

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

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

The audit of the financial statements of the Head-270, District Secretariat, Ampara for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on these financial statements of the District Secretariat, Ampara in terms of Section 11(1) of the National Audit Act, No.19 of 2018 was issued to the Accounting Officer on 28 May 2024. The Annual Detailed Management Audit Report was issued to the Accounting Officer on 22 May 2024 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be submitted to the Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the District Secretariat, Ampara as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **1.2 Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 1.6 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

In terms of Sub-section 38(1)(c) of the National Audit Act, the Accounting Officer shall ensure that an effective internal control system for the financial control exists in the District Secretariat 2 and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be effectively carried out.

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

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

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

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

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## 1.5 Report on Other Legal and Regulatory Requirements

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

- (a) The financial statements are consistent with the preceding year.
- (b) The recommendations in paragraphs 1.6.1 (d) (i) and (ii) of this report that I had made regarding the financial statements related to the previous year were not implemented

## 1.6 Comments on Financial Statements

### 1.6.1 Accounting Deficiencies

#### (a) Non-Revenue Receipts

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) Although deposits receipts is Rs.193,645,218 in the Deposit Account Report (SA30) according to the Treasury Prints, there was a difference of Rs.942,441,294 between the deposit receipts shown in the treasury prints and financial statements due to the indication of Rs.1,136,086,512 under non-income receipts in the financial performance statement and as deposit receipts in the cash flow statement.	The data shown in the financial performance report is correct and the data shown in the treasury prints is not correct. According to Form SA 30 of the year 2022, the closing balance of the deposit account report should be the opening balance of the Form SA 30 of the year 2023, but there are other incorrect data.	Before preparing the financial statements identifying the differences, the treasury printouts should be corrected.
(ii) According to the Treasury printouts, although the value of advances received under the District Secretariat was Rs.60,471,451 in the trial balance (SA21), a difference of Rs.8,942,280 had been shown between the treasury books and financial performance report, due to the indication of Rs.69,413,731 as advances received in the Financial Performance Statement.	The advance account of the District Secretariat's belonging to the following two types. 1. Advance Account for government officers 2. Authorized Treasury Advance Account	Before preparing the financial statements identifying the differences, the Treasury printouts should be corrected.
	I would like to inform you that the error occurred because the expense of	

Rs.3,993,535 was recorded in the advance account under the authorized advance account of this year and the amount of Rs.1,250 under 118011 was mentioned instead of pointing to the income account of 2003.02.99.00.

(b) Recurrent Expenses

**Audit Observation**

**Comments of the Accounting Officer**

**Recommendation**

According to the Treasury prints, although the recurrent expenditure in the trial balance (SA21) related to the District Secretariat was Rs.4,520,261,907, there was a difference of Rs.2,955,595 in the recurrent expenditure shown in the treasury books and the financial performance report due to being Rs.4,523,217,502 according to the financial performance statement.

The data in the financial statement is correct.

Before preparing the financial statements recognizing the differences, the treasury prints should be corrected.

(c) Deposits

**Audit Observation**

**Comments of the Accounting Officer**

**Recommendation**

(i) According to the treasury prints, the deposit payments during the year under review were Rs.350,459,640 in the deposit account report (SA 30), but there was a difference of Rs.793,597,820 between the deposit payments shown in the treasury books and the financial statements due to the value of deposit payments in the financial performance statement and cash flow statement being Rs.1,144,057,460.

The data shown in the financial performance report is correct and the data shown in the treasury prints is not correct. According to Form SA 30 of the year 2022, the closing balance of the deposit account report should be the opening balance of the Form SA 30 of the year 2023, but it shows other incorrect data.

Before preparing the financial statements recognizing the differences, the treasury prints should be corrected.

- (ii) According to the treasury books, the balance of the deposit accounts included in the deposit account report (SA30) at the end of last year is Rs. 79,564,819 but there was a difference of Rs.148,843,475 between the closing balance of the previous year and the opening balance for the year under review due to the balance as at the beginning of the year under review being shown as Rs.228,408,294.
- The data in the financial statement is correct and the balance at the end of the previous year of the deposit accounts included in the Treasury Deposit Account Report (SA30) does not match with the opening balance of the year under review. This is an error of the Treasury data system.
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**(d) Property, Plant and Equipment**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i) The lands belonging to the Divisional Secretariats of Damana, Addalachena, Thirukkivil and the official houses and government houses belonging to the Padiyathalawa and Damana Divisional Secretariats had not been assessed and shown in the financial statements.	The valuation department has requested for valuation of these lands and buildings, but so far no valuation has been done. A number of reminders have also been addressed to the assessment department. As soon as I receive the relevant valuation report, I will include it in the assets and show it in the financial statement.	Assets belonging to the District Secretariat should be identified, properly assessed and included in the financial statements.
(ii) Actions had not been taken to disclosed the value of Rs.46,422,256 of Nila Sewana buildings belonging to fifteen divisional secretariats constructed in 2017 and 2018 .	At present, all the divisional secretaries of the district have been informed and the building value according to the amount spent on the construction of Nilasewana buildings is being included in assets through the CIGAS program. Lands are being assessed after the title is settled and it is being included in assets through the CIGAS programme.	- do -

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| <p>(iii) According to the Accumulated Non-Financial Assets Report (SA82), as of the beginning of the year under review, it was observed that there are government houses and tourist houses worth Rs.7,130,174 and cargo vehicles worth Rs.28,500,000 under the work in progress as totaling Rs.35,630,174, but physically such work in progress or cargo vehicles do not exist.</p>  | <p>The data shown in the financial statement is correct and there is no such physical work in progress or cargo vehicle data as per the CIGAS program data of the District Secretariat.</p>    | <p>Action should be taken to correct before preparing the financial statements.</p>                                    |
| <p>(iv) Although the balance of non-financial assets included in the Accumulated Non-Financial Assets Report (SA82) at the end of last year was Rs.3,418,509,241, there was a difference of Rs.3,368,192,897 between the closing balance of the previous year and the opening balance for the year under review due to the balance as at the beginning of the year under review being shown as Rs.6,786,702,138.</p>  | <p>This is due to incorrect recording of the closing balance of the previous year and the opening balance of the year under review in the treasury printed copies of non-financial assets.</p> | <p>Before preparing the financial statements recognizing the differences, the treasury prints should be corrected.</p> |
| <p>(v) Although the opening balance relating to four asset items in the non-financial asset account summary report (SA80) at the beginning of the year under review is Rs.3,718,140,210, the opening balance related to the four asset items in the accumulated non-financial asset account report (SA82) is Rs.7,417,865,709. Accordingly, there was a difference of Rs.3,699,725,499 between the opening balances of non-financial assets in the two reports.</p> | <p>This is due to incorrect recording of the closing balance of the previous year and the opening balance of the year under review in the treasury printed copies of non-financial assets.</p> | <p>- do -</p>  |

(vi) According to the financial performance statement, the acquisition value of capital assets during the year under review was Rs.35,609,488 but in the statement of accumulated non-financial assets account as per treasury books - (SA82) it was Rs.35,474,687. Therefore, there was a difference of Rs.134,801 in the acquisition value of capital assets between the financial performance statement and the treasury books.

The data in the financial statement is correct.

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## 2. Financial Review

### 2.1 Management of Expenditure

#### Audit Observation

Under the 2022/2023 Maha season paddy purchase program, only operating expenses in the purchase of paddy should be borne as per Section 4.2 of Circular No. DRD/2023-1 dated 09 February 2023 issued by the Ministry of Finance, Economic Stabilization and National Policy, but under the allocation of Rs.3,390,123 given for the administrative expenses of the Damana Divisional Secretariat, a total amount of Rs.142,025 had been spent on tasks such as settling the electricity bills of the cultural center and settling the telephone bills of the planning department.

#### Comments of the Accounting Officer

The Divisional Secretary has also reported that the purchase and disposal program of paddy started in month of February in the 2022/2023 Maha season, the committee consisting of the executive officers of that office and the officers of the planning section for that complex process has been implemented at the cultural center Damana for that complex process and therefore to settle the water and electricity bills of the cultural center and telephone bill of the planning section and overtime and travel expenses of the officers employed for this program were covered by the above amount.

#### Recommendation

Under the provisions given for any expenditure subject, only expenses related to that expenditure subject should be borne.

## 2.2 Utilization of Funds Granted by Other Ministries and Departments

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Ministry of Women, Child Affairs and Social Empowerment</p>		
<p>(I) Out of a loan amount of Rs.132,202,409 given to the members of Grama Shakthi Samithi under the Grama Shakthi Programme during the period from 2018 to 2022, Rs.79,784,715 had not been recovered as on 31 December of the year under review.</p>	<p>Proceedings are being taken to recover the debt by referring it to the Conciliation Board.</p>	<p>Action should be taken to recover the arrears debt.</p>
<p>(II) As per Circular No. SDB/SPV/GS/2022/01 and dated 28 June 2022 issued by the Saubagya Development Bureau regarding the Grama Shakthi Programme, the funds available in the active Grama Shakthi Mother Societies can be used for the micro-finance loan programs, for the improvement of essential infrastructure and for the members of the Society of the projects of other essential programmes, but among the 244 registered societies in Ampara district, 138 active societies had idly retained an amount of Rs.29,576,689 in their bank accounts without using their funds as per the circular and out of the total registered societies by the year 2023, 106 inactive societies had retained an amount of Rs.7,923,492 in their bank accounts.</p>	<p>According to the advice of the letter No. SDB/GS/DIST/2024 referred by the Saubagya Development Bureau dated 09 April 2024, the funds of inactive Grama Shakthi Development Societies are being transferred to active societies and also the work has already started to cancel the registration of inactive societies registered in the Company Registration Department.</p>	<p>Action should be taken to select suitable beneficiaries, issue loans and actively carry out the programs in the future.</p>



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

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

	<b>Observation</b>		<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>	
	<b>Referenceto Laws, Rules and Regulations</b>	<b>Amount Rs.</b>	<b>Non-compliance</b>		
(a)	Section 2 (iv) of the circular No. 2009/09 dated 16 April 2009 of Ministry of Public Administration and Home Affairs	194,220	If time is based for allowances paid after regular working hours, such as overtime and holiday pay, although the time must be confirmed by the fingerprint machine, during the sample audit, overtime and holiday allowances had been paid to the staff officers of the Mahaoya Divisional Secretariat for the year 2023 without using the fingerprint machine.	The divisional secretary and staff have accepted the mistake. It has been informed to proceed as per the circular instructions. Currently, the fingerprint machine is operational and pays are paying based on its data.	Action should be taken according the circular.
(b)	Guideline 2.4.1 of the Code of Procurement Guideline 2006	3,437,826	Addalachchena and Tirukkovil Divisional Secretariats had been carried out procurement activities during the year under review without the recommendation of the Technical Committee	It is said that the Addalachchena Divisional Secretariat Procurement Committee carried out related purchases without the Technical Committee, and the Thirukkovil Divisional	Action should be taken to follow the Procurement Guidelines.

contrary to the Secretariat Procurement Procurement Committee has engaged in related purchases without receiving the committee's recommendation on time as some members of the Technical Evaluation Committee have gone on leave. The concerned divisional secretaries have been informed to strictly follow the procurement code of practice, procurement manual and outline instructions.

### 3. Operating Review

#### 3.1 Abandonment of Projects without Completion

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs.6,500,000 given by the Provincial Education Department to the Addalachchena Divisional Secretariat for the acquisition of land for a school in the division had been kept in the deposit account for 5 years without being used for the relevant purpose.	This amount has been deposited for the acquisition of a private land relating to Addalachchena Ak/AI/Arham School. Acquiring the relevant land is a task that consists of several steps that take a lot of time. Also, there is a delay in receiving the survey plan and the Divisional Secretary has informed that after all the steps are completed, payment will be made and the relevant land will be taken over.	The work should be completed within the stipulated time and the deposit account should be cleared.

### 3.2 Assests Management

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) Since the year 2018, the tractor No. RA-3273, which has no registration certificates and cannot be verified the ownership, had been parked in the office premises due to the inability to drive which was given to the Damana Divisional Secretariat by the Ampara District Secretariat. Necessary actions had not been taken to repair and use the vehicle or otherwise dispose of it.</p>	<p>The approval of the Ministry of Public Administration and Home Affairs has been received for the auction and further work is being done by the Auction Committee chaired with the Additional District Secretary.</p>	<p>Action should be taken to dispose immediately.</p>
<p>(b) Two compact leaf threshers, a tractor and a tailer, which had been given to a voluntary organization by a Non-Governmental Organization in the Mahaoya Divisional Secretariat, had been given to the Mahaoya Divisional Secretariat in the year 2012 due to a dispute between the said voluntary organization. As at 31 December 2023, action had not been taken in this regard and it was observed that the relevant vehicles are currently unusable.</p>	<p>This is not a government asset and it has been given to a local voluntary organization by an Non-Government Organization. The equipment was handed over to the Regional Secretariat due to a dispute in the voluntary organization. I will refer to the Audit Management Committee and take action as per its recommendations.</p>	<p>Necessary actions should be taken to dispose In consultation with the concerned voluntary organization.</p>
<p>(c) A vehicle belonging to the District Secretariat had been handed over to a garage for repairs for over 22 years, but no actions had been taken to repair or take it back by the end of the year under review.</p>	<p>As this lorry is dilapidated, it is difficult to bring to the District Secretariat, so it has been decided to auction it in that place. This lorry is registered under the Ministry of Rehabilitation, so the ownership should be transferred to the name of the District Secretary as per Asset Circular 03/2008. There is no rehabilitation ministry currently and it has been difficult to identify the ministry that deals with the subject. However, the request regarding the</p>	<p>Unusable vehicles should be disposed immediately according to Asset Management Circular No. 05/2020 dated 02 October 2020 issued by the Comptroller General's Office of the Ministry of Finance.</p>

takeover of this vehicle has been forwarded to the Ministry of Justice and Prisons.

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| (d) | Since 2019 to 31 December 2023, 10 motorcycles had been parked in the warehouse complex for more than 04 years due to not used by the District Secretariat and Divisional Secretariat. | 5 motorbikes unsuitable for run have been given for the educational activities of the students of Hardy Technical College. A technical committee has been appointed and actions are being made to identify and dispose the motorcycles that cannot be put into running condition. | As per Asset Management Circular No. 05/2020 dated 02 October 2020 issued by the Comptroller General's Office of the Ministry of Finance, to be use after repairs or disposal or other necessary action should be taken promptly. |
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### 3.3 Losses and Damages

#### **Audit Observation**

The Saddhatissapura warehouse belonging to the Ampara District Secretariat was opened by thieves on 21 September 2015 and the loss had been estimated at Rs.850,738, but the further action had not been taken about it by 07 May 2024.

#### **Comments of the Accounting Officer**

The decision of the inspection board has been handed over to the District Secretariat on 06.07.2023. It has been informed that it is not possible to present the final investigation report under F.R. 104 (4) due to preliminary investigation and disciplinary action has not been taken regarding this matter.

#### **Recommendation**

The loss incurred should be charged from the responsible party or other relevant action should be taken promptly.

### 3.4 Non-economic Transactions

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) As at the audit date of 21 August 2023, 389,546 kg of rice with a value of Rs.41,848,330 approximately had become unsuitable for human consumption without being used for the relevant purpose due to the non-delivery of orders through a specific method for the rice stock purchased through paddy mill owners under the rice purchase and disposal program of the government in the 2022/2023 Maha season.</p>	<p>Open prices have been called and sold for animal feeds as directed by the Department of Development Finance of the Treasury. Paddy stocks have been converted into rice, but due to insufficient orders, the rice stocks have expired and the paddy mill owners have sold the rice as animal feed without the knowledge of the Divisional Secretary.</p>	<p>The officers responsible for the relevant program should be worked with proper supervision on a regular basis.</p>
<p>(b) According to Section 4.2 of the Circular No. DRD/2023-1 dated 09 February 2023 issued by the Ministry of Finance, Economic Stabilization and National Policy regarding the 2022/2023 Maha Season Paddy Purchase Program and Paddy Stock Disposal Program, although the district secretary should take steps to incur the operational expenses in the purchase of paddy under the relevant financial regulations, circulars and other government approvals, but the Ampara District Secretariat has set aside provisions of Rs.30,890,000 for administrative expenses for 17 district secretariats and divisional secretariats as allocate administrative expenses for general projects, as a percentage of 1% of the total allocation amount of Rs.3,089,000,000. Ignoring the expenditure actually incurred by the</p>	<p>The Development Finance Department had informed that 30000 metric tons of paddy should be purchased from Ampara district and the money should be credited to the respective farmer's account within 24 hours after the purchase of paddy. This was a very complicated process and a lot of paddy worth Rs.270 million had to be bought and paid to the farmers. Due to the selecting paddy mill owners, registering them, identifying farmers, determining the quantity of paddy to be purchased from them, preparing reports, having to referring to payment to the banks, having to work outside duty hours for these tasks, having to go to the field regularly, on the basis of having to use personal mobile phones for these activities, a committee was appointed as per</p>	<p>As per the circular, only the administrative expenses actually incurred should be paid with proper approval.</p>

officers contrary to the circular and stating that it was on the verbal instructions of the Development Finance Department, by appointing a committee chaired by the Ampara District Secretary, according to the committee's decision, an amount equal to  $\frac{1}{4}$  of the basic salary of the relevant officers, based on the number of months they were involved in the project, totaling Rs. 15,580,562 as administrative expenses had been paid by July 2023.

the instructions asked by the development finance department by the predecessor District Secretary and based on the decisions reached there, these payments were made and the recommendations of divisional heads and regional secretary were obtained before making the payment.

- (c) According to Section 2.3.2 of the Circular No. DRD/2023-1 dated 09 February 2023 issued by the Ministry of Economic Stabilization and National Policy, this program should be completed in the months of March and April 2023, but as of 8 August 2023, formal action had not been taken regarding the stocks of 420,546 kg of rice and 8,779,903 kg of paddy remaining in the respective warehouses. Accordingly, it was observed that the above amount was paid to the officers as administrative expenses related to the project which was not completed.
- 30,000 metric tons of paddy purchased on the advice of the Development Finance Department, the program could not be completed within the expected period due to non-receipt of demand for rice from other districts. Even now, arrangements are being made to dispose of the paddy stocks.
- Administrative expenses for a project should be paid after the project is fully completed.
- (d) According to the sample audit test check, under the allocation allocated for administrative expenses by the Ampara District Secretariat to the Uhana Divisional Secretariat, payments of Rs.367,181 had been made as holiday payments, travelling expenses and overtime allowances to 16 officers in addition to the allowance of  $\frac{1}{4}$  of the basic
- The Divisional Secretary has informed that the vouchers for several months of the office officers given to the Accounts Division were spent from the money allocated for these administrative expenses due to the allocations given for overtime, holiday pay and travel expenses for the Divisional Secretariat had been exhausted.
- Actions should be taken to recover the overpayment.

salary of each officer based on above mentioned committee decision.

### 3.5 Management Weaknesses

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) As per Circular No. 01/2023 and dated 27 January 2023 issued by the Ministry of Finance, Economic Stabilization and National Policy, although overtime allowance payments should be made only on the basis of necessity for government expenditure control, but according to the approved task force of the Addalachchena and Kalmuna Divisional Secretariats, there was an excess of 134 Development Officers and Management Service Officers, overtime allowances of Rs.1,012,564 had been paid to 35 officers for the year 2023 due to the lack of proper distribution of work between them.	The Regional Secretaries have informed that the overtime payments paid by the Addalachchena and Kalmune Divisional Secretariats were due to the completion of urgent and essential duties outside normal duty hours, the necessary duties to be performed at the beginning of the year and at the end of the year are paid, some work subjects have to be performed only by trained officers (Itmis, Cigas) and other officers cannot be used to perform those duties, and they had to pay overtime allowances for the performance of those duties and overtime allowances had to pay for the drivers. It has also been informed that in the future these subjects will be re-surveyed and work will be divided and arrangements will be made to train other officers as well.	Correct work distribution should be done among the officers and actions should be taken to carry out the work of the office so that the overtime payments are minimizing as per the circular by using redundant workers in the office. and measures should be taken to
(b) According to the letter No. DFD/MD/GPPP/PD/Maha/2022/23 dated 17 July 2023 issued by the Director General of the Development Finance Department regarding the purchase of paddy and distribution of rice to the low-income earners by the government and after that the sale of the government's stock of paddy held by the rice millers	Under this program, the remaining stocks of rice in the custody of the rice millers were sold through procurement activities as per the letter No. DFD/MD/GPPP/PD/Maha/2022-23 and dated 17.07.2023 of the Director General of Development Finance	The amount of rice to be recovered should be promptly recovered and legal action should be taken against the owners of paddy mills who do not provide

under the paddy purchase and paddy stock disposal program in the 2022/2023 Maha Season, instructions had been given to call for tenders and sell the stock remaining under the District Secretariat. Accordingly, although a buyer was selected for the sale of rice through the first tender conducted in September 2023, 1,226,373 kg of rice worth Rs.170,122,703 was sold by 24 rice mills in 07 Divisional Secretariat Divisions to the selected buyer by May 05, 2024 and payment was not made to the District Secretariat.

Department. Accordingly, under the first phase, rice was sold to the selected buyers, and as of 20 May 2024, 1,226,372.99 kg of rice is left to be delivered by the respective rice mill owners and the value of that rice is Rs.170,122,703.38

rice.

(c) A tax amount of Rs.24,538,440 had to be collected by 31 December 2023 in relation to the long-term tax deeds given by the regional secretariats of Damana, Akkarapattu and Kalmuna.

❖ long-term tax balance of government lands belonging to the Kalmune Divisional Secretariat of Rs.2,362,517, Rs.680,967 have been recovered so far and arrangements have been made to recover the remaining amount.

Actions should be taken to recover the arrears amounts.

❖ A long-term tax payer belonging to the Akkarapattuwa Divisional Secretariat S.M.A.Saki was unable to pay the balance of the tax money, due to this fact, a request has been made to the Commissioner General of Land requested to cancel the tax base given for business purpose and to give it on the basis of long-term lease for residential purposes.



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| (d) It was observed that the industries such as fuel stations, tourist hotels etc. are being carried out without permission on 17 plots of government land belonging to the Divisional Secretariats of Addalachchena, Pothuvil, Nedavur and Akkaraipattu. | All the documents have been sent to the Provincial Land Commissioner General to provide all the 17 plots of land belonging to the Divisional Secretariats of Addalachchena, Pothuvil, Nedavur and Akkarapattu on a long term lease basis. Actions will be taken to collect long-term taxes after the receiving of approval. | Arrangements should be made to transfer and collect taxes under the long-term tax system |
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#### 4. Human Resource Management

##### **Audit Observation**

The approved cadre was 2364 and the actual cadre was 2945 as at the 31 December 2023 and no action had been taken to fill 81 vacancies and to properly approve 662 excess cadre .

##### **Comments of the Accounting Officer**

Excess cadre are Development Officers who are concentrated at the secondary level. The recruitments have been made according to a policy decision taken at the Ministry level. 81 vacancies exist in other staff and have been reported to the Ministry.

##### **Recommendation**

Actions should be taken to fill up the existing vacancies and properly approve the excess cadre.