

## **Head 255 – Colombo District Secretariat - 2024**

### **1. Financial Statements**

#### **1.1 Qualified Opinion**

Head 255 - The audit of the financial statements of the Colombo 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 Colombo 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 Colombo District Secretariat was issued to the Accounting Officer on 22 July 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 Colombo 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 Colombo 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 Colombo District Secretariat, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

#### **1.4 Responsibility of the Chief Accounting Officer 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 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 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 District 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) Non-Financial Assets

	Audit Observation	Comments of the Accounting Officer	Recommendation
(i)	The total capital expenses of Rs.22,809,207 as Rs.1,991,277 for the construction of the guard room of the official residence of District Secretary, Rs.162,375 for fixing CCTV cameras in District Secretary's office room premises of District Secretariat building complex and Rs.20,655,555 for other capital expenses including the partitions (Aluminum partitions ) of Dehiwela Divisional Secretariat premises had not been included under the non-financial assets in the financial statements.	After paying attention to the matters pointed out in the audit observations, it is noted to take action to consider these assets in the revaluation and account such revaluation amounts.	The capital expenses should be accounted to accurate object and said value should be included in the financial statements as non-financial assets.
(ii)	50 Sewa Piyasa/ Grama Niladhari office buildings in relation to 06 divisional Secretariats had not been valued and accounted as at 31 December 2024.	The lands and buildings which had not been accounted had been identified and it is kindly informed that the valuation related to that had been entered into CIGAS program in March 2025.	After identifying the buildings which had not been valued, it should be immediately valued and accounted.
(iii)	The value of Kollonnawa Divisional Secretariat building with an area of 13,446 square feet had not been included in the financial statements as at 31 December 2024 and an expense of Rs.12,466,438 had been incurred for 02 capital objects during the period 2021-2024 only.	It is noted to account the value of the building belonging to Kolonnawa Divisional Secretariat under non-financial assets as mentioned in the audit observations.	The measures should be taken to account the value of the building.

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| <p>(iv) The other ministry has the ownership of 05 vehicles out of 51 vehicles in the District Secretariat and though it had been mentioned that District Secretariat has ownership for 46 vehicles, a balance of Rs.180,644,288 shown in the financial statements had been identified with regard to 42 vehicles. Consequently, the values of 04 vehicles had not been entered into the financial statements.</p> | <p>The ownership of 02 vehicles obtained from the Presidential Secretariat had been taken over and the step will be taken to take over the ownership of other vehicles.</p> | <p>The step should be taken to settle the ownership of the vehicles belonging to District Secretariat and the all vehicles with ownership should be valued and included in the financial statements</p> |
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**(b) Lack of Audit Evidence**

Audit Observation	Comments of the Accounting officer	Recommendation
<p>(i) The information had not been entered enabling to precisely and separately identify the relevant transport accessories in CIGAS computer data report presented for the balance of Rs.180,644,288 in relation to 42 transport accessories in the non-financial assets of the financial statement for the year 2024. The information related to only 34 transport accessories in the information report submitted by the Accounts Division relevant to that matter and the adequate audit evidences were not available for the verification of the transport accessories balance of Rs.180,644,288 shown in the financial statements due to failure the submission of formal schedules or valuation reports for verification the values of said transport accessories.</p>	<p>At the beginning, the assets had been entered based a basic document in entering the data of CIGAS program. The basic documents related to this had been included in the relevant file.</p>	<p>The formal written evidences should be submitted for confirmation the account balances.</p>

## 2. 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) The financial statements are consistent with the preceding year,
- (b) The following recommendations made by me on the financial statements of the preceding year had been implemented.

## 3. Financial review

### 3.1 Expenditure Management

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Since only Rs.1,173,216,302 out of net provision of Rs.1,343,569,420 provided for 32 capital and recurrent objects had been utilized, the savings was Rs.170,353,118 and said savings was in a range of 8 percent to 100 percent from the net provision. The provision had been requested without an adequate consideration on the all criteria to be concerned in preparation of preliminary and supplementary estimated and applying for Financial Regulation 66/69 transfers.	The audit observation is accepted and the instructions had been provided to the officers take action as per Financial Regulations.	The measures should be taken to prepare real and accurate estimates and a formal program should be taken to fully utilize the provisions allocated.

### 3.2 Entering into Liabilities and Commitments

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Due to non-identification of the liabilities of Rs.1,413,840 in relation to 06 objects of District Secretariat, the liabilities in the year under review had been understated by same amount.	It is accepted the audit observations and the step should be taken not to occur these situations and the action will be taken to carry out administrative activities after maintaining the relevant documents F.R.214.	The measures should be taken to properly identify the liabilities and account.

### 3.3 Certifications to be carried out by the Accounting officer

Audit Observation	Comments of the Accounting officer	Recommendation
(a) In terms of the provisions of the section 38 of National Audit Act No.19 of 2018, the Chief Accounting Officer and the Accounting Officer ensure that	As per section 38 of the National Audit act No.19 of 2018, the actions are being taken and the timely information related to this	The action should be taken as per the provisions of section 38 of the National Audit

an effective internal control system for the finance control of 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. Even though such reviews should be carried out in writing and a copy of that should be submitted to the Auditor General, the statements had not been submitted to the audit that such reviews had been performed.

is discussed and reviewed and those are used in audit and management committee meetings and the monthly meetings of Divisional Secretary.

Act No.19 of 2018.

### 3.4 Non-compliance with laws, rules and regulations

Reference to laws, rules and regulations	Non-compliance	Comments of the Accounting Officer	Recommendation
(a) Sections 4.2.2,4.2.4,4.2.5,4.4.5,4.6 and 6.3 of Chapter XXIV of Establishments Code of Democratic Socialist Republic of Sri Lanka	No action had been taken to recover an outstanding loan balance of Rs.1,181,841 which had existed during 01 year to 20 years by 31 December 2024 as Rs.488,915 from 04 retired officers, Rs.86,946 from 03 officers interdicted, Rs.323,425 from 03 officers vacated the service and Rs.282,555 from 02 officers died.	An amount of Rs.1,181,841 has to be recovered from the outstanding loan balance of Rs.2,952,648 as at 31 December 2024.	The action should be taken against the officers who had not taken steps to timely recover outstanding loan balances and speedy action should be taken to recover loan balances.

(b) Financial Regulations of Democratic Socialist Republic of Sri Lanka

(i) Financial Regulation 177(2)	All money received by the Collecting Officers and their authorized agents should be remitted at the earliest possible opportunity or but not less than once every week to the Accepting Office. But there were 10 incidents in which the action had been taken not in compliance with the above provisions in Colombo Divisional Secretariat in submission of identity fees to Shroff Division of Divisional Secretariat.	The step will be taken to rectify the deficiencies pointed out by the observations and it had been informed to take action to remit such money collected in the field at the first visit to Divisional Secretariat.	As per Financial Regulations, the step should be taken to remit the money received to the Accepting office.
(ii) Financial Regulation 394(c)	Even though the value of the cheque cancelled should be credited to due account considering it as a receipt of money to the office, the value of Rs.762,288 of the cheque cancelled had been retained in general deposit account of the third parties for a period 06 months-32 months without taking action accordingly.	It is accepted the audit observations and the action will be taken to not to occur these errors.	The step should be taken as per financial Regulations and rectified.
(c) Section 13.2 of Chapter XLIII of the Establishments code (Amendment)	Even though it had been mentioned that a preliminary inquiry should be conducted within two months in relation to the accused persons in accordance with the Public Administration Circular No.30/2019 dated 30 September 2019, a period	The instructions had been given to the officers to take action as per the Financial Regulations by paying attention to the audit observations and to expeditiously carry out the preliminary inquiry.	As per the provisions of the Establishments Code and Circulars, the step should be taken to promptly carry out the preliminary inquiry.

of time 04 months-48 months had been spent for conducting a preliminary inquiry in relation to 05 accused persons of 03 Divisional Secretariats.

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| (d) | Public Administration Circular No.05/2008 dated 06 February 2008            | Even though the Citizens' and Clients' Charter had been prepared by District Secretariat and each Divisional Secretariat, adequate and written information had not been maintained that the action had been taken as per the provisions of aforesaid circular in 2024 in relation to update of services ,follow up, evaluation and improvement. | The step will be taken to monitor the citizens' charter.  | As per the circular, the activities such as formally preparation, improvement, updates of services, follow-up and evaluation of a Citizens' and Clients' Charter should be carried out.   |
| (e) | Public Administration Circular No.14/2019 dated 31 May 2019                 | 921 pension files of 03 Divisional Secretariats such as Padukka, Homagama and Kaduwela had not been amended as per circular by 31 December 2024 and the number of pension files to be amended of 10 other divisional secretariats had not been exactly identified.\   | Some files which had not been amended and amended but not salary increased can be available. In the future, the instructions had been given to keep the reports in such occasions in the future.  | As per Circular, the pension files should be amended and the action should be taken against officers who had not taken measures timely.   |
| (f) | Paragraph 06 of Public Administration Circular No.02/2019 dated 30 May 2019 | The overpayments had been made informally for 485 pensioners died as at 31 December 2024 of 12 Divisional Secretariats due to not obtaining the information about pensioners died in timely manner and not update the name register of the pensioners and an amount of Rs.46,728,917 had to be further recovered.                               | A Mobile App had been provided by Department of Pension for reporting the deaths to the District Registrars since 01 January 2025 and the overpayments are being recovered from the relevant parties and the legal action is being taken to the payments not recoverable. | The information of the pensioners died should be updated in the timely manner and the overpayments should be immediately recovered and the steps should be taken about the parties related to the overpayments after carrying out a formal inquiry. |



### 3.5 Deposit Balances

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) A balance of Rs.929,303,312 had existed in 08 general deposit accounts at the end of year under review and a deposit balance of Rs.27,954,311 exceeded two years and not settled had existed in relation to 02 general deposit accounts. Furthermore, total deposit of Rs.16,710,707 exceeded more than 05 years was within it. No formal steps had been taken to pay these deposits or credit to the government revenue.	Subsequent to the completion the relevant constructions and engineering reports and recommendations, it will be taken action to release as per F.R.571 (3).	Overdue deposit balances should be promptly settled or taken into revenue as per Financial Regulations.

## 4. Operational Review

### 4.1 Non-performing the Functions

Audit Observation	Comments Of the Accounting Officer	Recommendation
(a) A provision of Rs.56,768,678 allocated to Colombo District for 36 rural roads projects which had not entered into agreement and had not commenced the work even by September 2024 of District Secretariat and 07 Divisional Secretariats in relation to 2024 under “Rural Roads Development” Program had not been transferred to Ministry of Transport and Highways again.	The instructions had been received to transfer the provisions related to the projects on which Rural Roads Development Program had not been implemented to the Ministry of Transport and Highways and accordingly, the provision had been transferred.	The action had been taken to implement the relevant projects within the year under review as planned and the step should be taken against the officers who had not taken action formally for the utilization of provisions. ,
(b) 127 projects with regard to the approved provision of Rs.349,670,107 of 12 Divisional Secretariats related to the year under review under decentralized capital budget program had not been implemented.	Since it was an election period, the provisions had remained due to non-presence of the suppliers and bidders for the procurement activities amidst political unexpected situations.	- Do -

## 4.2 Not obtaining the Expected Outcome

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The animals and equipment with a value of Rs.1,301,750 provided to 14 members by Seethawaka Livestock Production Village under “Saubhagya Production Village” Program had been under-utilized even at the end date of the year under review. Furthermore, though it had been mentioned that 12 goats of 07 beneficiaries had died due to certain diseases, no any veterinary doctor’s report had been obtained and 07 goats provided to 04 beneficiaries had been sold and no action had been taken to recover the relevant values from such beneficiaries as per the agreement.	The action had been taken to recover from the beneficiaries with regard to 07 goats sold.	The follow-up activities should be carried out in relation to non-achievement of the expected objectives and action should be taken against the responsible persons.
(b) Even though Ella Kanda Hall which was partially completed had been renovated at a cost of Rs.1,286,159 as a training and sales exhibition Centre to the beneficiaries of Seethawaka Saubhagya livestock villages in Lahirugama Division Under Saubhagya Production Village Program, said building had not been presently utilized for the objective of completion that on failure of Seethawaka Saubhgya livestock village project.	Though this building is not used for the sales of Saubhagya livestock productions, presently, the meetings of the volunteer societies, Grama Development Societies and Funeral Aids Societies in the area are conducted in this hall. Since the areas adjacent to that community hall are vulnerable to the land slides, this building is used as a temporary safe house in such situations.	The follow-up will be carried out in relation to non-achievement of the expected objectives by the project and such projects will be converted into operational level and the objectives will be achieved. The steps should be taken against the officers who had not carried out monitoring and follow-up activities. ,
(c) 02 fish drier machines at a cost of Rs.2,500,000 provided under Moratuwa Fisheries Allied Saubhagya Production Village Program had not been utilized and it had been entered into agreement without including the important as effective conditions contained in the specimen agreement format when providing fish drier machines to the societies and essential matters. The expected benefits of this project	A request had been made to obtain one drier out of 02 from other division and the necessary action is being taken to transfer it. It is due to be used an investor in the division for other drier machine. It is due to be entered into agreement with the relevant society as per specimen agreement format introduced by Saubhagaya Bureau for the drier	- Do -

commenced with an objective of providing the technical training and knowledge required for increase of fishing harvest of the fishing community in coastal area and preparation of dried fish and maldives fish by using the extra fish caught by using technology had not been gained even by the end of year under review.

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| (d) | Even though more than 03 years had elapsed from the completion of renovation of the community hall abandoned at a cost of Rs.2,926,723 for conducting the Saubhagya societies and establishment of fish drier machines under Moratuwa fisheries allied Saubhagya Production Village Program, this building had not been utilized for the relevant objective. | In the future, it is due to be started the production process by connecting a third party and the necessary step had been taken to use for the production process after obtaining the electricity connection and starting the fish drier process. Presently, the buildings are used for the meetings of common welfare activities in Grama Niladhari Division. | - Do - |
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### 4.3 Annual Performance Report

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The progress of 06 activities of 03 divisions had been taken a different value to each other in the inspection of the overall progress submitted by the Planning Division on achievement of the activities in each division including in the Action Plan within 2024 and the progress of achievement of activities of each division mentioned in the Performance Report 2024. The progress on number of acres of establishment of durian cultivation in 2024 within Annual Performance Report had been taken a different value in each chapter. Due to this reason, it was difficult to identify the actual progress and the performance for achievement of the targets of each division including in the Action	The answers provided for the public complaints in 2024 in the Establishment Division should be rectified as progress 38. By including the Durian cultivation in extent of 1.75 acres in Aswatta Grama Niladhari Division in Seethawaka Divisional Secretariat into the overall progress, it had been mentioned as overall acres of 9.75 under expansion of Durian cultivation. Further, Durian cultivation in extent of 05 acres under winning indices of Agriculture Division had been mentioned as the target and its progress was 8 acres.	The progress of achievement of relevant activities in each division in the all reports to be submitted should be correctly mentioned and a program should be prepared for verification that reports are prepared on accurate information.

Plan of the year under review couldn't be specifically identified.

#### 4.4 Assets Management

##### (a) Partially Completed Buildings

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i) There are 19 partially completed buildings in Maharagama, Kaduwela, Kotte, Seethawaka, and Homagama Divisional Secretariat Divisions and the constructions had been started by such Divisional Secretariats for 16 buildings an approximately cost of Rs.25,933,502 had been incurred. Many buildings couldn't be completed up to the usable condition due to non-availability of the provisions and those were in partially completed condition and the opportunity had lost to utilize for an effective task.	It had been noted to be carried out future development activities by including such proposals under the development plan after identifying these projects.	The partially completed buildings should be completed up to the usable condition and the action should be taken to utilize for effective task.

##### (b) Under –Utilized Assets

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i) Even though 124 societies had been registered under “Grama Shakthi Janatha Program” with an objective of alleviating the poverty implemented in divisional secretariat divisions in 2018 and 2019 after allocating provision under Presidential Secretariat Expenditure Head, 90 societies out of that were non-operational as at 31 December 2024. The balance of Rs.32,160,134 in the bank accounts as Rs.31,882,213 of Grama Shakthi Mother Society Account related to non-operational societies on that date and Rs. 277,921 in the micro finance account had been under-utilized.	It is accepted the audit observations.	The programs should be implemented as per the circular instructions or the under-utilized money should be converted to revenue by taking formal action.

**(c) Vehicles Utilization**

<b>Audit Observation</b>	<b>Comments of the Accounting Officer</b>	<b>Recommendation</b>
(i) There were 08 vehicles which were not in running condition and referred for the renovations as at 31 December 2024 out of 51 vehicles used by District Secretariat and said vehicles had not been utilized for running for a period of 03 months to 45 months. Furthermore, the ownership of 05 vehicles had not been transferred to the name of District Secretary as at 31 December 2024 and as per the information received to the audit from the Department of Motor Traffic, 13 vehicles registered to the name of District Secretary, Colombo are not in the District Secretariat presently and the information on such vehicles had not been submitted to the audit.	The step had been taken to transfer the vehicles which had not been transferred to the District Secretariat.	The measures should be taken to duly transfer or take over the ownership of the vehicles and the renovations should be immediately carried out and utilized the vehicles. A formal inquiry should be carried out in relation to 13 vehicles which are not in the District Secretariat.
(ii) When the Mechanical Engineer had recommended on 21 September 2021 that it is economically effective to renovate a vehicle used by the District Secretariat on a technical defect occurred on 24 August 2021 after calling quotations for repairs and repaired it at a cost of Rs.497,075, it had been parked in an open place by exposing to the rain and sun unsafely more than 03 years at the end of year under review without implementing said recommendations.	A place covered from the rain had been prepared for parking this motor vehicle and other vehicles which are not in running condition and parked such vehicles.	The vehicle repairs should be promptly carried out and those vehicles should be utilized. The steps should be taken against the officers who had not taken action accordingly.
(iii) The renovations such as the cooling systems, air conditioners and break systems and painting the body of the vehicle had been carried out for a double cab of Kollonnawa Divisional Secretariat handed over	By taking into consideration the audit observations, the action will be taken to obtain the recommendations of Mechanical Engineer and obtain a report again in	A formal inquiry should be carried out in relation to taking decisions to carry out other repairs without identifying main mechanical defects and the future action should be taken.

to the District Secretariat for repairs by incurring Rs.905,480 on the recommendations of the District Procurement Committee without examining the functionality of the engine which is the main operational unit and gear system, existence and prevailing defects. Prior to lapse of one year from such renovations, this vehicle had been recommended for the disposal due to the defects prevailed in the engine and gear system of the vehicle. Therefore, the amount incurred for the repairs of the vehicle had become an idle expense.

relation to the amount to be incurred for the repairs and submit the said report to the disposal committee. After that, a committee recommendation will be obtained and taken further actions immediately.

- (iv) Even though it had been mentioned that the fuel balance in the fuel tank was between 789 -846 liters which were abnormal fuel liters in the running charts submitted for a vehicle with a fuel capacity of 55 liters in Thibirigasyaya Divisional Secretariat, the fuel had been continuously provided more than 10 months without disclosing the facts caused for that. Moreover, a payment of Rs.1,249,250 had been made on 28 December 2023 with the recommendation of the Technical Officer dated 27 December 2023 for carrying out the repairs due to emission of white smoke heavily. As per the running charts of this vehicle, this vehicle had been referred for repairs on 09 December 2023 and the vehicle had been used for running purposes again on 12 March 2024 after completion the repairs. Accordingly, the payments had been made prior to completion such repairs.

The instructions had been provided to the officers to take action without occurrence of these deficiencies again and referred to the vehicle agents as far as possible in carrying out the vehicle repairs.

The formal measures should be taken against the relevant officers in relation to issue the fuel while mentioning the balance fuel in the running charts exceeding the fuel capacity of the vehicle and make payments prior to the repairs.

- (d) A repair had been carried out at a cost of Rs.1,158,950 for a vehicle used by the District Secretariat subject to a one year warranty on 20 December 2022 and only 3,435 km had been run up to 28 July 2023 and the reasons had not been submitted for not running after that date. Further, it had been reported related to a mechanical defect on 03 March 2024 after the end of the relevant warranty period for that above repair. Accordingly, it was observed that the benefits which could have been obtained within the warranty period had lost due to not running within the warranty period properly and this vehicle had been referred for repairs without using for running since more than 20 months even by April 2025.
- It was observed that the running charts had not been written in General 268 of this vehicle properly. Therefore, the repairs had been carried out considering that this vehicle had not been run more than 20 months. The instructions had been provided to the officers to take action without occurrence these deficiencies again and maintain running charts and log books accurately.
- The action should be taken to utilize the vehicles with maximum efficiently and effectively and submit the running charts to the audit after duly completion. The steps should be taken against the officers who had not run the vehicle systematically and referred for the repairs within the warranty period.

#### 4.5 Losses and Damages

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) Even though more than 12 years had lapsed for the damage occurred by setting fire Colombo District Secretariat on 31 December 2024, the investigation had not been completed in this regard. It couldn't be recovered or written off such damages and the value of the damage was Rs.92,606,688.	Since the further investigations are being carried out as per the police investigations and opinion of the Government Analyst, the future action will be taken after obtaining the instructions from the Treasury after completion the investigations and reported to the audit.	The steps should be taken to promptly complete the investigation in relation to occurrence of fire.
(b) The overpayments had been made to 181 pensioners in relation to 13 Divisional Secretariats in Colombo District on various reasons such as overpayment of basic salary when paying pension, overpayment of gratuities, overpayments of cost of living allowance, interim allowance and subsistence allowance and	The many overpayments occurred are overpayments disclosed later as per the circulars issued in some period and those had occurred due to the reasons beyond the control of the divisional secretariats and the other overpayments are the overpayments occurred on	The overpayment pension money should be recovered immediately and the step should be taken against the responsible persons for overpayments.

overpayments not in compliance with the pension Circulars and an amount of Rs.29,752,987 had to be further recovered up to 31 December 2024 and an amount of Rs.2,458,613 had been identified as non-recoverable due to deaths or other reasons of 12 pensioners of 06 Divisional Secretariats.

the false calculations carried out by divisional secretariats.

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| (c) | <p>The first valuation of Rs.3,635,000 for the house of a person resided No.427 A, Salawa Grama Niladhari Division damaged due to sudden explosion in “Salawa” Army Camp on 05 June 2016 in Seethawaka Divisional Secretariat Division had been revised as Rs.1,500,000 by the valuation dated 23 September 2016. Such revised valuation had been received to Seethawaka Divisional Secretariat on 26 September 2016 and an amount of Rs.3,635,000 had been paid by former officers served at that time based on prior valuation. As a result of that, a sum of Rs.2,006,872 had been overpaid to the above-mentioned person. Though more than 08 years had elapsed from the occurrence of above incident by February 2025, it had been failed to recover that overpayment from the relevant person.</p> | <p>The department investigation report carried out in this regard had been submitted to the District Secretariat on 29 April 2025. In addition, a case had been filed in the District Court; Awissawella through Attorney General’s Department and the further activities of that case is being carried out presently.</p> | <p>The overpayments should be immediately recovered and the action should be taken against the responsible persons for overpayments.</p>   |
| (d) | <p>A motor vehicle belonging to the District Secretariat had met with an accident on 20 September 2024 and the estimated value of such damage had not been identified as at 31 December 2024 and it had not been mentioned as the loss under further recoverable or write-off or waive in the financial statements.</p>  | <p>It is accepted that the occurrence of preliminary inquiry was delay as mentioned by the audit observations. Presently, the preliminary inquiry related to this accident had been completed and the estimate relevant to the renovations had been referred to the insurance company.</p>                                 | <p>The inquiry should be immediately conducted in relation to the vehicle accident as per Financial Regulation and assessed and disclosed the losses and damages through the financial statements.</p> |



#### 4.6 Management Weaknesses

Audit Observation	Comments of the Accounting officer	Recommendation
(a) The ownership of the lands in which Colombo, Dehiwela, Kollonnawa, Rathmalana, Seethawaka, Moratuwa and Kesbawa Divisional Secretariats are maintained does not with such Divisional Secretariats and it couldn't be transferred the ownership of those even up to the end of year under review.	The further action related to transfer the ownership of the lands to Divisional Secretariats are being carried out and the instructions had been given to the officers to perform further action in relation to the Divisional Secretariats on which the ownership had not been transferred by paying attention to the audit observations.	The speedy action should be taken to transfer the ownership of the lands to relevant Divisional Secretariats.
(b) The rent income related to the official residencies located in Kotabodawatte in Seethawaka Divisional Secretariat Division had not been recovered since long-time and it couldn't be take action as per the court orders even at the end of year under review.	It had been informed by the Attorney General to take suitable measures to solve the issue without prejudice to the mediation conditions and even though it had been discussed with the relevant parties, the residents had stated that they do not want other alternative lands or houses. Therefore, it couldn't be reached to a concurrence. The Attorney General's Department had been made aware in this regard and it had been informed again to reconsider it. Accordingly, the further action will be taken.	The action should be taken as per the court orders.
(c) The pensions are being paid without a permanent or temporary pension file for 125 pensioners of 05 Divisional Secretariats and an amount of Rs.16,236,922 had been paid only in the year under review. Further, a sum of Rs.58,974,495 had been paid only in the year under review through the temporary pension files for 202 pensioners of 10 Divisional Secretariats. 64 files of 04 Divisional Secretariats among these temporary pension files had not	The temporary files had been prepared for 242 files and forwarded to the Department of Pension and the further actions are being taken with regard to the remaining files. However, it had been provided the instructions to obtain any document for paying pension in order to verify that these files are not fraudulent files.	The action should be taken to find out the permanent files of the pensioners who are paid pension without the pension files or the payments should be made on timely pension files under formal approval and the step should be taken against the officers who had not taken actions

been submitted to the Department of Pension for approval even up to the end of year under review.

properly.

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| (d) | Though the payment of pension of 122 pensioners of 09 Divisional Secretariats in which the life certificates had not been updated as at 30 June 2024 for the year 2024 had been suspended in July 2024, it couldn't be found the information whether these pensioners had died, left the residence, gone abroad even by 31 March 2025.   | The information of 122 pensioners suspended the pension on not providing the residence certificates related to 2024 couldn't be found even by 31.03.2025.                          | The follow-up activities of the pensioners who had not submitted the life certificates should be promptly carried out and the step should be taken to minimize the incidents where the pensions are overpaid. |
| (e) | There were 973 lots of land encroached in unauthorized manner within 13 Divisional Secretariat Divisions in Colombo District as at 31 December 2024 and 12 permits had been given only in 02 Divisional Secretariats after conducting 06 Land Kachcheries by 03 Divisional Secretariats within in the year under review. Even though there were 594 lots of land encroached in unauthorized manner as at 01 January 2024 in other 10 Divisional Secretariats, no any land lot had been regularized in the year under review. | Presently, the relevant actions are being taken to regularize in Divisional Secretariat Division level in relation to 973 unauthorized lots of land in 13 Divisional Secretariats. | The steps should be immediately taken to regularize the lands encroached in unauthorized manner or take back.   |

#### 4.7 Achievement of Sustainable Development Goals

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The progress of 203 indices had been mentioned under 12 Sustainable Development Goals in relation to 32 sectors under the performance of achievement of Sustainable Development Goals in the Annual Performance Report 2024 on achievement of Sustainable Development Goals and the progress of 11 indices had taken a value less than 50 percent and the progress of 47 indices had taken a value 50-74	The repairs of electricity systems had not been carried out in 03 Divisional Secretariats. The repair activities of Seethawaka Divisional Secretariat had been commenced and the step will be taken to repair in remaining 02 offices in the next year. Samurdhi Division - Non-availability of provisions in Department of Samurdhi Development	The action should be taken to achieve the winning indices in order to fulfill the Sustainable Development Goals for sustainable development.

<p>percent and the progress achieved of 02 indices with regard to the targets had not been mentioned.</p>	<p>Small Enterprises Division - not presenting the entrepreneurs for investments due to increase of bank interest rates</p>
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| <p>(b) Since 09 Sustainable Development Goals targets/indices mentioned in Annual Performance Report 2024 had not been included in the Action Plan 2024, there was no verification for how many targets related to that in the year 2024 and the performance for achievement such indices couldn't be measured by the audit.</p>  | <p>The instructions had been given to the officers to mention the targets enabling to measure the performance indices by paying attention to the audit observations and achieve such targets and take action to reach the targets by discussing the progress.</p> | <p>The step should be taken to mention the relevant targets in the Action Plan enabling to measure the performance indices related to the Sustainable Development Goals.</p>  |
| <p>(c) The progress of 02 targets of Sustainable Development Goals mentioned in the Annual performance Report 2024 were different to the progress indicated in other reports submitted to the audit and it couldn't be obtained an accurate verification on the information presented to the audit on the progress of achievement of Sustainable Development Goals mentioned in the Annual Performance Report 2024.</p> | <p>As pointed out by the audit observations, the action will be taken to rectify these errors in the future.</p>  | <p>The step should be taken to accurately and similarly mention the progress of achievement of Sustainable Development Goals and the action should be taken to prepare a program to verify that the accurate data and information is included into the reports.</p> |

## 5. Good Governance

### 5.1 Discharging services to Public

Audit Observation	Comments of the Accounting Officer	Recommendation
(a) The instructions had been provided to all District Secretaries by Home Affairs Accounts Circular No. 02/2018(II) dated 24 January 2020 of the Secretary of Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government for the identification of performance indices for the services with higher demand for measurement the fulfillment of those in the	It is accepted audit observations.	As per the circular, identification of performance indices and establishments and measurement of targets for the services which have higher demands and the formal steps should be taken against the parties who had not acted accordingly.

institutes where the people daily visit with the expectation of fulfilling the services frequently and the identification of performance indices, providing relevant targets and measurement the progress for the services with higher demand had not been carried out by each divisional secretariat in 2024.

## 6. Human Resource Management

Audit Observation	Comments of the Management	Recommendation
(a) The salaries and allowances of Rs.8,880,468 during 2017-2024 for 07 officers sent on compulsory leave and one officer interdicted of 04 Divisional Secretariats which do not actively contribute for the duties and the salaries and allowances of Rs.1,615,529 for 03 Grama Niladharis gone on retirement under section 2.12 of the Pensions Minute while sent on compulsory leave in relation to bribery accusations of 03 Divisional Secretariats had been paid as at 31 December 2024 and Rs.261,970 out of that amount had to be recovered from three officers to the Government.	The instructions had been given to the officers to fully recover the amount recoverable to the Government from the officers sent on compulsory leave in payment of salaries.	The step should be taken for recovery the amount due to the Government and the action should be taken as per the laws in the Establishments Code.
(b) An officer who had served in Seethawaka Divisional Secretariat had been interdicted on bribery case and the defendant had been convicted on 15 January 2019 as per the judgment in Magistrate's Court, Colombo in terms of 19(b) of the Bribery and Corruption Act and 19(c) of amended Act. After that, though an appeal had been filed in Colombo High Court by the officer, he had been convicted as per its judgment also. Even though the officer had been convicted for the all charges	It is accepted the audit observations.	The action should be taken as per the Establishments Code and prevailing rules and laws. The decision should be taken not a wrong precedent to the officers.

made against him by the judgment of Hon. Magistrate's Court and judgment of the High court in relation to the hearing of the case related to this officer and considering the provisions in the section 22 of Chapter XLVIII of the Establishments Code, he had been reinstated in the service by the District Secretariat without payment of salaries for the period time interdicted on 15 May 2024 by taking into account the nature of the gift had had obtained, no previous offences against him and subject to a interdiction more than 12 years.

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| <p>(c) Even though the transfers should be immediately granted to an every officer who had served in one service station for 05 years to provide the opportunity to work in other posts/service station, contrary to that, 55 officers exceeded more than 05 years are serving in the District Secretariat and 02 Divisional Secretariats by 31 December 2024.</p>  | <p>The instructions had been given to the officers to perform the activities by paying attention to the audit observations.</p>   | <p>After formally obtaining the information on the officers who are subject to the annual transfers, the officers should be directed to the transfers.</p> |
| <p>(d) The technical competencies which should have with the officers had not been identified with regard to 07 posts in the Human Development Plan for the year 2024 and it had been mentioned only the knowledge on software as the technical competencies which should be essentially have for performing the activities for 07 executive posts. Furthermore, the training plan had been prepared without analyzing the training requirements for further filling the competency gap with regard to each post.</p> | <p>By paying attention to the audit observations, the deficiencies in the Human Development Plan 2024 had been identified and a Human Resource Development Plan had been prepared for the year 2025 by correcting those deficiencies.</p> | <p>As per the Circulars the Human Development Plan should be prepared and the training plan should be prepared by identifying the competency gap.</p>      |

- (e) 07 subjects related other training programs planned which are often required for improvement of the capacity and motivation of the employees planned for filling the competency gap in Human Resource Development Plan 2024 had not been conducted in the year 2024. Similarly, as per the training progress 2024, no training had been conducted for the officers in office Employee Service.
- 15 training programs and 15 days induction training for Grama Niladharis recruited had been conducted in that year up to August 2024. Since 2024 was a year of elections, the training programs couldn't be conducted and the instructions had been provided to conduct the training programs in the year 2025.
- In accordance with the provisions of circular, the preparation of the training plan and implementation of such plans should be carried out in order to achieve the training requirements.