equipment worth Rs. 18,328,150 purchased by the Pradesiya Sabha were idle in the store, and a period of 09 months of their guarantee period had already been elapsed while they remained unused.	2023	After modernizing the building, the machineries and equipment should be utilized.	The approval had been granted to implement the construction of the building to be erected by project under the second phase and such equipment had been established in old pradeshiya sabha building temporarily. The renovation activities had been commenced presently and once it is finished, it is due to be placed these equipment in that place.	The building renovation is being carried out.

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| (b) | The proceedings had not been done by the Sabha to transfer the ownership of 07 vehicles; which are under the custody of the Sabha, to the name of the Sabha. | 2023<br>2022 | The action should be taken to transfer the vehicles to the name of Sabha. | The ownership of vehicles will be transferred in the name of sabha in due course. | The action are being taken to transfer. |
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**3.278 Namaloya Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	219,784,805	35,772,329	184,012,476	450,291	Qualified
<b>2022</b>	214,815,214	11,114,813	203,700,401	(40,005)	Qualified
<b>2023</b>	243,749,489	3,877,197	239,872,292	3,095,029	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Machinery and equipment worth Rs. 3,388,674 purchased by the Pradeshiya Sabha under Local Development Support Project for the implementation of the programme to produce animal foods and eggs using grain and grain based products had been stored without being used for more than 08 months, and 08 months from the guarantee period of these equipment had already elapsed while those were kept without being used.	2023	The building should be immediately modernized and machineries and equipment should be utilized.	Since the receipt of relevant provisions of LDSP PT - 02 project was delay, it had occurred to face this situation and the provisions had been received up to now and the constructions had been started.	The modernization activities of the building are being carried out.



- (b) The actions had not 2023      The action had not      It had been      The ownership  
 been taken by the 2022      been taken to      requested, it had      had not been  
 Sabha to transfer the      transfer      the not      been transferred.  
 ownership of 05      ownership of the      transferred to us  
 vehicles possessed by      vehicles to the      so far.  
 the Sabha to the      name sabha.

**3.279 Padiyathalawa Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	712,593,722	21,877,759	690,715,963	4,434,941	Qualified
<b>2022</b>	745,624,928	41,339,561	704,285,367	1,046,831	Qualified
<b>2023</b>	759,814,893	31,679,869	728,135,024	4,913,718	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	A stock of machineries and equipment worth of Rs.6,788,205 had been purchased from 08 July 2023 to 13 November 2023 for planting of limes project under Local Development Support Project (LDSP-PT2) by pradeshiya sabha. Since the provision had been allocated for purchase of machineries and equipment before renovation of the building required for the implementation of this project, the equipment purchased had been stored in the stores and the vehicles yard without	2023	The construction activities of the building should be immediately carried out and the machineries and equipment should be utilized.	The fund had been allocated in phase 1 only for purchase of goods related to producing lime allied products project under LDSP - PT 2 and it had been informed that the action will be taken to allocate the provisions in second s phase 11 for the construction of the building.	The construction activities of the building in being performed.

utilization. As a result of that, the equipment with warranty certificates had not been used and 08 months from its warranty period had elapsed so far.

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| (b) | The required actions had not been done to take over the ownership of 10 vehicles; which are under the custody of the Pradeshiya Sabbha, to the name of the Sabha.   | 2023<br>2022 | The vehicles which had not been registered to the name of sabha now should be registered to the name of sabha. | The letters had been sent after requesting about the transfer activities to the relevant institutions. | The ownership of the vehicles had not been transferred. |
| (c) | Even if an environment license should be obtained from the Central Environment Authority under Environmental Act No.47 of 1980 amended by the Environmental Act Nos. 56 of 1988 and 53 of 2000 for the Solid Waste Management Center being maintained in Kirawana area by Padiyathalawa Pradeshiya Sabha, the Solid Waste Management Center had been maintained without obtaining an Environmental License. | 2023         | A valid environmental license should be obtained.  | The action will be taken to obtain an environmental license in future year.                            | An environmental license had not been obtained.         |

**3.280 Mahaoya Pradeshiya Sabha**

	<b>Total Assests</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Surplus (Deficit)</b>	<b>Opinion</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>2021</b>	145,206,469	13,971,675	131,234,794	(4,148,060)	Qualified
<b>2022</b>	210,502,460	56,687,298	153,815,162	(2,479,681)	Qualified
<b>2023</b>	212,548,834	29,690,785	182,858,049	2,088,618	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	Even though 12 shops in first floor and 12 shops in second floor out of 24 shops of the market complex located in Kakirihena area under Puraneguma Project in 2015 at a cost of Rs.33,083,469 had been given to the shop owners in 2015 and 2017 respectively, it was observed that such shops had been idle without opening up to 08 May 2024 which was the date of audit since more than 07 years. The overdue rental to be collected from these shops as at 31	2023 2022 2021	The action should be taken to get legal action against who defaulted the rent and tender again having taken over the shops.	The attention is paid to this project by sabha and the necessary action will be taken to activate the project.	The letters had been submitted to obtain the approval to write off this amount without taking action for recovery.

December of the year under review was Rs. 4,126,533 and the legal actions had not been taken regarding those who default the overdue amounts.

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| (b) | No action had been taken to transfer 06 vehicles under custody of sabha to the name of sabha even at the date of audit. | 2023<br>2022 | The action should be taken to transfer the ownership of the vehicles to the name of sabha. | The action will be taken in this regard in due course. | The ownership had not been transferred. |
|-----|---|--------------|--|--|---|

**3.281 Lahugala Pradeshiya Sabha**

	<b>Total Assests Rs.</b>	<b>Total Liabilities Rs.</b>	<b>Equity Rs.</b>	<b>Surplus (Deficit) Rs.</b>	<b>Opinion</b>
<b>2021</b>	268,290,132	14,908,355	253,381,777	56,044	Qualified
<b>2022</b>	289,529,320	13,410,644	276,118,676	(703,649)	Qualified
<b>2023</b>	284,550,819	2,569,817	281,981,002	(1,325,408)	Qualified

	<b>Audit Observation</b>	<b>Year of Report</b>	<b>Auditor General's recommendation</b>	<b>Preventive measures taken by auditee entity</b>	<b>Implementation status of recommendation at the date of report</b>
(a)	No required action had been taken to transfer the ownership of 15 vehicles which are used by sabha to sabha.	2023	The ownership of the vehicles should be transferred to the name of sabha.	The action will be taken to take over the vehicles.	The ownership of the vehicles had not been taken over.
(b)	Even though a valid environmental license should be obtained from Central Environmental Authority under Environmental Act No.47 of 1980 amended by Acts No.56 of 1988 and No.53 of 2000 for solid waste management center at lahugala, Panama and Hunannuge by Lahugala Pradeshiya Sabha, the solid waste management centers had been maintained without a valid environmental license by sabha.	2023	A valid environmental license should be obtained.	The action will be taken to obtain environmental protection licenses in the future.	No environmental protection license had been obtained.