

Western Provincial Council - Year 2024

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statement of the Western Provincial Council 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, and notes to the financial statements, including material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 23(1) of the Provincial Councils Act, No. 42 of 1987. The summary report was issued on 31 July 2025 in terms of Section 23(2) of the Provincial Councils Act and Sub-section 11(1) of the National Audit Act, No. 19 of 2018, and the Detailed Annual Management Audit Report in terms of Sub-section 11 (2) of the National Audit Act, was issued on 05 August 2025 . This report will be presented to Parliament in pursuance of provisions in Article 154 (6) of the Constitution and the Sub-section 10(1) of the National Audit Act and the copy of the report is also submitted to the Governor for submission to the Provincial Council in terms of Section 23 (2) of the Provincial Council Act No. 42 of 1987.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Paragraph of this report, the financial statements of the Western Provincial Council give a true and fair view of the financial position of the Western Provincial Council as at 31 December 2024, and its financial performance for the year then ended in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Qualified Opinion

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	The non-financial assets of 09 institutions including ministries and departments, valued at Rs. 743 million, had not been accounted for in the financial statements of those institutions and accordingly the value of the non-financial assets of the Provincial Fund and the Property, Plant and Equipment Reserve Fund had been understated by that value.	Will be accounted in future.	Action should be taken to accounted.
(b)	Although 9 statutory institutions of the Provincial Council had non-financial assets value Rs. 4,482 million and fixed deposit balances of Rs. 1,026 million at the end of the year under review, those values had not been disclosed in the	Even though they are institutions of the Provincial Council, the funds are not included in the account because the Provincial Treasury does not issue a imprest.	Action should be taken to accounted.

financial statements of the Provincial Fund.

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| (c) | Although the cost of acquiring capital assets according to the fund account was Rs. 4,212 million, the value recorded as non-financial assets was Rs. 1,668 million, resulting in an under-accounting of assets of Rs. 2,544 million. | Documents containing details of all assets included under Transfer In are maintained by the relevant institutions. | Should be accounted correctly. |
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1.2.1 General observations

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	Revenue was collected under 32 revenue heads for the year under review, and as at 31 December 2024, there was a arrears of revenue Rs. 13,027 million in respect of 15 revenue heads.	After the judicial process, collection and further action should be taken to collect the arrears.	Collection of arrears of revenue should be carried out efficiently.
(b)	As at 31 December 2024, non-financial assets including lands, buildings, vehicles and office equipment held by 09 ministries and departments had not been valued and accounted.	Action will be taken it in the future	Assets should be valued and accounted.
(c)	Although the value of losses and damages of 13 institutions including ministries and departments at the end of the year under review was Rs. 136 million, Action had not been taken to recover those values in accordance with Financial Rule 54. Among these, Rs. 09 million was between 5 and 10 years old and Rs. 57 million was more than 10 years old.	Action will be taken to recover it in the future.	Actions should be taken to recover damages.
(d)	According to Financial Regulation 571, arrangements should be made to lapsed deposits that have expired more than two years, however Rs. 22 million worth of lapsed deposits were not disposed.	Those deposits continue to exist because there are projects that have not been completed.	Lapsed deposits should be disposed.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities for the financial statements are 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 Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management of the respective institutions including the Provincial Treasury is responsible for the financial reporting process of the Provincial Council.

As per Sub-section 16 (1) of the National Audit Act No. 19 of 2018, the Western Provincial Council 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 Institution.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken 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.
- Obtain 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 management regarding, significant audit findings, any significant deficiencies in internal control and other matters that I identify during my audit.

1.5 Comments on Financial Statements

1.5.1 Head 100 - Governor

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	According to the circular number PS/CSA/11-18 dated 12 October 2018, the maximum number of official vehicles allocated for the use of Provincial Governors is 02 and if required, a security vehicle. However, while 04 vehicles were provided to the former Governor and a fuel allowance was obtained for 03 vehicles including the security vehicle, the Range Rover Jeep that the Governor always uses was charged daily using the electricity of the Provincial Council building, but the fuel allowance of one vehicle had not been reduced for that. Also, instead of providing the fuel for the security vehicle to the Governor's Secretariat, an allowance was paid to the Governor for that and the fuel allowance paid was Rs. 7 million.	Fuel allowances were provided for only 03 vehicles.	Action should be taken according to the Circular.
(b)	An officer who was in active service in the Air Force had been deployed as the Private Secretary to the former Governor without being released from the Air Force and had been provided with the official vehicle No. Air-8100 by the Air Force. However, it was confirmed during the audit that he had used the supposed official vehicle to visit the Western Provincial Council during the entire period of his service as the Private Secretary to the	The Air Force-8100 vehicle is absolutely incapable of fulfilling the duties of the Private Secretary to the Hon. Governor.	Action should be taken according to the Circular.

Governor. Accordingly, while it was not possible for the same officer to make transport and fuel allowance payments from 02 institutions during the same period, an amount of Rs. 6 million had been paid as transport and fuel allowances from the Governor's Office in contravention of Section IV of the Public Administration Circular No. 05/2016 dated 09 March 2016. Furthermore, as stipulated in paragraph 2.2 of the Presidential Secretary's Circular No. PS/PSA/11-12 dated 12 October 2018, instead of the salary due to the Personal Assistant/Secretary to the Governor being paid by the Western Provincial Council, the above officer was given the opportunity to receive the salaries and allowances of a higher rank without rendering any service to the Air Force.

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| <p>(c) Rs.1.6 million had been paid as committee allowances from 2019 to December 2024 for serving as members of 04 different committees of the Governor's Office, which are held for a maximum period of 1 - 2 ½ hours per day during official duty as part of the regular duties of the officers.</p> | <p>The officers receiving the relevant allowances are officers holding various positions in the Western Provincial Public Service, and have been paid with the approval of the Governor in accordance with the provisions of Sub-section 32(3) of the Provincial Councils Act No. 42 of 1987.</p> | <p>Action should be taken according to the Circular.</p> |
| <p>(d) An area of 12,048 square feet on the 10 floor and 8 floor of the Janajaya City Building in Rajagiriya was identified for the establishment of the Governor's Secretariat and an amount of Rs. 226 million was paid for it without an agreement in 2018. Since 2019, the Public Service Commission Office and the Cooperative Employees Commission Office have been maintained under minimum facilities and Rs. 9.8 million had been paid for maintenance work for the year 2024 alone. Therefore, legal action had not been taken to recover the principal</p> | <p>The relevant steps are being taken to promptly approve the condominium plan for this building and to immediately submit the draft agreement to the Sri Jayewardenepura Kotte Municipal Commissioner, and to delegate authority to the offices currently established in the Janajaya City building to make payments for water, electricity, maintenance and common facilities.</p> | <p>Legal action should be taken to recover money or take over the property.</p> |

amount paid or to take over the property.

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| (e) | Based on the investigation report conducted under the Cooperative Societies (Amendment) Act No. 04 of 2011 and Section 47 (2) of the Cooperative Societies Act No. 03 of 1998 and other relevant matters, a sum of Rs. 494,000 had been paid to the Chairman and two members for 13 days for the Special Investigation Committee held to investigate whether irregularities had occurred in the Kalutara Distillery Cooperative Society. The attendance signatures confirming attendance for those 13 days or the details confirming the number of days attended were not submitted to the audit (to obtain statements) and only a document submitted by the Chairman of the Committee had been submitted to prove attendance. | Although no attendance register was maintained, the statements taken on all investigation dates were signed by all members, including the committee chairman, at the end of the examination to confirm that the evidence had been taken from the relevant witnesses. | As the evidence presented to verify the payments is insufficient, action should be taken to recover the payments. |
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1.5.2 Head 101 – Western Province Provincial council

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	After the dissolution of the Western Provincial Council in April 2019, the Chairman of the Provincial Council had been paid salaries and allowances from 2019 to the end of 2024, even though there were no specific duties to be performed. Similarly, in 2024, although the Chairman had attended the Council for 3 days and the Private Secretary for only 3 days, an amount of Rs. 3 million had been paid for fuel allowances. Although overtime allowances can only be obtained for work that cannot be done during normal office hours, an amount of Rs. 2 million had been paid to drivers as overtime allowance during the period from May 2019 to December 2024, when the Council was inactive.	It is beyond the powers of the Council Secretary to maintain control over the arrival and departure of political authority positions and that these allowances have been paid with the approval of the Hon. Governor.	Action should be taken according to the Circular.

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| (b) | A committee was appointed to take action on the methodological shortcomings, irregular payments and frauds pointed out in the Auditor General's reports and the officers of the committees, which met during their official hours, were paid an amount of Rs. 7.1 million as allowances from 2021 to 2024, but no steps had been taken to correct the recommendations and shortcomings pointed out in the Auditor General's reports. | The committee identifies deficiencies in the institutions and provides appropriate instructions to the institutions to correct the deficiencies, and the Governor's approval has been received for the allowances. | Action should be taken according to the Circular. |
| (c) | After the dissolution of the Provincial Council, action had not been taken to recover the amount of Rs. 214,500 paid to the former Council Secretary from 2021 to 2023, stating that he had engaged in official duties away from his office while his duties were very limited. There was no evidence of the places and duties traveled for official duties away from the office, and compound allowances had been received without maintaining monthly forward work plans or revised work plans. | Since the establishment of a provincial council, the former secretaries had received travel expenses and had not submitted monthly forward programs and revised programs. Since such shortcomings had not been pointed out in previous audits, it has not been corrected. | Action should be taken to recover the payment. |

1.5.3 Head 102 - Provincial Public Service Commission

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the physical attendance of a member of the Provincial Public Service Commission at the Commission meetings has been minimal since 2021, an amount of Rs. 2 million was paid for fuel allowances and salaries for the member's participation.	After the audit presented that fuel and telephone allowance payments have not been made since July 2023.	Action should be taken to recover the overpayment.

1.5.4 Head 103 - Co-operative Employees Commission

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to Section 1.8 of the Circular and Rules of Procedure of the Cooperative Employees Commission 2020/5, the approval of the Cooperative Employees Commission is required for	Action will be taken in the future to recover money from the parties responsible for payments made without obtaining approval or to take	Action should be taken according to the Circular.

the posts to be appointed for acting. appropriate decisions. Without approval, acting appointments were made for 09 executive posts of the Cooperative Society of East Hewagam Korala during the period 2020 - 2024 and acting allowances were paid for them. The Cooperative Employees Commission had not paid attention to the recruitment of permanent posts by inviting applications for the executive posts of the society and had not taken action to identify the acting appointments made in the societies without the approval of the Cooperative Employees Commission.

1.5.5 Head 104 - Ministry of Local Government, Economic Promotion, Power and Energy, Environment Affairs, Water Supply and Drainage and Tourism

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) During the period from 2020 to 2024, due to the dissolution of the Provincial Council, an amount of Rs. 2 million was paid to the Economic Promotion Bureau without following procurement guidelines when providing security services to the Chief Minister's official residence in the absence of a Chief Minister.	The service has been contracted with the Economic Promotion Bureau and will be procured through competitive bidding in the future.	Procurement guidelines should be followed.
(b) Although Rs. 02 million had been spent on 07 projects with an estimated cost of Rs. 07 million as of 31 December 2024, 1 ½ years had passed since the completion date of those projects. Also, even after 07 months of the year under review, those projects had not been completed.	Other projects have been completed instead of the projects, contracted contractors have not completed the projects, payment to the Water Supply Board has not been made, the approved amount is not sufficient, and the projects have been delayed due to heavy rains.	Action should be taken to complete the projects.

1.5.5.1 Economic Development Beuro

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Based on the physical stock held by the Vespro Printing Unit, which operates under the Economic Promotion Bureau, as of August 08, 2023, the warehouse ledger maintained by the institution, the job card and the purchase order summary, the audit conducted in relation to 38 printing materials, a stock shortage worth Rs. 42 million was observed. Although a report by a special committee appointed for the purpose confirmed that the total value of the shortage that had occurred in the years 2022 and 2023 alone at Vespro Printing unit was Rs. 69 million, it was not possible to identify the actual value of the shortage and the persons involved in the fraud and take legal action.	The main suspect, the former storekeeper, has been remanded in custody and investigations are underway, and the Board of Directors is scheduled to submit the case to the Chief Secretary to decide on the damages based on the recommendations of the committee.	Legal action should be taken against those involved in the fraud promptly and the institution's internal control mechanisms should be strengthened.

1.5.5.2 Western Province Tourist Board

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Etthukala Water Park project was completed at a cost of Rs. 186 million and handed over to the Tourist Board over 09 years ago, but action had not been taken to utilize it in a way that would generate income through attracting tourists. It has been 03 years since a group of people caused a loss of Rs. 3 million to the properties of Etthukala Water Park due to the unrest that occurred in the country on May 09, 2022, but necessary action had not been taken regarding the damage.	This project was built through the Western Provincial Roads Ministry at that time, and an external party was invited to bid on the operation of this water park, and a lawsuit was filed and the relevant compensation was obtained due to the breach of the agreements entered into by him. It has not been possible to obtain income due to the severe damage caused by the Easter attacks in 2019 and the turbulent situation in the country in 2022.	Action should be taken to utilize tourism attractions in a way that generates income.

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| <p>(b) An officer of the Ministry of Local Government had been given a retroactive appointment from 01.01.2022 to cover the duties of the General Manager of the Board. The post of General Manager had been established as a Middle Management (MM) post in accordance with the approved recruitment procedure of the Western Provincial Tourist Board and the Circular 2006/30 of the Department of Management Services. Accordingly, this post does not have the privileges of fuel allowance, transport allowance and telephone allowance, which are available to the post of General Manager at the Senior Executive Level (HM) level in other institutions, but with the incorrect approval of the Secretary to the Ministry, an amount of Rs. 2 million was irregularly paid to the above officer from September 2023 to March 2025 as fuel, transport and telephone allowances.</p> | <p>The Western Province, Local Government Secretary, with the approval of the Board of Directors, has granted acting appointments with retroactive effect. This situation has arisen due to factors beyond the control of this officer, who has rendered exceptional services to make the projects of the Tourism Board successful and to continue the activities of the Board.</p> | <p>Action should be taken to recover the allowances not related to the position.</p> |
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1.5.5.3 Waste Management Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Authority transports waste to the Kerawalapitiya Power Plant for the management of combustible waste and the expenditure incurred for the same in 2023 and 2024 was Rs. 74 million and Rs. 42 million respectively. However, it had failed to implement projects such as recycling of waste, biogas production, electricity generation, etc. The Authority had not been able to achieve its objective due to the failure to implement successful plans to turn waste into a resource through technological methods such as eradication of open waste disposal, composting, recycling and energy production.	It was planned to generate energy from waste, but the approval of the central government was not received. It is expected that the EOI will be called to reduce the height of the mountains piled up in the yards and resort to an environmentally friendly method of waste management, and the bidders will be selected and the garbage will be removed, and that the capacity of the compost yard will be increased based on the provisions allocated by Clean Sri Lanka.	Action should be taken to achieve the mission of the institution.

- (b) According to the statute, a Director should be full-time, but from 10 May 2024, the Director of the Authority was temporarily removed from duty subject to disciplinary investigation and the Deputy Director (Industrial, Operations and Training) was deployed to cover the duties instead. Meanwhile, without the approval of the Department of Management Services and outside the approved staff, 10 staff were deployed on contract/daily basis at the head office and 67 people were deployed for the Resource Management Centers. However, action had not been taken to approving the staff required to carry out the main objectives and functions such as marketing, information technology etc.
- Since an investigation is underway regarding the Director, a full-time recruitment cannot be made. Although recommendations were submitted to the Department of Management Services for staff development, approval has not been given.
- Approval should be obtained for recruitment to positions in the institution.

1.5.6 Head 105 - Ministry of Health, Indigenous Medicine, Social Welfare, Probation and Child Care Services, Women's Affairs and Council Affairs

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
The two drones, Agras T16 and Matric 300RTK, purchased on 18 December 2020 at a cost of Rs. 5 million, had been used only 34 times and 130 times respectively from the date of purchase until the end of the year under review, and without considering the underutilization of these two assets and without conducting a proper feasibility study on the need, 02 more drones were purchased on 31 October 2023 at a cost of Rs. 14 million. One of the drones thus purchased had been used only for 28 times by 31 December 2024, while the other drone had not been used in the year 2024. Accordingly, another wasteful expenditure of Rs. 14 million had been incurred for tasks that could have been performed by only two drones.	The need for drones does not arise constantly, but it has been used during periods of heavy rain.	Assets should be purchased considering the needs and the maximum benefits should be obtained from the purchased drones.

1.5.7 Head 106 – Ministry of Agriculture, Land, Irrigation, Fisheries, animal Production and Health and Agrarian Development

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Western Province Financial Rules 383.3 (c) Although any credit relating to the Commercial Advance Account transaction can be credited to a provincial revenue code, the balance due from the Ceylon Fertilizer Company of Rs. 24 million under the Multi-Farm Production Advance Account, which was still to be recovered as of 31 December 2023, had not been recorded as a receivable balance in the Provincial Council.	This situation has arisen since the Commercial Advance Account has been dissolved and there are no forms to show the debtor balances in the Appropriation Account. It is stated that advice will be sought in the future and included in the accounts.	It should be accounted for as a balance receivable from the Provincial Council.

1.5.8 Head 107 - Ministry of Roads, Transport, Co-operative Development and Trade, Housing and Construction, Estate Infrastructure Facilities, Industry and Rural Development

1.5.8.1 Western Province Road Passenger Transport Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) According to the approved recruitment procedure of the Road Passenger Transport Authority, the Authority did not take steps to recruit external and internal applicants who had fulfilled the relevant qualifications for the post of Driving Instructor, Junior Principal and Principal to the Central Driving Training School, but instead recruited those who did not fulfill the qualifications for these posts and paid Rs. 8 million as salaries and allowances, including Rs. 2 million for the post of Vice Principal from 01 December 2013 to 03 July 2017 and Rs. 6 million for the post of Principal from July 2017 to December 2024.	This situation has been rectified and every recruitment has been done by calling for applications through newspaper advertisements and recruitment has been done based on the necessary consultant license for consultants.	All recruitment must be carried out in accordance with the recruitment procedure.

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| (b) | During the period 2016 - 2024, it was confirmed during the audit that, instead of the road permits previously issued for buses to operate on regular bus routes in the Western Province, the Western Province Road Passenger Transport Authority issued 10 road permits to operate on the expressway without calling for tenders and 40 road permits to bus drivers without tendering for road permits for bus routes operating on the expressway. | A committee has been appointed and action will be taken to formalize these road permits based on the committee's decisions. | Permits should be issued through a tenders procedure. |
| (c) | Although the Authority is legally authorized to issue road permits for buses operating on bus routes that have destinations within the Western Provincial Council, road permits had been issued for 10 buses that had destinations outside the Western Provincial Council to the Southern Province and 02 buses that had destinations in the Northwestern Province. | Details of buses operating between two provinces have been sent to the Commission. | The National Transport Commission should issue licenses between provinces.. |
| (d) | In cases where the bus had not been operated for 01 to 03 years after being issued a road permit, the matter was investigated and, without revoking the road permit in accordance with the relevant conditions, permits were issued for the same buses to operate on other roads after a few years. | If the permit is not used within the specified period and is not renewed after it expires, it will be invalidated and an expired permit cannot be amended for other routes. | If the bus is not running, the matter should be investigated and the road permits should be cancelled according to the relevant conditions. |
| (e) | The higher management of the Authority had allowed buses that had obtained the license under the Kadawatha - Panadura (154/100) normal route outside the tender procedure to operate on special tour permits on the Kadawatha - Maharagama Expressway for over 06 years. Accordingly, a route permit on the Kadawatha - Maharagama Expressway was sold for Rs. 16 million in 2017 and the Authority had lost an income of Rs. 26 million during the period 2018-2023. Furthermore, from | The use of special tour buses has been stopped since 2023. | Action should be taken to calculate and recover arrears of income. |

August 2023, a new route was created for this bus on the expressway as route number EX 02/138 Kadawatha - Dehiwala and a new permit was issued without charging any money.

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| (f) | The revenue receivable from tendering passenger service permits from 253 bus owners who had not paid the tender permit fee in full for the period from 2014 to 2024 was Rs. 44 million as at 31 December 2024, and Out of the above receivable balance, Rs. 23 million remained uncollected from 105 bus owners for the period from 2014 to 2019, and action had not been taken to recover this amount or cancel the permits during the year under review. | Action will be taken to collect the arrears of tender income. | Arrears due should be collected without delay. |
| (g) | According to clause 4.3 included in the conditions, if the selected permit applicant refuses or defaults in paying 75% of the approved bid amount or the remaining 25% or part thereof within the period, the road permit will not be issued upon the expiry of the relevant period, and All deposits including the tender fee and application security paid so far in relation to the permit so defaulted will not be refunded, and all deposits will be taken over by the Authority, but it was not observed during the audit that this has happened. | Answers have not been submitted. | All deposits should be seized. |
| (h) | As per clause 5.1 included in the conditions, the contracted transport service must be implemented within 60 days from the date of sending a letter of offer of tender. Accordingly, the first round of offers has been made on 24 July 2024, and as of 24 September 2024, which is 60 days from the date of sending a letter of offer of tender, 12 buses have been put into operation properly, 12 buses have not been put into operation on the due date, and 03 buses have not been put into operation since 11 March 2025. | Answers have not been submitted.. | Should be deployed for operation on scheduled dates. |

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| (i) | The second round of tenders was awarded on 14 August 2024, and by 14 October 2024, 60 days after the date of sending the tender offer letter, 03 buses had been put into operation properly, while 05 buses had not been put into operation on the due date. | Answers have not been submitted. | Should be deployed for operation on scheduled dates. |
| (j) | During the examination of 43 amendments made to the road permit, the total tender value of the revised route (last tendered) was Rs. 46 million, and for 17 amendments, the tender value information was not provided to the audit. The total fee charged in relation to this amendment was Rs. 2 million, and it was observed that no fee was charged in relation to the road amendment relating to the bus bearing ND 1343. Accordingly, due to these amendments, the Road Passenger Transport Authority had lost approximately Rs. 44 million that could have been recovered. Furthermore, while identifying bus routes and amending the destinations of those routes, the necessary amendments should have been made taking into account the passenger needs, but without conducting any such study, the destinations had been changed mainly according to the requests of the bus drivers when issuing road permits. 15 such cases were confirmed in sample testing. | The committee has been appointed and that further action will be taken according to the decision of that committee. | Action should be taken according to the answers. |
| (k) | When resuming the operation of passenger service buses that have been out of service for more than 6 months and renewing the passenger service license, the Authority is required to charge a fee of Rs. 30,000 if the old bus is used for operation and a fee of | A fee of Rs. 30,000 is required to be paid to the Authority when buses that have been out of service for more than 06 months are put back into service, and a fee of Rs. 60,000 is required if the bus is | Arrears should be collected as soon as possible. |

Rs.60,000 if a new bus is used, but being modified. No passenger service permit has ever been extended or modified without charging such a fee.

- (I) During the period from 2018 to 31 December 2024, the ownership of 102 licenses was transferred to another party and the former Chairman and Deputy General Manager (Running) of the Authority had taken steps to amend the license ownership without collecting the outstanding fee of Rs. 5 million.
- At present, the collection of Arrears due title amendment fees in should be installments has been collected as suspended and action have soon as been taken to collect the title possible. amendment fee of Rs. 100,000 in one lump sum.

1.5.8.2 Road Development Authority

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	The Authority had not been able to recover Rs. 299 million due to it since 2010 in relation to the projects implemented in 09 programs conducted by the Authority.	Furthermore, action have been taken to recover the amount of Rs. 299 million that is to be recovered.	The money that needs to be recovered must be recovered without delay.
(b)	Two concrete machines purchased by the Road Development Authority at a cost of Rs. 158 million and a curb machine worth Rs. 6 million were still lying idle and unused.	These machines are to be disposed of due to the lack of significant work due to the fact that funds are only being received for road carpeting projects.	Disposal activities should be carried out by a disposal committee.
(c)	Out of the 83 machines in the custody of the Authority's Mechanical Engineering Plant, 19 machines were in need of repair and 25 machines were parked unused due to lack of work. The Asgiriya Mechanical Engineering Office has 35 officers and employees including 28 permanent employees, 07 contract employees and 2 casual employees, but since the machines and vehicles were idle, the Authority had not been able to get maximum service from those officers and employees.	52 machines have been deployed for road development activities. 19 machines are under repair and 12 machines are scheduled to be scrapped and these employees have been deployed for special project mechanical work.	Action should be made to utilize the machines and human resources to the maximum

1.5.8.3 Industrial Development Authority

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	In June and July 2024, the Authority had supplied 31,200 cans of Jack Mackerel value Rs. 19 million to three buyers at once without obtaining any security deposit or guarantee, and had received Rs. 950,000 in return and Rs. 18 million was to be received. The cheque given by one buyer had bounced, the other buyer had instructed the bank to stop paying the cheques and the remaining buyer had closed his bank account after issuing the cheques. Accordingly, it was observed that all the three buyers had deliberately committed fraud. No action was taken to investigate and take disciplinary action against the officers who had irresponsibly approved and ordered the supply of 31,200 cans of salmon at once on credit or to recover the losses incurred by the Authority or to take back the cans of salmon that had been supplied for sale.	That after obtaining the approval of the Chairman of the Industrial Development Authority to sell the products, checks have been received and security deposits have been issued in accordance with the agreements, so that they can be converted into cash within a month, based on the trust given.	Investigations should be conducted and disciplinary action should be taken immediately against the officials who gave approval and orders to provide 31,200 cans of salmon on credit.
(b)	During the period from 2022 to March 2024, Rs. 30 million for the agricultural products processing project, Rs. 105 million for the canned fish processing project and Rs. 81 million for the construction of the warehouse and office building were approved to the Industrial Development Authority through the Provincial Road Transport Ministries. By the end of March 2024, Rs. 214 million had been released. Of this, Rs. 135 million had been provided to the Authority as a loan, but the loan had not been repaid during the year under review. Although Rs. 105 million had been provided to the Authority for the canned fish processing project in 2022 and 2023, the commencement of the	The main reason for the delay in starting production was the delay in obtaining SLS. Since it was a time when deposits in the banking system were earning high interest income, the provisions related to the project were deposited in short-term fixed deposits with the aim of obtaining them based on the needs of the project with the special approval of the Hon. Governor, and interest income was also generated.	The money provided for the project must be used for that purpose and the loan should be repaid.

project activities was delayed until December 2023. Of this, Rs. 25 million had been invested in fixed deposits without being used for project activities.

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| <p>(c) The Authority had incurred a total of Rs. 2.8 million for the development of the Dalthara Timber Centre in 2013, consisting of Rs. 2.5 million and Rs. 256,857 for machinery, with the aim of generating income by performing the work of finishing the timber products of timber manufacturers. Since the date of signing the agreement, no income has been generated from this timber centre except for rental income.</p> | <p>Due to the economic crisis prevailing in the country, timber products have not been procured on the basis of paying government employees and the center is currently being maintained as a revenue generating center for the Authority.</p> | <p>The center should be maintained to achieve its intended purpose.</p> |
| <p>(d) The construction of the wastewater treatment plant, which was built at a cost of Rs. 30 million on the Walpita Fish Factory land, was completed in 2023 and the machinery and equipment were provided, but it remained unused and inactive as of May 2025. Furthermore, during the year under review, Rs. 1 million was also spent on the gully bowser service for the removal of waste from the fish factory.</p> | <p>It has been completed to be usable at this time and will be used for future production activities.</p> | <p>The sewage treatment plant should be used for production activities and the money spent on gully bowser should be stopped.</p> |
| <p>(e) While the government has delayed and suspended new construction, the total cost incurred during the period 2020-2024 for the construction of the canned fish factory building, the construction of the packaging material warehouse, the construction of a wastewater treatment plant, the laying of internal roads, the installation of a solar panel system, the construction of a vehicle yard, the construction of a boiler room, including Rs. 180 million, was Rs. 417 million.
However, due to the high production cost of the project, production without market forecasts, marketing plans, inability to sell the products, large product expirations, selling goods at</p> | <p>All the tasks are essential to make the project a success, and it is not possible to carry out any advertising activities to sell the products of these 2 projects, there are no provisions to spend for it, and it is not possible to obtain the services of a manager with high knowledge and experience in the field of marketing. Furthermore, a process has been launched to systematically recover the dues and action will be taken to recover the dues in the future based on court orders.</p> | <p>Action should be taken to maintain the Mihilak Agro-Products Processing Project and the Canned Fish Processing Project as more profitable projects.</p> |

prices below cost, and outstanding product sales debts, the project had become loss-making by the year under review, recording a loss of Rs. 51 million. Furthermore, out of the total sales of Rs. 39 million, Rs. 27 million were uncollectible or irrecoverable loan balances.

1.5.8.4 Co-operative Fund

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the cash of the Fund can be used for cooperative education, projects and publicity work, improving the management efficiency of cooperative societies, and providing assistance to cooperative societies in accordance with Section 43 (i) of the Cooperative Rules, 1973, an amount of Rs. 55 million was used for activities contrary to this during the period from 2011 to 2024.	That the financial investments of the Cooperative Fund will be made only in accordance with legal provisions.	Expenditures that are contrary to the objectives of the Fund should not be made.

1.5.8.5 Cooperative Liquidation Fund

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
During the year under review, there were 66 societies that were to be liquidated, and the liquidation of only 07 societies had been completed during the year under review. However, as at the last day of the year under review, there were 59 societies in the three districts whose liquidation had not been completed.	11 societies, including 7 societies whose closure was completed in 2024 and 4 societies whose closure was completed in February 2025, have been referred to the Government Printer for publication in the Gazette.	The remaining societies should be liquidated promptly.

1.5.9 Head 108 - Ministry of Education, Cultural and the Arts, Sports and Youth Affairs and Information Technology

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The construction of the three-storey building of the Polwatta Sports Academy	It was stated that due to the inability to purchase the	Action should be made to get the

	under the 5th phase of the project was completed on 18 September 2023 using the Ministry's provisions at a cost of Rs. 33 million and the second floor of the building was opened at an initial cost of Rs. 34,712. However, due to the inability to purchase the necessary room equipment for the provision of hostel facilities, it remained idle for almost 02 years.	equipment required for the residential facilities, there was a temporary delay and that although it was planned to purchase it in 2025, provisions have not been made.	most out of the building.
(b)	The construction of the swimming pool at the Minuwangoda Reji Ranatunga Model Primary School was entrusted to the Western Provincial Road Development Authority without a contract and the work on the project commenced on 24 August 2012. In the early stages of the project, tiles for the swimming pool were purchased and tiling was carried out at a cost of Rs. 5 million. Due to the tiles not being laid according to a prescribed plan and proper standards, the long period of time that had passed since the tiles were laid and the swimming pool was not used after the project was completed, the tiles in the pool had become damaged, broken and discoloured, and all the tiles had become completely unusable. The special committee appointed to look into the current estimates of the project and other issues and measures to be taken to carry out the future work of the swimming pool had not been able to decide on the next steps to be taken in this regard, and as at 31 December 2024, the swimming pool, which had been constructed in 5 phases at a cost of Rs. 187 million, had not been put into use even though 12 years had passed since its construction began.	Further action will be taken based on the report of the committee appointed in this regard.	Immediate action should be taken to make the swimming pool operational.
(c)	The total estimated cost of the project to complete the remaining works of the three-storey building of the W.P./Kalu/Sisuwiru Vidyalaya, which was started in the year 2023, was Rs. 215 million and the Provincial Road Development Authority had awarded the	A report has been requested from the University of Moratuwa after deficiencies in the structural design of the building's foundation were discovered during construction.	The relevant report should be obtained from the University of Moratuwa and the project should be completed.

contract to a private contracting firm for a contract value of Rs. 167 million. In the year 2024, a provision of Rs. 50 million had been approved for the completion of the remaining works of the project. The project, which was implemented by the Provincial Road Development Authority as a design and construction project, had been stopped midway due to deficiencies in the structural plans. An amount of Rs. 30 million had been paid on 18 April, 2024 for the completed works and although a year had passed since the project was started, the physical progress remained at 40%.

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| (d) | <p>The Ministry of Education had entered into a contract with the Provincial Road Development Authority for the construction of the three-storey building of the Panadura Sisuwiru Vidyalaya as Design & Build for a contract value of Rs. 27 million and only the supervision work was carried out by the Regional Engineering Bureau. The structural designs related to the above project had been carried out by the Provincial Road Development Authority from an external engineer. The construction work had been stopped due to the fact that the foundation used for the building was found to be inadequate according to the structural and architectural plans of the building and technical advice had been sought from the University of Moratuwa, which had delayed the work of the project by about 02 years. Although the construction work had been stopped due to the shortcomings observed during the supervision of the project, recommendations had been made to make payments for the first bill of Rs. 18 million and the second bill of Rs. 27 million submitted by the contractor. Accordingly, the Regional Engineer had certified the above payments when the work related to the project had not been carried out according to the prescribed standards.</p> | <p>After the Design Calculation was provided by the relevant institution, it was discovered that the foundation was inadequate when it was inspected by the head office and the construction was stopped.</p> | <p>Action should be taken to minimize the shortcomings.</p> |
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1.5.9.1 Western Province Information Technology Resources Development Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the establishment of software systems to enhance the service efficiency of the Provincial Council was identified as a key objective in accordance with the Information Technology Resources Authority Charter, during the year under review, the Authority had subcontracted all the IT services value Rs. 3.7 million that were proposed to be provided to various local government institutions and private institutions due to the lack of adequate human, physical and technical resources.	There are problems with the implementation of software solutions due to the lack of a strong financial base or sufficient staff.	Actions should be taken to achieve the basic objectives of the institution.

1.5.9.2 Western Province Aesthetic Resorts Development Authority

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The total estimate of Rs. 241 million submitted by the Provincial Road Development Authority for the renovation of the main theater, Theater Seven, which is a primary source of income for the Western Province Aesthetic Resort, was approved on 07 November 2024 under supplementary estimates. However, the Provincial Road Development Authority failed to complete the relevant procurement activities within the year under review or select a suitable contracting agency.	It is appropriate to obtain information from the Provincial Road Development Authority.	Top management should intervene to ensure that the renovation work is completed promptly.
(b) Ministry allocations of Rs. 38.8 million had been approved in 2024 for the construction of the outdoor theater of the resort, which had been implemented through the Provincial Road Development Authority, and for this, Rs. 3.7 million was paid to contracting institutions and societies under the direct contract award method and Rs. 1.6 million was directly incurred by the Provincial Road Development Authority, but the project was stopped midway and only basic construction had been carried out.	It is appropriate to obtain information from the Provincial Road Development Authority.	Top management should intervene to ensure that the renovation work is completed promptly.

1.5.10 Head 109 - Chief Secretary's Office

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	The officer who was working as the Assistant Secretary (Personnel and Training) was granted a paid leave of 02 years to go to Japan to obtain a postgraduate degree and again for 3 years to obtain a doctoral degree. However, although it had been agreed that she should serve a compulsory service period of 9 years as per the first bond, she had served only 2 years and a month, and although it had been agreed that the compulsory service period would be 10 years as per the second bond, she had gone abroad without approval. legal action had not been taken to recover the money due to the government from the officer or otherwise from the guarantors mentioned in the bond without completing the compulsory service period.	Since no final decision has been reached yet regarding the total amount to be recovered, action has not been taken so far regarding recovery from the guarantors.	The money should be recovered as per the terms of the agreement.
(b)	Although only a fuel allowance equivalent to 220 liters of fuel per month was approved for the Provincial Chief Secretary and 165 liters of fuel per month for Additional Secretaries or similar officers in terms of Public Administration Circular No. 13/2008(VI) dated 29 December 2021, and provisions were made for additional fuel by the relevant circular if the officers required it, with the approval of the Governor, the fuel limits were increased by 100 liters of fuel for the Chief Secretary and 50 liters of fuel for other officers, resulting in an additional payment of Rs. 18 million for 41 officers from 2012 to 2024.	In addition to the fuel allowance as per the Public Administration Circular, the allowance has been given for the additional fuel amount approved by the Hon. Governor.	The monthly distance travelled and the amount of fuel required should be checked and additional fuel should be approved.
(c)(i)	Although it was stated in paragraph 2.1.3 (II) of the National Budget Circular No. 01/2014 dated 01 January 2014 that the fuel allowances for government officials should be calculated based on the normal petrol and diesel prices published by the	Payments made with the approval of the Hon. Governor	Action should be taken as per the circular.

Sri Lanka Petroleum Corporation on the first day of the relevant month, 61 officials of the Provincial Council were paid an additional Rs. 10 million as fuel allowances based on super petrol and super diesel from the year 2019 to 2024.

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| (ii) | <p>In the challenging economic climate prevailing in the country, the National Budget Circular No. 01/2024 dated 10 January 2024 had been issued, emphasizing the need for frugal government expenditure and minimizing expenditure. However, the Chief Secretary of the Western Province, in his Financial Circular 04/2024, had not complied with it and, after obtaining confirmation from an acceptable methodology regarding the vehicles that were required to use Lanka Petrol 95, when calculating the fuel allowances mentioned in paragraph 2.5 of the said circular, the special approval of the Hon. Governor of the Western Province to use Lanka Petrol 95 Octane and Lanka Super Diesel for that vehicle was obtained, and the relevant officers should ensure that the same type of fuel is used for the vehicle, thus overriding the decision taken by the government, and amending the circular in a manner that would benefit the officers receiving fuel allowances from the Provincial Council.</p> | <p>After confirming the fuel to be used for the relevant vehicle from the agency, action have been taken to adjust the fuel allowances with the prior approval of the Hon. Governor in accordance with the provisions of Financial Circular No. 04/2024.</p> | <p>Action should be taken as per the circular.</p> |
| (d) | <p>An imprest of Rs. 4,490 million had been received from the General Treasury for 05 programs in the year 2024, namely Provincial Specific Development Grants, Primary Health Care System Empowerment Project, Criteria Based Grants, General Education Modernization Project and School Nutrition Program. Out of that money, an amount of Rs. 4,274 million had been released as imprest to the institutions of the Provincial Council and those institutions had returned an amount of Rs. 319 million to the fund without spending on the projects related to those programs at the end of the year. Due to</p> | <p>Answer had not been given.</p> | <p>Specific funds should be released at the required time according to the action plan, and necessary actions should be taken to utilize all the funds for the projects. .</p> |

this, there was an inactive cash balance of Rs. 535 million in the bank current accounts belonging to the Western Provincial Council Fund at the end of the year and the programs expected by the central government had not been implemented as scheduled. This money had not been used for projects in the year 2024 and had been invested in fixed deposits.

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| (e) | <p>Nearly 2500 square feet of space on the ground floor of the old Western Provincial Council building has been used for accommodation of officers of the Wespro Security Service, which cannot be used for office purposes, and no action has been taken to recover any money for the electricity, water and other facilities used by those officers. While more than Rs. 49 million is spent annually on providing security services, and although the Economic Promotion Bureau should have been given the responsibility of providing accommodation facilities for the officers engaged in those security services, due to the fact that a part of the Provincial Council building itself has been used without paying any money for several years, several offices of the Provincial Council had to be maintained around Battaramulla at a high rent.</p> | <p>Action will be taken to charge fees from officers engaged in security services in the future.</p> | <p>The ground floor should be utilized more usefully.</p> |
| (f) | <p>Although it was stated in the National Budget Circular No. 01/2024 dated 10 January 2024 addressed to the Provincial Chief Secretaries that government funds should not be used for festivals, friendly meetings, exhibitions, receptions, inaugurations, seminars, etc., except for the functions specifically mentioned in the annual estimates as national festivals, and despite the fact that there were many other development tasks that should be prioritized by the Provincial Council, an amount of Rs. 14 million was paid from</p> | <p>All activities related to that project have been carried out under the Ministry of Education head.</p> | <p>Government funds should not be misused.</p> |

the Provincial Council funds for the Mahara-Kadawata Poson Udanaya and Vesak Kalapaya without giving priority to their implementation.

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| (g) | <p>According to the letter dated 29th March 2019, dated No. PS/PCMD/SD/01/08 of the Secretary to the President addressed to the Governors of the 9 Provinces, it was informed that the recommendations of the National Salaries and Staff Commission and the Finance Commission should be taken into consideration when determining the allowances to be paid in addition to the salary to the officers engaged in the Provincial Public Service as per the orders of the Cabinet of Ministers, but without paying attention to the said instructions, a special allowance of 1/3 of the basic salary was paid to 6 officers of the Budget Division and to the Chief Secretary, Deputy Chief Secretary (Finance), Director (Budget) for regular duties performed during working hours on weekdays, an amount of Rs. 05 million over the last 5 years, and In the year 2024, 12 officers of the Personnel and Training Unit were paid an amount of Rs. 401,900 as supervisory allowances and administrative allowances for general duties, an allowance of Rs. 436,250 for the Annual Transfer Review and Appeals Committee, and an allowance of Rs. 1.4 million for the Special Committee appointed to prepare and keep the statutes up to date, in addition to their salaries.</p> | <p>Allowances have been paid with the approval of the Governor of the Western Province, as the Hon. Governor has the final authority over the trust of provincial funds in terms of Section 19(5) of the Provincial Councils Act, No. 42 of 1987.</p> | <p>Action should be taken as per the circular.</p> |
| (h) | <p>The Personnel and Training Division had entered into an agreement with Bellrantage Private Company in 2020 to prepare a management information system incorporating the information of all officers of the Provincial Council within a year. Since 2022, Rs. 280,000 each had been paid monthly to 4 individuals for consultancy and web applications. By October 2024, despite spending a huge amount of Rs. 12 million, the Provincial</p> | <p>Agree with your observation that the system has not yet been implemented and therefore has not achieved any results.</p> | <p>Action should be taken advantage of the system as soon as possible.</p> |

Council had not been able to accomplish any of the expected tasks by establishing this information system.

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| (i) | While 19 liter drinking water bottles could be purchased for Rs. 220 (including transportation) when purchasing more than 100 per month, the Chief Secretariat had taken steps to procure drinking water bottles for all offices located in the Western Provincial Council building at Rs. 384 per bottle through the Economic Development Bureau without going through a procurement process, resulting in an additional Rs. 18 million being paid to Vespro from 2021 to 2024 to procure drinking water bottles at Rs. 164 per bottle. | The procurement of water bottles was carried out by the Economic Promotion Bureau based on the approval given on 28.11.2018 for the Cabinet Memorandum dated 21.11.2018 and the procurement of drinking water bottles in the year 2025 has been carried out in accordance with the procurement procedures. | Procurement guidelines should be followed. |
| (j) | Due to the purchase by the Chief Secretariat without considering the need, 32 assets totaling Rs. 9 million remained idle and underutilized in the cafeteria for 06 years. | A disposal committee was appointed for 15 of the 32 assets listed and recommendations were obtained. The committee recommended that the relevant equipment not be disposed of and that it was decided to use the underutilized restaurant equipment for restaurant activities. | Action should be taken to utilize idle assets. |
| (k) | As of 28 April 2025, contrary to Section 192(III) of Chapter XVIII of the Western Province Public Service Procedures and Rules, 816 Development Officers between 05 and 10 years and 616 Management Service Officers, 209 Development Officers between 10 and 15 years and 287 Management Service Officers, 54 Development Officers between 15 and 20 years, 49 Management Service Officers, 16 Development Officers above 20 years and 63 Management Service Officers, 2,110 officers each remained in the same institution without being transferred. | It is expected that since it is proposed to implement annual transfers for the year 2026 in accordance with the amendment to the procedural rules, it will be possible to overcome the weaknesses that have existed so far. | Action should be taken to implement transfers. |

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| (l) | In accordance with Provincial Financial Rules 416.1 and the Procurement Guidelines of 2006, the Western Provincial Council and its affiliated institutions were provided with sanitation and security services without the relevant procurement procedures and Rs. 573 million was spent for the period from 2019 to the end of 2024. | That the action was taken in accordance with the Cabinet memorandum. | Procurement guidelines should be followed. |
| (m) | Although it is possible to provide government houses to government officials as per the provisions of Chapter XIX of the Establishment Code of the Democratic Socialist Republic of Sri Lanka, there is no possibility of paying a monthly housing allowance. However, without paying attention to this, 25 officials holding the highest positions in the Western Provincial Council for more than 05 years, without paying attention to it, had been paid an official house rental allowance of Rs. 26 million from November 2011 to the end of the year under review, stating that it was a temporary payment until the official houses were constructed. | Payment has been made with the approval of the Governor. | Proceedings should be made in accordance with the Establishments Code. |
| (n) | Although, in accordance with the Public Administration Circular No. 2016/05 dated 09 March 2016, when serving in more than one post with ownership of an official vehicle, only the fuel allowance due to the regular post should be given, and mileage allowance should be paid only for special duties performed away from the workplace for the additional post, action had not been taken to recover the amount of Rs. 125,504 paid for additional fuel for the months of December 2023 and January 2024 from the Acting Deputy Chief Secretary (Administration). | The duties of both the posts are being performed to the expected level, and the duties of both the posts are being performed as scheduled, including after the scheduled office hours and on public holidays. It has been noted that additional fuel will be provided as additional fuel for the regular post only in cases where the specified fuel quota is exceeded. | Action should be taken to recover the money. |

1.5.11 Head 110 - Engineering Organization

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Construction of the 70×25 feet three-storey building of Lenagala Junior College - Phase I, due to the construction of the building at an inappropriate location without a feasibility study, an additional cost of Rs. 2.2 million had to be incurred for additional works to be carried out as per the structural plans, and the slab portion of the first floor, which was completed in 2021, had been exposed to rainwater for almost 02 years. Although 06 years had passed since the construction of this building began, the construction was limited to only one floor.	For this project, the remaining construction work on the first and second floors has been included in the 2026 capital plan.	The remaining structures should undergo a structural inspection before construction.
(b) A sum of Rs. 17.5 million had been approved under the Provincial Development Grants for the program to upgrade the single-storey building (110*20) of the W.P./Pili/Dharmasena Attygalle Balika Vidyalaya to a three-storey building (90*25), and the signing of the agreement with a suitable community-based organization for that purpose had been delayed by 04 months, and although an advance payment of Rs. 3.9 million had been made, all the construction work of this building, for which only basic works had been carried out, had not been completed.	Answer has not been given.	The construction could be completed.
(c) Action had not been taken to acquire the 4 official residences belonging to the Western Provincial Engineering Bureau, which have been in use at the Avissawella District Hospital for a long time, and the land and building used by the Sabaragamuwa Bus Company since 1997, for the Provincial Engineering Bureau or to conduct an annual valuation and obtain rental income.	The Seethawaka Divisional Secretary has corrected the survey order regarding the transfer of the official residence to the Ministry of Health and sent it to the Survey Department, and action will be taken to carry out the necessary further work within the next month, and the Chief Regional Manager of the Sri Lanka Transport Board has	Action should be taken to obtain or collect rental income from the institution.

- submitted a request to legally transfer the ownership of this building to his company.
- (d) A provision of Rs. 38 million had been made under the 2018 Provincial Development Grant for the project to provide and install a central air conditioning system for the operating theatre and intensive care units of Ketumathi Women's Hospital, and although the supplier had notified that the project had been completed on 10 July 2020, no completion certificate had been issued. It was reported that the system was subject to frequent breakdowns due to lack of proper testing and evaluation, and by the end of 2021, Rs. 48 million had been paid to the supplier. However, 02 units related to the intensive care unit had not been operational since their establishment and the other 02 units had also been subject to periodic failures. Although the supplier had been constantly informed about the defects and repairs had been carried out, they had become temporary solutions and on 07 October 2022, as per the recommendation of the Chartered Mechanical Engineer, Condenser Unit 04 had been replaced and a new one installed as it had production defects. Due to the contractor's failure to take action, the entire system had been inactive for about a year now.
- Since there were deficiencies, a completion certificate has not been issued. The retention money of Rs. 1 million has been taken to the government income. According to the Testing & Commissioning report, the system is not 50% but 100% operational. It is said that Soft Logic was brought in, meetings were held and instructions were given to repair it and interim reports have been issued from time to time.
- Action should be taken advantage of the system as soon possible.
- (e) A provision of Rs. 2.5 million had been released for the work of the Vidyaloka Vidyalaya in the Millaniya Divisional Secretariat Division and an agreement had been signed with a contractor for Rs. 2.5 million on the basis of completion of the work by December 2024. In accordance with Section 3 of SBD-3 of the Standard Bidding Document, 6.2, to ensure that the work of the project would be completed within the stipulated time, the project was implemented without obtaining a work plan related to the
- The Ministry of Education has been informed to make payments up to the extent that the construction work of the Vidyaloka Vidyalaya studio in the Millaniya Divisional Secretariat will be carried out until 31.12.2024 and to defer the payment to the year 2025.
- Proceedings should be carried out in accordance with the Procurement Guidelines.

project. Out of the project related to Rs. 2.5 million, only Rs. 707,808 or 28 percent of the work was completed and the project was stopped on 31 December 2024.

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| (f) | The Panadura Divisional Engineering Office had signed an agreement with a contractor to complete the construction work of the Panadura Prajapati Children's Home on 21 November 2024 at a cost of Rs. 2.3 million, but had actually completed work worth only Rs. 1.2 million. Although this project was supposed to be completed on 20 December 2024, the project was stopped without completing the work. | Due to insufficient time to complete this project and the fact that the year 2025 is not continuous after 31 December 2024, only items that could be fully completed were completed and payments were made. | When starting a project, a work plan should be obtained from the contractor and a contract should be signed to ensure that the project is completed within the specified time frame. |
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1.5.12 Head 111 – Department of Revenue

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	In accordance with the Western Provincial Council Finance Act No. 6 of 1990, outstanding stamp duties and fines should be recovered for the second copies of deeds certified by attorneys, but although the Provincial Revenue Department had received information from 19 Land Registry Offices in 2024 regarding 1,049 deeds worth Rs. 3,636 million, out of which, files had not been opened and further action had not been taken regarding 637 deeds worth Rs. 3,217 million.	All offices have been informed to complete all deeds received as at 31 December 2023, by 30 May 2024.	The collection of information and taking necessary action should be expedited.
(b)	Due to the weaknesses in the control systems established by the Western Provincial Revenue Department in the collection of stamp duty for the transfer of land titles, the relevant Notary Public had taken the stamp duty of Rs. 4 million payable for the transfer of Deed No. 738 on 30 November 2017 for personal use without paying it to the Western Provincial Revenue Department. A case bearing No. 47142/5	A case has been filed at the Colombo Magistrate's Court.	Revenue should be collected.

had been filed in the Colombo Magistrate's Court to recover this amount and the fine in respect thereof, amounting to Rs. 8 million. During this period, due to the death of the relevant Notary Public, the Western Provincial Revenue Department had not been able to recover the stamp duty of Rs. 4 million due.

1.5.13 Head 112 - Department of Local Government

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	As per the verdict of the case filed by a property company regarding the land to be subdivided adjacent to the Bulathsinhala Public Stadium in violation of Section 185 of the Pradeshiya Sabha Act, the Pradeshiya Sabha had paid Rs. 7.8 million as compensation to the property company as of December 31, 2022. Although more than 05 years had passed since the conclusion of this case due to the delay in submitting the investigation reports by the Local Government Commissioner's Office regarding the officials who did not follow the formal procedures regarding the subdivision of this land, the Bulathsinhala Pradeshiya Sabha had not been able to recover the Rs. 7.8 million paid as compensation from the relevant officials.	The charge sheet of the relevant officer has been amended by the Secretary to the Ministry of Local Government, Western Province, No. CMWP/ADM23/07/22 dated 2025.06.03 and forwarded to the Assistant Commissioner of Local Government, Kalutara on 2025.06.05.	Investigations should be expedited and the relevant officers identified and sent to the council.
(b)	While the Secretary to the Ministry of Local Government was provided with an official house, arrangements had been made to use the funds of the Western Provincial Council to renovate and use the Assembly House at No. 9 B, Keppetipola Mawatha, Colombo 05, belonging to the Ministry of Public Administration. The Colombo Municipal Council had arranged for the renovation, and the contract for it had been awarded to a private company. The date of submission of the bid was mentioned as 12 September 2024, the date of the Letter	The Hon. Governor has approved the provision of Rs. 4.8 million under Head 109 for the renovation of the official residence and it is already being used as the official residence of the Secretary to the Ministry of Local Government (WP).	Provincial Council funds should be used for Provincial Council functions.

of Acceptance as 10 October 2024, and the date of the Form of Bid and the date of conclusion of the agreement as 10 December 2024, but after completing all the tasks, the project had been approved on 14 December 2024. The Local Government Department did not have the legal capacity to spend Rs. 5 million on the renovation of a house belonging to the Ministry of Public Administration, which is not owned by the Provincial Council, but had made payments to the Colombo Municipal Council informally as part of the implementation of a project.

1.5.14 Head 113 - Department of Health Services

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	Dompe District Hospital received 20 types of medicines value Rs. 1 million from 2019 to 2022, which had expired, and action had not been taken to hand over the medicines to other hospitals as required or take any other appropriate action before they expired.	The expiration dates of these medicines were entered into the data system as Non Movement Items.	It should be provided to other hospitals before it expires.
(b)	As at the last day of the year under review, 40 health institutions under the Provincial Health Services Directorate had expired medicines worth Rs. 8 million and substandard medicines worth Rs. 53 million, and proper action had not been taken regarding the loss caused to the government due to this.	This work is being carried out by the Ministry of Health, which is outside our control, and the Central Government Medical Supplies Division is being informed to dispose of substandard medicines.	Action should be taken regarding the losses incurred by the government.
(c)	There has been an unauthorized occupant in the RMO official residence belonging to the Sinharamulla Central Dispensary for over thirty years, and action have not been taken to remove that occupant and use the relevant official residence for the functions of the department.	Relevant activities are currently being carried out in accordance with the court order issued by the Mahara Magistrate's Court on 29.05.2024 under Case No. 71820/22 regarding the eviction of those who were residing illegally in the official residence.	The implementation of the court order must be checked.
(d)	The VIESMSNN type Walk in Cold room installed in October 2022 within the internal premises of the Horana	Blue Sky and Iceman Technologies (Pvt) Ltd have submitted service estimates	System maintenance should be performed promptly.

- Ballapitiya Regional Medical Supply Division had not been serviced since its installation date. Since life-saving vaccines are stored in this Walk in Cold room, it may suffer sudden breakdowns due to not performing service work on time and attention had not been paid to servicing the machine for its durability.
- for this Walk-in Cold Room system, and those estimates will be forwarded to the mechanical engineer for approval and further action will be carried out promptly.
- (e) The estimated cost of repairing the LW-1466 ambulance belonging to the Avissawella General Hospital that was involved in an accident on 12 March 2022 was Rs. 5 million, and damage investigation had not been conducted to identify the responsible parties in relation to the accident, and even by the end of the year under review, the ambulance had been parked in the garage for three years without being repaired.
- Due to the uncertainty of whether the full amount will be received, the garage has not yet carried out these repairs. The ambulance has been referred to that garage for repairs at an estimated cost of Rs. 5 million.
- It should be repaired and put to use immediately.
- (f) As of December 31, 2024, Rs. 19,985 million had been paid as salaries and allowances to 10,849 health staff employed under the Western Province Health Services Department. Out of the said salaries and allowances, Rs. 5,328 million, Rs. 2,389 million and Rs. 830 million had been paid as salaries, overtime and other allowances to 2,054 medical officers respectively. Furthermore, Rs. 2,709 million, Rs. 904 million and Rs. 656 million had been paid as salaries, overtime and other allowances to 2,632 nursing staff respectively, while Rs. 5,356 million, Rs. 1,029 million and Rs. 779 million had been paid as salaries, overtime and other allowances to 6,197 other staff respectively. However, since no health service official recorded their arrival and departure using fingerprint machines, overtime payments were made without any control, and no effort had been made to establish a shift system and control overtime payments.
- As per the General Circular No. 01-12/2016 of the Secretary to the Ministry of Health dated 30.06.2016, all medical officers are confirmed to be on duty through the duty diary. Therefore, an attendance register is not maintained for doctors. Accordingly, when paying salaries and other allowances to doctors, all payments are made after confirming from the duty diary that they were actually on duty, and for nurses and other staff, the attendance register is used to confirm that they were actually on duty and the salaries and other allowances are paid.
- Fingerprint machines should be used as per the circular.

(g)	In 2022, the Medical Supply Division provided 60 empty jumbo oxygen cylinders of 6,800 liters worth Rs. 5.2 million to the Ballapitiya Regional Medical Supply Division, which remained unused.	These cylinders are stored at the Regional Medical Supply Division as a safety stock for immediate distribution in the event of any future emergency or respiratory illness.	Stock levels should be maintained as needed.
(h)	23 vehicles worth Rs. 102 million under the Gampaha Regional Health Services Directorate and 12 vehicles of unknown value owned by the Kalutara Regional Health Services Directorate were not in running condition and were in a state of disrepair without being auctioned or repaired and put into use.	Mechanical engineering recommendations are to be obtained for several vehicles and that action will be taken in accordance with the committee's decision regarding vehicles that need to be disposed.	Arrangements should be made to auction it off or repair it and put it into use.
(i)	The existence of 87 vehicles and motorcycles registered with the Department of Motor Traffic under the name of the Department of Health Services could not be confirmed.	The answer will be presented later.	The existence of vehicles must be confirmed.

1.5.15 Head 114 – Department of Ayurveda

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	As per Section 05 of the Instructions to Employers on Advance Personal Income Tax Deductions on Employment Income SEC/2023/E/01 dated 29 March 2023, any resident or non-resident citizen who receives a salary exceeding Rs. 1.2 million or Rs. 100,000 per month for the assessment year is liable to pay advance personal income tax on employment income. However, during the sample audit, no advance personal income tax deduction had been made from 31 doctors in the Department of Ayurveda whose annual gross salary exceeds Rs. 1.2 million.	Action were taken to apply this to the salaries of doctors. However, due to some oversight, the steps were not taken, and since the annual tax information for the year 24/25 has been remitted to the Department of Inland Revenue, it is not possible to recover the tax again. In the year 25/26, the annual income calculated by tax has increased to Rs. 1,800,000.	Officials who approve, certify and recommend payments should be held accountable in this regard.
(b)	The construction of the Ayurvedic Treatment Center at Meegoda Ayurvedic Hospital, the construction of an accommodation unit for inpatients, a staff rest room and the implementation of 07	While the project work has not been completed, the first installment has been sent for measurement work for payment.	The shortcomings must be corrected and the projects completed.

infrastructure development projects at the new treatment center had been assigned to the Provincial Road Development Authority. Although the Department had paid Rs. 33 million to the Authority for these projects as at 31 December 2024, the Engineer had not ensured that the measurements and rates in the bills of quantities submitted for these payments were correct and payments had been made without the supervision of the Engineering Bureau. None of these projects had been completed by the end of the year under review.

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| <p>(c)</p> | <p>Although the primary objectives of establishing a Panchakarma Center by constructing a three-story building at the Molligoda Ayurvedic Hospital were to provide better quality treatment to foreigners and to contribute more to the prevention of diseases of the people in the Western Province by providing services on a fee-based basis, many of its sections remained idle due to the lack of any suitable promotional strategy to promote tourists to the Panchakarma Center in the Molligoda area, where tourism is prevalent, or the lack of implementation of the expected treatment methods for the local people. Although 11 years had passed since the equipment worth Rs. 2 million was supplied and installed for the center in 2013, the center remained idle.</p> | <p>It is stated that there is currently no demand from patients for this and that, in line with Sri Lankan culture, there is a reluctance to treat 5 people at a time, so the machine can currently be considered an underutilized asset. It is stated that the necessary action are being taken to open this Panchakarma center to local and foreign tourists in the future.</p> | <p>Projects should be initiated after a feasibility study, and necessary action should be taken immediately to use the equipment.</p> |
| <p>(d)</p> | <p>Furniture and equipment worth Rs. 9 million and household and office equipment worth Rs. 1 million purchased for the new Meegoda treatment center and residential units, as well as furniture and equipment provided by the Ayurvedic Hospital for this treatment center on 13 September 2024, remained idle at the end of the year under review. Official residence No. 04 belonging to the hospital and the official residence belonging to the Kesbewa Ayurvedic Hospital remained idle.</p> | <p>Since the new Meegoda treatment center has not yet been opened for treatment, all relevant goods and equipment are safe and if there are any officers in need of official housing, they will be investigated and provided for use.</p> | <p>Action should be taken to utilize idle assets.</p> |

1.5.16 Head 115 – Department of Social Services

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Of the 47 official residences owned by the Department of Social Services, 13 are unused and idle, and no appropriate action has been taken to repair and use these houses.	Priority will be given to requests from among these 13 official residences, and necessary repairs will be carried out based on existing provisions and provided to officers as requested.	Action should be taken to utilize idle assets.
(b) A land title certificate had not been obtained for the 0.3818 hectare land on which the Mith Sevana Government Specialized Child Rehabilitation Center is located, located at No. 46, Bellanthara Road, Dehiwala, which is under the control of the Department of Social Services.	That recommendation reports have been sent to the Land Commissioner to transfer the land to this department and accordingly, this land will be transferred to the department by the Land Commissioner in the future.	Action should be taken urgently to obtain the land title certificate.

1.5.17 Head 116 – Department of Probation and Child Care Services

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Although the purpose of the vocational training opportunities offered by the certified schools, as per Part VII (I) of the Certified Schools Standing Orders, is to cultivate in the children the qualities of talent and good work ethic, to instill in them the desire to work as honestly and reliably as possible so that they can obtain employment after leaving school, and to provide maximum training to a child who is too young or whose period of stay is too short to receive substantial training in any trade, or to enable him to obtain employment as an apprentice in a subordinate group, the children in the Makola Certified School were not engaged in any vocational training and training for trades such as electrician, plumber, bricklayer, etc., which had been successfully maintained in the school, had been completely stopped. Also, the machinery and buildings required for such training were lying idle.	Arrangements are being made to start courses.	Action should be taken to start the courses as soon as possible.

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| (b) | In the procurement of T-shirts and bottom pants for 2,250 children in the Western Province Institutional and Voluntary Child Development Centers at a price of Rs. 5.7 million excluding VAT to a private institution, the suppliers nominated by the Procurement Committee submitted incorrect bid documents for the purchase of equipment not related to the purchase of T-shirts, the Department had lost the opportunity to purchase goods of high quality at the best price and at a fair price in accordance with paragraph 2.5.1 (d) of the Government Procurement Guidelines, 2006. Furthermore, the quality of the T-shirts submitted by the selected supplier was of poor quality. | It is stated that this delay occurred while working to obtain T-shirt bottoms urgently due to the limited time available for procurement activities and that care will be taken to ensure that such a mistake does not occur in the future. An expert committee with good knowledge of finished garments has been appointed to check the quality and that further action will be taken according to the recommendations of the report after examining it. | Procurement guidelines should be followed. |
| (c) | The library at the Makola Certified School is unused and although the school has the necessary facilities to develop the sports skills of the children, they are not being utilized properly, resulting in the playground and sports hall built at a cost of Rs. 11 million remaining unused. Meanwhile, the three-wheeler with an estimated value of Rs. 450,000 provided to the Makola Certified School without any need remained underutilized for a period of 05 years. | It was stated that it was difficult to maintain the library activities properly due to the limited staff, that this playground is also used for sports competitions, and that the necessary action to repair this three-wheeler is currently being carried out. | Action should be made to utilize idle assets. |

1.5.18 Head 120 - Department of Animal Production and Health

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
All activities of a capital project carried out under the expenditure head 106-3-2-0-2509-13 with the revised allocation of Rs.4 million in the year 2024 with the aim of increasing the nutritional level of the animals at the Kotadeniyawa Animal Husbandry Training Center Breeding Farm and maintaining the coconut cultivation on the farm had become recurrent expenses. 77% of the total	Although efforts were made to approve the staff to operate and maintain the Kotadeniyawa Animal Husbandry Training Center, this was not achieved, so casual workers were hired and salaries were paid through projects, and in the future, efforts will be made	The funds provided should be used for those purposes..

expenditure had been used to pay salaries to casual workers due to the lack of approved staff. Furthermore, with the aim of maintaining the sales outlet to increase income through the promotion of farm products, recurrent expenses of Rs. 3 million had been incurred out of the allocation of Rs. 4.5 million allocated in the year 2024.

to hire an approved staff and obtain salary provisions for that.

1.5.19 Head 121 – Department of Motor Traffic

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) The Erl – 02 project, which was initiated to make the issuance of vehicle revenue licenses effective and efficient, was contracted with the Sri Lanka Information and Communication Technology Agency in 2021 for Rs. 106 million. As at March 2025, although Rs. 26 million of the contract amount had been paid to the above agency, the Western Provincial Council had not been able to implement this project by providing facilities to the public in a manner that suits the present. Furthermore, due to the project not being implemented jointly with other provinces, an additional amount of Rs. 4.4 million had to be incurred for the revisions to be made to the system.	Although this project was implemented in other provinces from 03 October 2023, the Western Province was not connected to this system because there were 21 technical issues to be met and several project issues remaining.	Action should be taken to achieve the desired objectives of the project..
(b) A total of 39 printers and 07 computers purchased for the Erl-2 project of the Department of Motor Vehicles remained underutilized in the institution, while 07 CPU machines and 18 printers that had been given to the Information Technology Resources Development Authority (ITRDA) for repair in the years 2023 and 2024 remained unrepaired.	Currently, arrangements have been made to use the windows where vehicle licenses are issued and to issue them temporarily until the machines at the Divisional Secretariats are repaired when they are out of order.	Assets should be utilized and repairs should be made promptly.

1.5.20 Head 122 – Department of Co-operative Development

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	24 Sanasa societies including the District Sanasa Union of Gampaha District had invested Rs. 841 million in ordinary shares and preference shares in Gampaha Development Private Limited (GDC) between 1998 and 2016 without the approval of the Cooperative Development Commissioner. In violation of Section 38 (1) of the Cooperatives Act, during the period 2011-2019, the Gampaha District Sanasa Union had given loans totaling Rs. 708 million and the Gampaha Sanasa City Bank had given loans totaling Rs. 540 million, totaling Rs. 1,248 million. The loans had been issued without obtaining legal collateral while giving the loans. Legal action had not been taken regarding the company's default in disbursing the loan amount, invested amount and interest income.	It is the responsibility of the Board of Directors to receive investment funds and interest, and they must take steps to recover the relevant funds. There are no legal provisions to recover the funds from the GDC, and the relevant societies have been informed to take steps to recover them from the responsible committee.	Legal action should be taken.
(b)	Although prior approval of the Cooperative Commissioner is required for the purchase of property in accordance with Section 33(2) (b) of the Cooperatives Act, 06 Sanasa Societies in the Gampaha District had invested Rs. 486 million in property in the Gampaha Development Private Company (GDC) during the period 2010-2019 without such prior approval. Since income had not been received by the societies for these property investments, the societies had suffered financial losses and the societies did not have any legal documents regarding these property investments. Due to the lack of formal action in this regard and the lack of cooperative regulation, the cooperative societies had suffered severe financial crises and had become inactive.	There is no legal capacity to deal with the GDC and there are no legal provisions for regulation.	Actions should be taken in accordance with the statutes.

(c)	Although a period of 2-22 years had passed since the fraud and misuse of funds amounting to Rs. 623 million committed by the officers of the societies in 28 cooperative societies in the Colombo, Gampaha and Kalutara districts during the period 2002-2022, the necessary measures had not been taken promptly and the financial losses had not been recovered.	There are cases where the relevant proceedings have been halted due to judicial proceedings.	Action should be taken to recover financial losses promptly.
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1.5.21 Head 123 – Department of Registrar Of Bussiness Names

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
Although the Department had started business name registration using the computer software system from 04 November 2022, the process of reserving desired business names and renewing business names under the online system had not been implemented for clients to connect directly through the system and receive services, make payments online, and had not been implemented. Furthermore, the Divisional Secretariats had issued new business name registration certificates through the Manual System and although computers, scanners and dongles etc. had been purchased for Rs. 2 million, only 11,583 certificates had been issued using the software.	It is stated that the relevant legal provisions have not been made at this time and that 17,903 certificates have been issued using the software since 2022.	Action should be taken to achieve the desired objectives of the project.

1.5.22 Head 126 – Department of Education

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) Under the 2016 Nearest School Best School Program, the Homagama Divisional Engineering Office had entered into an agreement with a private company on 25 November 2016 for the construction of the proposed Principal's House, Teacher's House and Principal's House of Mawathagama Junior college at a cost of	Answer had not been given.	The loss incurred by the government should be accurately assessed and recovered from the contractor.

Rs. 28 million. As per the terms of the contract agreement, the work of the said contract was to be completed within a period of 180 days from 23 May 2017, but the project had been abandoned without completion even though almost 05 years had passed since the end of the contractual period. Accordingly, the advance payment of Rs. 8.6 million paid in respect of the contract works had been wasted and only Rs. 1.1 million had been recovered from the contractor.

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| <p>(b) Although the construction of a three-storey building (110*25) at the W.P./Ho/Diddeniya Junior College was planned and commenced in 2018, only the first floor had been completed by 2024, while several works including the installation of grills on the ground floor were still pending. No funds had been requested or provided after 2019 to complete the remaining works of this building, which had cost Rs. 10 million, and construction had been halted for more than 03 years.</p> | <p>Answer had not been given.</p> | <p>Funding should be requested and work should be completed.</p> |
| <p>(c) The motor vehicle bearing the number KA-9989, manufactured in 2005 and owned by the Council Secretariat, had been given to the Western Province Ministry of Road Development and Cooperatives for use, but on 16 April 2016, its Assistant Secretary was driving the motor vehicle and it caught fire and was damaged at the Kottawa entrance of the Southern Expressway. The total loss, which was Rs. 2.7 million, had not been recovered from the Assistant Secretary who had driven the motor vehicle without permission.</p> | <p>Action will be taken to recover the money in the future.</p> | <p>Action should be taken to recover the money promptly.</p> |

2. Financial Review

2.1 Financial Result

According to the financial statements presented, there was a surplus amounting to Rs.8,942,608,702 of the Provincial Council Fund for the year ended 31 December 2024 as compared with surplus of Rs. 9,333,696,025 in the preceding year. Accordingly, in the financial result of the fund had deteriorated by Rs. 391,087,323. The reason for the deterioration was the capital expenditure compared to the previous year increased by Rs.5,315,240,980 and recurring expenditure increase by Rs. 10,126,887,451.

3 Staff Administration

3.1 Provincial Council Ministries, Departments and others

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	During the year under review, 10 development officers were employed in the Probation Department outside the approved posts and approval had not been obtained from the Department of Management Services for those officers.	That there is a surplus as the development officers recruited based on a policy decision taken in 2022 have not been added to the approved staff.	Approval should be obtained promptly.
(b)	Although 05 vocational training instructors were included in the approved staff of the Makola certified school, there was only one instructor on the regular staff, but that officer had also been removed from regular duties and deployed to perform the duties related to the currently vacant matron post. Due to this, although vocational training units existed, it had not been possible to conduct many trainings.	It was stated that due to the lack of a suitable officer to run the food warehouse due to vacancies, training was conducted using external resources.	Training should be carried out.

3.2 Local Government Institutions

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
There were 5,722 employee vacancies in local government Authorities.	The vacancy notices have been forwarded for approval by the appropriate authorities, but recruitment has not	Action should be taken to fill the vacancies promptly.

yet taken place in accordance with the decisions of the Cabinet of Ministers and circular provisions.

3.3 School staff

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a) As at 31 December 2024, the approved staff of the Western Province Education Department was 223, while the actual staff employed on that date was 194. Accordingly, a shortage of 42 officers and a surplus of 13 officers were observed. Although 68 development officers were approved in the approved staff of the department, 80 development officers were employed, and although 23 non-formal education officers were in the approved staff, not a single officer was employed.	Quarterly reports indicating surpluses and vacancies have been submitted to the Chief Secretary and the Ministry of Education.	Recruitment should be carried out promptly.
(b) Although there were 4,295 vacancies in the teaching service in the Western Province, there were teacher surpluses in some subjects when considered by subject. In accordance with Section 6.1.3 of the Ministry of Education Circular No. 06/2021 dated 28 April 2021, after the teacher balance in provincial schools at the zonal level, the remaining shortages/surpluses should be submitted to the Provincial Director of Education. Although the teacher balance in the provinces should be carried out by the Provincial Director of Education, action had not been taken accordingly. There were 546 Sinhala medium teachers, 148 Tamil medium teachers and 07 English medium teachers in the province who were redundant.	The Provincial Education Secretary and the Provincial Public Service Commission have been informed in this regard.	Action must be taken to correct deficiencies and excesses.
(c) Although in accordance with the circular No. බප/අප්‍ර071/ව.ස.මාරු/2023 dated 04 August 2023, teachers who have served in the same school for more than 10 years should be transferred, as at 31 December 2024, the date of the audit, 357 teachers in 81 schools belonging to the Homagama Zonal Office and	Teachers who are over the age of 55, who cannot be released without a successor, and who are not transferred due to appeals, are not being	Action should be taken to implement transfers.

5 principals in 5 schools and 247 teachers and transferred.
8 principals in 63 schools belonging to the
Piliyandala Zonal Office had served in the
same school for more than 10 years.

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| <p>(d) Although, in accordance with Sub-section 11.2.3 of Section 11 of Chapter 11 of the Establishment Code relating to the Procedures for Recruitment and Appointments to the Service of the Democratic Socialist Republic of Sri Lanka, the Head of Department should ensure that upon the expiry of the probationary period of an officer on probation, he or she is confirmed in the service, or his or her probationary period is extended, or the probationary appointment is terminated, such action had not been taken in the case of 462 teachers in 10 Zonal Education Offices located in the Western Province.</p> | <p>It is acknowledged that the permanent employment, extension of probationary appointments and with the termination of appointments of 462 people have not been carried out.</p> <p>Actions should be taken in accordance with the Establishment Code.</p> |
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3.4 Health staff

	Audit Observation	Comments of the Chief Accounting Officer	Recommendation
(a)	There is no specific transfer policy for nursing officers and appeals have been submitted to the Provincial Public Service Commission for other staff. 1,638 nursing officers, 577 junior health staff officers and 27 drivers in the hospitals and medical officer of health offices under the Department of Health have been serving in the same place continuously for more than 10 years. 53 officers holding various positions in the Gampaha Regional Health Services Directorate, 13 officers from the Ministry of Health staff, 42 officers from the Probation Department staff, 37 officers from the Social Services Department staff, and 253 officers from the Ayurveda Department staff had been serving in the same place continuously for more than 05 years without being transferred.	There is no specific transfer policy for nursing officers and appeals have been submitted to the Provincial Public Service Commission for other staff.	Action should be taken to implement transfers.

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| <p>(b) There had been a delay in the repair work of existing biomedical equipment in hospitals in the Colombo District due to the vacancies in the posts of Electronic Engineer and Technical Officer (Mechanical) in the Colombo Biomedical Engineering Unit.</p> | <p>Arrangements have been made to obtain approved staff for the Medical Engineering Unit.</p> | <p>Vacancies should be filled and repairs should be carried out urgently.</p> |
| <p>(c) Although one medical officer and one nursing officer should be assigned to primary health care centers, out of the 45 primary health care centers in the Gampaha District, medical officers had not been assigned to 03 centers and nursing officers had not been assigned to 12 centers.</p> | <p>The last update was in 2007. The number of approved, registered and nursing officers belonging to the Gampaha Regional Health Services Office is 42, 47 and 11 respectively.</p> | <p>Officers should be assigned immediately.</p> |

4. Accountability and Good Governance

4.1 Planning

4.1.1 Action Plan

Audit Observation	Comments of the Chief Accounting Officer	Recommendation
According to the Public Finance Circular No. 02/2020 dated 28 August 2020, each institution must prepare an annual action plan to implement the approved budget estimates for each year for its institution. Although the annual action plan for the upcoming year should be prepared before 31 December of the current year, the Department of Ayurveda, Ministry of Local Government, Chief Secretariat, Department of Local Government had not prepared the action plan for the year 2024 on the due date. The Chief Secretariat, Department of Local Government, Department of Revenue had not prepared the approved budget based on the priorities as per paragraph 3 and guideline No. 12 of Public Finance Circular 2/2020.	The plan for the year 2025 has been prepared in accordance with the circular.	Action should be taken as per the circular.