

Head 274 – Anuradhapura District Secretariat - 2024

1. Financial Statements

1.1 Qualified Opinion

Head 274 - The audit of the financial statements of the Anuradhapura District Secretariat for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 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 the financial statements of the Anuradhapura District Secretariat was issued to the Accounting Officer on 30 May 2025 in terms of Section 11(1) of the National Audit Act, No.19 of 2018. The Annual Detailed Management Audit Report relevant to the Anuradhapura District Secretariat was issued to the Accounting Officer on 30 May 2025 in terms of Section 11(2) of the National Audit Act, No.19 of 2018. This report will be tabled in Parliament in pursuance of the Section 10 of the National Audit Act, No. 19 of 2018 to be read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in paragraph 1.6 of this report, the financial statements give a fair view of the financial position of the Anuradhapura District Secretariat as at 31 December 2024, and its financial performance and cash flows and on all the materialities in accordance with the basis of preparation of the financial statements set out in Note 1 to the financial statements.

1.2 Basis for Qualified Opinion

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

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Emphasis of Matter – Basis for preparing Financial Statements

The attention is drawn to the Note 1 related to the Financial Statements which describes the basis of preparing these financial statements. The financial statements have been prepared as per the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 for the requirement of the Anuradhapura District Secretariat General Treasury and the Parliament. Consequently, these financial statements may not be suitable for other objectives. My report is only for the use of the Anuradhapura District Secretariat, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of the Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a fair view on all the materialities in accordance with the Financial Regulation 150, 151 and the State Accounts Guideline No. 06/2024 dated 16 December 2024 amended on 21 February 2025 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

As per Sub-section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Secretariat exists, 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.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit 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 the 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

1.6 Comments on the Financial Statements

1.6.1 Accounting Deficiencies

(a) Property, Plant and Equipment

Audit Observation	Comments of the Accounting Officer	Recommendation
(i) A difference of Rs.21, 933,616 had existed between the closing balance in the preceding year of 02 asset categories belonging to the property, plant and equipment in the statement of financial position in the year under review and the opening balance in the year under review.	The action had been taken to rectify in the year 2025.	The financial statements should be correspondingly prepared with the closing balances in the preceding year and the difference should be reconciled and rectified the accounts.
(ii) Two solar systems with a value of Rs.2,405,200 established in 2018 had not been accounted in the year under review. As a result of that, property, plant and equipment had been understated in the statement of financial position by same amount.	The action had been taken to rectify in February 2025.	The accurate values of the assets should be accounted and corrected the balance of property, plant and equipment.

(b) Lack of Audit Evidence for Audit

Audit Observation	Comments of the Accounting Officer	Recommendation
Rs.32,536,300 had been adjusted to property, plant and equipment (relevant to code 9152) and the adequate evidences for said adjustment had not been presented to the audit.	The difference of Rs.19,061,973 was the value added in the year in entering the opening balances of that year.	The adequate disclosures for the adjustments made to the balances should be performed in the financial statements and the relevant evidences should be submitted to the audit

2. Report on Other Legal Requirements

The express the following matters in terms of section 6(1) (d) of the National Audit Act No.19 of 2018.

- (a) The financial statements submitted to the audit are not consistent with the preceding year as per the audit observation mentioned in paragraph 1.6.1(a) (i) of this report.
- (b) The recommendation mentioned in the paragraph 1.6.1 (a)(ii) of this report made by me on the financial statements of the preceding year had not been implemented.

3. Financial Review

3.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though the estimates should be completely and accurately prepared as far as possible as per Financial Regulation 50, a sum of Rs.225.24 million or provision from 30 percent to 82.5 percent from the preliminary estimate provision of Rs.618.7 million of 08 objects had been transferred to the other objects.	The provision had been transferred on the reasons such as non-occurrence of expected expenditure, inadequacy of the provisions allocated and allocation of the additional provision by Department of national Budget.	As per the Financial Regulation, the estimated provision should be accurately prepared and the provision related to object allocated should be utilized for the proposed activities of the Action Plan.
(b) The provision of Rs.10.49 million or from 31.5 percent to 62.6 percent provision from the estimated provision of Rs.23.75 million allocated for 09 objects had remained.	The relevant savings had remained due to the reasons such as over allocation of budget provision, not occurred to incur expenses as expectedly and control of expenditure.	- Do -
(c) The total provision of Rs.4, 761,500 allocated within the year under review for 03 construction projects by Thambuththegama Divisional Secretariat had not been utilized.	These projects couldn't be implemented due to the reasons such as arisen the objections for the constructions in the proposed lands, inadequacy of the land selected and being canal a reserve and non-implementation of the new projects owing to presidential Election.	The action should be taken against the officers who had selected the projects without a formal plan and the plans should be prepared for fully utilization of the provisions allocated.

3.2 Certifications to be carried out by Accounting Officer

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	In terms of the section 38 of the National Audit Act No.19 of 2018, the Chief Accounting officer and the Accounting Officer should ensure that an effective internal control system had been prepared and maintained for the financial control of Anuradhapura 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. Even though such reviews should be carried out in writing and submit a copy of that to Auditor General, the statements for carrying out said reviews had not been submitted to the audit.	The reports related to the investigations carried out by Internal Audit Division had been fulfilled such requirement.	The action should be taken as per the provisions of the section 38 of the National Audit Act No.19 of 2018.

3.3 Non-compliance with laws, rules and regulations

	Reference to laws, rules and regulations	Observation	Non-compliance	Comments of the Accounting Officer	Recommendation
		Value			
		Rs.			
(a)	Financial Regulations of Democratic Socialist Republic of Sri Lanka				
(i)		376,527			
	Financial Regulations 137 and 138				

				vouchers after receipt of remaining stationery.	
(ii)	Financial Regulation 237 (b)	563,400	Though A certificate that the articles have been received and that they have been brought on charge in the appropriate inventory, the payments had been certified without verification that the relevant goods had been received in making payments by cheques on 20 December 2024 for the air-conditioners purchased by Thalawa Divisional Secretariat.	It is accepted the audit observation.	The action should be taken in relation to the officers who had made the payments contrary to Financial Regulations.

3.4 Non-compliance with the Tax Requirements

	Audit Observation	Comments of the Accounting Officer	Recommendation
(a)	The acting payments, government vehicles used for private usage, miscellaneous allowances and government quarter allowances had not been considered as revenue for computation the tax when computation the Advance Personal Income Tax (APIT Tax) to be paid from employment income of the officers who are liable to tax in Nochchiyagama, Thambuthegama and Galenbudunuwewa and Maha Wilachchiya Divisional Secretariats.	The some expenses had been excluded in calculation of Advance Personal Income Tax as considering the reimbursement of expenses and the action had been taken to recover tax in arrears by including other payments for tax computation.	By taking action as per the Inland Revenue Act, arrears in tax should be recovered and remitted to Department of Inland Revenue.

3.5 Transactions in fraudulent Nature

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The formal disciplinary action had not been taken in relation to a financial fraud of Rs.90,000 done by a lady officer served as the Vanitha Development Officer of Sri Lanka Women Bureau in Kaebithigollewa Divisional Secretariat in 2017 and recover relevant money.	Such decision had been informed to Secretary, Ministry of Children and Women Affairs by the letter No. අනු/2/4/1/3/7 dated 24.07.2024.no any instruction had not been received so far for further action relevant to that.	The step should be taken to get formal disciplinary action in connection with the ministry and recover the money.

4. Operational Review

4.1 Projects implemented from the local funds

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) An amount of Rs.107,160 had been overpaid for an unfulfilled work item in making payment for Sanghawasa building renovation project in a temple located in Negenahira Nuwaragampalatha Divisional Secretariat Division.	It had been discussed in relation to the deficiencies occurred in the construction activities at District Audit and Management Committee and an inquiry will be held in this regard and reported the information to the audit.	A formal inquiry should be carried out in this regard and the action should be taken to recover the money overpaid.
(b) A total amount of Rs.469,716 as Rs.353,968 and Rs.115,748 for 02 work items respectively had been overpaid in making payment to the project for development of a road of Maddiyama Nuwaragam Palatha Secretariat Division by putting gravels.	The estimates had been prepared by using mean value of the field density of gravels as 1.35 in preparation of the estimates and it had been reported that the payments had been made by taking mean value of the field density as 1.83 as per the laboratory reports of Provincial Road Development Authority in making payments.	- Do -.

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| (c) | A sum of Rs.911,184 had been overpaid for two work items of the estimate as Rs.686, 648 and Rs.224, 536 respectively in payment for development of Dharma Bodhi Mawatha, Theppankulama in Maddiyama Nuwaragam Palatha Divisional Secretariat Division by laying gravels. | The estimates had been prepared by using mean value of the field density of gravels as 1.35 in preparation of the estimates and it had been reported that the payments had been made by taking mean value of the field density as 1.83 as per the laboratory reports of Provincial Road Development Authority in making payments. | - Do -. |
| (d) | A sum of Rs. 239,886 had been overpaid for two work items in the estimate as Rs.180,773 and Rs.59,113 respectively in payment for the 02 culverts in Ela Kanda Road, Irrigation canal Road and development project by laying gravels Central Nuwaragam Palatha Divisional Secretariat Division. | The estimates had been prepared by using mean value of the field density of gravels as 1.35 in preparation of the estimates and it had been reported that the payments had been made by taking mean value of the field density as 1.83 as per the laboratory reports of Provincial Road Development Authority in making payments. | - Do -. |
| (e) | A sum of Rs.739,170 had been overpaid for two work items in the estimate as Rs.557,022 and Rs.182,148 respectively in payment for the project of development of 20 Niwasa Road, Theppankulama in Maddiyama Nuwaragam Palatha Divisional Secretariat Division. | The estimates had been prepared by using mean value of the field density of gravels as 1.35 in preparation of the estimates and it had been reported that the payments had been made by taking mean value of the field density as 1.83 as per the laboratory reports of Provincial Road Development Authority in making payments. | - Do -. |
| (f) | A total amount of Rs.111,037 had been overpaid for 03 work items in payment for the remaining work of two storied class room building of Nikawewa Muslim College in Horowpathana Divisional Secretariat Division. | This project which had been approved to Kebithigolllewa Zonal Educational Office by Kebithigolllewa Divisional Secretariat had been entered into agreement by Kebithigolllewa Divisional Secretariat and the monitoring as well as payment activities had been carried out with the approval of Regional Engineer | - Do- |

and a letter had been forwarded to Zonal Director on 21.05.2025 by requesting clarifications in relation to that matter.

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| (g) | An amount of Rs.446,994 had been overpaid for additional two work items in payment for the completion of the remaining construction work of Weerasole Muslim College in Horowpathana Divisional Secretariat Division. | This project which had been approved to Kebithigolllewa Zonal Educational Office by Kebithigolllewa Divisional Secretariat had been entered into agreement by Kebithigolllewa Divisional Secretariat and the monitoring as well as payment activities had been carried out with the approval of Regional Engineer and a letter had been forwarded to Zonal Director on 21.05.2025 by requesting clarifications in relation to that matter. | - Do - |
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4.2 Procurements

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) As per procurement decision No.2024/25 of Madewachchiya Pradeshiya Secretariat, the minimum price received had been refused without mentioning the fair reasons in purchase of photocopy machine and purchase had been made by paying Rs.80, 000 in excess.	Since the technical specifications had not been fulfilled properly, the bid which had submitted the minimum quotations had been refused.	After conducting a formal inquiry, due actions should be taken in relation to the responsible officers.
(b) Though the purchase of Rs.6,522,501 had been made by Kakakirawa Divisional Secretariat from January 2024 to 30 September 2024, a procurement plan for the year 2024 had not been prepared in the beginning of the year.	Accepted. The procurement plan for the year 2025 had been already prepared.	At the beginning of the year, a procurement plan should be prepared in formal manner.

4.3 Assets Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The land in extent of 4.89 hectares with the buildings owned by the public institutions in Palagala Divisional Secretariat division and the lands in extent of 289.49 hectares which has a feasibility for utilization the development activities belonging to 07 divisions in such secretariat area had been under-utilized and the attention of the management had not been paid to identify said lands and buildings and utilize those in efficient and effective manner.	These lands can be utilized for the development activities of the Government and the requests had not been received so far for such lands. After receipt of the requests, the possibility is available to consider the requirement and take action accordingly.	The proposals required for utilization the land with feasibility for the development activities should be prepared and forwarded.
(b) 185 asset items belonging to 08 divisional Secretariats had been idle during a period 03 months-10 years.	It is due to be prepared a plan for renovation and utilization effectively.	The measures should be taken to renovate and utilize or dispose in formal manner.

4.4 Management Weaknesses

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though more than 02 years had elapsed at the end of year under review by conducting Land Kachcheri for the last time in 119 Grama Niladhari Divisions belonging to 11 Divisional Secretariat area limits, no action had been taken to conduct Land Kachcheri for verification the ownership of land who are interest to obtain the permits for the lands not met with the requirements. As a result of that, the steps couldn't be taken in relation to 5,737 basic formats relevant to conducting Land Kachcheri submitted from such divisions.	Land Kachcheri couldn't be conducted due to Local Authority Election and Presidential Election.	The action should be taken to conduct Land Kachcheri within formal legal framework.

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| <p>(b) Even though more than one year had elapsed at the end date of the year under review for 920 L.C.144 (j) formats sent to Divisional Secretariats after approving the final selection list by Provincial Land Commissioner in relation to 115 Grama Niladhari Divisions with regard to 09 Divisional Secretariat area limits for preparation of the permits for the persons in farmer class under Land Development Ordinance, no step had been taken to prepare and issue the relevant permits.</p> | <p>The permits had not been provided on various reasons.</p> | <p>The measures should be taken to immediately settle the existing issues and provide the permits without issues quickly and the formal action should be taken against the relevant parties in relation to not taking steps to efficiently provide the permits.</p> |
| <p>(c) Even though more than 01 year had elapsed at the end of year under review for 1968 L.C.144 (j) formats sent after approving the final selection list by the Provincial Land Commissioner for preparation the permits for the purchase price under Land Development ordinance in 12 Divisional Secretariat Divisions, those had been retained in the Divisional Secretariats without taking action to issue the permits for the purchase price. Similarly, it couldn't be recovered the recoverable revenue on gross assessment due to non-issuance of the permits.</p> | <p>It couldn't be provided the permits on various reasons.</p> | <p>- Do -</p> |
| <p>(d) The tax in arrears of Rs.311,642,207 had to be recovered from 12 divisional secretariat divisions as at 31 December in the year under review.</p> | <p>A part of tax in arrears had been recovered.</p> | <p>The step should be taken against the officers who had not recovered tax in timely manner and immediately recover tax in arrears.</p> |
| <p>(e) No measures had been taken to recover tax money on gross valuations in relation to 297 files forwarded to Department of Survey received the formal approval even up to the end date in the year under review with regard to 11 divisional secretariats and 97 files submitted to Department of Valuation..</p> | <p>The action is being taken to recover tax on gross valuations.</p> | <p>- Do -</p> |

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| <p>(f) Even though 01 year to 06 years had lapsed for providing 255 files on which the approval had been granted to issue permits on long-term lease basis by Provincial Land Commissioner with regard to 05 divisional secretariat division area to Land Officers for preparation the gross traces, the gross traces had not been prepared and submitted. Consequently, the process of providing the long term lease permits had delayed.</p> | <p>The action is being taken to prepare gross traces.</p> | <p>The formal action should be taken against the officers who had not efficiently carried out the process for providing the long-term lease permits after preparing gross traces and the speedy action should be taken to recover tax in arrears.</p> |
| <p>(g) Even though the approval had been given to 509 applications with regard to 04 divisional secretariat divisions for issuing the permits on long-term lease basis by Provincial Land Commissioner, a period of 01 year to 17 years had elapsed from receipt of relevant approval at the end date in the year under review. The permits had not been issued for 494 applications due to non-submission of the basic application to be forwarded by the lessees. The attention of the Divisional Secretariats had not been paid to find out whether the relevant persons are enjoying the lands without long-term permits and as a result of that, the process of tax computation had delayed and the tax revenue entitled to the Government had lost.</p> | <p>The action had been taken to send the reminders to the lessees who had not submitted the basic information and the future action will be taken after informing through Grama Niladhari.</p> | <p>The measures should be taken to promptly obtain the relevant documents from the lessees who had not submitted the applications basically and issue the permits and the steps should be taken against the officers who had not taken timely actions.</p> |

5. Human Resource Management

Audit Observation	Comments of the Accounting Officer	Recommendation
35 vacancies in the senior level, 13 vacancies in tertiary level, 77 vacancies in secondary level and 18 vacancies in the primary level had existed in District Secretariat and 22 Divisional Secretariats as at 31 December in the year under review.	As at 31 December in the year under review, the information on approved and actual cadre of this Secretariat and 22 Divisional Secretariats is accurate	The step should be taken to only fill the essential vacancies after carrying out a staff review.