

## **Head 276 - District Secretariat Badulla**

### **1. Financial Statement**

#### **1.1 Qualified Opinion**

The audit of the financial statements of Head 276 - District Secretariat Badulla 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 and notes to the financial statements including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018. The summary report containing my comments and observations on the financial statements of the District Secretariat Badulla was issued to the Accounting Officer on 17 May 2024 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the District Secretariat was issued to the Accounting Officer on 16 May 2024 in terms of Section 11(2) of the Audit Act. This report will be tabled in Parliament in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with Section 10 of the National Audit Act, No.19 of 2018.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a true and fair view of the financial position of the District Secretariat - Badulla 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 are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and provisions in Section 38 of the National Audit Act, No.19 of 2018 and for the determination of the internal control that is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment 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 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 Chief Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## 1.5 Report on Other Legal Requirements

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

- (a) That the financial statements which presented by the District Secretariat Badulla for the year under review had been made consistent with the preceding year.
- (b) The recommendations made by me on the financial statements of the preceding year had been implemented.

## 1.6 Comments on the Financial Statements

### 1.6.1 Accounting Deficiencies

#### Property Plant and Equipment

The following deficiencies were discovered while accounting for Property, Plant and Equipment related to the financial statements.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) A difference of Rs.98,064,262 was observed when comparing the opening balance of the year under review of 10 asset subjects with the closing balances included in the audited financial statements of the year 2022.	Accept. It is mention that since this system was down on many occasions in last year, it was not possible to balance monthly.	The opening balances of the year under review should be agreed with the closing balances of the previous year.
(b) An annual board of survey had not been conducted regarding non-current assets totaling Rs.2,637,248,204 and its accuracy was not confirmed.	Accept. It will be rectified in the future.	Annual board of survey should be done according to the financial regulations.
(c) The 14 buildings that were constructed at a cost of Rs.24,244,453 under the 04 Divisional Secretariats by the “Gama Samanga Pilisandarak” program implemented in the year 2022 had not been included as non-financial assets in the financial statements as of 31 December of the	Accept. It is mentioned that instructions have been given to the Regional Secretariats to account for these 14 buildings as non-financial assets.	Relevant adjustments should be made to the financial statements.

year under review.

- (d) Since the expenditure incurred under capital asset acquisition was Rs.83,497,029 although the purchase value of Property Plant and Equipment is Rs.51,137,906 during the year under review; a difference of Rs.32,359,123 was observed.
- Accept. It is mentioned that, even though SA 82 was requested to be rectified from the public account department, it has not been rectified.
- The difference should be identified and corrected.

## 2. Financial Review

### 2.1 Expenditure Management

The following deficiencies were observed regarding the management of expenses related to financial statements.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) A difference of Rs.3,537,125 was observed since the sum of the actual expenditure indicated in the cost financing summary format was Rs.1,488,084,973 according to the projects under each program, although the actual expenditure of program 01 in the cost financing summary format was Rs.1,491,622,098.	Accept. Action will be taken to rectify.	Financial statements should be presented accurately by comparing similar items presented in the financial statements.
(b) Due to making payments without verifying the correctness of the payments under various expenditure subjects in accordance with the Financial Regulations 137,138 and 200(4) of the Republic of Sri Lanka, overpayments of Rs.1,530,52912 made in 75 cases by 12 Divisional Secretariats had been surcharged to the relevant expenditure subjects.	Agree. It is mention that, when dealing with accounting matters, payments will be made correctly and under the relevant expenditure subjects in accordance with the Financial Regulations.	Payments should be made after verifying the correctness of payments as per Financial Regulations.

## 2.2 Incurring of Liabilities and Commitments

The following deficiencies were observed in relation to entering into liabilities and commitments related to financial statements.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
According to Annexure-(iii) included in the presented financial statements, although there are no commitments and liabilities as of 31 December 2023, in the sample audit of subsequent settlements, it was observed that it had been paid Rs.1,929,416 in the months of January and February 2024` in relation to the year 2023 by the Badulla District Secretariat and a Divisional Secretariat collected.	Agree. It is mention that, accounting will be done to identify all the liabilities related to the year in the future.	Liabilities and commitments at the end of the year should be accurately disclosed in the financial statements.

## 2.3 Utilization of Provisions made available by other Ministries and Departments

The following points are observed in this regard.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
UNICEF financial aid of Rs.200,000 received from the Uva Provincial Land Commissioner to the Lunugala Divisional Secretariat on 12 December 2022 for water reserve conservation was kept in the general deposit account without being used for the relevant work until the audit date of 31 December 2023.	Accept.	The funds received should be efficiently utilized for the relevant work within the prescribed period.

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

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

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>Although the accounting officer should ensure that an effective internal control system is developed and maintained for the financial control of the District Secretariat and the effectiveness of the system should be reviewed from time to time and necessary changes should be made accordingly to make the system effective and those reviews should be done in writing and a copy of the same should have been submitted to the Auditor General, statements that such reviews were conducted had not been submitted to the audit.</p>	<p>It is mentioned that the accounting officer's certification for this office has been made that an effective internal control system is developed and maintained for the financial control. In the future, a written review about it will be submitted to the Auditor General.</p>	<p>It should be act in accordance with the provisions of Section 38 of the National Audit Act No. 19 of 2018.</p>

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

Cases of non-compliance with the provisions of laws, rules and regulations observed during sample audits are analyzed below.

Reference to laws, rules and regulation	Value Rs.	Non-compliance	Comments of the Accounting Officer	Recommendation
(a) Statutory Provisions	--	<p>According to section 25(5) (b), although the relevant request should be completed within 14 working days of receiving a</p>	<p>Accept. It is kindly mentioned that the final reply was sent by mistake.</p>	<p>It should be act according to the Right to Information Act and fulfilled the relevant requests without delay.</p>

request for information or within 21 days if there is any delay, in respect of 15 right to information applications received by 02 divisional secretariat from 2017 to 2023, information requests had not been completed.

(b) Establishment Code of the Democratic Socialist Republic of Sri Lanka

- Section 6.1 of -- Paragraph XIX

Although the maximum period of residence in a public service quarters should be 05 years, the officer who was using the old court building belonging to Lunugala Divisional Secretariat as a quarters had been residing there continuously for 19 years. The officer residing in the official residence of the old court building has been informed in writing to make necessary arrangements for handing over the official residence before 31.09.2023. Provisions of the Establishment Code should be followed.

(c) **Public  
Administration  
Circulars**

Circular  
No.14/2022  
and dated 10  
November  
2022 of the  
Secretary of  
the Ministry of  
Public  
Administration  
and Home  
Affairs and  
letter  
No.HA/02/23  
dated 28  
November  
2023.

Although every  
Divisional  
Secretariat should  
apply the  
SYSCGAA  
Office  
Management  
System for  
functions other  
than holidays, it  
was observed that  
07 Divisional  
Secretariats are  
not using that  
system.

Accept. Although the  
SYSCGAA  
management system  
was used to present  
future programs, due  
to errors in its  
operation, later future  
programs was  
submitted through  
forms.

The provisions of  
the relevant circular  
and the instructions  
of the letters should  
be followed.

(d) Paragraphs  
2.2.2 and 2.2.3  
of the Annual  
Transfer  
Policy for  
Officers of the  
Combined  
Service 2023

Although the  
officers who have  
completed more  
than 05 years in  
one service  
station should be  
subject to  
transfers, 10  
officers of the  
District  
Secretariat were  
working in the  
same service  
station for a  
period of 06 to 10  
years.

Accept It is mentioned  
that it will be done in  
this way in the future.

It should be done  
as per the terms  
mentioned in the  
Annual Transfer  
Policy.



## 2.6 Irregular Transactions

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
During the inspection conducted about the payment made for the month of May 2022 for a sample of 2,811 out of 6,504 beneficiaries who received Samurdhi Additional Allowance (Top up) in 18 of the 42 villages of the Ridimaliyadda Divisional Secretariat division, over payment of Rs.736,500 had been made as additional allowance to 265 beneficiaries who were double-counted due to payment of additional allowance also under Samurdhi Subsidy although receiving additional allowance under Elderly Allowance, Kidney Allowance or Disability Allowance.	This amount will be surcharged on cash orders issued by post offices.	There should be good coordination between the relevant departments to avoid double counting and excess payments should be collected and credited to the state revenue.

## 2.7 Deposit Balances

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) The amount of Rs.2,500,000 given by the Sri Lanka Insurance Company on 20 December 2019 for the repair of the vehicle belonging to the Ridhimaliyadda Divisional Secretariat which had an accident on 29 July 2017 had been credited to the general deposit account instead of being recognized as income for the year and the loss of Rs.3,849,333 that was not reimbursed by the insurance had not been recovered from the responsible parties.	The amount of compensation given to the Sri Lanka Insurance Corporation for the repair of the Cab of the Ridhimaliyadda Divisional Secretariat is Rs.2,470,000. Since the repair work is going on it is held in the general deposit account.	Arrangements should be made to repair the cab promptly and recover the amount not covered by the insurance from the responsible parties.

- (b) Land acquisition compensation amounting to Rs.39,429,295 was kept in the general deposit account for more than 5 years without settling the land acquisition activities of the beneficiaries who acquired the land and giving compensation. Since the land acquisition has not been completed, the said compensation is kept in the general deposit account. Land acquisition should be completed efficiently.

## 2.8 Surcharging

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
<p>While the group vehicle was used for all the official duties of the office and fuel was obtained through fuel orders, two divisional secretaries who worked in the Kandaketiya Divisional Secretariat during the period from February 2022 to April 2023 received fuel allowances of Rs.812,460 and the excess fuel allowance paid had not been recovered by 31 December 2023 according to the 119 Financial Regulations.</p>	<p>Accept. It has been agreed to repay the fuel allowance of Rs.69,135 which received by former Divisional Secretary and It is mentioned that, it will be recovered in the payment of arrears due from the office.</p> <p>Kandaketiya – It is mentioned that the fuel allowance of Rs.743,325 received by the Divisional Secretary has been agreed to be paid from the fuel allowance given to him after receiving the official vehicle.</p>	<p>Actions should be taken to recover illegally overpaid fuel allowances without delay.</p>
	<p>Kindly mention that according to the above financial regulation 119(2)(b), the Secretary of the Ministry of Public Administration, Home Affairs was forwarded for approval that it is appropriate to charge in 60 installments.</p>	

### 3. Operational Review

#### 3.1 Planning

According to paragraph 03 of the Public Finance Circular No.02/2020 dated 28 August 2020, the following deficiencies were discovered during the preparation and implementation of the annual Action Plan.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
An action plan should be prepared as per the provisions mentioned in paragraph 03 of the Public Finance Circular No.02/2020 dated 28 August 2020 and although the forms to be used for that and data entry guidelines should be obtained from the Public Finance Department website, 06 cases were observed which did not comply with the above guidelines during the inspection of the action plan prepared for the year under review by the District Secretariat.	Accept. It is mentioned that the vision, mission and objectives of the district secretariat have been included in the action plan of the year 2024.	The action plan should be prepared as per the provisions of the Public Finance Circular.

#### 3.2 Non-achievement of expected Outcome

The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) The Bandarawela Divisional Secretariat had selected 183 beneficiary families covering 02 Gramaniladhari divisions by spending Rs.10,227,818 under the Subhagya Production Village Project, and had implemented the projects of growing flowers and vegetables in greenhouses, chicken husbandry, goat husbandry and bee husbandry. Although the main goal of the project is to raise the monthly average income of a beneficiary to between Rs.30,000 - 40,000 through the project, after the implementation of the project, it was observed that the expected income targets have not been achieved due to the	Accept. Due to economic recession and Covid pandemic situations and the increase in the price of agricultural inputs, fertilizer bans and travel restrictions, the yield is reduced and the income is diverted to the cost of living due to the obstructive of income sources, and the production income is reduced due to the insufficient amount of money to be used for production and cultivation. Therefore the	Continuous follow-up should be done to make the project successful and achieve the desired goals.

fact that the monthly average income of a beneficiary is between Rs.500 and Rs.3,500.

production capacity decreased and the per capita income decreased.

(b) Ridhimaliyadda Divisional Secretariat had provided 9,200 female chicks at a cost of Rs.4,048,000 to 92 beneficiaries under the Saubagya Production Village Program and materials required for construction of cages including equipment at a cost of Rs.5,391,472 and as of 08 December, 7,371 had been died or sold from the 9200 of given female chicks. That number was about 80 percent of the number of chicks given and a large percentage of the amount of Rs.3,243,240 spent by the government had become a useless expenditure.

It is accepted that a considerable number of chicks have died due to difficulty in providing animal feed to the beneficiaries due to the Corona pandemic and economic difficulties.

The project should be successfully implemented and the desired goals should be achieved through continuous follow-up activities.

(c) (i) Although it has been more than 02 years since the Ella Divisional Secretariat started the Batik and handloom textile products and related ready-made garments preparation project implemented in the year 2021 by spending Rs.5,944,977 under the Saubagya Production Village Program, it was observed that the project is still in its initial stage. And according to the project report, other objectives including creating products aimed at tourists, creating products aimed at the export market were not effectively achieved and Action Plan was not prepared for the year 2023 to achieve those goals. It was further observed that if the Divisional Secretariat fails to provide an effective solution to the problems related to the project, there is a risk of the beneficiaries leaving the project.

To provide the necessary raw materials to the producers, conducting training programs to enter online marketing under market identification, receiving orders to supply products to the Lak sala Institute, holding a weekly market in the Ella area, and providing training opportunities together with the Naita Institute have been worked to make the project successful.

The project should be successfully implemented and the desired goals should be achieved through continuous follow-up activities.

(ii) Due to the fact that the Ella Divisional Secretariat did not effectively plan and implement the project of preparing batik and handloom textile products

Accept. According to the allocations received in the future, necessary training programs for printing t-

and related ready-made garments under the Prosperity Production Village Program, 35 of the cloth painting equipment that had been purchased at a cost of Rs.1,283,024 were unused and kept underutilized in the Maduragama textile painting building by the audited date of 06 September 2023.

- (d) Although 02 years has been passed from implemented the project of creating Madugastalawa and Galvelagama Kitul Villages under the Saubagya Production Villages Program by Passara and Lunugala Divisional Secretariat spending Rs.7,139,063 and Rs.7,255,335 respectively in the year 2021, the desired objectives had not been effectively achieved. Accordingly, It was also observed that the government has failed to get an outcome compared to the amount spent, and apart from providing equipment and training opportunities to 212 families who are traditionally involved in the Kitul industry, the project has failed to contribute to strengthening the national economy by implementing project at a commercial level to improve the living standards of the beneficiaries and increase the national production.
- Accept. Domains were not accessible during the Covid period. The development officer attached to the domain was assigned the responsibility of preparing and implementing a more strong operational process to achieve the project objective. Although fruit bearing trees are common, the amount of sap obtained from each plant varies. As the forest population is common in the area, the beneficiaries have been motivated to reject gas and use firewood as the energy source. Raincoats, safety harnesses, headgear etc. were also provided to carry out the industry safely.
- Actions should be taken to achieve the desired goals by maintaining the project successfully in the future.

### 3.3 Delays in the Execution of Projects

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
Rs.46,200,000 had been spent in relation to 02 Divisional Secretariats for the resettlement of 236 families belonging to three Divisional Secretariat Divisions that were at high risk of landslides. Although 03 to 10 years have passed since the project was started, since positive measures were not taken for the resettlement of these vulnerable families, it was observed that the vulnerable families are living in their original places bearing the risk of their lives.	The resettlement was delayed due to the delay in the release of the proposed land by the estate company in relation to the Haldummulla Divisional Secretariat. The delay should be taken by the estate company and this office cannot take the entire responsibility.  Without the dedication, effort and efficiency of the beneficiaries belonging to the Haputale Divisional Secretariat, the project has not been able to succeed. Strict attention was given in this regard further, and necessary instructions were given to complete the work of the project as soon as possible.  Under the resettlement program of the Halilela Divisional Secretariat, the housing project is currently being carried out at Udakohavila 100 acres and It is mentioned that the 37 families are being resettled by the 01 of July this year.	Resettlement of people in landslide-prone areas should be done immediately.

### 3.4 Assets Management

The following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) The 02 pepper drying machines costing Rs.4,555,000 installed by Kandaketiya and Haldummulla Divisional Secretariats on 20 and 21 May 2022 for white pepper production projects were underutilized by the date of 31 March 2024.	Due to the decrease in the yield of pepper, it was not possible to dry the pepper as expected using the machine. According to the alternative crop drying plan prepared by the Export Extension Officer in 2024, project proposals have been prepared and the work has been started.	Arrangements should be made to utilize the maximum capacity of these valuable machines.
(b) It was observed that the funds of Rs.44,898,005 owned by 160 Grama Shakti Janata society in Badulla district were not being used properly and effectively to improve the living conditions of the rural community and were idled in the bank accounts.	The divisional secretaries have been informed to transfer the funds of the inactive societies to the active societies.	The funds of Grama Shakti Janata society should be efficiently utilized to improve the quality of life of the community.

### 3.5 Losses and Damages

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) Although a pensioner who had received pension from the Welimada Divisional Secretariat died on 31 October 2015, due to the fact that the pension data system was not updated, a total of Rs.1,412,812 has been credited to his bank account up to 30 June 2019 even after his death and that amount had been received by his inheritors and an amount of Rs.650,484 out of that had not been recovered by 31 December 2023.	Accept. The heir of the deceased pensioner bearing pension number: 21-1100013 of the Welimada Divisional Secretariat has been paid Rs.100,000 with receipt number: 0235338 and on 2024.01.29.	Overpayments should be avoided by keeping the pension data system up-to-date.

- (b) Even though it should be recovered from the heirs according to the investigation board report regarding the pension overpayment of Rs.386,075 to a pensioner by the Bandarawela Divisional Secretariat, the heirs have informed on 05 March 2024 that they cannot pay the amount and nevertheless a formal action in this regard will not be taken by 31 March 2024.
- Accept. It is mentioned that the Bandarawela Divisional Secretary has been notified to recover the amount of Rs.386,075 overpaid to the pensioner from the heirs.
- Overpayments should be avoided by keeping the pension data system up to date and overpayments should be recovered.
- (c) After 08 years a cab belonging to Uva Paranagama Divisional Secretariat was involved in an accident, the related loss was assessed as Rs.500,000 on 15 May 2019 and according to the investigation report of F.R. 104(4), Although it was recommended to be recovered the said loss from the parties responsible for the accident, it was not recovered by 31 March 2024. Positive action was not taken other than asking the Attorney General for advice in this regard on 26 December 2021.
- F.R. 104 (4) Final report has been forwarded to Secretary, Ministry of Home Affairs on 23.06.2022. The loss amount is Rs.500,000. The Attorney General has been directed to recover the loss amount from the driver.
- F.R. investigations regarding vehicle accidents should be conducted regularly and without delay and action should be taken to recover the identified loss from the responsible parties without delay.

### 3.6 Management Weaknesses

The following observations are made.

Audit Observation	Comments of the Accounting Officer	Recommendation
<p>(a) According to paragraph 3.2 of the Budget Circular No.118 dated 11 October 2004 of the Director General of National Budget, if the officers are transferred to a Provincial Council, although the relevant loan money should be recovered from the Provincial Council at once or if it is not possible to recover it, it should be recovered in monthly installments, a debt balance of Rs.882,843 due from 08 officers who worked in the Badulla District Secretariat and Divisional Secretariat and, got transferred to the provincial council institutions had not been recovered by 31 December 2023. That debt balances included a debt balance of Rs.223,327 due from 03 officials for more than 10 years</p>	<p>The loan balance of the management service officer mentioned in the relevant list is charged in installments, and the current loan balance to be charged from her is Rs.203,800. Although the Uva Provincial Council has been informed in writing to settle the debt balances of other officers, it has not been settled so far.</p>	<p>Provisions of the relevant budget circular should be followed and proceeded to recover the outstanding loan balances.</p>



and a debt balance of Rs.297,532 due from three officials for more than 20 years.

- (b) The 08 Divisional Secretariats had overpaid Rs.16,597,873 to 64 pensioners due to overpayment of basic salary, cost of living allowances and gratuity and, the amount to be recovered from that was Rs.9,081,544 by 31 December 2023. Furthermore, according to the pension circular No.3/2022 of the Director General and section 07 of the pension circular dated 10 June 2022, the divisional secretaries should take necessary legal action regarding the overpayment of pensions, and for that, even though the provisions of Government Financial Regulations No.101 to 113 and the provisions of Section 2 of the Establishment Code should also be followed by the Divisional Secretaries, they had not been followed accordingly.
- Accept. The related works are being carried out to recover the overpaid money to the said pensioners.
- Legal action should be taken as mentioned in the relevant pension circular regarding overpayment of pensions.
- (c) According to paragraph 02 (i) of Public Administration Circular No.09/2009 dated 16 April 2009 and Public Administration Circular No.2/2021 (viii) dated 12 May 2023, although the arrival and departure of all government officers should be confirmed using the fingerprint machine, It was also observed during sample audit that 17 staff officers of 06 Divisional Secretariats and 04 staff officers of the District Secretariat will confirm their arrival and departure using the fingerprint machine only on public days and they does not verify arrival and departure on other days when they stay in the office by the fingerprint machine. Also, according to the sample audit, 07 officers of 02 Divisional Secretariats and two officers of the District Secretariat had been obtained Rs.504,030 as leave allowance for 118 days without confirmation of their arrival/departure accordingly and stating that they were reported for duty on public holidays.
- Accept. It is kindly mentioned that the following actions have been taken in this regard.
- Provisions of the relevant Public administrative circular should be followed.
- It is mentioned that actions will be taken to inform the relevant officials to verify both arrival and departure with the fingerprint machine in the future.
  - It is instructed the concerned officer in charge of leave that it is mandatory to check the daily entries in the finger print machine correctly and stamp “Arrival and departure as per the attendance register” while submitting the vouchers to get the leave pay.

- |     |  |   |   |
|-----|--|---|---|
| (d) | Although all the Grama Niladhari should inform the Divisional Secretary once in a fortnight through අ.ඒ.අ.60 forms in order to prevent unauthorized capture activities in order to secure the right of government lands, the fortnightly reports had not been submitted by 20 Grama Niladhari of the Mahiyangana Divisional Secretariat.   | Accept. It is mentioned that appropriate action will be taken after asking them for an excuse regarding the Grama Niladhari who did not provide the fortnightly reports of the Mahiyangana Divisional Secretariat.  | Regular fortnightly reports should be obtained.                                 |
| (e) | The 1147 survey requests sent to the District Surveyor's Office between the year 2006 and the year 2023 by 07 Divisional Secretariats had not been fulfilled.  | Accept. It is mentioned that reminder letters have been sent to the surveying authority to fulfill the survey orders.   | Necessary follow-up should be done to get the survey orders fulfilled promptly. |
| (f) | It was observed during a sample inspection that there has been an opportunity for misappropriation of government property due to 21 eviction orders were received for taking back the possessions regarding the illegal seizure under the Meegahakivula and Badulla Divisional Secretariats and but the non-implementation of those orders even though between 9 months and 5 years have passed. | Accept<br>It is mentioned that if the people involved in the illegal seizure of the Badulla Divisional Secretariat do not come forward to pay the money, necessary actions will be taken to recover the possession. | Appropriate provisions should be made to implement the eviction orders.         |
| (g) | Rs.194,512,752 of the loan amount given to 2,636 beneficiaries by 47 Samurdhi Banks belonging to 15 Divisional Secretariat Offices of Badulla District had not been recovered by 31 December 2023.   | Arrears are being collected.  | The arrears should be collected according to the relevant loan agreements.      |

#### 4. Good Governance

##### 4.1 Rendering Services to the Public

Following observations are made.

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(a) During the last quarter of the year under review, it was observed that 155 logging license registration applications received by 10 Divisional Secretariats were registered and issued after a delay of between 1 and 22 months. Accordingly, it was observed that while the need to provide efficient and prompt service to the public has been confirmed in the Citizen's Charter, it has not been acted upon.	Accept. After the office receives the application for logging, it is necessary to prevent illegal logging by settling the ownership of the land, verifying the owner's consent, confirming the need for wood cutting, obtaining approval from other agencies, conducting field tests, etc. and therefore these delays have been occurred.	Actions should be taken to provide efficient and prompt service to the public.
(b) During the last quarter of the year under review, it was observed that 73 applications for registration of individual business names related to 12 Divisional Secretariats were registered and issued after a delay of between 1 and 11 months.	Accept. Issuance of registration certificates was delay due to non-commencement of businesses, deficiencies in applications, busyness of officers' shortage of staff officers etc. and it is mentioned that individual business names will be registered without delay in the future.	Actions should be taken to provide efficient and prompt service to the public.
(c) According to the Presidential Secretary's Circular No.PC/GPA/Circular/29/2020 dated 15 September 2020, although the officers of all government institutions should remain in their office on Monday, which is a public day, and should refrain from taking leave and using duties outside the office on that day except for essential work, a significant number of staff officers and non-staff officers of 14 Divisional Secretariats had not report to work in the office on Monday.	Accept. The Divisional Secretaries of the Divisional Secretariat mentioned here have been informed about this, and it is kindly mentioned that Mondays will not be given off except for essential work, and efforts will be made to reduce the number of holidays in the future.	According to the provisions of the relevant circular, the officers should be detained in the office so as not to hinder the fulfillment of public needs during the public day.